The Partnership for the Homeless, Inc. and Affiliate

Combined Financial Statements

June 30, 2017

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Directors
The Partnership for the Homeless, Inc. and Affiliate

We have audited the accompanying combined financial statements of The Partnership for the Homeless, Inc. and Affiliate (the "Partnership"), which comprise the combined statement of financial position as of June 30, 2017, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of The Partnership for the Homeless, Inc. and Affiliate as of June 30, 2017, and the combined changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board for reporting by government entities who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The Partnership has elected to include such a Management's Discussion and Analysis as part of its financial reporting. We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

PKF O'Connor Davies, LLP

Harrison, New York
November 8, 2017

THE PARTNERSHIP FOR THE HOMELESS, INC
AND AFFILIATE

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

The following Management's Discussion and Analysis ("MD&A") of The Partnership for the Homeless, Inc. and its affiliate's ("Partnership") activities and financial performance is provided as an introduction and overview of the audited financial statements of the Partnership for the fiscal year ended June 30, 2017. Following this MD&A is the combined financial statements of the Partnership together with the notes which are important in understanding the data presented in the financial statements. This MD&A highlights certain supplementary information to assist with an understanding of the Partnership's overall financial position and operations.

Operations

The Partnership for the Homeless, Inc. was established in 1982 as a tax-exempt organization under Section 501(c) 3 of the Internal Revenue Code.

The mission of The Partnership for the Homeless, Inc. is to help build a just and equitable society and create lasting community change through the development of solution oriented programs and policy initiatives that eliminate the root causes of homelessness.

The Partnership for the Homeless, Inc. receives financial support from individuals, corporations, and foundations, along with revenue from contracts with various governmental and non-governmental agencies. With that support, The Partnership for the Homeless, Inc. provides direct services to individuals and families, and then uses those services as a platform to conduct research on root cause issues and advocacy to promote better policies and practices that will ultimately help put an end to homelessness.

Organizational Net Worth

On June 30, 2017, the total net worth of the Partnership was $11,640,676, consisting of the net assets recorded in the financial records adjusted to reflect the increase in the fair market value of the property owned by its affiliate, based on the latest data compiled from several local real estate firms.

The following chart provides the breakdown of the total net worth:

ASSETS	
Cash	$ 4,016,081
Due from governmental agencies	364,906
Prepaid expenses	105,132
Pledges receivable, net	334,000
Client custodial funds	242,351
Security deposits and other	41,263
Property, plant and equipment, net	604,448
Increase in fair market value of the property	7,309,936
Total Assets	$ 13,018,117

LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable and accrued expenses	$ 163,098
Accrued payroll and related liabilities	95,035
Client custodial funds held	242,351
Contract program advances payable	424,029
Mortgage payable	452,928
Total Liabilities	1,377,441
Net Worth	$ 11,640,676

Please note that the audited financial statements of the Partnership do not reflect the increase in the fair market value of the real property of the affiliate but rather reflects its book value of $552,564 which is included above under the line item “Property, plant and equipment, net”.

Thus, in reviewing the attached audited financial statements for the Partnership, the “Statement of Financial Position” will not include the value of the property owned by The Partnership for the Homeless, Inc.’s affiliate, leaving the total net assets of the Partnership as $4,330,740 (i.e., $5,708,181 in Assets and $1,377,441 in Liabilities).

Financial Operations for Fiscal Year 2017

The financial statements for the fiscal year ended June 30, 2017, follow this Management’s Discussion and Analysis. The chart below provides a condensed summary of revenues and expenses combined with other funding received during the year.

Total combined revenue and "other funds"	$ 4,306,290
Total combined expenses	4,097,680
Total combined loss	$ 208,610

The “other funds” noted above includes $334,000 received in fiscal year 2017 from a pledge made in fiscal year 2015 when it was recorded as prescribed by US GAAP. Additionally, $280,326 was released from a fund created in 2010 to support the Partnership for the Homeless’ Education Rights Project. As such, these “other funds” were not included as revenue in the attached financial statements, which are recorded at $3,691,964.

