

## UNION STATION HOMELESS SERVICES

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## INDEPENDENT AUDITOR'S REPORT

To the Governing Board  
Union Station Homeless Services  
Pasadena, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Union Station Homeless Services (the Organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessing of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2018, on our consideration of Union Station Homeless Services's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union Station Homeless Services's internal control over financial reporting and compliance.



January 16, 2018  
Pasadena, California



UNION STATION HOMELESS SERVICES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2017

ASSETS

CURRENT ASSETS	
Cash	\$ 209,440
Cash held in trust - client accounts	5,836
Investments	12,181,090
Prepaid expenses	246,615
Grants receivable	1,294,916
Pledges receivable	820
Other receivables	11,560
Deposits	<u>7,563</u>
Total current assets	<u>13,957,840</u>
PROPERTY AND EQUIPMENT - NET	<u>7,291,571</u>
INTANGIBLE ASSETS - NET	<u>23,180</u>
OTHER ASSETS	
Cash - endowment	3,799
Investments - endowment	<u>2,233,861</u>
Total other assets	<u>2,237,660</u>
TOTAL ASSETS	<u>\$ 23,510,251</u>

The accompanying notes are an integral part of this statement.



UNION STATION HOMELESS SERVICES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2017

LIABILITIES, NET ASSETS AND PARTNERS' CAPITAL

CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 2,166,149
Client trust liability	5,836
Other payables	42,527
Line of credit	<u>150,000</u>
Total current liabilities	<u>2,364,512</u>
LONG-TERM LIABILITIES	
Notes payable	<u>2,400,361</u>
TOTAL LIABILITIES	<u>4,764,873</u>
NET ASSETS	
Unrestricted	
Undesignated	6,166,581
Board designated	<u>1,221,243</u>
Total unrestricted	<u>7,387,824</u>
Temporarily restricted	9,450,641
Permanently restricted	<u>1,906,913</u>
Total restricted	<u>11,357,554</u>
TOTAL NET ASSETS AND PARTNERS' CAPITAL	<u>18,745,378</u>
TOTAL LIABILITIES, NET ASSETS, AND PARTNERS' CAPITAL	<u>\$ 23,510,251</u>

The accompanying notes are an integral part of this statement.



UNION STATION HOMELESS SERVICES  
CONSOLIDATED STATEMENT OF ACTIVITIES  
JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
Individuals	\$ 1,181,096	\$ 42,142	\$ 22,854	\$ 1,246,092
Churches	39,378	3,694	-	43,072
Government grants	5,024,346	-	-	5,024,346
Foundations	552,141	270,765	-	822,906
Other organizations	249,181	18,500	-	267,681
Other income	260,881	-	-	260,881
Gifts-in-kind	377,487	-	-	377,487
Investment income - net	177,791	49,058	-	226,849
Gain on sale of investments	31,456	-	-	31,456
Unrealized gain on investments	1,273,249	167,135	-	1,440,384
Net rental revenue	40,371	-	-	40,371
Forgiveness of debt	1,318,485	-	-	1,318,485
Net assets released from restriction	700,062	(700,062)	-	-
	<u>11,225,924</u>	<u>(148,768)</u>	<u>22,854</u>	<u>11,100,010</u>
Special events revenue	576,600	-	-	576,600
Special events expenses	(309,883)	-	-	(309,883)
Net revenue from special events	<u>266,717</u>	<u>-</u>	<u>-</u>	<u>266,717</u>
Total support and revenue	<u>11,492,641</u>	<u>(148,768)</u>	<u>22,854</u>	<u>11,366,727</u>
<b>EXPENSES</b>				
Program services	7,482,735	-	-	7,482,735
Management and general	1,462,907	-	-	1,462,907
Fundraising	735,786	-	-	735,786
Total expenses	<u>9,681,428</u>	<u>-</u>	<u>-</u>	<u>9,681,428</u>
CHANGE IN NET ASSETS	1,811,213	(148,768)	22,854	1,685,299
NET ASSETS AND PARTNERS' CAPITAL AT BEGINNING OF YEAR	<u>5,576,611</u>	<u>9,599,409</u>	<u>1,884,059</u>	<u>17,060,079</u>
NET ASSETS AND PARTNERS' CAPITAL AT END OF YEAR	<u>\$ 7,387,824</u>	<u>\$ 9,450,641</u>	<u>\$ 1,906,913</u>	<u>\$ 18,745,378</u>

The accompanying notes are an integral part of this statement.



