

**SPANISH SPEAKING UNITY COUNCIL OF
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

(A California Not-for-Profit Corporation)

CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

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Independent Auditors' Report

The Board of Directors
Spanish Speaking Unity Council
of Alameda County, Inc.

We have audited the accompanying consolidated statement of financial position of the Spanish Speaking Unity Council of Alameda County, Inc. (Unity Council) and Subsidiaries as of September 30, 2008 and September 30, 2007, and the related cash flows for the years then ended and the consolidated statements of activities for the year ended September 30, 2008. These consolidated financial statements are the responsibility of the management of Unity Council. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative totals on the consolidated statements of activities have been derived from the Unity Council's 2007 financial statements and, in our report dated January 2, 2008, we expressed a qualified opinion.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Unity Council's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As more fully described in Note 2 to the financial statements, the Unity Council records deposits on a specific real estate transaction as revenue on the cash received basis. In our opinion, such deposits should be recorded as a liability until the real estate transaction is completed to conform with accounting principles generally accepted in the United States of America. If those revenues had been recorded in conformity with U.S. generally accepted accounting principles, liabilities would have been increased by \$750,000 and \$300,000 while unrestricted fund balance would have been decreased by \$750,000 and \$300,000 as of September 30, 2008 and 2007, respectively. The contract and program revenues and the change in net assets for the year ended September 30, 2008 and 2007 would have been decreased by \$450,000 and \$300,000 respectively.

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Spanish Speaking Unity Council of Alameda County, Inc. (Unity Council) and Subsidiaries as of September 30, 2008 and September 30, 2007, and cash flows for the years then ended and changes in its net assets for the year ended September 30, 2008 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated January 12, 2009 on our consideration of the Unity Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental data included in the report and the accompanying schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, are presented for the purpose of additional analysis and are 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.

RINA accountancy corporation

Certified Public Accountants

Oakland, California
January 12, 2009

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SEPTEMBER 30, 2008
(With comparative totals at September 30, 2007)**

	2008	2007
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 1,179,478	\$ 1,568,952
Accounts and grants receivable	1,750,926	1,364,898
Deposits	73,443	74,124
Prepaid expenses	108,293	89,925
Total current assets	3,112,140	3,097,899
Noncurrent assets:		
Note receivable - Fruitvale Development Corp	2,159,402	1,879,490
Investment in Casa de las Flores	148,776	148,781
Investment in Fruitvale Village Phase II	813,091	813,091
Restricted cash deposits and reserve for replacements	619,787	674,761
Total noncurrent assets	3,741,056	3,516,123
Total property, plant and equipment (net)	8,824,315	8,516,961
Preconstruction costs for Cultural and Performing Arts Center	358,062	120,000
TOTAL ASSETS	\$ 16,035,572	\$ 15,250,983
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable and other accrued expenses	\$ 373,729	\$ 207,705
Accrued payroll and benefits expense	645,552	555,893
Deferred revenue	511,155	532,688
Deposits payable	56,010	55,628
Mortgages payable- current portion	943,241	183,882
Total current liabilities	2,529,687	1,535,796
Long-term liabilities:		
Accrued interest payable	524,298	478,270
Mortgages payable	3,903,683	4,400,542
Total long-term liabilities	4,427,981	4,878,812
Total liabilities	6,957,668	6,414,608
Net assets:		
Unrestricted	3,198,345	3,239,491
Unrestricted - designated for noncurrent assets	3,592,280	3,367,342
Unrestricted - designated for NeighborWorks America grants	79,231	3,897
Temporarily restricted	934,528	1,030,645
Permanently restricted - NeighborWorks America capital grants	1,273,520	1,195,000
Total net assets	9,077,904	8,836,375
TOTAL LIABILITIES AND NET ASSETS	\$ 16,035,572	\$ 15,250,983

See notes to the consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2008

(With comparative totals for the year ended September 30, 2007)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2008	2007
SUPPORT AND REVENUES:					
Private support and revenues:					
Donations:					
Corporations and businesses	\$ 147,450	\$ 496,500	\$ -	\$ 643,950	\$ 583,000
Individuals and other	12,507	-	-	12,507	5,516
Total donations	159,957	496,500	-	656,457	588,516
Agencies and intermediaries	576,466	127,000	78,520	781,986	512,370
Foundations	480,500	111,000	-	591,500	510,000
Contract and program revenues	1,817,679	-	-	1,817,679	2,392,868
Rental	2,335,895	-	-	2,335,895	2,207,344
Interest from investments	109,464	-	-	109,464	110,718
Fundraising event	104,325	-	-	104,325	138,358
Miscellaneous	17,996	-	-	17,996	25,931
Total private support and revenues	5,602,282	734,500	78,520	6,415,302	6,486,105
Government support and revenues	6,045,617	-	-	6,045,617	5,641,864
Net assets released from restrictions:					
Satisfaction of program restrictions	830,617	(830,617)	-	-	-
Total support and revenues	12,478,516	(96,117)	78,520	12,460,919	12,127,969
EXPENSES:					
Mission support	1,170,664	-	-	1,170,664	1,370,686
Fundraising event	5,332	-	-	5,332	48,016
Real estate development and management	3,107,784	-	-	3,107,784	3,020,911
Community and family asset development	2,617,628	-	-	2,617,628	2,859,541
Child development	5,317,982	-	-	5,317,982	5,000,425
Total expenses	12,219,390	-	-	12,219,390	12,299,579
CHANGE IN NET ASSETS	259,126	(96,117)	78,520	241,529	(171,610)
NET ASSETS, beginning of year	6,610,730	1,030,645	1,195,000	8,836,375	9,007,985
NET ASSETS, end of year	\$ 6,869,856	\$ 934,528	\$ 1,273,520	\$ 9,077,904	\$ 8,836,375

See notes to the consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CASH FLOWS

**YEAR ENDED SEPTEMBER 30, 2008
(With comparative totals at September 30, 2007)**

	Totals	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets (Exhibit B)	\$ 241,529	\$ (171,610)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	399,853	434,119
Accrued interest on Fruitvale Development Corporation advance	(84,249)	(74,603)
Deferred interest on long-term mortgage	46,028	47,456
(Increase)/decrease in:		
Accounts and grants receivable	(386,028)	258,932
Deposits	681	35,703
Prepaid expenses	(18,368)	122,549
Increase/(decrease) in:		
Accounts payable	166,024	(216,248)
Accrued payroll and benefits	89,659	26,481
Deferred revenue	(21,533)	16,579
Deposits payable	382	8,698
	433,978	488,056
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Advance to Fruitvale Development Corporation	(195,663)	(30,000)
Investment in Casa de Las Flores	5	7
Decrease (increase) in restricted cash deposits	54,974	(71,590)
Reduction of Investment in Phase II (reduced basis)	-	161,909
Purchase of property, plant and equipment	(660,275)	(71,682)
Construction in Progress	(46,931)	(131,590)
Preconstruction costs for Cultural and Performing Arts Center	(238,062)	(120,000)
	(1,085,952)	(262,946)
NET CASH USED BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgages payable	(202,202)	(174,977)
Proceeds from Northern California Community Loan Fund	-	500,000
Proceeds from Raza Development Fund	300,000	-
Proceeds from City of Oakland (Posada de Colores elevator)	164,702	-
	262,500	325,023
NET CASH PROVIDED BY FINANCING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(389,474)	550,133
CASH AND CASH EQUIVALENTS, beginning of year	1,568,952	1,018,819
CASH AND CASH EQUIVALENTS, end of year	\$ 1,179,478	\$ 1,568,952
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ 225,852	\$ 225,869

See notes to the consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – SEPTEMBER 30, 2008

Note 1. FINANCIAL REPORTING ENTITY:

Organization and consolidated entities:

Spanish Speaking Unity Council of Alameda County, Inc. (Unity Council) was organized in 1964 and has provided 44 years of leadership in community advocacy, social service delivery, and economic development aimed at enriching the quality of life of families and children in the Fruitvale neighborhood, the City of Oakland and Alameda County. The Unity Council promotes minority leadership, and the enhancement of social and economic opportunities for immigrants and people of low income in the community.

Capital Development Group, Inc (CDG) is a wholly owned subsidiary of the Unity Council. It is a privately owned corporation incorporated in 1982 in the State of California. The Unity Council is the sole stockholder of CDG. After the restructuring of Casa de las Flores, CDG has been a dormant corporation since 2003.

Posada de Colores is a 100-unit U.S. Department of Housing and Urban Development (HUD) apartment complex located in Oakland, California, and is wholly owned by the Unity Council.

Las Bougainvilleas Senior Housing, Inc. (Las Bougainvilleas) is a nonprofit public benefit corporation formed and controlled by the Unity Council. Las Bougainvilleas is consolidated in these financial statements since a majority of the board of directors sit on the board of directors of the Unity Council. It was funded under a HUD Section 202 Elderly Housing Capital Advance Grant in the amount of \$5.8 million and a 40-year deferred loan of \$803,000 from the City of Oakland. Las Bougainvilleas is a 68-unit HUD apartment complex located in Oakland, California.

Peralta Service Corporation is a nonprofit corporation, wholly owned subsidiary of the Unity Council formed to provide employment training and opportunities for low income and disadvantaged individuals.

Related entities not consolidated with organization:

Casa de las Flores (CDLF) is a California limited partnership in which the Unity Council serves as the general partner. CDLF serves as a co-general partner in Casa Velasco Associates, a California limited partnership. The purpose of the partnership is to provide low-income housing to elderly and disabled persons. The Unity Council's investment in CDLF consists of \$148,776 and \$148,781 as of September 30, 2008 and 2007, respectively. The initial equity in CDLF came from the conversion of a \$150,000 payable CDLF owed to the Unity Council to an equity interest in CDLF and syndication costs and losses from CDLF's investment in Casa Velasco Associates. The \$150,000 payable was created when the Unity Council used \$150,000 in grant funds received from NeighborWorks America to finance certain improvements to assets owned by CDLF.

