

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES

TABLE OF CONTENTS

	Page No.
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3-4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to Financial Statements	8-22
SUPPLEMENTARY INFORMATION	
Supplemental Statement of Financial Position	23-24
Supplemental Statement of Activities	25
Statement of Changes in Partners' Capital	26

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Union Station Homeless Services
Pasadena, California

We have audited the accompanying financial statements of Union Station Homeless Services, which comprise the statement of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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 assessment 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 Union Station Homeless Services as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

March XX, 2021
Pasadena, California

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	JUNE 30,	
	2020	2019
CURRENT ASSETS		
Cash	\$ 4,577,782	\$ 1,902,938
Cash held in trust - client accounts	11,958	11,267
Investments	12,971,801	12,394,744
Prepaid expenses	647,502	496,426
Grants receivable	3,907,544	3,099,610
Contributions receivable	-	41,040
Other receivables	8,158	10,638
Total current assets	22,124,745	17,956,663
INTANGIBLE ASSETS - NET	24,004	28,806
PROPERTY AND EQUIPMENT - NET	6,568,139	6,546,159
OTHER ASSETS		
Cash - endowment	-	5,290
Investments - endowment	2,652,594	2,487,249
Restricted reserves	16,417	19,917
Total other assets	2,669,011	2,512,456
TOTAL ASSETS	\$ 31,385,899	\$ 27,044,084

The accompanying notes are an integral part of this statement.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LIABILITIES, NET ASSETS, AND PARTNERS' CAPITAL

	JUNE 30,	
	2020	2019
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 4,174,261	\$ 3,198,138
Client trust liability	11,958	11,267
Other liabilities	2,022,963	1,808,685
Notes payable, current portion	1,875,000	-
Total current liabilities	8,084,182	5,018,090
LONG-TERM LIABILITIES		
Notes payable	2,400,361	2,400,361
TOTAL LIABILITIES	10,484,543	7,418,451
NET ASSETS		
Without donor restriction		
Undesignated	6,920,944	5,626,078
Board designated	2,125,802	2,181,270
Total without donor restriction	9,046,746	7,807,348
With donor restriction	11,854,610	11,818,285
TOTAL NET ASSETS AND PARTNERS' CAPITAL	20,901,356	19,625,633
TOTAL LIABILITIES, NET ASSETS, AND PARTNERS' CAPITAL	\$ 31,385,899	\$ 27,044,084

The accompanying notes are an integral part of this statement.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
CONSOLIDATED STATEMENT OF ACTIVITIES

	YEAR ENDED JUNE 30,			
	2020		2019	
	Without donor restriction	With donor restriction	Total	Total
SUPPORT AND REVENUE				
Individuals	\$ 2,933,567	\$ 253,686	\$ 3,187,253	\$ 1,561,560
Churches	38,063	6,884	44,947	47,799
Government grants	16,906,013	-	16,906,013	14,118,964
Foundations	1,440,066	428,050	1,868,116	694,996
Other organizations	374,847	91,924	466,771	450,492
Other income	91,498	-	91,498	96,043
Gifts-in-kind	765,707	-	765,707	333,140
Investment income - net	413,300	83,755	497,055	605,260
Gain (loss) on sale of investments	42,438	7,570	50,008	(12,325)
Unrealized gain on investments	391,491	78,130	469,621	432,405
Net rental revenue	43,551	-	43,551	29,469
Net assets released from restriction	913,674	(913,674)	-	-
	<u>24,354,215</u>	<u>36,325</u>	<u>24,390,540</u>	<u>18,357,803</u>
Special events revenue	454,817	-	454,817	648,035
Special events expenses	(177,659)	-	(177,659)	(360,836)
Net revenue from special events	<u>277,158</u>	<u>-</u>	<u>277,158</u>	<u>287,199</u>
Total support and revenue	<u>24,631,373</u>	<u>36,325</u>	<u>24,667,698</u>	<u>18,645,002</u>
EXPENSES				
Program services	19,423,005	-	19,423,005	15,044,032
Management and general	2,846,764	-	2,846,764	2,549,374
Fundraising	1,122,206	-	1,122,206	854,882
Total expenses	<u>23,391,975</u>	<u>-</u>	<u>23,391,975</u>	<u>18,448,288</u>
CHANGE IN NET ASSETS	1,239,398	36,325	1,275,723	196,714
NET ASSETS AND PARTNERS' CAPITAL AT BEGINNING OF YEAR	<u>7,807,348</u>	<u>11,818,285</u>	<u>19,625,633</u>	<u>19,428,919</u>
NET ASSETS AND PARTNERS' CAPITAL AT END OF YEAR	<u>\$ 9,046,746</u>	<u>\$ 11,854,610</u>	<u>\$ 20,901,356</u>	<u>\$ 19,625,633</u>

The accompanying notes are an integral part of this statement.