UNION STATION HOMELESS SERVICES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
JUNE 30, 2017

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
<b>PERSONNEL EXPENSES</b>				
Salaries	\$ 3,796,809	\$ 899,058	\$ 437,611	\$ 5,133,478
Payroll taxes and employee benefits	<u>871,960</u>	<u>155,881</u>	<u>73,618</u>	<u>1,101,459</u>
Total personnel expenses	<u>4,668,769</u>	<u>1,054,939</u>	<u>511,229</u>	<u>6,234,937</u>
<b>OTHER EXPENSES</b>				
Food and kitchen	263,446	-	-	263,446
Development and public relations	22,802	34,034	165,801	222,637
Utilities and telephone	156,851	8,593	5,097	170,541
Facility expenses	234,757	11,198	2,895	248,850
Insurance and taxes	39,909	24,992	1,545	66,446
Building repairs and maintenance	87,507	-	-	87,507
Auditing and legal services	5,419	87,143	-	92,562
Staff training and meetings	39,818	67,078	7,326	114,222
Program participant aid and other program expenses	1,066,514	-	-	1,066,514
Office expense	125,766	18,389	32,138	176,293
Auto, including reimbursements	25,555	660	409	26,624
Volunteer program	20,455	-	-	20,455
Bank and payroll fees	18,481	19,774	2,727	40,982
Social services	80,299	-	-	80,299
Interest expense	<u>-</u>	<u>110,508</u>	<u>-</u>	<u>110,508</u>
Total other expenses	<u>2,187,579</u>	<u>382,369</u>	<u>217,938</u>	<u>2,787,886</u>
Depreciation and amortization	<u>626,387</u>	<u>25,599</u>	<u>6,619</u>	<u>658,605</u>
<b>TOTAL EXPENSES</b>	<u>\$ 7,482,735</u>	<u>\$ 1,462,907</u>	<u>\$ 735,786</u>	<u>\$ 9,681,428</u>

The accompanying notes are an integral part of this statement.



UNION STATION HOMELESS SERVICES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

CHANGE IN NET ASSETS \$ 1,685,299

Adjustments to reconcile change in net assets to net cash  
used for operating activities:

Depreciation and amortization	658,605
Forgiveness of debt	(1,318,485)
Gain on sale of investments	(31,456)
Unrealized gain on investments	(1,440,384)

Changes in operating assets and liabilities:

Prepaid expenses	53,815
Grants receivable	(496,870)
Pledges receivable	85,255
Contributions receivable	200,000
Other receivables	21,606
Deposits	75,000
Accounts payable and accrued expenses	247,468
Client trust liability	(13,584)
Other payables	42,527

CASH USED FOR OPERATING ACTIVITIES (231,204)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	843,331
Purchase of investments	(805,246)
Purchase of property and equipment	(115,673)

CASH USED FOR INVESTING ACTIVITIES (77,588)

CASH FLOWS FROM FINANCING ACTIVITIES

Additional borrowing on line of credit	250,000
Principal payments on line of credit	(500,000)

CASH USED FOR FINANCING ACTIVITIES (250,000)

NET DECREASE IN CASH (558,792)

CASH AT BEGINNING OF YEAR 777,867

CASH AT END OF YEAR \$ 219,075

SUMMARY OF CASH AT END OF YEAR:

Cash	\$ 209,440
Cash held in trust - client accounts	5,836
Cash - endowment	3,799

\$ 219,075

CASH PAID DURING THE YEAR FOR:

INTEREST	\$ 12,506
TAXES	\$ 800

The accompanying notes are an integral part of this statement.



UNION STATION HOMELESS SERVICES  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

MISSION STATEMENT

Helping men, women and children rebuild their lives and end homelessness.

ORGANIZATION

During the year ended June 30, 2016, Union Station Homeless Services (the Organization or USHS) and Pacific Housing Alliance signed an affiliation agreement, giving USHS sole control over the Board of Directors of Pacific Housing Alliance. Through this agreement, USHS effectively owns 100% of 160 Euclid Partners, L.P. (the Partnership). As a result, the Partnership and Pacific Housing Alliance are required under generally accepted accounting principles to be consolidated into USHS.

UNION STATION HOMELESS SERVICES

USHS formerly Union Station Foundation, is a 501(c)(3) nonprofit organization committed to helping homeless men, women and children rebuild their lives.

USHS is part of a premier group of human services agencies in Los Angeles County that are leading the way to ending homelessness in our region.

The work of USHS is carried out by the efforts of a skilled professional staff, devoted community volunteers and generous supporters. Over the last 42 years, through the combined efforts of all these dedicated individuals, USHS has served over 4 million meals to the hungry, provided approximately 890,000 shelter bed nights to the homeless, and assisted 2,200 individuals secure jobs through the career development program.

160 EUCLID PARTNERS, L.P.

160 Euclid Partners, L.P. (the Partnership), is involved in the rehabilitation and management of a 15-unit residential property consisting of affordable rental housing in Pasadena, California. The Partnership commenced in December 2011 and completed an additional rehabilitation of the rental housing in May 2012.