Casitas of Hayward, Inc. (COH) is a non-profit support corporation formed and controlled by the Unity Council. There are no operations of COH reported in the consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – SEPTEMBER 30, 2008

Note 1. FINANCIAL REPORTING ENTITY (Continued):

Related entities not consolidated with organization (Continued):

Fruitvale Development Corporation, Inc. (FDC) is a nonprofit public benefit corporation formed in 1997 by the Unity Council. A majority of the FDC board of directors sits on the board of directors of the Unity Council. In accordance with American Institute of Certified Public Accountants (AICPA) Statement of Position 94-3, FDC is not consolidated into the Unity Council's financial statements. Although the Unity Council has control over FDC, it does not have an "economic interest" as defined in Statement of Position 94-3. (See Note 12)

Summarized audited financial data of FDC as of and for the fiscal year ended September 30, 2008 is as follows:

Total assets	\$ 55,804,126
Total liabilities	<u>26,919,188</u>
 Total net assets	 <u>\$ 28,884,939</u>
 Total revenue	 \$ 3,979,376
Total expenses	<u>5,343,214</u>
 Change in net assets	 <u>\$ (1,363,837)</u>

Note 2. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Consolidation:

The accompanying consolidated financial statements include the accounts of the Unity Council, Peralta Services Corporation, Posada de Colores and Las Bougainvilles. Inter-entity transactions and balances have been eliminated in consolidation.

Basis of presentation:

The Unity Council presents its financial statements in accordance with the Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made* (SFAS No. 116). In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

The Unity Council also adopted Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations* (SFAS No. 117). Under SFAS No. 117, an Organization is required to report 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. Accordingly, net assets of the Unity Council and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed and grantor-imposed stipulations that may or will be met, either by actions of the Unity Council and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – SEPTEMBER 30, 2008

**Note 2. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued):**

Basis of presentation (continued):

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that must be maintained permanently by the Unity Council. Generally, the donors of these assets permit the Unity Council to use all or part of the income earned on any related investments for general or specific purposes. All permanently restricted net assets of the Unity Council derive from capital grants from NeighborWorks America.

Revenue recognition:

Support and revenues from donations without donor-imposed restrictions are reported as unrestricted support in the period received. Support and revenues from donations with donor-imposed restrictions are reported as temporarily restricted support in the period received.

Government and local grants and contracts are recognized as revenue to the extent of qualifying expenditures being incurred. Amounts received prior to incurring qualifying expenses are classified in the financial statements as deferred revenue. In addition, government and local grants and contracts with donor-imposed restrictions whose restrictions are met in the same year are reported initially as temporarily restricted, and then the net assets are released from restriction and recorded as unrestricted revenues.

Contributions of long-lived assets without stipulations that limit the use of the donated asset are reported as unrestricted support. Contributions of long-lived assets with stipulations that limit the use of the donated assets are reported as temporarily restricted. When a donor restriction expires, a stipulated time restriction ends or the restricted purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Property and equipment, which are donated or acquired with resources restricted for such acquisition (capital grants), excluding NeighborWorks America capital grants, which are permanently restricted, are considered to be unrestricted when placed into service.

Payments received relating to the Fruitvale Village Phase II real estate project are recorded as revenue on a cash received basis, based on contractual agreements among the Unity Council, BART and a private developer. The payments are not refundable except in limited circumstances. The contractual agreements connected with this payment are structured so that the Unity Council can assign Fruitvale Village Phase II land purchase rights to the private developer. All Unity Council consideration in the land transaction relates to credits offered to the Unity Council by BART due to the Unity Council's funding BART commuter parking at the Fruitvale BART Station. Because the Unity Council's consideration derives from BART credits and not from underlying land value, the Unity Council views this and future contractual payments related to Fruitvale Phase II as compensation for services, and reports the revenue currently.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – SEPTEMBER 30, 2008

Note 2. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued):

Revenue recognition (continued):

RINA accountancy corporation (RINA) has reviewed the contracts and views two payments in the current fiscal year, and an additional payment from the previous fiscal year, as deposits that should be reported as Unity Council liabilities, as noted in RINA's report on pages 2 – 3 of this audited financial statement. The disagreement between the Unity Council and RINA about the treatment of these transactions is not so severe that the Unity Council finds it necessary to dismiss RINA and engage different auditor to review its financial statements, nor is the disagreement so severe that RINA has found it necessary to withdraw from the engagement. Rather, RINA disagrees with the Unity Council's reporting of certain transactions related to the BART and private developer contracts, among the numerous transactions and dozens of contracts it has reviewed during this engagement, and regarding which it has no disagreement with the Unity Council's reporting.

Cash and investments:

The Unity Council considers all cash accounts with an initial maturity of three months or less to be cash and cash equivalents for purposes of the statement of cash flows, except for legally restricted amounts for reserve for replacements and tenant security deposits for Posada de Colores and Las Bougainvilleas. In response to the NeighborWorks America (NWA) guidelines, the Unity Council has established cash management policies, which established sweep accounts, and have deposited NWA capital funds to separate financial institutions.

Accounts receivable:

Uncollectible tenant accounts receivable are expensed using the direct write-off method.

Investment in Fruitvale Village Phase II:

In 2004, Unity Council obtained a loan for \$975,000 from a financial institution. Proceeds of the loan were paid to San Francisco Bay Area Rapid Transit District (BART) to fund the construction of the Fruitvale BART Station parking structure. In return, Unity Council was given certain future rights to the land and use of parking lot for Fruitvale Village Phase II. In 2007 BART returned to Unity Council \$161,909 reducing the cost basis of the investment to \$813,091.

The terms of BART's consideration for this investment are determined based on when a land transaction is executed between BART and the Unity Council for Phase II. Prior to the execution of a land transaction, the Unity Council is authorized by BART to operate the Phase II land as a paid parking lot, as a means of servicing the \$975,000 mortgage. In January 2005, a paid parking program was initiated on the Phase II land site. In June 2007, the Unity Council and BART reached a binding Option Agreement for the disposition of Phase II. The Unity Council expects to retire the \$975,000 mortgage in connection with a Phase II land transaction with BART.

Prior year information:

The financial statements include certain prior-year summarized comparative information in totals but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended September 30, 2007, from which the summarized information was derived.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – SEPTEMBER 30, 2008

**Note 2. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued):**

Property and equipment:

Land, buildings, building and leasehold improvements, furniture and equipment are recorded at cost or, if donated, at the estimated fair market value at the time of donation. With the exception of land, depreciation is recorded on the straight-line method over the estimated useful lives of the assets.

The estimated useful lives are as follows:

Buildings	30 – 40 years
Building improvements	10 – 15 years
Furniture and equipment	5 – 10 years

The Unity Council's policy is to capitalize fixed assets costing in excess of \$5,000 with an estimated useful life of greater than one year.

FASB Interpretation No. 47, Accounting for Conditional Asset Retirement Obligations ("FIN 47"), provides interpretative guidance for Statement of Financial Accounting Standards No. 143, Accounting for Asset Retirement Obligations ("SFAS 143"). FIN 47 became effective for the fiscal years ending after December 15, 2005. SFAS 143 and FIN 47 require recording of an asset and related liability for costs associated with the retirement of long-lived tangible assets when an unconditional legal obligation to perform a retirement activity exists. The Unity Council is not aware of any specific unconditional legal obligations which, individually or in the aggregate, are material to the Unity Council's financial position.

Restricted cash deposits:

Restricted cash deposits represent the reserve for replacements and residual receipts accounts of Posada de Colores and Las Bougainvilleas. These accounts are maintained in money market passbook accounts or certificates of deposit and require approval from HUD to release the funds. A designation of restricted net assets has been recorded for deposits made in Posada de Colores and Las Bougainvilleas accounts in the consolidated financial statements.

Deposits:

Deposits in the consolidated financial statements represent utility deposits and tenant security deposits for Posada de Colores and Las Bougainvilleas that are held in trust by the management agent and restricted in use to payment of tenant damages, payment of delinquent rents, or refunds to tenants upon their leaving the projects.

Income taxes:

The Unity Council, Las Bougainvilleas, Peralta Service Corporation, and Casitas of Hayward are tax-exempt corporations under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Taxation Code. CDG is a corporation subject to federal and state income taxes on its taxable income. CDLF is a partnership. Income tax on the income from CDLF is the responsibility of the partners.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – SEPTEMBER 30, 2008

Note 3. NATURE OF ESTIMATES:

Preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and certain footnote disclosures. The actual results could differ from those estimates.

