

**SEABECK CHRISTIAN
CONFERENCE CENTER**

**FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees
Seabeck Christian Conference Center
Seabeck, Washington

We have reviewed the accompanying statements of assets, liabilities, and net assets – modified cash basis of Seabeck Christian Conference Center (Organization), a non-profit corporation, as of December 31, 2009 and 2008, and the related statements of activities and cash flows – modified cash basis for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Organization.

A review consists principally of inquiries of the Organization's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the basis of accounting described in Note 1.



Monson & Bass, Inc., P. S.

June 23, 2010

SEABECK CHRISTIAN CONFERENCE CENTER
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS
DECEMBER 31, 2009 AND 2008

ASSETS

	2009	2008
Cash	\$ 14,023	\$ 15,395
Money market funds, at cost which approximates market value	428,093	157,851
	442,116	173,246
Accounts receivable	6,697	3,293
Investments, at market	301,004	432,163
Total current assets	749,817	608,702
Property and equipment		
Land improvements	426,186	411,025
Buildings	3,503,424	3,421,302
Furnishings	246,979	246,979
Equipment	350,471	355,354
Computer	59,357	59,357
	4,586,417	4,494,017
Less accumulated depreciation	2,496,314	2,394,057
	2,090,103	2,099,960
Land	64,500	64,500
Construction in process	28,809	28,900
Net property and equipment	2,183,412	2,193,360
Deposits	1,000	1,000
Total assets	\$ 2,934,229	\$ 2,803,062

LIABILITIES AND NET ASSETS

Conference deposits - deferred revenue	\$ 162,612	\$ 161,957
Note payable	183,283	204,578
Total current liabilities	345,895	366,535
Long-term debt	18,521	22,225
Total liabilities	364,416	388,760
Net assets		
Unrestricted		
Unrestricted	2,275,771	2,120,020
Board designated capital reserve	294,042	289,282
Total unrestricted	2,569,813	2,409,302
Temporarily restricted	-	5,000
Total net assets	2,569,813	2,414,302
Total liabilities and net assets	\$ 2,934,229	\$ 2,803,062

See accompanying notes and accountant's report

**SEABECK CHRISTIAN CONFERENCE CENTER
STATEMENTS OF ACTIVITIES – MODIFIED CASH BASIS
DECEMBER 31, 2009 AND 2008**

	2009	2008
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues, support, and gains:		
Conference fees	\$ 1,214,065	\$ 1,281,305
Contributions	155,246	72,877
Interest and dividend income	11,450	13,268
Realized and unrealized gain (loss) on investments	18,131	(40,474)
Miscellaneous income	5,367	4,969
Realized gain (loss) on property and equipment	(477)	-
Total unrestricted revenues, support, and gains	1,403,782	1,331,945
Net assets released from restrictions:		
Satisfactions of restrictions - Hemlock building	5,000	-
Total net assets released from restrictions	5,000	-
Total unrestricted revenues, support, and gains	1,408,782	1,331,945
Expenses and losses:		
Operating expenses	1,253,031	1,284,059
Total expenses	1,253,031	1,284,059
Increase in unrestricted net assets	155,751	47,886
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	-	5,000
Net assets released from restriction	(5,000)	-
	(5,000)	5,000
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Contributions	4,760	27,689
	4,760	27,689
Increase in net assets	155,511	80,575
NET ASSETS, beginning of year	2,414,302	2,333,727
NET ASSETS, end of year	\$ 2,569,813	\$ 2,414,302

See accompanying notes and accountant's report

SEABECK CHRISTIAN CONFERENCE CENTER
STATEMENTS OF CASH FLOWS – MODIFIED CASH BASIS
DECEMBER 31, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 155,511	\$ 80,575
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	106,236	105,381
Realized (gain) loss on sale of investments	(1,125)	(1,436)
Loss on sale of property and equipment	477	-
Unrealized (appreciation) depreciation in market value of investments	(17,006)	41,910
(Increase) decrease in:		
Accounts receivable	(3,404)	(3,293)
Conference deposits	655	9,369
Deposits	-	(1,000)
Net cash provided by operating activities	241,344	231,506
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(59,080)	(348,207)
Proceeds from sales and redemptions of investments	208,370	100,149
Proceeds from sales of property and equipment	3,500	-
Purchase of property and equipment	(100,263)	(126,290)
Net cash provided (used) by investing activities	52,527	(374,348)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payment on debt	(24,999)	(23,929)
Net cash used by financing activities	(24,999)	(23,929)
Net increase (decrease) in cash	268,872	(166,771)
CASH, beginning of year	173,246	340,017
CASH, end of year	\$ 442,118	\$ 173,246
SUPPLEMENTAL DATA		
Interest paid	\$ 10,261	\$ 13,506

See accompanying notes and accountant's report

**SEABECK CHRISTIAN CONFERENCE CENTER
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations – Seabeck Christian Conference Center (Organization) was organized on February 28, 1936. It provides conference space and services to religious and other non-profit organizations, including schools.