**PRELIMINARY DRAFT -
FOR DISCUSSION PURPOSES ONLY**

UNION STATION HOMELESS SERVICES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	JUNE 30,				
	2020				2019
	Program services	Management and general	Fundraising	Total	Total
PERSONNEL EXPENSES					
Salaries	\$ 8,675,908	\$ 1,823,246	\$ 682,728	\$ 11,181,882	\$ 9,211,556
Payroll taxes and employee benefits	1,994,114	286,294	108,757	2,389,165	1,934,466
Total personnel expenses	<u>10,670,022</u>	<u>2,109,540</u>	<u>791,485</u>	<u>13,571,047</u>	<u>11,146,022</u>
OTHER EXPENSES					
Food and kitchen	476,795	-	1,390	478,185	250,919
Development and public relations	-	-	140,047	140,047	179,114
Utilities and telephone	255,814	30,109	5,774	291,697	290,326
Facility expenses	520,783	52,359	6,903	580,045	476,127
Insurance and taxes	68,604	53,647	1,107	123,358	108,117
Auditing and legal services	-	198,123	-	198,123	155,594
Staff training and meetings	309,608	84,499	75,454	469,561	255,520
Program participant aid and other program expenses	6,193,947	-	-	6,193,947	4,359,490
Office expense	404,558	117,845	63,091	585,494	468,970
Auto, including reimbursements	53,082	16,521	340	69,943	100,819
Volunteer program	6,788	4,419	28,784	39,991	33,897
Bank and payroll fees	33,113	28,121	1,760	62,994	48,904
Interest expense	-	105,528	-	105,528	109,259
Total other expenses	<u>8,323,092</u>	<u>691,171</u>	<u>324,650</u>	<u>9,338,913</u>	<u>6,837,056</u>
Depreciation and amortization	<u>429,891</u>	<u>46,053</u>	<u>6,071</u>	<u>482,015</u>	<u>465,210</u>
TOTAL EXPENSES	<u>\$ 19,423,005</u>	<u>\$ 2,846,764</u>	<u>\$ 1,122,206</u>	<u>\$ 23,391,975</u>	<u>\$ 18,448,288</u>

The accompanying notes are an integral part of this statement.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR ENDED JUNE 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 1,275,723	\$ 196,714
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	482,015	465,210
Donated assets	(75,498)	-
Amortized interest expense	535	803
(Gain) loss on sale of investments	(50,008)	12,325
Unrealized gain on investments	(469,621)	(432,405)
Changes in operating assets and liabilities:		
Prepaid expenses	(151,076)	(165,928)
Grants receivable	(807,934)	(837,706)
Contributions receivable	41,040	184,680
Other receivables	2,480	(2,502)
Accounts payable and accrued expenses	738,010	647,584
Client trust liability	691	(7,149)
Other liabilities	214,278	1,049,436
CASH PROVIDED BY OPERATING ACTIVITIES	1,200,635	1,111,062
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	683,356	10,973,682
Purchase of investments	(906,129)	(10,830,220)
Purchase of property and equipment	(186,117)	(252,028)
Purchase of intangible assets	-	(16,696)
CASH USED FOR INVESTING ACTIVITIES	(408,890)	(125,262)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional borrowing on line of credit	600,000	800,000
Additional borrowing on loan	1,875,000	-
Principal payments on line of credit	(600,000)	(800,000)
CASH PROVIDED BY FINANCING ACTIVITIES	1,875,000	-
NET INCREASE IN CASH	2,666,745	985,800
CASH AT BEGINNING OF YEAR	1,939,412	953,612
CASH AT END OF YEAR	\$ 4,606,157	\$ 1,939,412
SUMMARY OF CASH AT END OF YEAR:		
Cash	\$ 4,577,782	\$ 1,902,938
Cash held in trust - client accounts	11,958	11,267
Cash - endowment	-	5,290
Restricted reserves	16,417	19,917
	\$ 4,606,157	\$ 1,939,412
CASH PAID DURING THE YEAR FOR:		
INTEREST	\$ 6,993	\$ 10,455
TAXES	\$ 800	-

The accompanying notes are an integral part of this statement.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

MISSION STATEMENT

We prevent and end homelessness by focusing on permanent solutions: housing, supportive services, employment, and community reintegration and engagement.