The Partnership rents to people who work primarily in the City of Pasadena and other areas of the Los Angeles County with qualifying levels of income. The Partnership is subject to business risks associated with fluctuations in the economy and level of unemployment in the Los Angeles County, which will affect occupancy as well as the tenants' ability to make rental payments. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD and may occur with little notice or inadequate funding to pay for the related cost, including the administrative burden, to comply with a change.

PACIFIC HOUSING ALLIANCE

The purpose of the Pacific Housing Alliance is to expand opportunities available to low and moderate income people to obtain affordable, decent, safe, and sanitary housing, and to assist such people in connection with such housing related economic opportunities, and support services.

HISTORY

In 1973, a group of compassionate volunteers wanted to make a difference. From a small storefront on Union Street in Pasadena, they welcomed the poor, indigent and lonely into "Union Station," a safe gathering place for those living on the street.



UNION STATION HOMELESS SERVICES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017

HISTORY (continued)

From those initial humble offerings of coffee, donuts and friendship, Union Station has grown. Today, it is the San Gabriel Valley's largest and most comprehensive social service organization assisting homeless men, women and children.

DEEPENING OUR IMPACT

For 45 years, USHS has been working with compassionate community members to rebuild lives and bring people home for good. We have seen countless lives transformed. The vision expressed by the community volunteers who founded this agency still rings true today: Everyone deserves a life of dignity and a place to call home.

While our vision has never changed, our services have continued to evolve. From the time we first meet people on the street until well after they have keys to their own place, USHS provides intake, shelter, housing and employment services they need for a better life. Today, we are the largest social service agency helping homeless adults and families in the San Gabriel Valley.

Throughout the past two years, USHS has expanded our services and deepened our impact. We have expanded our reach from Pasadena to the entire San Gabriel Valley. In coordination with the Los Angeles County and more than 60 agencies, we identify and rapidly house the most vulnerable members of our community. We then surround them with the services they need to stay housed for good.

USHS helps individuals connect to, and navigate, community based services including housing, employment, medical and mental health, education and benefit enrollment. We use the "Housing First" model to provide the most vulnerable members of society with housing first, so they may stabilize and then address other issues that led to their homelessness.

In the fiscal year of 2016-17, USHS provided intake and assessment for 2,000 people experiencing homelessness. These activities resulted in more than 600 individuals entering our safe emergency shelter, and moved more than 500 individuals from homelessness into safe, affordable housing. In addition, we served more than 100,000 meals and helped 115 job seekers secure employment through our career development program.

During the year ended June 30, 2017, we proudly provided services in four main service areas:

**INTAKE**

USHS is the lead coordinator with 60+ partner agencies throughout the San Gabriel Valley. Together, we are working to help end homelessness in our region. Our programs provide outreach and assessments for adults and families. Our intake teams locate, identify and screen people throughout the San Gabriel Valley who are experiencing homelessness. We then rapidly match them to safe and affordable housing, giving chronically homeless adults, veterans and families top priority. Our intake services include:

Coordinated Entry System (CES) is a county-wide effort to coordinate resources in order to help homeless adults and veterans find permanent housing and stay housed for good. USHS's CES program serves as the primary entry-point for adults seeking homeless services in the San Gabriel Valley.

**Family Coordinated Entry System (FCES) is a county-side effort to connect families experiencing homelessness with support and housing resources in their own community.** USHS's FCES program provides a primary point of entry for families who are experiencing or at risk of becoming homeless in the San Gabriel Valley.



DEEPENING OUR IMPACT (continued)

**SHELTER**

We offer safe short-term shelter for adults and families. Our residents meet at least weekly with a care coordinator manager and aim to move into permanent housing within 90 days. Our residents have access to meals, supportive services, medical and mental healthcare, substance use recovery programs, career development classes, and enrichment activities to help them rebuild their lives. We also provide motel vouchers for adults and families as a short term solution.

**The Adult Center**, a 56-bed shelter for homeless men and women, provides beds, meals, and supportive services. The Adult Center also serves non-resident day patrons by providing free community meals, showers, laundry services, and emergency shelter mats.

**The Family Center**, a 50-bed shelter, is a nurturing, home-like environment for homeless parents and children, and acts as a bridge from homelessness to housing.

**HOUSING**

Nothing can replace a set of your own keys and a door that locks. Permanent supportive housing offers adults and families the opportunity to rebuild their lives in safe, affordable, and private apartments, with onsite support services. Our staff offers counseling, care coordination, and enrichment activities such as nutrition, budgeting, yoga, music lessons and more. Permanent supportive housing includes:

USHS operates three permanent supportive housing apartment buildings in Pasadena:

**Centennial Place** provides 142 single room occupancy (SRO) apartment units for adults

**Euclid Villa** provides 14 apartment units for families

**Marv's Place** provides 19 apartment units for families

USHS operates several scattered site housing apartment buildings in Pasadena:

**Housing for Health** provides specialized services and recuperative care for people with complex physical and behavioral health conditions.