Basis of Accounting – The Organization utilizes the modified cash basis of accounting. Under this method of accounting, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

Donated Services – Donated services are not recorded in the financial statements, as the Organization does not control the employment and duties of the service donors.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Organization considers money market funds and certificates of deposit with maturities of three months or less to be cash equivalents.

Concentration of Credit Risk – Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash and investments with creditworthy, high-quality financial institutions, which limits exposure of credit risk. From time-to-time the Organization had amounts in excess of FDIC insured credit limits.

Investments – Investments in certificates of deposit are reported at fair value. Gains and losses on disposition of investments are reported in the statements of activities. Changes in fair value of investments are reported as unrealized investment gains (losses) in the statements of activities.

Pervasiveness 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property, Equipment, and Depreciation – All property and equipment are stated at cost or the estimated fair market value of assets donated at the date of gift. Depreciation is provided for on the straight-line basis over the useful lives of assets, as follows:

Land improvements	5 to 10 years
Buildings	20 to 40 years
Equipment	5 to 7 years
Furnishings	5 to 7 years
Computer software	3 to 5 years

Federal Income Taxes – The Organization, as a non-profit organization, is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except for income, if any, derived from unrelated business activities.

Reclassification – Certain amounts from the prior year have been reclassified to conform to the current year presentation.

**SEABECK CHRISTIAN CONFERENCE CENTER
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – INVESTMENTS

At December 31, 2009, investments consisted of the following:

	2009	2008
Mutual funds	\$ 105,815	\$ 87,197
Stocks	1,695	-
Certificates of deposit	193,494	344,966
	\$ 301,004	\$ 432,163

NOTE 3 – LONG-TERM DEBT

	2009	2008
Bank note, secured by certificate of deposit in the amount of \$193,494, due July 10, 2010, payable in monthly installments of \$1,468 including interest at the rate of 3.6% per year. Loan contains a balloon payment estimated at \$172,988 due July 2010. The Organization expects to refinance this obligation at the due date.	\$ 183,283	\$ 204,578
Local Utility District Water System Assessment, secured by lien on property, due April 24, 2014, payable in annual principal installments of \$3,704 plus interest of 7% per year.	18,521	22,225
	\$ 201,804	\$ 226,803

Maturities of debt in each of the next five years are:

2010	\$ 3,704
2011	3,704
2012	3,704
2013	3,704
Thereafter	3,705
	\$ 18,521

NOTE 4 – NET ASSETS

Subsequent to year-end, the board designated endowment fund changed its objective. and is now the board designated capital reserve. In prior years, the endowment funds (board designated) were restricted with the objective of investment income to cover annual maintenance costs and is now the board designated capital reserve.

NOTE 5 – PENSION PLAN

The Organization sponsors a defined contribution pension plan covering all of its eligible salaried employees. Under the plan, the employer contributed an amount equal to 9% in 2009 and 2008, of a participant's compensation. The amount of pension cost recognized under the plan was \$20,998 in 2009 and \$18,313 in 2008.

**SEABECK CHRISTIAN CONFERENCE CENTER
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Modified cash basis of accounting requires disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, investments, and long-term debt. For these financial instruments, carrying values approximate fair value.

NOTE 7 – ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

The Organization has adopted provisions of a new accounting standard regarding accounting for uncertainties in income taxes and has evaluated whether it is more likely than not that positions the Organization have taken would result in the recognition of additional taxable income or the loss of its tax-exempt status.

Based upon its evaluation, the Organization has concluded that they are operating in compliance within its tax-exempt status and that there are no matters that would create taxable income other than unrelated business income, if any.

NOTE 8 – SUBSEQUENT EVENTS

The Board of Trustees and management have evaluated subsequent events through June 23, 2010, the date the financial statements were available to be issued. They have concluded that there were no reportable events.