

UNION STATION HOMELESS SERVICES

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2021 AND 2020

UNION STATION HOMELESS SERVICES

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CERTIFIED PUBLIC ACCOUNTANTS

JAMEN WURM, CPA, M.S., PARTNER
KRISTIN CREIGHTON, CPA, PARTNER
EDWARD PATTERSON, CPA, PARTNER

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, 2021 and 2020, 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, 2021 and 2020, 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.

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.

A handwritten signature in blue ink, appearing to read "John Armstrong". The signature is written in a cursive, flowing style.

March 30, 2022
Pasadena, California

UNION STATION HOMELESS SERVICES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	JUNE 30,	
	2021	2020
CURRENT ASSETS		
Cash	\$ 139,870	\$ 4,577,782
Cash held in trust - client accounts	8,535	4,177
Investments	16,732,965	12,971,801
Prepaid expenses	835,455	647,502
Grants receivable	8,215,545	3,907,544
Other receivables	9,191	8,158
Total current assets	<u>25,941,561</u>	<u>22,116,964</u>
INTANGIBLE ASSETS - NET	<u>20,130</u>	<u>24,004</u>
PROPERTY AND EQUIPMENT - NET	<u>6,487,713</u>	<u>6,568,139</u>
OTHER ASSETS		
Tenant deposits held in trust - underfunded	3,768	7,781
Investments - endowment	3,677,852	2,652,594
Restricted reserves	16,417	16,417
Total other assets	<u>3,698,037</u>	<u>2,676,792</u>
TOTAL ASSETS	<u>\$ 36,147,441</u>	<u>\$ 31,385,899</u>

The accompanying notes are an integral part of this statement.

UNION STATION HOMELESS SERVICES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

LIABILITIES, NET ASSETS, AND PARTNERS' CAPITAL

	JUNE 30,	
	2021	2020
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 4,289,916	\$ 4,174,261
Client trust liability	8,535	4,177
Tenant security deposits	7,984	7,781
Other liabilities	2,451,533	2,022,963
Line of credit	500,000	-
Notes payable, current portion	-	1,875,000
Total current liabilities	7,257,968	8,084,182
LONG-TERM LIABILITIES		
Notes payable	2,400,361	2,400,361
TOTAL LIABILITIES	9,658,329	10,484,543
NET ASSETS		
Without donor restriction		
Undesignated	11,000,549	6,920,944
Board designated	2,742,188	2,125,802
Total without donor restriction	13,742,737	9,046,746
With donor restriction	12,746,375	11,854,610
TOTAL NET ASSETS AND PARTNERS' CAPITAL	26,489,112	20,901,356
TOTAL LIABILITIES, NET ASSETS, AND PARTNERS' CAPITAL	\$ 36,147,441	\$ 31,385,899

The accompanying notes are an integral part of this statement.

UNION STATION HOMELESS SERVICES
CONSOLIDATED STATEMENT OF ACTIVITIES

	YEAR ENDED JUNE 30,			
	2021		2020	
	Without donor restriction	With donor restriction	Total	Total
SUPPORT AND REVENUE				
Individuals	\$ 2,876,495	\$ 538,363	\$ 3,414,858	\$ 3,187,253
Churches	42,774	8,644	51,418	44,947
Government grants	22,105,044	-	22,105,044	16,906,013
Foundations	958,941	618,350	1,577,291	1,868,116
Other organizations	271,489	171,386	442,875	466,771
Other income	40,027	-	40,027	91,498
Gifts-in-kind	433,004	-	433,004	765,707
Investment income - net	420,482	86,798	507,280	497,055
Realized and unrealized gain on investments	3,341,092	688,458	4,029,550	519,629
Net rental revenue	64,344	-	64,344	43,551
Forgiveness of debt - PPP loan	1,878,125	-	1,878,125	-
Net assets released from restriction	1,220,234	(1,220,234)	-	-
	<u>33,652,051</u>	<u>891,765</u>	<u>34,543,816</u>	<u>24,390,540</u>
Special events revenue	80,186	-	80,186	454,817
Special events expenses	(33,173)	-	(33,173)	(177,659)
Net revenue from special events	<u>47,013</u>	<u>-</u>	<u>47,013</u>	<u>277,158</u>
Total support and revenue	<u>33,699,064</u>	<u>891,765</u>	<u>34,590,829</u>	<u>24,667,698</u>
EXPENSES				
Program services	25,221,807	-	25,221,807	19,423,005
Management and general	2,532,947	-	2,532,947	2,846,764
Fundraising	1,248,319	-	1,248,319	1,122,206
Total expenses	<u>29,003,073</u>	<u>-</u>	<u>29,003,073</u>	<u>23,391,975</u>
CHANGE IN NET ASSETS	4,695,991	891,765	5,587,756	1,275,723
NET ASSETS AND PARTNERS' CAPITAL AT BEGINNING OF YEAR	<u>9,046,746</u>	<u>11,854,610</u>	<u>20,901,356</u>	<u>19,625,633</u>
NET ASSETS AND PARTNERS' CAPITAL AT END OF YEAR	<u>\$ 13,742,737</u>	<u>\$ 12,746,375</u>	<u>\$ 26,489,112</u>	<u>\$ 20,901,356</u>