ORGANIZATION

Union Station Homeless Services is the leading provider of social services for homeless and low-income adults and families in Los Angeles County's San Gabriel Valley. Our work is guided by the belief that everyone deserves a life of dignity and a place to call home. We treat all people with compassion and adhere to an uncompromising belief in the dignity and inherent humanity of those we serve.

For nearly 50 years, we have continued to grow to meet the needs of our community and our unhoused neighbors, and today we are one of Los Angeles County's preeminent homeless services non-profits due to the quality and impact of our work. We have consistently been on the cutting edge of the homelessness sector—deploying and promoting inclusionary, low-barrier, evidence-based strategies such as Housing First, harm reduction, and trauma-informed care, which are now considered best practices in the region and country.

Founded in 1973 as a volunteer-run storefront serving homeless adults, Union Station incorporated as a 501(c)3 nonprofit in 1985, started offering overnight shelter in 1987 and built our Adult Center in 1989. In 2014, the County of Los Angeles selected Union Station as the Lead Agency of the Coordinated Entry Systems (CES) for both individuals and families in the San Gabriel Valley, also known as Service Planning Area 3 (SPA 3). Our service region is one of the largest in Los Angeles County, stretching from Pasadena to Pomona with a combined population of over 1.5 million across more than 40 cities and communities.

Each year, we serve more than 4,000 individuals and coordinate the work of 130 service partners. Last year we helped nearly 1,000 people end their homelessness and find housing, and 97% of them have remained housed thanks to our wrap-around supportive services. We are dedicated to working to rebuild lives and empower people to find homes for good.

Learn more at www.unionstationhs.org

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, LP (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 headquartered in Pasadena, California. The Organization's mission is to help individuals and families rebuild their lives and end homelessness.

The vision expressed by the community volunteers who founded the agency almost 50 years ago still rings true today: Everyone deserves a life of dignity and a safe place to call home. While the vision has not changed, the services have evolved. The Organization has grown to be the San Gabriel Valley's largest and most comprehensive social service agency addressing homelessness.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

ORGANIZATION (continued)

160 EUCLID PARTNERS, LP

160 Euclid Partners, LP (the Partnership), is involved in the rehabilitation and management of a 15-unit property (with 14 units for families and 1 unit for the on-site manager) consisting of affordable rental housing in Pasadena, California. The Partnership commenced in July 1997 and completed an additional rehabilitation of the rental housing in May 2012.

The Partnership rents to people with qualifying levels of income who work primarily in the City of Pasadena and other areas of the Los Angeles County. The Partnership is subject to business risks associated with fluctuations in the economy and level of unemployment in the Los Angeles County, which affects 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.

OUR PROGRAMS

ENDING HOMELESSNESS. REBUILDING LIVES.

Working with dozens of service providers throughout the San Gabriel Valley, we provide a full continuum of care to help people experiencing homelessness find safe, affordable housing. We craft our programs to give homeless families and individuals everything they need from the time they walk through our doors, until well after the time they are living in their own home.

Our field-based outreach teams locate and assess people who are experiencing homelessness throughout the San Gabriel Valley. They build trust and help people on their journey to finding safe and affordable housing.

OUTREACH

Coordinated Entry System (CES)

Streamlines the process of finding housing for those individuals who are homeless — with the goal of triaging supportive housing to the most vulnerable people first.

Family Coordinated Entry System (CES-F)

This is the primary point of entry for families seeking services who are experiencing or at-risk of becoming homeless.

Multi Disciplinary Team (MDT)

Outreach teams consist of care coordinators, medical providers, substance use counselors, mental health clinicians, and formerly homeless peer advocates.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

OUR PROGRAMS (continued)

BRIDGE HOUSING

We offer safe crisis and bridge housing for people who are experiencing homelessness. While living with us, residents meet at least weekly with a care coordinator to receive support with their basic needs as well as healthy meals, enrichment activities and links to community resources and housing to help them rebuild their lives.

We provide nearly 739 individuals and families each year with bridge housing at our two locations and with motel vouchers. We served 225 highly vulnerable people experiencing homelessness through Project Roomkey.

Our bridge housing for adults and families include:

The Adult Center - 56 Beds for adult men and women as well as showers, meals, and healthservices for non-resident day patrons.

The Family Center - 50 beds for parents and minor children in a nurturing home-like environment.