Note 4. ACCOUNTS AND GRANTS/CONTRACTS RECEIVABLE:

Receivables as of September 30, 2008 consisted of the following:

	<u>Accounts</u>	<u>Grants/ Contracts</u>	<u>Total</u>
<u>Mission Support</u>			
E & W Haas, Jr. Fund	\$ 0	\$ 250,000	\$ 250,000
Casa Velasco	112,709	0	112,709
Fundraising event	20,075	0	20,075
Grants & Other Receivables <\$10K	6,408	3,333	9,741
<u>Real Estate Development & Management</u>			
Signature Property Inc.	150,000	0	150,000
CRC/SF Foundation	0	50,000	50,000
Casitas of Hayward	47,500	0	47,500
City of Oakland - CDBG	0	29,672	29,672
Ampco System Parking	20,536	0	20,536
Wells Fargo Bank	0	20,000	20,000
CCHE- CPAC	0	20,000	20,000
Union Bank	0	15,000	15,000
<u>Community & Family Asset Development</u>			
BAWFC/SF Foundation	0	157,500	157,500
PIC - One Stop Center	0	42,582	42,582
Trade Receivable - Peralta Service Corp.	37,478	0	37,478
City of Oakland - Senior Center	0	38,739	38,739
HUD Social Services - Senior Housing	34,741	0	34,741
Public Market Tenant Rent	29,031	0	29,031
Federal Home Loan Bank/MIO	0	25,000	25,000
NCLR - AmeriCorps	0	19,193	19,193
EDD	0	16,818	16,818
CCH	16,180	0	16,180
Union Bank	0	15,000	15,000
City of Oakland - OFCY	0	14,932	14,932
City of Oakland - CDBG	0	14,197	14,197
Grants & Other Receivables <\$10K	17,831	26,269	44,100
<u>Child Development</u>			
City of Oakland - EHS	0	209,926	209,926
City of Oakland - HS	0	192,738	192,738
Calif. Dept. of Education	0	45,015	45,015
City of Oakland - Pre-K Family Literacy	0	32,426	32,426
Children Hospital & Research Center	<u>0</u>	<u>20,097</u>	<u>20,097</u>
TOTAL	<u>\$ 492,489</u>	<u>\$ 1,258,437</u>	<u>\$ 1,750,926</u>

SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2008

NOTE 5. PROPERTY, PLANT AND EQUIPMENT:

	Cost			Accumulated Depreciation			Net Book Value		
	Beginning Balance	Additions	Disposal	Ending Balance	Beginning Balance	Additions		Adjustment	Ending Balance
General									
Land	\$ 37,000	\$ -	\$ -	\$ 37,000	\$ -	\$ -	\$ -	\$ -	\$ 37,000
Furniture	241,211	-	-	241,211	229,533	5,840	-	235,373	5,838
Land Improvement	89,922	-	-	89,922	22,245	8,992	-	31,237	58,685
CIP - Home Ownership Center	4,069	42,863	-	46,932	-	-	-	-	46,932
CIP - Made in Oakland	-	4,401	-	4,401	-	-	-	-	4,401
CIP - Public Market	672,853	-	(672,853)	-	-	-	-	-	-
Improvements - Public Market	-	691,111	-	691,111	-	23,037	-	23,037	668,074
Furniture/Fixtures - Public Market	20,847	-	-	20,847	-	1,042	-	1,042	19,805
Furniture/Fixtures - Seniors Program	41,600	-	-	41,600	4,160	8,320	-	12,480	29,120
Furniture/Fixtures - Home Ownership Ctr	-	7,116	-	7,116	-	712	-	712	6,404
	<u>1,107,502</u>	<u>745,490</u>	<u>(672,853)</u>	<u>1,180,139</u>	<u>255,938</u>	<u>47,943</u>	<u>-</u>	<u>303,881</u>	<u>876,258</u>
Peralta Service Corporation									
Furniture and equipment	31,961	-	-	31,961	28,481	3,019	-	31,501	460
	<u>31,961</u>	<u>-</u>	<u>-</u>	<u>31,961</u>	<u>28,481</u>	<u>3,019</u>	<u>-</u>	<u>31,501</u>	<u>460</u>
Facilities									
SSUC Community Resource Center,									
1900 Fruitvale Avenue:									
Land	109,144	-	-	109,144	-	-	-	-	109,144
Building	639,030	-	-	639,030	549,601	21,300	-	570,901	68,129
Building and leasehold improvements	691,895	123,978	-	815,873	392,089	36,284	(35,267)	393,106	422,767
Security Systems Upgrade	7,308	-	-	7,308	-	731	-	731	6,577
Construction In Progress	-	-	-	-	-	-	-	-	-
	<u>1,447,377</u>	<u>123,978</u>	<u>-</u>	<u>1,571,355</u>	<u>941,690</u>	<u>58,315</u>	<u>(35,267)</u>	<u>964,738</u>	<u>606,617</u>
Program Related									
Head Start:									
Building and leasehold Improvements	865,093	-	-	865,093	701,223	30,592	-	731,815	133,278
Modular building	38,594	-	-	38,594	38,594	-	-	38,594	-
Furniture and equipment	375,284	-	-	375,284	375,284	-	-	375,284	-
	<u>1,278,971</u>	<u>-</u>	<u>-</u>	<u>1,278,971</u>	<u>1,115,101</u>	<u>30,592</u>	<u>-</u>	<u>1,145,693</u>	<u>133,278</u>
Las Bougainvilleas:									
Land	547,714	-	-	547,714	-	-	-	-	547,714
Building and improvements	6,155,847	33,882	-	6,189,729	1,395,124	159,403	-	1,554,527	4,635,202
	<u>6,703,561</u>	<u>33,882</u>	<u>-</u>	<u>6,737,443</u>	<u>1,395,124</u>	<u>159,403</u>	<u>-</u>	<u>1,554,527</u>	<u>5,182,916</u>
Posada de colores:									
2221 Fruitvale Avenue:									
Land	248,096	-	-	248,096	-	-	-	-	248,096
Constructure In Progress	1,190	-	(1,190)	-	-	-	-	-	-
Building and leasehold improvements	4,334,303	459,345	-	4,793,648	3,041,571	114,924	-	3,156,495	1,637,153
Furniture and equipment	314,046	18,556	-	332,602	172,141	20,924	-	193,065	139,537
	<u>4,897,635</u>	<u>477,901</u>	<u>(1,190)</u>	<u>5,374,346</u>	<u>3,213,712</u>	<u>135,848</u>	<u>-</u>	<u>3,349,560</u>	<u>2,024,786</u>
Total Program Related	<u>12,880,167</u>	<u>511,783</u>	<u>(1,190)</u>	<u>13,390,760</u>	<u>5,723,937</u>	<u>325,843</u>	<u>-</u>	<u>6,049,780</u>	<u>7,340,980</u>
Total	<u>\$ 15,467,007</u>	<u>\$ 1,381,251</u>	<u>\$ (674,043)</u>	<u>\$ 16,174,214</u>	<u>\$ 6,950,046</u>	<u>\$ 435,120</u>	<u>\$ (35,267)</u>	<u>\$ 7,349,900</u>	<u>\$ 8,824,315</u>

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – SEPTEMBER 30, 2008

Note 6. LONG-TERM DEBT:

A summary of mortgages payable at September 30, 2008 follows:

<u>Lender</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Las Bougainvilleas: City of Oakland	\$ 0	\$ 803,000	\$ 803,000
Posada de Colores:			
U.S. Department of Housing and Urban Development	144,724	2,176,829	2,321,553
City of Oakland	0	164,702	164,702
Fruitvale Village Phase II:			
California Bank and Trust	775,938	0	775,938
Fruitvale Village Phase I:			
Raza Development Fund	22,579	259,152	281,731
General Operating Support:			
NorCal Community Loan Fund	<u>0</u>	<u>500,000</u>	<u>500,000</u>
 Total long-term debt	 <u>\$ 943,241</u>	 <u>\$ 3,903,683</u>	 <u>\$ 4,846,924</u>

The Las Bougainvilleas mortgage payable is a nonrecourse note payable to the City of Oakland's Redevelopment Agency. The amount outstanding is the sum of principal of \$803,000 and accrued interest of \$512,375. Principal and any unpaid accrued interest are due at the maturity date, April 1, 2038; interest rate is 6% throughout the term of the note. The accrued interest will be paid to the Redevelopment Agency when the Project has surplus cash. However, the Agency has indicated that any surplus cash should be used by Las Bougainvilleas to reinforce its reserves. The loan is secured by the Las Bougainvilleas Senior Housing rental project, which has a net book value of \$5,182,916 as of September 30, 2008.

The Posada de Colores mortgage payable is a nonrecourse note secured by a first deed of trust payable to HUD. The original note amount was \$4,080,000 and matures in October 2019. Principal and interest are paid at \$24,990 per month and annual interest rate of 6.875%. The loan is secured by the Posada de Colores Senior Housing rental project, which has a net book value of \$2,024,786 as of September 30, 2008.

The Fruitvale Village Phase II mortgage payable is a nonrecourse note payable to California Bank and Trust. The original amount of the note was \$975,000 and matures with a balloon payment of \$735,313 in August 2009. Monthly payments are a fixed principal amount and a floating prime interest rate plus 1%. The loan is secured by the Community Resource Center building, which has a net book value of \$606,617 as of September 30, 2008.

The Raza Development Fund mortgage payable is a nonrecourse, unsecured note. The original amount of the note was \$300,000 and matures in December 2009 with a balloon payment of \$255,227. Principal and interest payments are \$3,522 per month, with interest rate of 7.25%.