The Partnership for the Homeless, Inc. and Affiliate

Combined Statement of Financial Position
June 30, 2017

ASSETS	
Cash	$ 4,016,081
Due from governmental agencies	364,906
Prepaid expenses and other assets	105,132
Pledges receivable	334,000
Client custodial funds	242,351
Security deposits and other	41,263
Property, plant and equipment, net	604,448
	$ 5,708,181
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable and accrued expenses	$ 163,098
Accrued payroll and related liabilities	95,035
Client custodial funds held	242,351
Contract program advances payable	424,029
Mortgage payable	452,928
Total Liabilities	1,377,441
Net Assets	
Unrestricted	
Undesignated	3,496,740
Board designated	500,000
Total Unrestricted Net Assets	3,996,740
Temporarily restricted	334,000
Total Net Assets	4,330,740
	$ 5,708,181

See notes to combined financial statements

The Partnership for the Homeless, Inc. and Affiliate

Combined Statement of Activities
Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Service fees from governmental agencies	$ 672,434	$ -	$ 672,434
Service contracts with other agencies	159,783	-	159,783
DMH Pass-Thru	659,516	-	659,516
Contributions and grants	1,503,436	160,000	1,663,436
Special events, net of direct costs	129,176	-	129,176
In-kind contributions	407,281	-	407,281
Miscellaneous	289	-	289
Interest	49	-	49
Net assets released from restrictions	465,937	(465,937)	-
Total Revenue and Support	3,997,901	(305,937)	3,691,964
EXPENSES			
Program Services			
The Family Resource Center: Services For Children and Families	1,895,859	-	1,895,859
Positive Step: Housing and Services For HIV + Individuals	257,747	-	257,747
ICM Funds Processing	153,897	-	153,897
Research	149,105	-	149,105
DMH Pass-Thru	659,516	-	659,516
Total Program Services	3,116,124	-	3,116,124
Support Services			
Management and general	497,126	-	497,126
Fundraising	484,430	-	484,430
Total Support Services	981,556	-	981,556
Total Expenses	4,097,680	-	4,097,680
Change in Net Assets	(99,779)	(305,937)	(405,716)
NET ASSETS			
Beginning of year	4,096,519	639,937	4,736,456
End of year	$ 3,996,740	$ 334,000	$ 4,330,740

See notes to combined financial statements

The Partnership for the Homeless, Inc. and Affiliate

Combined Statement of Functional Expense
Year Ended June 30, 2017

	Program Services						Support Services			
	The Family Resource Center: Services for Children and Families	Positive Step: Housing and Services For HIV+ Individuals	ICM Funds Processing	Research	DMH Pass-Thru	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
PERSONNEL										
Salaries	$ 889,910	$ 163,265	$ 113,783	$ 102,056	$ -	$ 1,269,014	$ 206,371	$ 218,229	$ 424,600	$ 1,693,614
Fringe benefits	265,131	46,088	30,315	30,266	-	371,800	61,109	71,066	132,175	503,975
Total Personnel Costs	1,155,041	209,353	144,098	132,322	-	1,640,814	267,480	289,295	556,775	2,197,589
OTHER THAN PERSONNEL COSTS										
Professional fees (includes in-kind legal expenses of $407,281)	401,651	7,959	1,710	3,071	-	414,391	30,002	45,974	75,976	490,367
Office supplies and expense	21,096	1,741	1,331	1,291	-	25,459	17,726	5,294	23,020	48,479
Postage	719	41	725	234	-	1,719	1,335	18,837	20,172	21,891
Printing and production	1,214	-	-	-	-	1,214	1,000	78,431	79,431	80,645
Telephone and communications	18,067	2,440	1,823	2,860	-	25,190	18,147	8,551	26,698	51,888
Rent	89,292	-	-	-	-	89,292	-	-	-	89,292
Utilities	20,197	1,176	572	5,938	-	27,883	46,020	17,361	63,381	91,264
Repairs and maintenance	23,389	3,925	2,634	1,430	-	31,378	8,833	4,263	13,096	44,474
Equipment purchase and rental	-	3,321	-	-	-	3,321	-	4,313	4,313	7,634
Travel and conference	5,100	2,981	15	39	-	8,135	148	175	323	8,458
Food	51,394	1,919	-	159	-	53,472	1,597	583	2,180	55,652
Client travel	3,463	2,038	-	-	-	5,501	-	-	-	5,501
Relief and other program expenses	75,867	15,909	33	26	-	91,835	256	4,773	5,029	96,864
Dues and subscriptions	590	-	31	16	-	637	85	1,421	1,506	2,143
Insurance	17,678	2,740	925	913	-	22,256	10,050	2,740	12,790	35,046
Interest	-	-	-	-	-	-	20,667	-	20,667	20,667
Depreciation and amortization	11,101	2,204	-	806	-	14,111	73,780	2,419	76,199	90,310
DMH Pass-Thru payments	-	-	-	-	659,516	659,516	-	-	-	659,516
Total Expenses	$ 1,895,859	$ 257,747	$ 153,897	$ 149,105	$ 659,516	$ 3,116,124	$ 497,126	$ 484,430	$ 981,556	$ 4,097,680