Motel vouchers provide additional crisis and bridge housing opportunities and expand our shelter capacity. In addition, The State of California created Project Roomkey , an unprecedented expansion of interim housing to bring as many people experiencing homelessness inside during the pandemic as possible. We provided case management services at two motel sites totaling 100 units, located in the San Gabriel Valley.

On-site services include:

- Meals
- Safe shelter
- Care coordination
- Links to medical and mental healthcare
- Substance use recovery programs
- Mainstream benefits enrollment

PERMANENT SUPPORTIVE HOUSING

Permanent Supportive Housing (PSH) offers adults and families the opportunity to rebuild their lives in safe, affordable, and private apartments with onsite support services.

We provide onsite services at the following PSH sites:

- **Centennial Place**, 142 single-room occupancy (SRO) apartments for adults
- **Euclid Villa**, 14 apartment units for families
- **Marv's Place**, 19 apartment units for families

Scattered Site Housing

We offer scattered-site housing programs and support 1,500 individuals through rapid rehousing programs. Program participants receive rental assistance combined with care coordination; funding sources for these programs include **Housing for Health, Holly Street Housing via City of Pasadena, and LACDA.**

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

OUR PROGRAMS (continued)

PERMANENT SUPPORTIVE HOUSING (continued)

Rapid Rehousing

Rapid Re-housing provides short-term, tapered rental assistance and services to help people obtain housing quickly, increase self-sufficiency, and stay housed.

COMMUNITY INTEGRATION

Employment

For nearly 25 years, **Sources Career Development** has been helping people overcome poverty and homelessness by connecting them to meaningful employment .

This signature program addresses the short-term goal of earned income and the long-term goal of career advancement. We tailor services to meet the needs of our diverse job seekers, including those with chronic physical and mental health obstacles. Services are ongoing and our participants know they can return for services as needed throughout their careers.

We provide the following services for individuals living at Union Station Homeless Services, as well as for low-income and homeless job seekers referred by our partner agencies:

- Individualized job-search
- Career counseling
- Job-search resources
- Mock interviews
- Resume assistance
- Transportation assistance
- Work-clothes assistance
- Job retention support

Community Allies

The **Community Allies Program** pairs volunteers with their recently housed neighbors, transforming the traditional one-on-one mentor relationship by incorporating companionship and community.

The mission of the program is to support and empower individuals and families to combat isolation while achieving self-sufficiency, housing stability, and overall wellness. The program fosters one-on-one relationships, develops social networks, and builds community.

Quality of Life Enrichments

Thanks to volunteers and community partners, we offer our program participants enrichment programs including nutrition classes, budgeting, yoga, music lessons, and much more to help foster happy and healthy communities.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

OUR PROGRAMS (continued)

Volunteer & Community Programs

Volunteers are the backbone of our organization. It is only with the help of more than 1,400 volunteers generously donating more than 35,000 hours of time that we can provide the high standard of service for which we are known. Volunteers support our staff with meal service, administrative support, tutoring and events! We are beyond grateful that our volunteers have stepped up in the moment to work beside us to meet the needs of our community.

- Total number of Volunteers - 1,427
- Total number of Volunteer hours – 35,735

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.

LIQUIDITY

The following table reflects the Organization's financial assets as of June 30, 2020 and 2019, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or restricted by donors. The Organization evaluates future liquidity requirements based on expected future expenditures.

	June 30,	
	2020	2019
Cash	\$ 4,577,782	\$ 1,902,938
Cash held in trust - client accounts	11,958	11,267
Investments	12,971,801	12,394,744
Grants receivable	3,907,544	3,099,610
Contributions receivable	-	41,040
Less:		
Cash held in trust - client accounts	(11,958)	(11,267)
Board designated reserves	(2,125,802)	(2,181,270)
Net assets with donor restriction	(11,854,610)	(11,818,285)
	<u>\$ 7,476,715</u>	<u>\$ 3,438,777</u>

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, LP and Pacific Housing Alliance are consolidated into the financial statements of Union Station Homeless Services. All material intercompany transactions as of June 30, 2020 and 2019 have been eliminated.

CASH

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

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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, 2020 and 2019.

CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of amounts pledged by individuals and corporations, all of which are considered collectible within one year. No allowance has been recorded as of June 30, 2020 and 2019.

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.

OTHER LIABILITIES

Other liabilities consist of funds received to provide for future services.

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

The Organization reports information regarding its financial position and activities according to two classes of net assets: with donor restriction and without donor restriction, as described below:

Without donor restriction, includes funds which are expendable for the support of the Organization's operations.