The accompanying notes are an integral part of this statement.

UNION STATION HOMELESS SERVICES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	JUNE 30,				
	2021				2020
	Program services	Management and general	Fundraising	Total	Total
PERSONNEL EXPENSES					
Salaries	\$ 12,679,465	\$ 1,126,766	\$ 812,273	\$ 14,618,504	\$ 11,181,882
Payroll taxes and employee benefits	<u>2,691,399</u>	<u>122,868</u>	<u>125,783</u>	<u>2,940,050</u>	<u>2,389,165</u>
Total personnel expenses	<u>15,370,864</u>	<u>1,249,634</u>	<u>938,056</u>	<u>17,558,554</u>	<u>13,571,047</u>
OTHER EXPENSES					
Food and kitchen	306,776	949	2,726	310,451	478,185
Development and public relations	-	-	171,714	171,714	140,047
Utilities and telephone	334,334	27,152	11,824	373,310	291,697
Facility expenses	518,272	14,414	27,612	560,298	580,045
Insurance and taxes	159,197	16,535	5,292	181,024	123,358
Legal and professional services	-	863,342	-	863,342	198,123
Staff training and meetings	230,685	16,840	12,333	259,858	469,561
Program participant aid and other program expenses	7,366,179	-	-	7,366,179	6,193,947
Office expense	385,539	114,611	40,629	540,779	585,494
Auto, including reimbursements	26,946	967	423	28,336	69,943
Volunteer program	18,637	6,163	7,095	31,895	39,991
Bank and payroll fees	51,900	35,811	10,075	97,786	62,994
Interest expense	<u>-</u>	<u>107,578</u>	<u>-</u>	<u>107,578</u>	<u>105,528</u>
Total other expenses	<u>9,398,465</u>	<u>1,204,362</u>	<u>289,723</u>	<u>10,892,550</u>	<u>9,338,913</u>
Depreciation and amortization	<u>452,478</u>	<u>78,951</u>	<u>20,540</u>	<u>551,969</u>	<u>482,015</u>
TOTAL EXPENSES	<u>\$ 25,221,807</u>	<u>\$ 2,532,947</u>	<u>\$ 1,248,319</u>	<u>\$ 29,003,073</u>	<u>\$ 23,391,975</u>

The accompanying notes are an integral part of this statement.