See notes to combined financial statements

The Partnership for the Homeless, Inc. and Affiliate

Combined Statement of Cash Flows
Year Ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (405,716)
Adjustments to reconcile change in net assets	
to net cash from operating activities	
Depreciation and amortization	90,310
Changes in assets and liabilities	
Due from governmental agencies	(49,813)
Prepaid expenses and other assets	(77,055)
Security deposits and other	24,038
Pledges receivable	295,956
Accounts payable and accrued expenses	(54,036)
Accrued payroll and related liabilities	11,426
Contract program advances payable	204,410
Net Cash from Operating Activities	39,520
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(5,894)
CASH FLOWS FROM FINANCING ACTIVITIES	
Mortgage loan repayment	(100,369)
Change in Cash	(66,743)
CASH	
Beginning of year	4,082,824
End of year	$ 4,016,081
SUPPLEMENTAL CASH FLOW INFORMATION	
Cash paid for interest	$ 20,667

See notes to combined financial statements

The Partnership for the Homeless, Inc. and Affiliate

Notes to Combined Financial Statements
June 30, 2017

1. Organization

The Partnership for the Homeless, Inc. and Affiliate is committed to building a just and equitable society and creating lasting community change through the development of solution-oriented programs and policy initiatives that eliminate the root causes of homelessness.

The accompanying combined financial statements include the assets, liabilities, net assets and activities of The Partnership for the Homeless, Inc. (the "Partnership") and The Partnership Homeless Facilities Corporation (the "Corporation"). Each affiliated entity is a New York State not-for-profit corporation. The accompanying financial statements are combined based on common board of directors of both entities and the fact that the Corporation's mission primarily is to support the mission of the Partnership.

The Partnership and the Corporation are qualified as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and, accordingly, are not subject to Federal income taxes. The Internal Revenue Service has classified The Partnership and the Corporation as organizations that are not private foundations as defined in Section 509(a)(2) of the Internal Revenue Code.

The Partnership receives support from individuals, corporations, foundations and revenue through contracts with various governmental agencies to provide the services it offers. The Partnership addresses the underlying causes of homelessness through the following initiatives:

Direct Services: The programs of the Partnership focus on communities that sit at the center of New York City's homeless crisis, with a special emphasis on East New York, Brooklyn, which has some of the highest poverty rates in the city and features a disproportionate number of families that are at-risk of homelessness, living in shelter, or struggling after leaving a shelter.

The Partnership's services, offered though its **Family Resource Center**, address the full spectrum of issues that may result in a family's becoming homeless, using a team of staff members, representing various disciplines, as well as neighborhood-based organizations that can augment those services. This multi-pronged approach ensures that the Partnership addresses the interconnected issues challenging families – and that the organization addresses both immediate crises and longer-term concerns.

The following are essential components of how the Partnership, through its **Family Resource Center**, helps families:

- <u>Addressing Housing Needs</u>: A first crucial step is to focus on preventing a family from entering the shelter system, preserving their housing or relocating them to more suitable housing. If, however, a client is already in shelter, staff seeks to move them rapidly out into permanent housing.
- <u>Addressing Support Needs</u>: Once housing is stabilized, staff focuses on ensuring a family's long-term wellness and prosperity by providing services that address health issues, through **Positive Step**, and economic independence, through its <u>Economic Opportunity Project</u>, along with educational issues, through its <u>Education Rights Project</u>, facing homeless children.

1. Organization *(continued)*

- Community Integration: For formerly homeless families or those at imminent risk, housing stability depends on building roots and having a sense of belonging in their community. And to build those ties, staff works with clients to help them connect with neighbors, health care providers, faith-based organizations and schools, for example.

***Emergency Food Program*:** The Partnership provides approximately 20,000 meals to homeless and low-income families and children through partnerships with food banks and pantries across Brooklyn.

Research and Advocacy: In addition to providing high-quality services to families in need, the Partnership uses its programs as a place to incubate ideas – to understand the drivers of and risk factors for homelessness and to test interventions using real social science rigor. Thus, the Partnership is a place to ground-test and develop “best practice” models that can be scaled to other communities – and can be used to support the organization’s advocacy efforts to help influence government policy and practice, and both public and private funding priorities.