The Northern California Community Loan Fund loan is a nonrecourse subordinated note. The original amount of the note was \$500,000, with principal payments deferred until payment in full is due on November 15, 2009. The interest rate on the note is 8%. The loan is secured by the Community Resource Center building, which has a net book value of \$606,617 as of September 30, 2008.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – SEPTEMBER 30, 2008

Note 6. LONG-TERM DEBT

Principal maturities of mortgages payable for the next five fiscal years ending September 30 and thereafter are as follows:

<u>September 30.</u>	<u>Las Bougainvilleas</u>	<u>Posada De Colores</u>	<u>CBT And NCCLF</u>	<u>Raza Development Fund</u>	<u>Total</u>
2009	\$ 0	\$ 144,724	\$ 775,938	\$ 22,579	\$ 943,241
2010	0	154,996	500,000	259,152	914,148
2011	0	165,997	0	0	165,997
2012	0	177,779	0	0	177,779
2013	0	190,394	0	0	190,394
Thereafter	<u>803,000</u>	<u>1,652,365</u>	<u>0</u>	<u>0</u>	<u>2,455,365</u>
Total long - Term debt	<u>\$ 803,000</u>	<u>\$ 2,486,255</u>	<u>\$ 1,275,938</u>	<u>\$ 281,731</u>	<u>\$ 4,846,924</u>

Note 7. NET ASSETS:

Temporarily restricted net assets:

Temporarily restricted net assets as of September 30, 2008 are available for the following purposes:

Mission Support:	
HUD – Housing for Low-Income Elderly	\$ 134,123
E & W Haas – Flexible Leadership Award	104,892
Real Estate Development and Management:	
FDC – Community Cultural center	86,835
BofA – Home Ownership Center (HOC)	29,712
Various Donors – HOC IDA Match	58,025
San Francisco Foundation/CRC - HOC	62,280
W&E Haas Sr. Fund – HOC Translation Project	23,763
WFB - HOC	20,000
Union Bank - HOC	15,000
WaMu - HOC	13,412
Community & Family Asset Development:	
Bay Area Workforce Collaborative – Health Care Sector	198,679
Firedoll – Health Care Sector	11,000
Rogers Family Foundation – Family Literacy	8,268
Scholastic, Inc. – Family Literacy	48,685
FHLB – Made in Oakland	20,599
Union Bank – Public Market	15,000
Citibank – Public Market	21,411
Team-Up for Youth – Community Building	18,868
Stewardship Council – Community Building	41,000
United Way - AmeriCorps	<u>2,976</u>
Total	<u>\$ 934,528</u>

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – SEPTEMBER 30, 2008

Note 7. NET ASSETS (Continued):

Temporarily restricted net assets as of September 30, 2008 were comprised of the following:

Cash and cash equivalents	\$ 602,028
Grants receivable	<u>332,500</u>
Total	<u>\$ 934,528</u>

Designated net assets:

At September 30, 2008, designated non-current net assets were comprised of the following:

Advance to FDC	\$ 2,159,402
Investment in Fruitvale Village Phase II	813,091
Cash deposits restricted for facility:	
Replacements and contingencies	<u>619,787</u>
Total	<u>\$ 3,592,280</u>

Permanently restricted net assets:

In accordance with the donor imposed restriction of NeighborWorks America (NWA), capital grants are presented as permanently restricted net assets and are either reported as cash or are invested in specific real estate developments or properties. Allocation of permanently restricted net assets as of September 30, 2008, are as follows:

Casa Velasco (through Casa de las Flores)	\$ 150,000
Fruitvale Village – Phase I	100,000
Fruitvale Village – Phase II	340,000
Sustainable Development Funding and Affordable	205,000
Community Resource Center	75,000
Public Market	200,000
Home Ownership Center – Fruitvale Village	78,520
Community Cultural Center	<u>125,000</u>
Total	<u>\$ 1,273,520</u>

Permanently restricted net assets at September 30, 2008 were comprised of the following:

Cash and cash equivalents	\$ 278,468
Property	567,210
Community Cultural Center preconstruction costs	87,842
Phase II predevelopment expenses	<u>340,000</u>
Total	<u>\$ 1,273,520</u>

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – SEPTEMBER 30, 2008

Note 8. MANAGEMENT CONTRACTS:

California Community Housing (CCH), a wholly owned subsidiary of Christian Church Homes of Northern California, has been contracted to manage Posada de Colores. This project is operated under Section 202 of the National Housing Act, as amended. The terms of the contract include payment of a management fee of 5% of gross potential rent. The contract is for an indefinite period, but is reviewed every two years.

CCH is also contracted to manage Las Bougainvilleas. This project is operated under Section 202 of the National Housing Act, as amended. The terms of the contract include payment of a management fee of 11.6% of residential income collected. The contract is for an indefinite period, but is reviewed every two years.

Management fees for Posada de Colores and Las Bougainvilleas were \$61,102 and \$54,261, respectively, for the fiscal year ended September 30, 2008.

Note 9. RENT/LEASES:

The Unity Council leases office space for many of its programs. There are five Unity Council leases with FDC, a related entity. There are also three leases with unrelated entities, but two of these are on a month-to-month basis.

The Unity Council leases Foothill Square Center owned by MacArthur Boulevard Associates for the site of its Foothill Preschool Child Care Center on a month-to-month basis. A long-term lease is being negotiated. The Unity Council also leases manufacturing space for its Made in Oakland program from Wilcox Associates. The Unity Council also leases space at the Fruitvale Transit Village from FDC for its De Colores Head Start program. The lease term is from September 15, 2003 to September 15, 2012 with 3% annual increases. The Unity Council also leases space at the Masonic Temple from FDC for its Public Market program. The lease term is from January 1, 2006 to December 31, 2015 with 3% annual increase. The Unity Council also leases suites at the Fruitvale Village from FDC for its Peralta Service Corporation, Made in Oakland, and Home Ownership Center programs. Below is a schedule by years of minimum future rental payments:

<u>Year Ending September 30,</u>	
2009	\$ 515,236
2010	510,001
2011	511,179
2012	451,839
2013	76,455
Thereafter	<u>298,500</u>
Total minimum future rental payments	<u>\$ 2,363,210</u>

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – SEPTEMBER 30, 2008

Note 10. DONATED SERVICES AND USE OF ASSETS:

The value of donated services and use of assets is not included in the accounting system nor shown in the accompanying consolidated financial statements since the services provided to the Unity Council do not create or enhance non-financial assets and would not typically need to be purchased by the organization if they had not been provided by contribution. The value of donated services for the year ended September 30, 2008 are, however, monitored and reported to the appropriate funding agency, when applicable, and are summarized as follows:

	Seniors Center	Early/Head Start	Total
Donated Services	<u>\$ 31,933</u>	<u>\$ 2,030,391</u>	<u>\$ 2,062,324</u>

The value of the volunteer services for the Head Start program is determined at the lowest paid teacher hourly rate plus fringe benefits. All other services are shown at fair market value.

Note 11. PENSION PLANS:

The Unity Council adopted two retirement plan options effective January 1, 1995. The retirement plan options are the 403(b)(7) employee voluntary contribution plan and the Simplified Employee Pension Plan (SEPP). The 403(b)(7) employee voluntary contribution plan is available to all employees who wish to designate pre-tax compensation to the plan through the Fidelity Investments Tax-Exempt Services Company. For the year ended September 30, 2008, employee contributions of \$51,359 have been made to this plan. SEPP allows the employer to make discretionary contributions on an annual basis for those employees meeting eligibility guidelines (who are over 21 years of age, have worked one day or more in any three of the preceding five years, and have earned at least \$400 in the year of contribution). The employer contribution of 1% is made for eligible employees and was \$32,774 for the fiscal year ended September 30, 2008.

Posada de Colores employees participate in the pension plan of CCH. The plan is a defined contribution plan covering all eligible employees (who are at least 21 years old and have worked for Posada de Colores for more than one year). The monthly contribution is 10% of each participant's salary. Total pension costs were \$22,088 for the fiscal year ended September 30, 2008.

Las Bougainvilleas employees participate in the pension plan of CCH. The plan is a defined contribution plan covering all eligible employees (who are at least 21 years old and have worked for Las Bougainvilleas for more than one year). The monthly contribution is 10% of each participant's salary. Total pension costs were \$12,517 for the fiscal year ended September 30, 2008.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – SEPTEMBER 30, 2008

Note 12. RELATED PARTY TRANSACTIONS:

Fruitvale Development Corporation:

During the fiscal year ended September 30, 2008, the Unity Council provided management and accounting services for FDC and received fees in the amount of \$78,000. The Unity Council paid rent to FDC of \$643,153 during the fiscal year ended September 30, 2008.

During the fiscal year ended September 30, 2008, the Unity Council advanced \$195,663 to FDC in addition to the existing \$1,482,826 note due September 2012. The advance was to help pay for tenant improvements at the Fruitvale Village. Interest on the note accrues at 5% annually to be paid at the maturity of the note. During the fiscal year ending September 30, 2008 interest of \$84,249 has accrued on the long-term advance to FDC for a total amount receivable of \$2,159,402 as of September 30, 2008.

Unity Council has guaranteed repayment of two loans obtained by Fruitvale Development Corporation (FDC) from Wells Fargo Bank, N.A. for \$970,000 and \$500,000 during fiscal years ended September 30, 2007, and September 30, 2008 respectively. Both of these loans are secured by certain real property owned by FDC, and will mature on July 1, 2017 and September 1, 2018 respectively. These loans have total outstanding principal balance, plus accrued interest, of \$1,467,408 as of September 30, 2008. This amount is 5.5% of the total FDC debt outstanding as of September 30, 2008. The property that secures the loans was appraised with a value of \$2.3 million in 2008. Management at FDC is confident that the Unity Council guarantee will not have to be invoked during the terms of the Wells Fargo Bank loans.

Casa Velasco:

The Unity Council has a receivable from the Casa Velasco partnership of \$112,709 at September 30, 2008.

Casitas of Hayward:

The Unity Council has a receivable from the Casitas of Hayward partnership of \$47,500 at September 30, 2008.