With donor restriction includes funds which donors have restricted for specific purposes or funds that are subject to specific timetables (see NET ASSETS WITH DONOR RESTRICTION).

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 years ended June 30, 2020 and 2019, 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, LP 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.

OPERATING AND REPLACEMENT RESERVE

The Partnership is required to provide annual deposits to the operating reserve of 3 percent of gross rental collections up to a maximum of \$85,952, with an initial operating deposit of \$76,000, upon development financing, as defined; and \$350 per unit (\$5,250) annually for the replacement reserve, commencing upon completion of construction (December 1999).

The operating reserve was funded in accordance with the lender agreements. As of June 30, 2020 the Partnership had a shortfall in its replacement reserve in the amount of \$6,261.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

OPERATING AND REPLACEMENT RESERVE (continued)

As of June 30, 2020, the cash balances restricted for such reserves were as follows:

	<u>Operating Reserves</u>	<u>Replacement Reserves</u>	<u>Total Reserves</u>
Restricted reserve balances as of June 30, 2019	\$ 1,122	\$ 18,795	\$ 19,917
Additions	-	-	-
Withdrawals	-	(3,500)	(3,500)
Restricted reserve balances as of June 30, 2020	<u>\$ 1,122</u>	<u>\$ 15,295</u>	<u>\$ 16,417</u>

INVESTMENTS

In accordance with GAAP, the fair value of investments is a level 1 classification. Investments consisted of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Mutual funds - fixed income	\$ 4,416,937	\$ 3,765,000
Mutual funds - equity	<u>11,207,458</u>	<u>11,116,993</u>
	<u>\$ 15,624,395</u>	<u>\$ 14,881,993</u>

Investment income of \$497,055 and \$605,260 on the Statement of Activities consists of dividends, interest, and capital gain distributions and is reflected net of investment fees of \$64,500 and \$65,881 for the years ended June 30, 2020 and 2019, respectively.

INTANGIBLE ASSETS

Intangible assets consisted of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Website	\$ 66,696	\$ 66,696
Loan fees	14,238	14,238
Monitoring fees	<u>6,720</u>	<u>6,720</u>
	87,654	87,654
Less accumulated amortization	<u>(63,650)</u>	<u>(58,848)</u>
	<u>\$ 24,004</u>	<u>\$ 28,806</u>

Amortization and amortized interest expense for the years ended June 30, 2020 and 2019 was \$3,874 and \$803, respectively.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	June 30,	
	2020	2019
Land	\$ 2,615,756	\$ 2,615,756
Buildings	4,753,447	4,753,447
Building improvements	6,851,598	6,851,598
Leasehold improvements	195,654	195,654
Land improvements	49,474	49,474
Office equipment	486,944	442,457
Furniture and equipment	945,047	924,147
Vehicles	404,151	260,355
Construction in process	289,876	-
Property and equipment - gross	16,591,947	16,092,888
Less accumulated depreciation	(10,023,808)	(9,546,729)
Property and equipment - net	6,568,139	6,546,159
Less debt secured by property	(2,400,361)	(2,400,361)
Net investment in property and equipment	\$ 4,167,778	\$ 4,145,798

Depreciation expense for the years ended June 30, 2020 and 2019 was \$478,676 and \$465,210, respectively.

NOTES PAYABLE

	Current	Long-term	Total
Unsecured SBA loan; bearing interest at 1%; monthly principal and interest payments beginning December 6, 2020	\$ 1,875,000	\$ -	\$ 1,875,000
Note secured by property; bearing interest at 4% per annum; principal and interest payable annually from available Residual Receipts exclusively from 160 Euclid Partners, LP; 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

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

NOTES PAYABLE (continued)

	Current	Long-term	Total
Note secured by property; bearing interest at 6% per annum; principal and interest payable annually from available Residual Receipts exclusively from 160 Euclid Partners, LP; 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, LP; unpaid principal and interest due July 2066; if all loan requirements are met, the loan will be forgiven at maturity	-	1,118,361	1,118,361
	\$ 1,875,000	\$ 2,400,361	\$ 4,275,361

Future maturities for outstanding loans as of June 30, 2020 are as follows:

	2021	\$ 1,875,000
	2022	-
	2023	-
	2024	-
	2025	-
	Thereafter	2,400,361
		\$ 4,275,361

In May 2020, the Organization obtained a Paycheck Protection Program (PPP) loan in the amount of \$1,875,000, administered by the Small Business Administration (SBA) as part of the relief efforts related to COVID-19. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The SBA will forgive PPP loans and accrued interest if all employee retention criteria are met and the funds are used for eligible expenses. The Organization has evaluated whether all required criteria for loan forgiveness have been met, and is confident that 100% of the loan will be forgiven. Therefore, the loan is being reflected as a current obligation in the notes payable schedule above.