ICM Funds Processing: The Partnership, through its finance department, helps support the New York State Department of Mental Health (“NYS DOMH”) and the New York City Department of Mental Health and Hygiene by overseeing and monitoring fund reimbursements to intensive case managers employed by those governmental agencies.

DMH Pass-Thru: Managed emergency client funds used for the purpose of reimbursing intensive care managers under the contracts with NYS DOHMH and New York State Office of Mental Health.

The Partnership Homeless Facilities Corporation*:* The Corporation rents condominium units to the Partnership.

2. Summary of Significant Accounting Policies

Principals of Combination

The Partnership and the Corporation have transactions between each other relating to rental of the Corporation's condominium units to the Partnership. The income and expense and intercompany liability and receivable resulting from these transactions have been eliminated in these combined financial statements.

Basis of Presentation and Use of Estimates

The combined financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the combined financial statements and the reported amount of revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (*continued*)

Net Asset Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Temporarily restricted amounts are those which are stipulated by donors for specific operating purposes or restricted for a stipulated time. Temporarily restricted net assets are released from donor restrictions by incurring expenses related to the general operations of the Partnership. Unrestricted net assets consist of resources available for the general support of the Partnership's operations. Unrestricted net assets may be used at the discretion of the Partnership's management and Board of Directors.

Contributions

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions are recorded as temporarily restricted net assets and revenue if they are received with donor imposed stipulations that limit their use. Donor restrictions expire by either the passage of stipulated time or the accomplishment of a stated purpose. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities as net assets released from restrictions. The Partnership's policy is to report as unrestricted support contributions with donor-imposed restrictions when these restrictions are met in the same year that the contributions are received.

In-Kind Contributions

Contributions of donated services that require specialized skills, provided by individual possessing those skills, and that would typically need to be purchased if not provided by donation, and donated goods, are recorded at their fair values in the period received.

Allowance for Uncollectible Receivables

An allowance for uncollectible receivables is estimated based on a combination of write-off history, aging analysis and any specific known troubled accounts. Management has concluded that no allowance is nessesary at June 30, 2017.

Pledges Receivable

The Partnership discounts pledges that are expected to be collected beyond one year using a risk adjusted rate to estimate present value. The discounted value is amortized over the term of the pledge and is recorded within contribution revenue in the combined statement of activities.

2. Summary of Significant Accounting Policies (*continued*)

Recognition of Pledges

U.S. GAAP requires that unconditional promises to give be recorded as revenue, discounted for future cash flows, at the time the pledge is made. As such, the entire pledge is recognized as income in one year and the receivable reduced as the pledge is collected. If the pledge is restricted by the donor, it is recorded as income in temporarily restricted net assets. As the time or purpose restriction is satisfied, temporarily restricted net assets are released and transferred to unrestricted net assets to offset the costs incurred for the restricted purpose. The effect of this accounting treatment for pledges and net asset transfer is to have a net asset increase (surplus) in one year followed by a net asset decrease (loss) in the subsequent years, even though the funds are being received or used in subsequent years.

Property, Plant and Equipment

The Partnership and Corporation follow the practice of capitalizing all expenditures for property, plant and equipment with a cost in excess of $1,000 and a useful life of at least five years. Property, plant and equipment are recorded at cost and depreciation is recognized using the straight-line method over the estimated useful lives of such assets using a half-year convention in the year of acquisition. Leasehold improvements are amortized over the shorter of the useful life of the asset or the remaining term of the lease, including renewal periods which are considered to be reasonably assured. The estimated useful lives are as follows:

Condominium unit	40 Years
Condominium improvements	10 Years
Leasehold improvements	10 Years
Furniture, fixtures and equipment	5 Years

The Partnership's governmental contracts generally provide that title to depreciable assets remain with the government agency and, accordingly, such equipment purchases are charged to expense currently.

Investment in Real Estate

The Partnership reviews its investment in rental property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. For assets held and used, if management's estimate of the aggregate future cash flows to be generated by the property, undiscounted and without interest charges, and any estimated proceeds from the eventual disposition of the real estate are less than their carrying amounts, an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. The determination of undiscounted cash flows requires significant estimates by management. Subsequent changes in estimated undiscounted cash flows could impact the determination of whether impairment exists. No impairment loss has been recognized during the year ended June 30, 2017.

2. Summary of Significant Accounting Policies (*continued*)

Revenue

Contract program revenue is accrued when earned to the extent that expenses related to that contract program have been incurred. Any unexpended funds are considered refundable advances and reported as contract program advances payable. Revenue earned on these contracts for expenses incurred is subject to audit by the contract agency.

Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the combined statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management either in accordance with grant provisions or by use of another equitable basis.

Client Custodial Funds

Funds are held by the Partnership on behalf of clients. Such funds represent amounts received by clients and other clients' funds deposited with the Partnership for safekeeping. These funds are disbursed by the Partnership at the request of, or on behalf of, clients for their personal use.

Accounting for Uncertainty in Income Taxes

The Partnership and the Corporation (the "Organization") recognize the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition and/or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to June 30, 2014.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the combined financial statements through the date that the combined financial statements were available to be issued, which date is November 8, 2017.

3. Pledges Receivable

Pledges receivable representing unconditional promises to give of $334,000 are expected to be paid in fiscal year 2018.

4. Property, Plant and Equipment

Property, plant and equipment consists of the following at June 30, 2017:

Condominium unit	$ 890,267
Condominium improvements	366,197
Leasehold improvements	125,205
Furniture, fixtures and equipment	54,504
	1,436,173
Accumulated depreciation	(831,725)
	$ 604,448

5. Mortgage Payable

Mortgage payable consists of a 20 year commercial mortgage, which commenced June 2001, in the amount of $1,500,000. During 2017**,** the mortgage interest rate was 4%. The mortgage agreement provides for the interest rate to be reset every five years, which rate is 225 basis points above the five year Federal Home Loan Bank rate rounded to the next highest one-eighth percent for each succeeding five year interval. This mortgage is secured by a first mortgage lien on the Corporation's property located at 305 Seventh Avenue, New York, NY. Interest expense for the year ended June 30, 2017 was $20,667.

Future principal payments are as follows for the years ending June 30:

2018	$ 103,886
2019	108,376
2020	113,496
2021	127,170
	$ 452,928

6. Temporarily Restricted Net Assets

Temporarily restricted net asset transactions are as follows for the year ended June 30, 2017:

Program/Purpose	Balance June 30, 2016	Additions	Net Assets Released	Balance June 30, 2017
The Family Resource Center	$ 9,981	$ 60,000	$ 69,981	$ -
Positive Step	-	100,000	100,000	-
Timing	629,956	-	295,956	334,000
	$ 639,937	$ 160,000	$ 465,937	$ 334,000

7. Commitments and Contingencies

The Partnership leases administrative office space and space for programs at various locations. At June 30, 2017, future minimum lease payments of $196,870 are payable in 2018.

The Partnership has a security deposit for leased space of $20,863 at June 30, 2017.

8. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and receivables. At June 30, 2017, the Organization maintained balances with banking institutions that exceeded the Federal Deposit Insurance Corporation's insurable limit.

The Partnership receives funding from various governmental sources to operate its programs. Receivables from these governmental agencies totaled $364,906 at June 30, 2017. Collection of these receivables is expected in the normal course of business.

The percentage of receivables from governmental agencies at June 30, 2017 is as follows:

Federal	4%
State	42%
Local	54%

9. Economic Dependency

The Partnership receives a substantial portion of its revenue from contracts negotiated with various governmental agencies. The Partnership is economically dependent on these revenues to provide service and continue operations.

The percentage of revenue from governmental agencies for the year ended June 30, 2017 is as follows:

Federal	8%
State	62%
Local	30%

10. Retirement Benefit

The Partnership participates in a tax sheltered annuity defined contribution plan for all employees who have completed one year of service. The Partnership contributes two percent (2%) of annual salary for eligible participants. Expense for the year ended June 30, 2017 was $24,972.

11. Contributed Services

The Partnership receives contributions of professional services from the general public and businesses. The professional services received relate to legal services estimated to be $407,281 for the year ended June 30, 2017.

12. Board Designated Fund

A board designated fund has been established to provide ongoing financing for initiatives set forth in the Partnership's strategic plan, but can be used for operating expenses as needed.

13. Restatement of Prior Year’s Net Assets

Net assets for the year ended June 30, 2016 have been restated. In 2017, the Partnership identified $334,000 of releases of temporarily restricted net assets that were not recorded. Accordingly, the net assets at June 30, 216 were restated as follows:

	Unrestricted	Temporarily Restricted	Total
Net assets as previously reported	$ 3,762,519	$ 973,937	$ 4,736,456
Released	334,000	(334,000)	-
Net assets restated	$ 4,096,519	$ 639,937	$ 4,736,456

* * * * *