UNION STATION HOMELESS SERVICES
CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR ENDED JUNE 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 5,587,756	\$ 1,275,723
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation and amortization	551,969	482,015
Donated assets	-	(75,498)
Amortized interest expense	535	535
Forgiveness of debt - PPP loan	(1,875,000)	-
Realized and unrealized (gain) loss on investments	(4,029,550)	(519,629)
Changes in operating assets and liabilities:		
Prepaid expenses	(187,953)	(151,076)
Grants receivable	(4,308,001)	(807,934)
Contributions receivable	-	41,040
Other receivables	(1,033)	2,480
Accounts payable and accrued expenses	353,768	738,010
Client trust liability	4,358	284
Tenant security deposits	4,216	-
Other liabilities	428,570	214,278
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(3,470,365)	1,200,228
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	71,400	683,356
Purchase of investments	(828,272)	(906,129)
Purchase of property and equipment	(706,317)	(186,117)
CASH USED FOR INVESTING ACTIVITIES	(1,463,189)	(408,890)
CASH FLOWS FROM FINANCING ACTIVITIES		
Additional borrowing on line of credit	1,500,000	600,000
Proceeds from loan	-	1,875,000
Principal payments on line of credit	(1,000,000)	(600,000)
CASH PROVIDED BY FINANCING ACTIVITIES	500,000	1,875,000
NET INCREASE (DECREASE) IN CASH	(4,433,554)	2,666,338
CASH AT BEGINNING OF YEAR	4,598,376	1,932,038
CASH AT END OF YEAR	\$ 164,822	\$ 4,598,376
SUMMARY OF CASH AT END OF YEAR:		
Cash	\$ 139,870	\$ 4,577,782
Cash held in trust - client accounts	8,535	4,177
Restricted reserves	16,417	16,417
	\$ 164,822	\$ 4,598,376
CASH PAID DURING THE YEAR FOR:		
INTEREST	\$ 9,042	\$ 6,993
TAXES	\$ 800	\$ 800

The accompanying notes are an integral part of this statement.

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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.

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

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 Los Angeles County. The Partnership is subject to business risks associated with fluctuations in the economy and level of unemployment in 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, the United States Department of Housing and Urban Development (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

Our programs offer a continuum of services that meet the unique needs of vulnerable individuals and families in the San Gabriel Valley. As we continue to confront the ongoing pandemic and the homeless crisis, we are working diligently to meet the wide-ranging housing, health, and hunger needs of our community. Our approach has four core pillars of services: Outreach, Interim Housing, Permanent Housing, and Community Integration. These pillars are designed to not only meet people's immediate needs, but to offer a continuum of services that support their journey from homelessness to housing with long-term stability.

OUTREACH, INTAKE, AND ASSESSMENT

Union Station coordinates homeless services across the San Gabriel Valley (SPA 3). Along with more than 130 local partners, we provide street outreach; intake and assessment; connection to services; care coordination; and housing navigation, housing placement, and retention assistance. We also provide homeless prevention services for families and individuals at imminent risk for homelessness.

Our Multi-Disciplinary Teams conduct outreach in the community to engage with unhoused community members in streets, parks, around public transportation, and other outdoor spaces. To best address the needs of these highly vulnerable community members, these teams include substance use specialists, mental health clinicians, and peer specialists who have lived experience. Enhancing the work of our Multi-Disciplinary Teams, we partner with the University of Southern California Keck School of Medicine Street Medicine Team, who provide medical expertise, assessments, testing, and primary healthcare services for individuals on the street.

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

OUR PROGRAMS (continued)

Once we connect with people living outdoors, we work to make the systems as accessible as possible to those who are in crisis and experiencing complex challenges and barriers to housing. As the designated lead agency for the region's **Adult Coordinated Entry System (CES)**, we connect the most vulnerable people first to safe and affordable supportive housing.

The **Family Coordinated Entry System (CES-F)** is the primary point of entry for families seeking services who are experiencing homelessness or at imminent risk of becoming unhoused. We have specially trained staff to work with families with offices in Irwindale, Pasadena, and Pomona.

Additionally, our **Hospital Liaison** and three **Patient Navigators** work with those who are frequent users of the hospital system providing case management and housing referrals. In the City of Pasadena, we are the team liaison for the Pasadena Police Department **HOPE (Homeless Outreach Psychiatric Evaluation) Team** and our staff are embedded within the Pasadena Fire and Public Health Department's **PORT (Pasadena Outreach Response Team)**.

INTERIM HOUSING

The drivers of homelessness are as varied as the needs of the individual. For many the first step on their path to permanent housing is interim housing. We offer a variety of interim housing options with wraparound services to support people while they rebuild their lives and find stability.