**Housing and Jobs Collaborative** provides short term rental subsidies and job opportunities for homeless adults and families.

**Holly Street Housing** provides housing vouchers and support for former chronically homeless individuals in Pasadena.

**EMPLOYMENT**

Employment is vital on the road to independence. Many of our clients have significant barriers to employment. Some haven't worked in many years and/or lack a permanent address. We believe in each of them because we have witnessed time and time again that each of our clients have something unique and special to offer the workforce when given the chance.

Sources, our career development program, helps our homeless and very low-income job seekers by providing workshops, job search assistance, career counseling, help with resumes and mock interviews, and transitional subsidies employment opportunities. We also provide the vital job search resources, including a Resources Center with phones, fax, computers, copiers and a scanner, as well as access to clothing and shoes and assistance with uniforms, haircuts, ID cards, and transportation.



UNION STATION HOMELESS SERVICES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017

DEEPENING OUR IMPACT (continued)

**VOLUNTEER**

It is significant to note that none of our work would be possible without our volunteers. Volunteerism continues to serve as the backbone of the Organization, and the services we provide. From serving meals, to leading enrichment activities, to providing administrative assistance, each year, a village of over 3,600 volunteers dedicate their time, energy, and spirit to supporting the Union Station family.

They support life-changing programs that enable individuals and families experiencing homelessness to get back on their feet, reach their goals, and achieve and maintain personal stability.

We hold the Service Enterprise Certification from California Volunteers, which is an organizational recognition for excellence in the recruiting, management and integration of volunteers.

During the year ended June 30, 2017, the Organization's volunteer population contributed 34,822 hours in an effort to fulfill its mission. These services do not fall under the category of professional services and in accordance with GAAP, have not been reflected in the Organization's financial statements (SEE SIGNIFICANT ACCOUNTING POLICIES).

The Organization, closes its fiscal year with abiding gratitude for the support it has received from its many constituents, and it looks forward to another year of rebuilding lives.

SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). Certain prior year amounts have been reclassified to conform with the current year presentation. A summary of significant accounting policies is described below:

**CONSOLIDATION**

In accordance with GAAP, the financial statements of Union Station Homeless Services, 160 Euclid Partners, L.P. and Pacific Housing Alliance are consolidated into the financial statements of Union Station Homeless Services. All material intercompany transactions as of June 30, 2017 have been eliminated.

**CASH**

Liquid assets having a maturity of three months or less are included as cash.

**FAIR VALUE MEASUREMENTS**

GAAP requires that items recorded at fair market value be valued as level one, two or three, based on various inputs and methodologies as described below:

Level 1 - quoted prices and active markets for identical holdings

Level 2 - significant observable market-based inputs, other than Level 1 quoted prices, or unobservable inputs that are based on comparable market data

Level 3 - significant observable inputs that are not based on comparable market data



UNION STATION HOMELESS SERVICES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (continued)

GRANTS RECEIVABLE

Grants receivable consist mainly of grants from federal, state and city government agencies. Based on management's experience, all receivables are expected to be fully collectible. Therefore, no allowance for doubtful accounts has been recorded as of June 30, 2017.

PROPERTY AND EQUIPMENT

Property and equipment are reported at cost. Depreciation is computed on a straight-line basis over estimated useful lives of 3 to 40 years. Maintenance and repairs are recorded as expenses in the year incurred, and renewals and betterments exceeding \$1,000 are capitalized.

INCOME AND SUPPORT RECOGNITION

The financial statements of the Organization have been prepared on the accrual basis of accounting. All donations received are considered available for unrestricted use unless restricted by the donor. Restricted funds are recorded as revenue upon receipt.

Noncash contributions (gifts-in-kind) are recorded at fair market value when the contributions are significant in amount and when there is a reasonable basis for valuation.

BASIS OF PRESENTATION

In accordance with GAAP, the 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 as described below:

Unrestricted, includes funds which are expendable for the support of the Organization's operations.

Temporarily restricted, includes funds which donors have restricted for specific purposes or for use according to certain time schedules or both.

Permanently restricted, represents funds that are subject to restrictions set forth in gift instruments requiring that principal be invested in perpetuity or for a specified term and income be expended for unrestricted operating purposes in accordance with the California Uniform Prudent Management of Institutional Funds Act, unless otherwise prohibited by donor stipulation. Unless prohibited by donor stipulation, up to four percent of the average net fair market value may be used for operational or capital needs.

ESTIMATES

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

INCOME TAXES

The Organization operates as a California nonprofit corporation under section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes; accordingly, no provision is made for current or deferred income taxes. The Organization uses the same accounting methods for tax and financial reporting.



UNION STATION HOMELESS SERVICES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2017

SIGNIFICANT ACCOUNTING POLICIES (continued)

JOINT COST ALLOCATION

The Organization incurs costs that are shared by program, management and general, and fundraising activities. The amount allocated to each area depends upon the purpose, audience and content of each medium used. The Organization determined the allocation based on both current and historical data.