Accrued interest of \$1,760,782 and \$1,662,782 associated with the notes payable is included in accrued expenses as of June 30, 2020 and 2019, respectively. Interest expense for the years ended June 30, 2020 and 2019 was \$105,528 and \$109,259, respectively.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

LINE OF CREDIT

In August 2020, the Organization renewed its line of credit with Citizens Business Bank for two years, maturing June 3, 2022. The credit line, in an amount not to exceed \$2,000,000, bears interest at the bank's prime rate of interest, with a floor rate of 3.5%. As of June 30, 2020 and 2019, there was no outstanding balance on the line of credit.

SPECIAL EVENTS

During the years ended June 30, 2020 and 2019, the Organization conducted various special events designed to raise funds for general operations. These events included a cabaret concert, a food festival, and other small events. Total support from these events was \$454,817 and \$648,035 and total expenses from these events were \$177,659 and \$360,836, respectively. The cost of other fundraising activities is classified as fundraising expense.

LEASE COMMITMENTS

The Organization leases five office properties located in the San Gabriel Valley and six vehicles under noncancelable leases. Total monthly payments for the five properties are \$37,384 and monthly payments for the six vehicles are approximately \$819, and the leases expire between January 2022 and April 2025. Future minimum payments are as follows:

2021	\$	415,291
2022		407,519
2023		347,429
2024		355,262
2025		306,610
Thereafter		<u>-</u>
	\$	<u><u>1,832,111</u></u>

Rent expense for the years ended June 30, 2020 and 2019 was \$441,261 and \$302,680, respectively, and is included in program participant aid and other program expenses, and auto, including reimbursements 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 years ended June 30, 2020 and 2019 were \$270,838 and \$201,848, respectively, and are included in payroll taxes and employee benefits in the functional allocation.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

NONCASH TRANSACTIONS

GIFTS-IN-KIND

The following gifts-in-kind were received:

	June 30,	
	2020	2019
Food and kitchen supplies used in daily operations	\$ 390,218	\$ 164,708
Non-food items distributed to patrons	263,593	102,548
Other supplies used in daily operations	32,778	50,169
Professional services	3,620	15,715
Equipment	75,498	-
Special events gifts-in-kind	20,849	11,416
	<u>\$ 786,556</u>	<u>\$ 344,556</u>

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 donor restricted net assets (a) the original value of gifts donated to the restricted endowment, (b) the original value of subsequent gifts to the restricted endowment, and (c) accumulations to the restricted 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 is classified as net assets with donor restriction 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 is 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.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

ENDOWMENT (continued)

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.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund for perpetual duration. In accordance with GAAP, there were no deficiencies of this nature that are reported in net assets with donor restriction.

Endowment assets consisted of the following:

	June 30,	
	2020	2019
Cash	\$ -	\$ 5,290
Investments	2,652,594	2,487,249
	\$ 2,652,594	\$ 2,492,539

CHANGES IN ENDOWMENT NET ASSETS

	Without donor restriction	With donor restriction	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required by donor to be retained	\$ -	\$ 1,981,977	\$ 1,981,977
Portion subject to appropriation under SPMIFA	-	510,562	510,562
Endowment net assets at June 30, 2019	\$ -	\$ 2,492,539	\$ 2,492,539
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required by donor to be retained	\$ -	\$ 2,009,835	\$ 2,009,835
Portion subject to appropriation under SPMIFA	-	642,759	642,759
Endowment net assets at June 30, 2020	\$ -	\$ 2,652,594	\$ 2,652,594

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

ENDOWMENT (continued)

CHANGES IN ENDOWMENT NET ASSETS (continued)

	Without donor restriction	With donor restriction	Total
Endowment net assets at June 30, 2018	\$ -	\$ 2,376,456	\$ 2,376,456
Investment return			
Investment income	-	99,353	99,353
Net appreciation (realized and unrealized)	-	69,177	69,177
Total investment return	-	168,530	168,530
Contributions	-	45,043	45,043
Appropriation of endowment assets for expenditure	-	(97,490)	(97,490)
Endowment net assets at June 30, 2019	-	2,492,539	2,492,539
Investment return			
Investment income	-	83,755	83,755
Net appreciation (realized and unrealized)	-	85,700	85,700
Total investment return	-	169,455	169,455
Contributions	-	25,000	25,000
Appropriation of endowment assets for expenditure	-	(34,400)	(34,400)
Endowment net assets at June 30, 2020	\$ -	\$ 2,652,594	\$ 2,652,594