The Adult Center, our oldest existing program, was built in 1989 in Pasadena. It has 56 beds and separate men's and women's dormitories. In the past we have offered a wide variety of supportive services to both residents and day patrons, including our Community Meals and Showers Programs, on-site primary health care, and emergency overnight shelter. We have temporarily reduced bed counts during COVID and are utilizing motel rooms to ensure uninterrupted service to those in need. We have paused our showers and meals programs for non-residents during the pandemic.

The Family Center is a nurturing, home-like environment that offers sanctuary for approximately 200 homeless children and parents in a typical year. Families receive safe and secure housing, three nutritious meals per day, care coordination services, and wraparound supports such as parenting classes, budgeting, and financial literacy.

Motel Vouchers

Project Homekey is the State of California's COVID-19 response to protecting Californians experiencing homelessness who are at high risk for serious illness. Project Homekey hotels are purchased by a combination of federal and state funds. These hotels will serve as interim housing for three years, after which they will be turned into permanent supportive housing. We opened two Project Homekey hotels in El Sereno in March 2021. Almost 100 people moved from the local encampments into the *Casa Luna* and *Huntington Villas*.

Union Station also supports hundreds of families in need of interim housing with **motel vouchers**, which offer a private environment that may better meet their needs until they are able to attain permanent housing.

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

OUR PROGRAMS (continued)

PERMANENT HOUSING

Our permanent housing programs provide safe, affordable, and private apartments, as well as on-site support services for long-term stability. Residents in all permanent supportive housing locations pay 30% of their income to the property manager as a condition of their housing voucher.

Some of our families and individuals only need short term assistance. We use an innovative rapid re-housing approach to help locate and retain housing as well provide temporary rental support, if needed. Based on their needs, clients are enrolled on either the **Family Solutions Program**, the **Rapid Rehousing Program**, or the **Recovery Rehousing Program**, a COVID-19 Recovery Plan.

For clients who would benefit from a more long-term approach, we offer on-site supportive services and care coordination to aid in retaining their permanent housing. We offer services at our facilities including intensive case management, referrals, and benefits advocacy.

- Euclid Villa is a 14-unit apartment building where families have private units with kitchens
- Marv's Place provides 19 units of affordable housing for formerly homeless families
- Centennial Place offers 142 single-room occupancy apartments for very low-income adults

We also offer several scattered-site housing programs that link individuals with housing vouchers and services throughout the communities of the San Gabriel Valley.

- **Holly Street Housing** links chronically homeless adults and families with community housing resources
- **Housing for Health** provides on-site specialized care services to chronically homeless adults with complex health issues
- **Los Angeles County Development Authority (LACDA) Program** provides permanent supportive housing along with comprehensive supportive services at scattered-site locations in the San Gabriel Valley

In the last fiscal year, 97% of people remain housed across all of our housing programs.

COMMUNITY REINTEGRATION AND EMPLOYMENT

SOURCES Career Development

SOURCES Career Development has helped people overcome poverty and homelessness by connecting them to meaningful employment.

For our clients:

We offer a multi-disciplinary approach for our clients, as well as low income and unhoused job seekers referred by our partner agencies. We assist with all aspects of a job search, from how to effectively use the internet to resume writing and interview techniques. As part of the SOURCES Career Development/Job Club, a Job Developer creates customized career plans for each individual. Services include everything from career counseling to assistance with short-term training, ID cards, and clothing, shoes, uniforms, and tools.

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

OUR PROGRAMS (continued)

For companies:

SOURCES will find the right candidate for your position and put them in touch with you so you can set up an interview. Once a candidate is hired, our team continues to foster the relationship to ensure success in their new role.

Benefits of Working with SOURCES Candidates

- Skills matching
- Motivated workers
- Free placement
- Retention services

SOURCES is helping to achieve community, social and economic growth through rebuilding our community, one hire at a time.

Community Allies

The purpose of our Community Allies Program is to support our neighbors as they transition into housing. The program fosters one-on-one relationships and fun social networks to combat isolation and to support wellness and housing stability. This year, despite the unique challenges presented by the pandemic, Community Allies continued to change lives. Our programs have kept residents in our supportive housing programs connected in small in-person groups and virtually. Activities included book club, picnics in the park, yoga and more.