DONATED SERVICES

GAAP requires the value of donated services be recorded if those donated services create or enhance nonfinancial assets or require specialized skills. Many volunteers have contributed significant amounts of their time to activities of the Organization. However, since the above requirements were not met, the value of the contributed services is not recorded in the accompanying financial statements. During the year ended June 30, 2017, the Organization received professional services at no cost and these services are reflected in the accompanying financial statements (SEE NONCASH TRANSACTIONS).

PARTNERSHIP

160 Euclid Partners, L.P. is a California limited partnership, which was formed on July 14, 1997. The general partner is Pacific Housing Alliance, and the limited partner is Union Station Homeless Services. Both are California non-profit corporations. The general and limited partners' percentage of interest in profits and losses is 1% and 99%, respectively.

INVESTMENTS

In accordance with GAAP, the fair value of investments is a level 1 classification. At June 30, 2017, investments consisted of the following:

Mutual funds - fixed income	\$ 3,375,734
Mutual funds - equity	<u>11,039,217</u>
	<u>\$ 14,414,951</u>

Investment income of \$226,849 on the Statement of Activities consists of dividends, interest, and capital gain distributions and is reflected net of investment fees of \$39,970 for the year ended June 30, 2017.



UNION STATION HOMELESS SERVICES  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2017

PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2017:

Land	\$ 2,615,756
Buildings	4,750,681
Building improvements	6,786,164
Leasehold improvements	198,420
Land improvements	49,474
Office equipment	326,344
Furniture and equipment	731,846
Vehicles	<u>222,923</u>
	15,681,608
Less accumulated depreciation	<u>(8,390,037)</u>
	<u>\$ 7,291,571</u>

Depreciation expense for the year ended June 30, 2017 was \$648,070.

INTANGIBLE ASSETS

Intangible assets consisted of the following as of June 30, 2017:

Website	\$ 50,000
Loan fees	14,238
Monitoring fees	<u>6,720</u>
	70,958
Less accumulated amortization	<u>(47,778)</u>
	<u>\$ 23,180</u>

Amortization expense for the year ended June 30, 2017 was \$10,535.

NOTES PAYABLE

In 2006, the Organization was awarded a \$1,000,000 construction loan from the State of California Emergency Housing Assistance Program (EHAP) for the construction and administrative costs related to the building of the Adult Center. As of June 30, 2008, the Organization had received \$905,000 of the \$1,000,000 construction loan. During the year ended June 30, 2009, the Organization was awarded the remaining \$95,000 of the loan as a result of receiving a certificate of occupancy, in accordance with the terms of the loan. The loan agreement stipulated that if all loan requirements were met, the ten year loan would be forgiven in December 2016. As the Organization was in compliance with provisions of the loan, the balances of the loan of \$1,318,485, including principal and accrued interest, was forgiven during the year ended June 30, 2017.



UNION STATION HOMELESS SERVICES  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2017

NOTES PAYABLE (continued)

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Note secured by property; bearing interest at 4% per annum; principal and interest payable annually from available Residual Receipts exclusively from 160 Euclid Partners, L.P.; unpaid principal and interest due 30 years after the certificate of completion, December 2029; if all loan requirements are met, the loan will be forgiven at maturity	\$ -	\$ 623,500	\$ 623,500
Note secured by property; bearing interest at 6% per annum; principal and interest payable annually from available Residual Receipts exclusively from 160 Euclid Partners, L.P.; unpaid principal and interest due 30 years after the certificate of completion, August 2030; if all loan requirements are met, the loan will be forgiven at maturity	-	658,500	658,500
Note secured by a fourth deed of trust; bearing interest at 3% per annum; principal and interest payable annually from available Residual Receipts exclusively from 160 Euclid Partners, L.P.; unpaid principal and interest due July 2066; if all loan requirements are met, the loan will be forgiven at maturity	<u>-</u>	<u>1,118,361</u>	<u>1,118,361</u>
	<u>\$ -</u>	<u>\$ 2,400,361</u>	<u>\$ 2,400,361</u>

Future maturities for outstanding loans as of June 30, 2017 are as follows:

2018	\$ -
2019	-
2020	-
2021	-
2022	-
Thereafter	<u>2,400,361</u>
	<u>\$ 2,400,361</u>

Interest expense for the year ended June 30, 2017 was \$110,508.



UNION STATION HOMELESS SERVICES  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2017

LINE OF CREDIT

In November 2015, the Organization renewed its line of credit with Citizens Business Bank for two years. The credit line, in an amount not to exceed \$500,000, bears interest at the bank's prime rate of interest, with a floor rate of 4%. As of June 30, 2017, the outstanding balance on the line of credit was \$150,000.