NET ASSETS WITH DONOR RESTRICTION

Net assets subject to donor restrictions consisted of the following:

	June 30,	
	2020	2019
Purpose restriction:		
Endowment	\$ 2,652,594	\$ 2,492,539
Capital improvements and education	8,570,955	8,628,275
Staff development	1,606	1,606
Various programs	629,455	654,825
Time restriction:		
Pledges receivable	-	41,040
Total net assets subject to donor restriction	\$ 11,854,610	\$ 11,818,285

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

RISKS AND UNCERTAINTIES

In March of 2020, the World Health Organization declared the spread of Coronavirus disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global, national, and local markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its operations and financial results. The Organization is taking appropriate actions to mitigate the negative impact; however, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of March XX, 2021.

SUBSEQUENT EVENTS

In accordance with GAAP, the Organization has evaluated subsequent events through March XX, 2021, which is the date these financial statements were available to be issued. All subsequent events requiring recognition have been incorporated into these financial statements.

PRELIMINARY DRAFT -
FOR DISCUSSION PURPOSES ONLY

SUPPLEMENTAL INFORMATION

**PRELIMINARY DRAFT -
FOR DISCUSSION PURPOSES ONLY**

UNION STATION HOMELESS SERVICES
SUPPLEMENTAL STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

	ASSETS				
	UNION STATION HOMELESS SERVICES	PACIFIC HOUSING ALLIANCE	160 EUCLID PARTNERS, LP	ELIMINATIONS	TOTAL
CURRENT ASSETS					
Cash	\$ 4,573,138	\$ -	\$ 4,644	\$ -	\$ 4,577,782
Cash held in trust - client accounts	4,177	-	7,781	-	11,958
Investments	13,049,799	-	-	(77,998)	12,971,801
Prepaid expenses	647,118	-	384	-	647,502
Grants receivable	3,907,544	-	-	-	3,907,544
Other receivables	30,636	6,035	71,703	(100,216)	8,158
Total current assets	22,212,412	6,035	84,512	(178,214)	22,124,745
INTANGIBLE ASSETS - NET	12,429	-	11,575	-	24,004
PROPERTY AND EQUIPMENT - NET	3,629,653	-	2,938,486	-	6,568,139
OTHER ASSETS					
Investments - endowment	2,652,594	-	-	-	2,652,594
Restricted reserves	-	-	16,417	-	16,417
Total other assets	2,652,594	-	16,417	-	2,669,011
TOTAL ASSETS	\$ 28,507,088	\$ 6,035	\$ 3,050,990	\$ (178,214)	\$ 31,385,899

The accompanying notes are an integral part of this statement.

**PRELIMINARY DRAFT -
FOR DISCUSSION PURPOSES ONLY**

UNION STATION HOMELESS SERVICES
SUPPLEMENTAL STATEMENT OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2020

LIABILITIES AND NET ASSETS					
	UNION STATION HOMELESS SERVICES	PACIFIC HOUSING ALLIANCE	160 EUCLID PARTNERS, LP	ELIMINATIONS	TOTAL
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 2,452,034	\$ -	\$ 2,043,681	\$ (321,454)	\$ 4,174,261
Client trust liability	4,177	-	7,781	-	11,958
Other liabilities	2,022,963	-	-	-	2,022,963
Notes payable, current portion	1,875,000	-	-	-	1,875,000
	<u>6,354,174</u>	<u>-</u>	<u>2,051,462</u>	<u>(321,454)</u>	<u>8,084,182</u>
LONG-TERM LIABILITIES					
Notes payable	-	-	2,400,361	-	2,400,361
	<u>-</u>	<u>-</u>	<u>2,400,361</u>	<u>-</u>	<u>2,400,361</u>
TOTAL LIABILITIES	<u>6,354,174</u>	<u>-</u>	<u>4,451,823</u>	<u>(321,454)</u>	<u>10,484,543</u>
NET ASSETS AND PARTNERS' CAPITAL					
Without donor restriction					
Undesignated	8,172,502	6,035	-	65,242	8,243,779
Partners' Capital	-	-	(1,400,833)	77,998	(1,322,835)
	<u>8,172,502</u>	<u>6,035</u>	<u>(1,400,833)</u>	<u>143,240</u>	<u>6,920,944</u>
Total undesignated	8,172,502	6,035	(1,400,833)	143,240	6,920,944
Board designated	2,125,802	-	-	-	2,125,802
	<u>2,125,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,125,802</u>
Total without donor restriction	<u>10,298,304</u>	<u>6,035</u>	<u>(1,400,833)</u>	<u>143,240</u>	<u>9,046,746</u>
With donor restriction	11,854,610	-	-	-	11,854,610
	<u>11,854,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,854,610</u>
TOTAL NET ASSETS	<u>22,152,914</u>	<u>6,035</u>	<u>(1,400,833)</u>	<u>143,240</u>	<u>20,901,356</u>
TOTAL LIABILITIES AND NET ASSETS AND PARTNERS' CAPITAL	<u>\$ 28,507,088</u>	<u>\$ 6,035</u>	<u>\$ 3,050,990</u>	<u>\$ (178,214)</u>	<u>\$ 31,385,899</u>