Continuing Wellness Activities

Thanks to our volunteers and community partners, we can offer various activities for individuals and families, including monthly birthday celebrations, nutrition classes, budgeting, yoga, and much more to build inclusive and healthy communities.

VOLUNTEER AND COMMUNITY PROGRAMS

We can only open more doors and embrace more communities with the help of our dedicated volunteers. These wonderful people and organizations have continued to serve alongside our staff throughout the last year. They support our staff with meal services, administrative needs, and other vital supportive services that enable our staff to continue to provide the highest standard of service for all our clients.

Volunteers have generously given their time and talent to several of our key programs and along the way they have found purpose and joy when connecting with our clients.

Total Volunteers - 1,451
Volunteer Hours - 7,562

LIQUIDITY

The following table reflects the Organization's financial assets as of June 30, 2021 and 2020, 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.

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

LIQUIDITY (continued)

	June 30,	
	2021	2020
Cash	\$ 139,870	\$ 4,577,782
Cash held in trust - client accounts	8,535	4,177
Investments	16,732,965	12,971,801
Investments - endowment	3,677,852	2,652,594
Grants receivable	8,215,545	3,907,544
Less:		
Cash held in trust - client accounts	(8,535)	(4,177)
Board designated reserves	(2,742,188)	(2,125,802)
Net assets with donor restriction	(12,746,375)	(11,854,610)
	<u>\$ 13,277,669</u>	<u>\$ 10,129,309</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, 2021 and 2020 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

TENANT DEPOSITS HELD IN TRUST

In accordance with the Regulatory Agreement with HUD, the Partnership is required to maintain a tenant security deposit trust account. The amount must at all times be equal to or exceed the aggregate of all outstanding obligations to tenants for refundable security deposits. The tenant security deposits fund consists of cash. As of June 30, 2021 the balances of the tenant security deposit trust account and the tenant security deposit liability were \$3,768 and \$7,984, respectively, leaving an underfunded liability of \$4,216.

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

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

SIGNIFICANT ACCOUNTING POLICIES (continued)

GRANTS RECEIVABLE (continued)

allowance for doubtful accounts has been recorded as of June 30, 2021 and 2020.

Opening and closing balances of grants receivable for the years ended June 30, 2021 and 2020 were as follows:

	June 30,	
	2021	2020
Grants receivable - gross, beginning of year	\$ 3,907,544	\$ 3,099,610
Grants receivable - gross, end of year	\$ 8,215,545	\$ 3,907,544

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 advances received from contracts to provide for future services. Other liabilities for the years ended June 30, 2021 and 2020 were as follows:

	June 30,	
	2021	2020
Other liabilities, beginning balance	\$ 2,022,963	\$ 1,844,560
Contract advances recognized as revenue	(2,022,963)	(1,844,560)
Contract advance payments received	2,451,533	2,022,963
Other liabilities, ending balance	\$ 2,451,533	\$ 2,022,963

REVENUE RECOGNITION

Effective July 1, 2020, The Organization adopted Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) and all subsequently issued clarifying ASU's which replaced most existing revenue recognition guidance in GAAP. The new guidance requires the Organization to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The new guidance also requires expanded disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of this new guidance was done using the modified retrospective method. The Organization applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of July 1, 2020. Results for reporting periods beginning after July 1, 2020 are presented under Topic 606 while prior periods amounts are not adjusted and continue to be reported in accordance with legacy GAAP.

There was no significant effect on the financial statements related to the adoption of this new standard which would require a cumulative effect adjustment to net assets at the date of adoption under the modified retrospective method.

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

SIGNIFICANT ACCOUNTING POLICIES (continued)

REVENUE RECOGNITION (continued)

The Organization's material revenue-generating activities and related accounting policies are as follows:

Contracts with Funding Agencies

Revenue from contracts with federal, state, and local funding agencies is recognized when qualifying costs are incurred for cost-reimbursement contracts or when units of service are provided for performance contracts. The adoption of ASU 2014-09 has not resulted in a change in the Organization's method of recognizing revenue under these contracts.