**SPANISH SPEAKING UNITY COUNCIL OF
ALAMEDA COUNTY, INC. AND SUBSIDIARIES**

SUPPLEMENTAL INFORMATION

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - SEPTEMBER 30, 2008

	Spanish Speaking Unity Council	Posada de Colores	Las Bougainvilles	Peralta Service Corporation	Sep 30, 2008 Unconsolidated Balances	Elim Journal Entries		Sep 30, 2008 Consolidated Balances
						Debit	Credit	
ASSETS:								
Current assets:								
Cash and cash equivalents	\$ 983,875	\$ 84,774	\$ 44,968	\$ 65,861	\$ 1,179,478	\$ -	\$ -	\$ 1,179,478
Accounts and grants receivable	1,965,230	43,428	997	68,361	2,078,016	-	327,090	1,750,926
Deposits	12,908	34,806	18,356	7,373	73,443	-	-	73,443
Prepaid expenses and other current assets	63,106	27,595	15,273	2,319	108,293	-	-	108,293
Total current assets	3,025,119	190,603	79,594	143,914	3,439,230	-	327,090	3,112,140
Noncurrent assets:								
Note receivable	-	332,605	-	-	332,605	-	332,605	-
Note Receivable - Fruitvale Development Corp	2,159,402	-	-	-	2,159,402	-	-	2,159,402
Investment in Casa de las Flores/Casa Velasco	148,776	-	-	-	148,776	-	-	148,776
Investment in Fruitvale Village Phase II	813,091	-	-	-	813,091	-	-	813,091
Restricted cash deposits and reserve for replacements	-	371,173	248,614	-	619,787	-	-	619,787
Total noncurrent assets	3,121,269	703,778	248,614	-	4,073,661	-	332,605	3,741,056
Total property, plant and equipment (net)	1,616,152	2,024,786	5,182,916	460	8,824,314	-	-	8,824,315
Preconstruction costs - Cultural and Performing Arts Center	358,062	-	-	-	358,062	-	-	358,062
TOTAL ASSETS	\$ 8,120,602	\$ 2,919,167	\$ 5,511,124	\$ 144,374	\$ 16,695,267	\$ -	\$ 659,695	\$ 16,035,572
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable	\$ 275,644	\$ 82,816	\$ 37,278	\$ 5,227	\$ 400,965	\$ 27,236	\$ -	\$ 373,729
Accrued payroll and benefits expense	570,654	24,241	6,802	43,855	645,552	-	-	645,552
Deferred revenue	509,851	1,096	208	-	511,155	-	-	511,155
Deposits payable	7,850	33,240	14,920	-	56,010	-	-	56,010
Mortgages payable - current portion	798,517	144,724	-	-	943,241	-	-	943,241
Due to Spanish Speaking Unity Council	-	-	-	299,854	299,854	299,854	-	-
Total current liabilities	2,162,516	286,117	59,208	348,936	2,856,777	327,090	-	2,529,687
Long-term liabilities:								
Accrued interest payable	-	11,923	512,375	-	524,298	-	-	524,298
Mortgages payable	1,091,756	2,341,532	803,000	-	4,236,288	332,605	-	3,903,683
Total long-term liabilities	1,091,756	2,353,455	1,315,375	-	4,760,586	332,605	-	4,427,981
Total liabilities	3,254,272	2,639,572	1,374,583	348,936	7,617,363	659,695	-	6,957,668
NET ASSETS:								
Permanently restricted - NWA capital grants	1,273,520	-	-	-	1,273,520	-	-	1,273,520
Temporarily restricted	934,527	-	-	-	934,527	-	-	934,527
Unrestricted - designated for NWA expendable grants	79,231	-	-	-	79,231	-	-	79,231
Unrestricted - designated for advance to FDC	2,159,402	-	-	-	2,159,402	-	-	2,159,402
Unrestricted - designated for investment in FV Phase II	813,091	-	-	-	813,091	-	-	813,091
Unrestricted - designated for restricted cash deposits and reserve for replacements	-	371,173	248,614	-	619,787	-	-	619,787
Unrestricted	(393,441)	(91,578)	3,887,927	(204,562)	3,198,346	-	-	3,198,346
Total net assets	4,866,330	279,595	4,136,541	(204,562)	9,077,904	-	-	9,077,904
TOTAL LIABILITIES AND NET ASSETS	\$ 8,120,602	\$ 2,919,167	\$ 5,511,124	\$ 144,374	\$ 16,695,267	\$ 659,695	\$ -	\$ 16,035,572

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENT OF FUNCTIONAL SUPPORT, REVENUES AND EXPENSES

YEAR ENDED SEPTEMBER 30, 2008

	Mission Support		Real Estate Development & Management (RD&M)				Community & Family Asset Development			Child Development	Intercompany Eliminations	Consolidated Total
	Mission Support	Fundraising Event	RED&M	Posada de Colores	Las Bougainvilleas	Total RED&M	CFAD	Peralta Service Coporation	Total CFAD			
Support and revenues:												
Donations:												
Corporations and businesses	\$ 237,500	\$ -	\$ 234,850	\$ -	\$ -	\$ 234,850	\$ 171,600	\$ -	\$ 171,600	\$ -	\$ -	\$ 643,950
Individuals and others	3,297	-	1,100	-	-	1,100	4,478	-	4,478	3,632	-	12,507
Total donations	240,797	-	235,950	-	-	235,950	176,078	-	176,078	3,632	-	656,457
Agencies and intermediaries	5,000	-	515,014	-	-	515,014	213,201	-	213,201	48,771	-	781,986
Foundations	500,500	-	40,000	-	-	40,000	51,000	-	51,000	-	-	591,500
Contract and program revenues	59,059	-	570,423	-	-	570,423	788,639	990,596	1,779,235	99,946	(690,984)	1,817,679
Rental	8,843	-	426,987	1,223,590	574,067	2,224,643	102,409	-	102,409	-	-	2,335,895
Interest from investments	88,372	-	-	13,429	7,472	20,901	191	-	191	-	-	109,464
Fundraising event	0	104,325	-	-	-	-	-	-	-	-	-	104,325
Miscellaneous	7,907	-	(3,971)	9,516	4,271	9,816	232	-	232	41	-	17,996
Total private support and revenues	910,478	104,325	1,784,403	1,246,535	585,810	3,616,747	1,331,750	990,596	2,322,346	152,390	(690,984)	6,415,302
Governmental support and revenues	-	-	140,922	55,314	-	196,235	711,982	-	711,982	5,137,400	-	6,045,617
Total support and revenues	910,478	104,325	1,925,324	1,301,849	585,810	3,812,982	2,043,732	990,596	3,034,328	5,289,790	(690,984)	12,460,919
Expenses:												
Personnel:												
Salaries and wages	398,866	-	461,464	254,293	153,922	869,679	962,962	599,565	1,562,527	2,984,324	-	5,815,396
Fringe benefits and taxes	70,865	-	72,818	104,607	65,274	242,699	197,741	192,871	390,612	790,875	-	1,495,051
Total personnel	469,731	-	534,282	358,900	219,196	1,112,378	1,160,703	792,436	1,953,139	3,775,199	-	7,310,447
Non-Personnel:												
Contract and professional services	188,952	90	103,894	134,068	102,892	340,853	315,009	86,161	401,170	184,926	(76,766)	1,039,225
Operating costs	139,376	311	48,134	146,792	84,739	279,665	117,608	34,505	152,113	201,689	-	773,154
Occupancy	110,577	242	144,964	239,737	127,886	512,587	211,854	24,211	236,065	867,971	-	1,727,442
Interest and financing charges	65,307	-	57,910	163,919	48,180	270,009	-	-	-	-	-	335,316
Program and participant Costs	125,730	4,689	297,041	-	-	297,041	451,769	111,337	563,106	257,605	(614,218)	633,953
Depreciation	70,991	-	-	135,848	159,403	295,251	-	3,019	3,019	30,592	-	399,853
Total non-personnel	700,933	5,332	651,943	820,364	523,100	1,995,406	1,096,240	259,233	1,355,473	1,542,783	(690,984)	4,908,943
Total expenses	1,170,664	5,332	1,186,225	1,179,264	742,296	3,107,784	2,256,943	1,051,669	3,308,612	5,317,982	(690,984)	12,219,390
CHANGE IN NET ASSETS	(260,186)	98,993	739,099	122,585	(156,486)	705,198	(213,211)	(61,073)	(274,284)	(28,192)	-	241,529
TRANSFERS IN (OUT)	780,855	(98,993)	(512,223)	-	-	(512,223)	(104,926)	-	(104,926)	(64,713)	-	-
NET ASSETS (DEFICIT), beginning of year	2,894,428	-	760,644	157,010	4,293,027	5,210,681	626,032	(143,489)	482,543	248,723	-	8,836,375
NET ASSETS (DEFICIT) end of year	\$ 3,415,097	\$ -	\$ 987,520	\$ 279,595	\$ 4,136,541	\$ 5,403,656	\$ 307,895	\$ (204,562)	\$ 103,333	\$ 155,818	\$ -	\$ 9,077,904

See notes to consolidated financial statements.

SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC., AND SUBSIDIARIES

DETAILED STATEMENT OF FUNCTIONAL SUPPORT, REVENUES AND EXPENSES

YEAR ENDED SEPTEMBER 30, 2008

	Mission Support									
	Mission Support General	Corporations & Foundations	Leadership & Succession	Dia de Los Muertos	Total Mission Support	Fundraising	2008 Gala	Total Fundraising	Sustainable Development Fund	
SUPPORT AND REVENUE:										
Private support and revenues:										
Donations:										
Corporations and businesses	\$ 40,300	\$ 95,000	\$ -	\$ 102,200	\$ 237,500	\$ -	\$ -	\$ -	\$ -	\$ -
Individuals and others	3,297	-	-	-	3,297	-	-	-	-	-
Total donations	43,597	95,000	-	102,200	240,797	-	-	-	-	-
Agencies and intermediaries	5,000	-	-	-	5,000	-	-	-	-	-
Foundations	43,500	400,000	50,000	7,000	500,500	-	-	-	-	-
Contract and program revenues	(542)	-	-	59,601	59,059	-	-	-	-	-
Rental income	8,843	-	-	-	8,843	-	-	-	-	-
Investment income	88,372	-	-	-	88,372	-	-	-	-	-
Fundraising event	-	-	-	-	-	-	104,325	104,325	-	-
Miscellaneous	7,907	-	-	-	7,907	-	-	-	-	-
Total private support and revenues	196,676	495,000	50,000	168,801	910,478	-	104,325	104,325	-	-
Government support and revenues	-	-	-	-	-	-	-	-	-	-
Total support and revenues	196,676	495,000	50,000	168,801	910,478	-	104,325	104,325	-	-
EXPENSES:										
Salaries and wages	244,391	73,575	17,863	891	336,721	62,145	-	62,145	-	-
Fringe benefits and taxes	49,437	11,852	2,137	117	63,544	7,321	-	7,321	-	-
Contract and professional services	163,170	-	24,741	360	188,271	683	90	773	-	-
Operating costs	125,535	-	11,034	84	136,654	2,723	311	3,033	-	-
Occupancy	95,007	-	-	-	95,007	15,570	242	15,812	-	-
Interest and financing charges	65,307	-	-	-	65,307	-	-	-	-	-
Program and participant costs	20,334	-	-	105,396	125,730	-	4,689	4,689	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Depreciation	70,991	-	-	-	70,991	-	-	-	-	-
Total expenses	834,172	85,427	55,775	106,849	1,082,223	88,441	5,332	93,772	-	-
EXCESS REVENUE OVER EXPENSES	(637,496)	409,573	(5,775)	61,952	(171,746)	(88,441)	98,993	10,553	-	-
TRANSFERS IN (OUT)	886,249	(6,444)	-	(61,952)	817,853	-	(98,993)	(98,993)	(37,000)	
NET ASSETS, beginning of year	2,668,514	-	110,667	-	2,779,181	(173,876)	-	(173,876)	289,123	
NET ASSETS, end of year	\$ 2,917,270	\$ 403,129	\$ 104,892	\$ -	\$ 3,425,291	\$ (262,318)	\$ -	\$ (262,317)	\$ 252,123	

See notes to consolidated financial statements.

SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC., AND SUBSIDIARIES

DETAILED STATEMENT OF FUNCTIONAL SUPPORT, REVENUES AND EXPENSES

YEAR ENDED SEPTEMBER 30, 2008

Real Estate Development and Management

	Real Estate Development and Management									
	Property Management			Fruitvale Village Phase II			Community Cultural Center			
	Affiliates	Property Management	Community Resource Center	Foundation Support	Neighbor Works America	Signature Properties	CA Cultural Hist Endow	Corporations & Foundations	Neighbor Works America	CCC General Funds
SUPPORT AND REVENUE:										
Private support and revenues:										
Donations:										
Corporations and businesses	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Individuals and others	-	-	-	-	-	-	-	-	-	-
Total donations	10,000	-	-	-	-	-	-	-	-	-
Agencies and intermediaries	-	-	-	-	-	-	-	-	12,000	-
Foundations	-	-	-	-	-	-	-	-	-	-
Contract and program revenues	92,387	18,000	50	-	-	450,000	-	-	-	-
Rental income	-	352,364	74,623	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Fundraising event	-	-	-	-	-	-	-	-	-	-
Miscellaneous	(3,971)	-	-	-	-	-	-	-	-	-
Total private support and revenues	98,416	370,364	74,673	-	-	450,000	-	-	12,000	-
Government support and revenues	-	-	-	-	-	-	110,800	-	-	-
Total support and revenues	98,416	370,364	74,673	-	-	450,000	110,800	-	12,000	-
EXPENSES:										
Salaries and wages	47,135	21,337	8,880	-	-	107,830	-	-	-	23,000
Fringe benefits and taxes	473	4,290	3,885	-	-	13,308	-	-	-	4,238
Contract and professional services	4,334	-	-	-	-	-	-	-	-	-
Operating costs	7,284	-	5,536	-	-	-	-	-	-	246
Occupancy	18,121	6,027	87,413	-	-	21,767	-	-	-	-
Interest and financing charges	-	57,910	-	-	-	-	-	-	-	-
Program and participant costs	9,965	145,429	44,889	(7,950)	8,180	16,980	-	-	-	-
Other expenses	35,227	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Total expenses	122,539	234,994	150,603	(7,950)	8,180	159,885	-	-	-	27,484
EXCESS REVENUE OVER EXPENSES	(24,122)	135,370	(75,931)	7,950	(8,180)	290,115	110,800	-	12,000	(27,484)
TRANSFERS IN (OUT)	45,320	(135,370)	17,529	(7,950)	-	(107,756)	(110,800)	(50,000)	(52,262)	-
NET ASSETS, beginning of year	21,601	-	58,401	-	8,180	87,858	-	50,000	89,420	118,215
NET ASSETS, end of year	\$ 42,799	\$ -	\$ -	\$ -	\$ -	\$ 270,217	\$ -	\$ -	\$ 49,158	\$ 90,732

See notes to consolidated financial statements.

SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC., AND SUBSIDIARIES

DETAILED STATEMENT OF FUNCTIONAL SUPPORT, REVENUES AND EXPENSES

YEAR ENDED SEPTEMBER 30, 2008

Real Estate Development and Management (Continued)

	Home Ownership Center				Elderly Low-Income Housing					Real Estate Total
	Home Ownership General Funds	Corporations & Foundations	NWA Ops/Improv & NWA/Hud	Foreclosure Counseling Program	Casa Velasco NWA	Las Bougainvilleas	Posada de Colores	City of Oakland PDC Elevator	Capital Needs Assessment	
SUPPORT AND REVENUE:										
Private support and revenues:										
Donations:										
Corporations and businesses	\$ 34,850	\$ 190,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,850
Individuals and others	1,100	-	-	-	-	-	-	-	-	1,100
Total donations	35,950	190,000	-	-	-	-	-	-	-	235,950
Agencies and intermediaries	16,900	-	261,411	214,703	-	-	-	-	10,000	515,014
Foundations	-	40,000	-	-	-	-	-	-	-	40,000
Contract and program revenues	9,986	-	-	-	-	-	-	-	-	570,423
Rental income	-	-	-	-	-	574,067	1,223,590	-	-	2,224,643
Investment income	-	-	-	-	-	7,472	13,429	-	-	20,901
Fundraising event	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	4,271	9,516	-	-	9,816
Total private support and revenues	62,836	230,000	261,411	214,703	-	585,810	1,246,535	-	10,000	3,616,747
Government support and revenues	450	-	-	29,672	-	-	55,314	-	-	196,235
Total support and revenues	63,286	230,000	261,411	244,375	-	585,810	1,301,849	-	10,000	3,812,982
EXPENSES:										
Salaries and wages	2,402	54,216	44,169	106,494	-	153,922	254,293	46,000	-	869,679
Fringe benefits and taxes	-	10,807	9,225	18,693	-	65,274	104,607	7,898	-	242,699
Contract and professional services	1,886	24,417	36,054	27,203	-	102,892	134,068	-	10,000	340,853
Operating costs	898	6,998	16,565	10,608	-	84,739	146,792	-	-	279,665
Occupancy	80	8,374	2,793	390	-	127,886	239,737	-	-	512,587
Interest and financing charges	-	-	-	-	-	48,180	163,919	-	-	270,009
Program and participant costs	36,550	3,885	1,679	2,207	-	-	-	-	-	261,814
Other expenses	-	-	-	-	-	-	-	-	-	35,227
Depreciation	-	-	-	-	-	159,403	135,848	-	-	295,251
Total expenses	41,816	108,698	110,484	165,594	-	742,296	1,179,264	53,898	10,000	3,107,784
EXCESS REVENUE OVER EXPENSES	21,470	121,302	150,927	78,781	-	(156,486)	122,585	(53,898)	-	705,198
TRANSFERS IN (OUT)	(8,757)	(19,417)	(52,210)	(15,573)	-	-	-	(14,978)	-	(512,223)
NET ASSETS, beginning of year	93,968	-	-	-	150,000	4,293,027	157,010	83,000	-	5,210,681
NET ASSETS, end of year	\$ 106,681	\$ 101,885	\$ 98,717	\$ 63,208	\$ 150,000	\$ 4,136,541	\$ 279,595	\$ 14,124	\$ -	\$ 5,403,656

See notes to consolidated financial statements.

SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC., AND SUBSIDIARIES

DETAILED STATEMENT OF FUNCTIONAL SUPPORT, REVENUES AND EXPENSES

YEAR ENDED SEPTEMBER 30, 2008

Community and Family Asset Development

Workforce Development

	WFD General Funds	Oakland PIC	EDD	Bay Area Workforce Collaborative	AmeriCorps	CFAD General
SUPPORT AND REVENUE:						
Private support and revenues:						
Donations:						
Corporations and businesses	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ -
Individuals and others	-	-	-	-	4,078	-
Total donations	-	-	-	-	8,078	-
Agencies and intermediaries	-	-	-	-	90,701	-
Foundations	11,000	-	-	-	-	-
Contract and program revenues	120	293,369	-	-	5,580	41
Rental income	-	-	-	-	-	-
Investment income	-	-	-	-	-	191
Fundraising event	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total private support and revenues	11,120	293,369	-	-	104,358	232
Government support and revenues	45,728	-	96,361	105,711	15,900	-
Total support and revenues	56,848	293,369	96,361	105,711	120,258	232
EXPENSES:						
Salaries and wages	82,384	209,926	19,912	25,177	69,492	3,724
Fringe benefits and taxes	15,995	49,177	4,055	6,052	9,323	(5,768)
Contract and professional services	10,148	1,834	50,630	160,018	1,000	6,688
Operating costs	17,068	7,626	13	327	12,130	8,116
Occupancy	-	-	-	-	-	122
Interest and financing charges	-	-	-	-	-	-
Program and participant costs	357	3,679	16,969	3,790	3,205	507
Other expenses	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Total expenses	125,952	272,242	91,579	195,365	95,150	13,389
EXCESS REVENUE OVER EXPENSES	(69,104)	21,127	4,782	(89,654)	25,108	(13,157)
TRANSFERS IN (OUT)	(10,207)	(20,987)	(4,782)	(26,667)	(3,850)	-
NET ASSETS, beginning of year	90,381	-	-	315,000	1,098	5,208
NET ASSETS, end of year	\$ 11,070	\$ 140	\$ -	\$ 198,679	\$ 22,357	\$ (7,949)

See notes to consolidated financial statements.

SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC., AND SUBSIDIARIES

DETAILED STATEMENT OF FUNCTIONAL SUPPORT, REVENUES AND EXPENSES

YEAR ENDED SEPTEMBER 30, 2008

Community and Family Asset Development (Continued)

	Social Enterprise				Business Services			
	Public Market	Made In Oakland	Peralta Service Corp. Contract	Peralta Services Corporation	Business Services General	Fruitvale BID	LISC	Corporations & Foundations
SUPPORT AND REVENUE:								
Private support and revenues:								
Donations:								
Corporations and businesses	\$ 119,500	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Individuals and others	-	-	-	-	150	-	-	-
Total donations	119,500	25,000	-	-	150	-	-	-
Agencies and intermediaries	2,500	-	-	-	-	-	-	-
Foundations	30,000	-	-	-	-	-	-	-
Contract and program revenues	419	-	77,169	990,596	-	302,995	-	-
Rental income	99,934	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Fundraising event	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total private support and revenues	252,353	25,000	77,169	990,596	150	302,995	-	-
Government support and revenues	-	154,358	-	-	-	11,033	-	-
Total support and revenues	252,353	179,358	77,169	990,596	150	314,027	-	-
EXPENSES:								
Salaries and wages	41,814	58,455	57,444	599,565	5,707	34,646	12,457	17,043
Fringe benefits and taxes	10,514	7,298	12,709	192,871	775	4,415	2,543	3,917
Contract and professional services	5,657	35,993	-	86,161	10,590	17,237	-	-
Operating costs	14,516	21,368	-	34,505	699	2,838	-	108
Occupancy	92,763	19,916	-	24,211	320	-	-	-
Interest and financing charges	-	-	-	-	-	-	-	-
Program and participant costs	33,777	13,068	-	111,337	105,739	214,584	-	2,450
Other expenses	-	-	-	-	-	-	-	-
Depreciation	-	-	-	3,019	-	-	-	-
Total expenses	199,041	156,098	70,154	1,051,669	123,830	273,720	15,000	23,518
EXCESS REVENUE OVER EXPENSES	53,312	23,259	7,015	(61,073)	(123,680)	40,307	(15,000)	(23,518)
TRANSFERS IN (OUT)	(21,982)	(4,401)	(7,015)	-	61,899	(22,500)	-	(1,272)
NET ASSETS, beginning of year	(27,083)	-	-	(143,489)	(102,064)	71,494	15,000	24,790
NET ASSETS, end of year	\$ 4,247	\$ 18,858	\$ -	\$ (204,562)	\$ (163,845)	\$ 89,301	\$ -	\$ -

See notes to consolidated financial statements.

SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC., AND SUBSIDIARIES

DETAILED STATEMENT OF FUNCTIONAL SUPPORT, REVENUES AND EXPENSES

YEAR ENDED SEPTEMBER 30, 2008

Community and Family Asset Development (Continued)

	Community Building				Youth				Family Literacy	Community and Family Asset Development Total
	Senior Center General	Christian Church Homes Contract	Alameda County Fruitvale Senior Center	Oakland City Sr. Program	Youth Program General	Team Up for Youth	Stewardship Council	Oakland OFCY		
SUPPORT AND REVENUE:										
Private support and revenues:										
Donations:										
Corporations and businesses	\$ 1,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,000	\$ 171,600
Individuals and others	-	-	-	-	250	-	-	-	-	4,478
Total donations	1,100	-	-	-	250	-	-	-	22,000	176,078
Agencies and intermediaries	-	-	-	-	-	70,000	50,000	-	-	213,201
Foundations	-	-	-	-	-	-	-	-	10,000	51,000
Contract and program revenues	9,454	95,633	-	-	3,859	-	-	-	-	1,779,235
Rental income	2,475	-	-	-	-	-	-	-	-	102,409
Investment income	-	-	-	-	-	-	-	-	-	191
Fundraising event	-	-	-	-	-	-	-	-	-	-
Miscellaneous	232	-	-	-	-	-	-	-	-	232
Total private support and revenues	13,262	95,633	-	-	4,109	70,000	50,000	-	32,000	2,322,346
Government support and revenues	1	-	55,545	212,414	-	-	-	14,932	-	711,982
Total support and revenues	13,263	95,633	55,545	212,414	4,109	70,000	50,000	14,932	32,000	3,034,328
EXPENSES:										
Salaries and wages	85	72,536	34,426	63,306	512	54,728	-	8,833	90,354	1,562,527
Fringe benefits and taxes	-	17,622	8,589	13,988	84	13,658	-	2,158	20,636	390,612
Contract and professional services	977	-	-	-	1,930	808	9,000	-	2,500	401,170
Operating costs	5,888	3,009	4,530	8,011	365	2,196	-	563	8,236	152,113
Occupancy	2,615	614	-	86,525	-	-	-	14	8,965	236,065
Interest and financing charges	-	-	-	-	-	-	-	-	-	-
Program and participant costs	12,484	1,853	4,400	18,333	100	723	-	913	14,837	563,106
Other expenses	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	3,019
Total expenses	22,049	95,633	51,945	190,164	2,991	72,113	9,000	12,482	145,527	3,308,612
EXCESS REVENUE OVER EXPENSES	(8,786)	-	3,600	22,250	1,118	(2,113)	41,000	2,450	(113,527)	(274,284)
TRANSFERS IN (OUT)	4,230	-	(3,600)	(22,250)	-	(4,842)	-	(2,450)	(14,250)	(104,926)
NET ASSETS, beginning of year	21,124	-	-	-	532	25,822	-	-	184,730	482,543
NET ASSETS, end of year	\$ 16,568	\$ -	\$ -	\$ -	\$ 1,650	\$ 18,867	\$ 41,000	\$ -	\$ 56,953	\$ 103,333

See notes to consolidated financial statements.

SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC., AND SUBSIDIARIES

DETAILED STATEMENT OF FUNCTIONAL SUPPORT, REVENUES AND EXPENSES

YEAR ENDED SEPTEMBER 30, 2008

	Child Development								
	General	Head Start	CA State of Ed	Dept Early Head Start	Supplemental Programs	Head Start Fixed Assets	Child Development Total	Eliminations	Grand Totals
SUPPORT AND REVENUE:									
Private support and revenues:									
Donations:									
Corporations and businesses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 643,950
Individuals and others	3,632	-	-	-	-	-	3,632	-	12,507
Total donations	3,632	-	-	-	-	-	3,632	-	656,457
Agencies and intermediaries	-	-	-	-	48,771	-	48,771	-	781,986
Foundations	-	-	-	-	-	-	-	-	591,500
Contract and program revenues	716	-	-	-	99,230	-	99,946	(690,984)	1,817,679
Rental income	-	-	-	-	-	-	-	-	2,335,894
Investment income	-	-	-	-	-	-	-	-	109,465
Fundraising event	-	-	-	-	-	-	-	-	104,325
Miscellaneous	41	-	-	-	-	-	41	-	17,996
Total private support and revenues	4,389	-	-	-	148,000	-	152,390	(690,984)	6,415,302
Government support and revenues	13,694	2,384,288	241,674	2,369,260	128,484	-	5,137,400	-	6,045,617
Total support and revenues	18,082	2,384,288	241,674	2,369,260	276,484	-	5,289,790	(690,984)	12,460,919
EXPENSES:									
Salaries and wages	3,407	1,323,047	102,854	1,362,401	192,615	-	2,984,324	-	5,815,396
Fringe benefits and taxes	(7,716)	344,063	33,327	370,525	50,677	-	790,875	-	1,495,051
Contract and professional services	9,277	98,573	1,000	66,076	10,000	-	184,926	(76,766)	1,039,227
Operating costs	1,829	101,931	-	97,207	722	-	201,689	-	773,154
Occupancy	13,862	416,788	1,428	390,185	45,708	-	867,971	-	1,727,442
Interest and financing charges	-	-	-	-	-	-	-	-	335,316
Program and participant costs	5,789	64,725	103,720	70,403	12,967	-	257,605	(614,218)	598,726
Other expenses	-	-	-	-	-	-	-	-	35,227
Depreciation	-	-	-	-	-	30,592	30,592	-	399,853
Total expenses	26,447	2,349,127	242,329	2,356,797	312,689	30,592	5,317,982	(690,984)	12,219,390
EXCESS REVENUE OVER EXPENSES	(8,365)	35,161	(655)	12,464	(36,204)	(30,592)	(28,192)	-	241,529
TRANSFERS IN (OUT)	(502)	(35,161)	655	(12,464)	(17,241)	-	(64,713)	-	-
NET ASSETS, beginning of year	12,425	-	-	-	72,429	163,870	248,723	-	8,836,375
NET ASSETS, end of year	\$ 3,557	\$ -	\$ -	\$ -	\$ 18,983	\$ 133,279	\$ 155,817	\$ -	\$ 9,077,904

See notes to consolidated financial statements.