The accompanying notes are an integral part of this statement.

**PRELIMINARY DRAFT -
FOR DISCUSSION PURPOSES ONLY**

UNION STATION HOMELESS SERVICES
SUPPLEMENTAL STATEMENT OF ACTIVITIES
JUNE 30, 2020

	UNION STATION HOMELESS SERVICES	PACIFIC HOUSING ALLIANCE	160 EUCLID PARTNERS, LP	ELIMINATIONS	Total
SUPPORT AND REVENUE					
Individuals	\$ 3,187,253	\$ -	\$ -	\$ -	\$ 3,187,253
Churches	44,947	-	-	-	44,947
Government grants	16,906,013	-	97,634	(97,634)	16,906,013
Foundations	1,868,116	-	-	-	1,868,116
Other organizations	466,771	-	-	-	466,771
Other income	88,294	-	3,204	-	91,498
Gifts-in-kind	765,707	-	-	-	765,707
Investment income - net	497,055	-	-	-	497,055
Gain on sale of investments	50,008	-	-	-	50,008
Unrealized gain on investments	469,621	-	-	-	469,621
Net rental revenue	-	-	43,551	-	43,551
	<u>24,343,785</u>	<u>-</u>	<u>144,389</u>	<u>(97,634)</u>	<u>24,390,540</u>
Special events revenue	454,817	-	-	-	454,817
Special events expenses	<u>(177,659)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(177,659)</u>
Net revenue from special events	<u>277,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,158</u>
Total support and revenue	<u>24,620,943</u>	<u>-</u>	<u>144,389</u>	<u>(97,634)</u>	<u>24,667,698</u>
EXPENSES					
Program services	19,227,562	-	293,077	(97,634)	19,423,005
Management and general	2,691,084	-	167,660	(11,980)	2,846,764
Fundraising	1,122,206	-	-	-	1,122,206
Total expenses	<u>23,040,852</u>	<u>-</u>	<u>460,737</u>	<u>(109,614)</u>	<u>23,391,975</u>
CHANGE IN NET ASSETS	<u>1,580,091</u>	<u>-</u>	<u>(316,348)</u>	<u>11,980</u>	<u>1,275,723</u>
CURRENT YEAR CAPITAL CONTRIBUTIONS	-	-	77,998	(77,998)	-
NET ASSETS AT BEGINNING OF YEAR	<u>20,572,823</u>	<u>6,035</u>	<u>(1,162,483)</u>	<u>209,258</u>	<u>19,625,633</u>
NET ASSETS AT END OF YEAR	<u>\$ 22,152,914</u>	<u>\$ 6,035</u>	<u>\$ (1,400,833)</u>	<u>\$ 143,240</u>	<u>\$ 20,901,356</u>

The accompanying notes are an integral part of this statement.

PRELIMINARY DRAFT - FOR DISCUSSION PURPOSES ONLY

UNION STATION HOMELESS SERVICES STATEMENT OF CHANGES IN PARTNERS' CAPITAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Partner PHA</u>	<u>Limited Partner USHS</u>	<u>Total</u>
Balance, June 30, 2019	\$ (450,808)	\$ (711,675)	\$ (1,162,483)
Capital contributions	-	77,998	77,998
Net loss	<u>(3,163)</u>	<u>(313,185)</u>	<u>(316,348)</u>
Balance, June 30, 2020	<u>\$ (453,971)</u>	<u>\$ (946,862)</u>	<u>\$ (1,400,833)</u>

The accompanying notes are an integral part of this statement.