The transaction price is stated in each contract and is satisfied over time, generally by monthly billing over the contract period. The significant judgments required to determine the timing of satisfaction of the performance obligations includes 1) determining that a cost allowable under the contract has been incurred, and 2) determining that the cost relates to a period covered by the contract. Both of these performance obligations must be satisfied before the funding agency can be billed for reimbursement, and revenue is recognized when the funding agency is billed. Contract revenues are subject to audit and review by funding agencies, and in some cases, cost reimbursement may be disallowed.

Rents

The Partnership's rental revenue is earned pursuant to leases of various apartment units that generally do not exceed more than one year. All leases between the Partnership and the tenants of the property are operating leases. Rent revenue is recognized monthly at agreed upon rates over the terms stated within the lease agreements.

Contributions

All donations received are considered available for unrestricted use unless restricted by the donor. The Organization records contributions as with donor restriction if they are received with donor stipulations that limit their use either through purpose or time restrictions, or both. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Noncash contributions received (gifts-in-kind) are recorded at fair market value when they 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: without donor restriction and with 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, or both (see NET ASSETS WITH DONOR RESTRICTION).

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

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, 2021 and 2020, 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).

As of June 30, 2021 the Partnership had a shortfall in its operating reserve and replacement reserve in the amount of \$14,987 and \$3,080, respectively.

As of June 30, 2021, the cash balances restricted for such reserves were as follows:

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

OPERATING AND REPLACEMENT RESERVE

	Operating Reserves	Replacement Reserves	Total Reserves
Restricted reserve balances as of June 30, 2020	\$ 1,122	\$ 15,295	\$ 16,417
Additions	-	-	-
Withdrawals	-	-	-
Restricted reserve balances as of June 30, 2021	\$ <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:

	June 30,	
	2021	2020
Mutual funds - fixed income	\$ 4,517,767	\$ 4,416,937
Mutual funds - equity	<u>15,893,050</u>	<u>11,207,458</u>
	\$ <u>20,410,817</u>	\$ <u>15,624,395</u>

Investment income of \$507,280 and \$497,055 on the Statement of Activities consists of dividends, interest, and capital gain distributions and is reflected net of investment fees of \$71,203 and \$64,500 for the years ended June 30, 2021 and 2020, respectively.

INTANGIBLE ASSETS

Intangible assets consisted of the following:

	June 30,	
	2021	2020
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>(67,524)</u>	<u>(63,650)</u>
	\$ <u>20,130</u>	\$ <u>24,004</u>

Amortization and amortized interest expense for the years ended June 30, 2021 and 2020 was \$3,874 and \$3,874, respectively.

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	June 30,	
	2021	2020
Land	\$ 2,615,756	\$ 2,615,756
Buildings	4,753,447	4,753,447
Building improvements	7,206,397	6,851,598
Land improvements	245,128	245,128
Office equipment	617,024	486,944
Furniture and equipment	1,196,532	945,047
Vehicles	404,151	404,151
Construction in process	21,714	289,876
Property and equipment - gross	17,060,149	16,591,947
Less accumulated depreciation	(10,572,436)	(10,023,808)
Property and equipment - net	6,487,713	6,568,139
Less debt secured by property	(2,400,361)	(2,400,361)
Net investment in property and equipment	\$ 4,087,352	\$ 4,167,778

Depreciation expense for the years ended June 30, 2021 and 2020 was \$548,630 and \$478,676, respectively.

NOTES PAYABLE

	Current	Long-term	Total
Pasadena Community Development Commission note secured by land and buildings with assignment of rents; four outstanding loan amounts in the aggregate not to exceed \$623,500; simple interest at 4.00%; principal and interest payable annually from available residual receipts exclusively from 160 Euclid Partners, LP, as defined in the loan agreement; unpaid principal and interest due December 2029; if all loan requirements are met, the loan will be forgiven at maturity	\$ -	\$ 623,500	\$ 623,500
Housing Authority of the City of Glendale note secured by land and buildings with assignment of rents; original principal of \$658,500; simple interest at 6.00%; principal and interest payable annually from available residual receipts exclusively from 160 Euclid Partners, LP, as defined in the loan agreement; unpaid principal and interest due August 2030; if all loan requirements are met, the loan will be forgiven at maturity	-	658,500	658,500

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

NOTES PAYABLE (continued)