LEASE COMMITMENT

The Organization leases three office properties located in the San Gabriel Valley, one of which is leased on a month to month basis. Total monthly payments for the two properties under an existing lease agreement are approximately \$4,587 and the leases expire in August 2017 and March 2020. Future minimum payments are as follows:

2018	\$	46,673
2019		46,014
2020		<u>35,280</u>
	\$	<u><u>127,967</u></u>

Rent expense for the year ended June 30, 2017 was \$72,773 and is included in program participant aid and other program expenses on the Statement of Functional Expenses.

CONCENTRATION OF RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits at financial institutions and investments in marketable securities. At times, balances in the Organization's cash and investment accounts may exceed the Federal Deposit Insurance Corporation (FDIC) or Securities Investors Protection Corporation (SIPC) limits.

DEFINED CONTRIBUTION PLAN

The Organization has a 403(b) tax sheltered annuity plan (defined contribution plan) for qualified participants. Contributions to the plan are non-forfeitable. The Organization may annually contribute a percentage of eligible employees' salaries. Eligible participants may contribute up to the maximum amount currently allowed by the Internal Revenue Service. Contributions made by the Organization during the year ended June 30, 2017 were \$106,730.

NONCASH TRANSACTIONS

GIFTS-IN-KIND

During the year ended June 30, 2017, the following gifts-in-kind were received:

Food and kitchen supplies used in daily operations	\$	230,136
Non-food items distributed to patrons		84,274
Other supplies used in daily operations		2,006
Professional services		61,071
Other gifts-in-kind (included in special events)		<u>17,448</u>
	\$	<u><u>394,935</u></u>



NONCASH TRANSACTIONS (continued)

Special events gifts-in-kind are included in special events revenue and expenses on the Statement of Activities. All other gifts-in-kind are reported as gifts-in-kind income on the Statement of Activities and are included in program participant aid and other program expenses on the Statement of Functional Expenses.

In accordance with GAAP, professional services are a level 2 classification, while all other gifts-in-kind are a level 3 classification.

ENDOWMENT

The Organization's endowment consists of several funds established for various purposes. The Governing Board of the Organization has interpreted the California Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the historical dollar amount of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the California Uniform Prudent Management of Institutional Funds Act.

INVESTMENT POLICY

Endowment funds are to be invested in securities and other instruments using a broad array of asset classes with the goal of minimizing risk and maximizing potential return within certain guidelines. The long-term target rate of return will be four to five percent greater than the inflation rate. This goal, while not always achievable, should accommodate an annual target withdrawal rate of four percent of average assets per year for use by the Organization's programs when market conditions allow.

SPENDING POLICY

The Organization has a policy of appropriating for distribution each year up to four percent of the endowment fund's average net fair market value. Amounts appropriated may be used for operational or capital needs.

The Organization has one endowment whereby the donor requires that 10% of the net income each year be transferred to the corpus of the fund, and the remaining 90% of the net income be used for medical care for the needy.



UNION STATION HOMELESS SERVICES  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2017

ENDOWMENT (continued)

CHANGES IN ENDOWMENT NET ASSETS

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets at June 30, 2016	\$ -	\$ 114,491	\$ 1,884,059	\$ 1,998,550
Investment return				
Investment income	-	49,058	3,561	52,619
Net appreciation (realized and unrealized)	<u>-</u>	<u>225,507</u>	<u>-</u>	<u>225,507</u>
Total investment return	-	274,565	3,561	278,126
Contributions	-	-	22,854	22,854
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(61,870)</u>	<u>-</u>	<u>(61,870)</u>
Endowment net assets at June 30, 2017	<u>\$ -</u>	<u>\$ 327,186</u>	<u>\$ 1,910,474</u>	<u>\$ 2,237,660</u>

Endowment assets consisted of the following as of June 30, 2017:

Investments	\$ 2,233,861
Cash	<u>3,799</u>
	<u>\$ 2,237,660</u>

SUBSEQUENT EVENTS

In accordance with GAAP, the Organization has evaluated subsequent events through January 16, 2018, which is the date these financial statements were available to be issued. All subsequent events requiring recognition have been incorporated into these financial statements.



UNION STATION HOMELESS SERVICES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