SPANISH SPEAKING UNITY COUNCIL
SCHEDULE OF FEDERAL, STATE AND COUNTY AWARDS
PASSED THROUGH THE COUNTY OF ALAMEDA

SEPTEMBER 30, 2008

<u>Alameda County Social Services Agency</u>	<u>SSUC Fund Number</u>	<u>Grantor Contract/Exhibit Number</u>	<u>Federal CFDA Number</u>	<u>Program or Award Dates</u>	<u>Federal Share</u>	<u>State Share</u>	<u>County Share</u>	<u>Total Award</u>	<u>Total Award Expenditures 9/30/08</u>	
Senior Support Services & Senior Centers:										
Special Program for the Aging Title III Part B Grant	7057	900210/SEO8-124	93.044	07/01/07 - 06/30/08	\$ 42,756	\$ -	\$ 10,793	\$ 53,549	\$ 43,871	Closed 6/30/08
Special Program for the Aging Title III Part B Grant	7058	900210/SEO8-110	93.044	07/01/08 - 06/30/09	42,756	-	10,793	53,549	11,674	
					85,512	-	21,586	107,098	55,545	
Temporary Assistance to Needy Familis (TANF) -										
Welfare-To-Work Program	4140	900210/SEO8-220	93.558	09/01/07 - 06/30/08	91,888	91,888	-	183,776	25,729	Closed 6/30/08
Welfare-To-Work Program	4140	900210/SEO8-245	93.558	03/01/08 - 6/30/08	10,000	10,000	-	20,000	20,000	Closed 6/30/08
					101,888	101,888	-	203,776	45,729	
					\$ 187,400	\$ 101,888	\$ 21,586	\$ 310,874	\$ 101,274	

See notes to consolidated financial statements.

SPANISH SPEAKING UNITY COUNCIL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2008

	SSUC Fund Number	Grantor/ Pass-through Number	Federal CFDA Number	Program or Award Period	Program or Award Amount	Expenses 9/30/08
<u>U.S. Department of Human Services</u>						
Direct						
Administration for children & Families Office of Community Services CED grant - Oakland Sewing Project	4251	90EE0761	93.570	09/30/06 - 9/29/09	\$ 700,000	\$ 154,358
Passed through the City of Oakland:						
Head Start	2200	09CH9006/1	93.600	09/01/07 - 08/31/08	2,372,990	2,186,906
Head Start	2200	09CH9006/1	93.600	09/01/08 - 08/31/09	2,372,990	197,382
Early Head Start	2270	09YC0200/1	93.600	09/01/07 - 08/31/08	2,333,445	2,143,289
Early Head Start	2270	09YC0200/1	93.600	09/01/08 - 08/31/09	2,333,445	225,971
					<u>9,412,870</u>	<u>4,753,548</u>
Passed through the County of Alameda:						
Special Program for the Aging Title III Part B Grants - Supportive Services and Senior Centers	7057	900210/SEO8-124	93.044	07/01/07 - 06/30/08	45,256	35,776
	7058	900210/SEO9-110	93.044	07/01/08 - 06/30/09	42,756	8,977
					<u>88,012</u>	<u>44,753</u>
Temporary Assistance to Needy Families (TANF)- Welfare to Work Program						
	4140	900210/SEO8-220	93.558	09/01/07 - 06/30/08	91,888	12,864
	4140	900210/SEO8-245	93.558	03/01/08 - 06/30/08	10,000	10,000
					<u>101,888</u>	<u>22,864</u>
<u>U.S. Department of Housing & Urban Development</u>						
Direct:						
CDBG - HUD - Housing for the Elderly	1170	B 03-SP-CA-0080	14.246	5/13/04	134,123	-
Service Coordinator Grant						
		121-EH016-NP-WAH-L8	14.000	01/01/07 - 12/31/08	41,978	-
Section 8 New Construction and Substantial Rehabilitation						
Supportive Housing for the elderly		121-EH016-NP-WAH-L8	14.856	12/1/08-11/30/09	857,036	857,036
		121-EH016-NP-WAH-L8	14.157	8/1/1978-10/1/2019	4,080,000	2,321,553
					<u>4,937,036</u>	<u>3,178,589</u>
Section 8 New Construction and Substantial Rehabilitation						
Supportive Housing for the elderly		121-EE061-NP-WAH	14.856	10/01/07 - 09/30/08	374,402	374,402
Capital Advance		121-EE061-NP-WAH	14.157	4/1/2038	803,000	1,315,375
		121-EE061-NP-WAH			5,816,077	5,816,077
					<u>6,993,479</u>	<u>7,505,854</u>
Passed Through NeighborWorks America:						
Housing Counseling Grant	9134	N/A	14.169	10/01/07 - 09/30/08	13,891	13,891
Passed through the City of Oakland-						
CDBG Foreclosure/Housing Counseling Grant	9121	G341610	14.218	04/01/08 - 06/30/09	100,000	29,672
EDI grant - Passed through the City of Oakland						
Cultural and Performing Arts Center Development	9711		???	01/15/07 - 01/15/09	148,500	-
NCDI grant - Passed through Local Initiatives Support Corp.						
Capacity Building - Commercial Corridor	1022/6607	40859-0021	14.218	07/01/07 - 12/31/08	35,000	35,000
<u>U.S. Department of Agriculture</u>						
Passed through the California State Department of Education:						
Child and Adult Care Food Program	2220		10.558	10/01/07 - 09/30/08	250,000	241,674
<u>U.S. Department of Labor</u>						
Passed through the Oakland Private Industry Council (PIC):						
Workforce Investment Act (WIA)	4218	01-A-01	17.258	07/01/07 - 06/30/08	300,000	225,096
	4219	01-A-01	17.258	07/01/08 - 06/30/09	300,000	64,497
					<u>600,000</u>	<u>289,592</u>
Passed through State of California Employment Develop Dept.:						
Workforce Investment Act (WIA)	4241		17.258	06/01/06 - 05/31/08	500,000	96,361
	4242		17.258	04/01/07 - 03/31/09	225,000	105,711
					<u>725,000</u>	<u>202,072</u>
<u>Corporation for National and Community Service (CNCS)</u>						
Passed through National Council of La Raza - AmeriCorps Program	5268		94.006	09/01/07 - 08/31/08	92,951	77,432
Passed through National Council of La Raza - AmeriCorps Program	5269		94.006	09/01/08 - 08/31/09	83,015	4,268
					<u>175,966</u>	<u>81,701</u>
<u>U.S. Department of the Treasury</u>						
Passed through NeighborWorks America (NWA)						
	Various	N/A	21.000	10/01/02 - 09/30/03	453,000	-
	Various	N/A	21.000	10/01/03 - 09/30/04	400,000	-
	Various	N/A	21.000	01/01/05 - 09/30/06	340,000	8,180
	Various	N/A	21.000	10/01/06 - 09/30/07	208,450	77,262
	Various	N/A	21.000	10/01/07 - 09/30/08	398,114	286,469
					<u>1,799,564</u>	<u>371,911</u>
Total Program or Award Amount					<u>\$ 26,257,307</u>	
Total Expenditures of Federal Awards						<u>\$ 16,925,479</u>

See notes to consolidated financial statements.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2008**

(1) General

The Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Spanish Speaking Unity Council (Unity Council). The Unity Council reporting entity is defined in Note 1 of the Unity Council's consolidated financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the Schedule of Expenditures of Federal Awards.

(2) Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 2 in the Unity Council's consolidated financial statements.

(3) Loans

The \$4,080,000 HUD loan for Posada de Colores has an outstanding loan balance of \$2,321,553 as of September 30, 2008. Because continued compliance related to this loan is required, it is included when determining total annual federal expenditures.

On October 1, 1996, the Unity Council received a capital advance under Section 202 of the Housing Act of 1959 from HUD for Las Bougainvilleas Senior Housing. As of September 30, 2003, HUD has advanced \$5,816,077. Under terms of the agreement, the amount advanced will not need to be paid back unless the Unity Council fails to provide housing to eligible very low-income households for a period of 40 years (2038) and in accordance with Section 202 or Section 811. However, the full outstanding balance on the capital advance is considered federal awards expended and is included in determining Type A programs.

**SPANISH SPEAKING UNITY COUNCIL OF ALAMEDA COUNTY, INC.
AND SUBSIDIARIES**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2008

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued:	Qualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported

Federal awards:

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None required
Type of auditor’s report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 517(a) of Circular A-133?	None reported

Identification of major programs:

CFDA #93.600	Head Start Program
CFDA #17.258	Workforce Investment Act
CFDA #21.000	Neighbor-Works America

Dollar threshold used to distinguish between Type A and Type B Programs	\$300,000
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Auditee qualified as low risk auditee?	Yes
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Section II – Financial Statement Findings	None reported
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Section III – Federal Award Findings and Questioned Costs	None reported
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**~~REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS~~**

The Board of Directors
Spanish Speaking Unity Council of
Alameda County, Inc.

We have audited the financial statements of Spanish Speaking Unity Council of Alameda County, Inc. (Unity Council), as of and for the year ended September 30, 2008 and have issued our report thereon dated January 12, 2009 which was qualified because Unity Council records deposits on a specific real estate transaction as revenue on cash received basis. In our opinion, such deposits should be recorded as a liability until the real estate transaction is completed to conform with accounting principles generally accepted in the United States of America. If those revenues had been recorded in conformity with U.S. generally accepted accounting principles, liabilities would have been increased by \$750,000 and \$300,000 while unrestricted fund balance would have been decreased by \$750,000 and \$300,000 as of September 30, 2008 and 2007 respectively. The contract and program revenues and the change in net assets for the year ended September 30, 2008 and 2007 would have been decreased by \$450,000 and \$300,000 respectively. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Unity Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Unity Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Unity Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Unity Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the board of directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

RINA accountancy corporation

Certified Public Accountants

Oakland, California
January 12, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

The Board of Directors
Spanish Speaking Unity Council of
Alameda County, Inc.

Compliance

We have audited the compliance of the Spanish Speaking Unity Council of Alameda County, Inc. (Unity Council) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended September 30, 2008. The Unity Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Unity Council's management. Our responsibility is to express an opinion on the Unity Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Unity Council's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Unity Council's compliance with those requirements.

In our opinion, the Unity Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended September 30, 2008.

Internal Control Over Compliance

The management of the Unity Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Unity Council's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Unity Council's internal control over compliance.

A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal controls.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material compliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the board of directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

RINA accounting corporation

Certified Public Accountants

Oakland, California
January 12, 2009