<u>PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>CONTRACT/ AGREEMENT No.</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>
Federal Assistance			
Department of Housing and Urban Development			
Passed through City of Pasadena			
Continuum of Care (COC) program	14.267	CA0663L9D071407	\$ 496,942 *
Passed through City of Pasadena			
Continuum of Care (COC) program	14.267	CA1363L9D071400	82,292 *
Passed through City of Pasadena			
Continuum of Care (COC) program	14.267	CA1447L9D071500	84,657 *
Passed through 160 Euclid Partners, L.P.			
Continuum of Care (COC) program	14.267	CA1363L9D071501	<u>110,419 *</u>
Subtotal			774,310
Passed through City of Pasadena			
Emergency solutions grants program	14.231	Various	27,370
Passed through Los Angeles Homeless Services Authority			
Emergency solutions grants program	14.231	Various	<u>229,922</u>
Subtotal			257,292
Passed through City of Alhambra			
Community development block grants/entitlement grants	14.218	C2M16-64	45,141
Passed through City of Pasadena			
Community development block grants/entitlement grants	14.218	CDBG 30721	<u>61,692</u>
Subtotal			106,833
Total Department of Housing and Urban Development			<u>1,138,435</u>
Department of Health and Human Services			
Passed through Los Angeles Homeless Services Authority			
Temporary Assistance for Needy Families (TANF)	93.558	2016-FDPSS02	<u>792,430</u>
Department of Homeland Security			
Passed through United Way of Greater Los Angeles			
Emergency Food and Shelter National Board Program	97.024	EFSP Phase 34	<u>54,284</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,985,149</u>

\* Major program

The accompanying notes are an integral part of this statement.



UNION STATION HOMELESS SERVICES  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule), includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit Organizations, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization did not elect to use the 10% de minimis indirect cost rate.

The accompanying notes are an integral part of this statement.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Governing Board  
Union Station Homeless Services  
Pasadena, California

We have audited, 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, the financial statements of Union Station Homeless Services, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 16, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Union Station Homeless Services' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Union Station Homeless Services' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*Phone*  
626.449.6321

**Compliance and Other Matters**

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626.449.7091

As part of obtaining reasonable assurance about whether Union Station Homeless Services' 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 or other matters that are required to be reported under *Government Auditing Standards*.

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**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Godin Accounting*



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Governing Board  
Union Station Homeless Services  
Pasadena, California

***Report on Compliance for Each Major Federal Program***

We have audited Union Station Homeless Services' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Union Station Homeless Services' major federal programs for the year ended June 30, 2017. Union Station Homeless Services' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Union Station Homeless Services' major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Union Station Homeless Services' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Union Station Homeless Services' compliance.

***Opinion on Each Major Federal Program***

In our opinion, Union Station Homeless Services complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

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## **Report on Internal Control over Compliance**

Management of Union Station Homeless Services is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Union Station Homeless Services' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Union Station Homeless Services' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Union Station Homeless Services as of and for the year ended June 30, 2017, and have issued our report thereon dated January 16, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



January 16, 2018  
Pasadena, California



UNION STATION HOMELESS SERVICES  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2017

SECTION I. SUMMARY OF AUDITOR'S RESULTS

*Financial Statements*

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

*Federal Awards*

Internal control over major federal programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major federal programs:

<u>CFDA No.</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Auditor's Report Issued</u>
14.267	Continuum of Care (COC) program	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No

SECTION II. FINANCIAL STATEMENT FINDINGS

None

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None



SUPPLEMENTAL INFORMATION



UNION STATION HOMELESS SERVICES  
 SUPPLEMENTAL STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 2017

	ASSETS				
	UNION STATION HOMELESS SERVICES	PACIFIC HOUSING ALLIANCE	160 EUCLID PARTNERS, L.P.	ELIMINATIONS	TOTAL
<b>CURRENT ASSETS</b>					
Cash	\$ 145,467	\$ -	\$ 63,973	\$ -	\$ 209,440
Cash held in trust - client accounts	5,836	-	-	-	5,836
Investments	12,181,090	-	-	-	12,181,090
Prepaid expenses	246,231	-	384	-	246,615
Grants receivable	1,294,916	-	74,419	(74,419)	1,294,916
Pledges receivable	820	-	-	-	820
Other receivables	3,407	6,035	8,153	(6,035)	11,560
Deposits	7,563	-	-	-	7,563
Total current assets	<u>13,885,330</u>	<u>6,035</u>	<u>146,929</u>	<u>(80,454)</u>	<u>13,957,840</u>
PROPERTY AND EQUIPMENT - NET	<u>4,050,604</u>	<u>-</u>	<u>3,240,967</u>	<u>-</u>	<u>7,291,571</u>
INTANGIBLE ASSETS - NET	<u>10,000</u>	<u>-</u>	<u>13,180</u>	<u>-</u>	<u>23,180</u>
<b>OTHER ASSETS</b>					
Cash - endowment	3,799	-	-	-	3,799
Investments - endowment	<u>2,233,861</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,233,861</u>
Total other assets	<u>2,237,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,237,660</u>
<b>TOTAL ASSETS</b>	<u>\$ 20,183,594</u>	<u>\$ 6,035</u>	<u>\$ 3,401,076</u>	<u>\$ (80,454)</u>	<u>\$ 23,510,251</u>

The accompanying notes are an integral part of this statement.



UNION STATION HOMELESS SERVICES  
SUPPLEMENTAL STATEMENT OF FINANCIAL POSITION (CONTINUED)  
JUNE 30, 2017

	LIABILITIES AND NET ASSETS				
	UNION STATION HOMELESS SERVICES	PACIFIC HOUSING ALLIANCE	160 EUCLID PARTNERS, L.P.	ELIMINATIONS	TOTAL
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 717,304	\$ -	\$ 1,529,299	\$ (80,454)	\$ 2,166,149
Client trust liability	5,836	-	-	-	5,836
Other payables	42,527	-	-	-	42,527
Line of credit	150,000	-	-	-	150,000
Total current liabilities	<u>915,667</u>	<u>-</u>	<u>1,529,299</u>	<u>(80,454)</u>	<u>2,364,512</u>
<b>LONG-TERM LIABILITIES</b>					
Notes payable	-	-	2,400,361	-	2,400,361
<b>TOTAL LIABILITIES</b>	<u>915,667</u>	<u>-</u>	<u>3,929,660</u>	<u>(80,454)</u>	<u>4,764,873</u>
<b>NET ASSETS AND PARTNER'S CAPITAL</b>					
Unrestricted					
Undesignated	6,689,130	6,035	-	-	6,695,165
Partners' Capital	-	-	(528,584)	-	(528,584)
Total undesignated	6,689,130	6,035	(528,584)	-	6,166,581
Board designated	1,221,243	-	-	-	1,221,243
Total unrestricted	<u>7,910,373</u>	<u>6,035</u>	<u>(528,584)</u>	<u>-</u>	<u>7,387,824</u>
Temporarily restricted	9,450,641	-	-	-	9,450,641
Permanently restricted	1,906,913	-	-	-	1,906,913
Total restricted	<u>11,357,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,357,554</u>
<b>TOTAL NET ASSETS</b>	<u>19,267,927</u>	<u>6,035</u>	<u>(528,584)</u>	<u>-</u>	<u>18,745,378</u>
<b>TOTAL LIABILITIES, NET ASSETS AND PARTNER'S CAPITAL</b>	<u>\$ 20,183,594</u>	<u>\$ 6,035</u>	<u>\$ 3,401,076</u>	<u>\$ (80,454)</u>	<u>\$ 23,510,251</u>

The accompanying notes are an integral part of this statement.



UNION STATION HOMELESS SERVICES  
SUPPLEMENTAL STATEMENT OF ACTIVITIES  
JUNE 30, 2017

	UNION STATION HOMELESS SERVICES	PACIFIC HOUSING ALLIANCE	160 EUCLID PARTNERS, L.P.	ELIMINATIONS	Total
<b>SUPPORT AND REVENUE</b>					
Individuals	\$ 1,246,092	\$ -	\$ -	\$ -	\$ 1,246,092
Churches	43,072	-	-	-	43,072
Government grants	4,967,633	-	167,167	(110,454)	5,024,346
Foundations	822,906	-	-	-	822,906
Other organizations	267,681	-	-	-	267,681
Other income	258,280	-	2,601	-	260,881
Gifts-in-kind	377,487	-	-	-	377,487
Investment income - net	226,828	-	21	-	226,849
Gain on sale of investments	31,456	-	-	-	31,456
Unrealized gain on investments	1,440,384	-	-	-	1,440,384
Net rental revenue	-	-	40,371	-	40,371
Forgiveness of debt	1,318,485	-	48,396	(48,396)	1,318,485
Net assets released from restriction	-	-	-	-	-
	<u>11,000,304</u>	<u>-</u>	<u>258,556</u>	<u>(158,850)</u>	<u>11,100,010</u>
Special events revenue	576,600	-	-	-	576,600
Special events expenses	(309,883)	-	-	-	(309,883)
Net revenue from special events	<u>266,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,717</u>
Total support and revenue	<u>11,267,021</u>	<u>-</u>	<u>258,556</u>	<u>(158,850)</u>	<u>11,366,727</u>
<b>EXPENSES</b>					
Program services	7,243,777	-	349,413	(110,455)	7,482,735
Management and general	1,363,363	-	147,939	(48,395)	1,462,907
Fundraising	735,786	-	-	-	735,786
Total expenses	<u>9,342,926</u>	<u>-</u>	<u>497,352</u>	<u>(158,850)</u>	<u>9,681,428</u>
CHANGE IN NET ASSETS	<u>1,924,095</u>	<u>-</u>	<u>(238,796)</u>	<u>-</u>	<u>1,685,299</u>
NET ASSETS AT BEGINNING OF YEAR	<u>17,343,832</u>	<u>6,035</u>	<u>(289,788)</u>	<u>-</u>	<u>17,060,079</u>
NET ASSETS AT END OF YEAR	<u>\$ 19,267,927</u>	<u>\$ 6,035</u>	<u>\$ (528,584)</u>	<u>\$ -</u>	<u>\$ 18,745,378</u>

The accompanying notes are an integral part of this statement.