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Housing Authority of the County of Los Angeles note secured by a deed of trust, in the amount of up to \$1,118,361; simple interest at 3.00%; principal and interest payable annually from available residual receipts exclusively from 160 Euclid Partners, LP, as defined in the loan agreement; 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
	<u>\$ -</u>	<u>\$ 2,400,361</u>	<u>\$ 2,400,361</u>

Future maturities for outstanding loans as of June 30, 2021 are as follows:

2022	\$ -
2023	-
2024	-
2025	-
2026	-
Thereafter	<u>2,400,361</u>
	<u>\$ 2,400,361</u>

Accrued interest of \$1,858,783 and \$1,760,782 associated with the notes payable is included in accrued expenses as of June 30, 2021 and 2020, respectively. Interest expense for the years ended June 30, 2021 and 2020 was \$107,578 and \$105,528, respectively.

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. In June 2021, the full amount of the loan was forgiven, in addition to \$3,125 of accrued interest. The total loan forgiveness in the amount of \$1,878,125 is reflected as forgiveness of debt income in the accompanying consolidated statement of activities for the year ended June 30, 2021.

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, 2021 and 2020, the outstanding balance on the line of credit was \$500,000 and \$0, respectively.

SPECIAL EVENTS

During the years ended June 30, 2021 and 2020, 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 \$80,186 and \$454,817 and total expenses from these events were \$33,173 and \$177,659, respectively. The cost of other fundraising activities is classified as fundraising expense.

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

LEASE COMMITMENTS

The Organization leases four office properties located in the San Gabriel Valley and six vehicles under noncancelable leases. Total monthly payments for the four properties are \$34,925 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:

2022	\$	407,519
2023		347,429
2024		355,262
2025		306,610
	\$	<u>1,416,820</u>

Rent expense for the years ended June 30, 2021 and 2020 was \$405,678 and \$441,261, respectively, 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.

During the year ended June 30, 2021, approximately 89% of grant revenue was awarded from three funding sources. At June 30, 2021, approximately 89% of grants receivable consisted of amounts due from these funding sources.

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, 2021 and 2020 were \$329,045 and \$270,838, respectively, and are included in payroll taxes and employee benefits in the functional allocation.

NONCASH TRANSACTIONS

GIFTS-IN-KIND

The following gifts-in-kind were received:

	June 30,	
	2021	2020
Food and kitchen supplies used in daily operations	\$ 153,085	\$ 390,218
Non-food items distributed to patrons	171,033	263,593
Other supplies used in daily operations	29,110	32,778
Professional services	79,776	3,620
Equipment	-	75,498
Special events gifts-in-kind	415	20,849
	<u>\$ 433,419</u>	<u>\$ 786,556</u>

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

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 (SPMIFA) 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 SPMIFA.

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.

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.

As of June 30, 2021 and 2020, endowment assets consist solely of investments in mutual funds.

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

ENDOWMENT (continued)

ENDOWMENT NET ASSETS COMPOSITION

	Without donor restriction	With donor restriction	Total
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	<u>\$ -</u>	<u>\$ 2,652,594</u>	<u>\$ 2,652,594</u>
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required by donor to be retained	\$ -	\$ 2,275,954	\$ 2,275,954
Portion subject to appropriation under SPMIFA	-	1,401,898	1,401,898
Endowment net assets at June 30, 2021	<u>\$ -</u>	<u>\$ 3,677,852</u>	<u>\$ 3,677,852</u>

CHANGES IN ENDOWMENT NET ASSETS

	Without donor restriction	With donor restriction	Total
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	<u>-</u>	<u>2,652,594</u>	<u>2,652,594</u>
Investment return			
Investment income	-	86,798	86,798
Net appreciation (realized and unrealized)	-	688,459	688,459
Total investment return	-	775,257	775,257
Contributions	-	250,001	250,001
Appropriation of endowment assets for expenditure	-	-	-
Endowment net assets at June 30, 2021	<u>\$ -</u>	<u>\$ 3,677,852</u>	<u>\$ 3,677,852</u>

UNION STATION HOMELESS SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021 AND 2020

NET ASSETS WITH DONOR RESTRICTION

Net assets subject to donor restrictions consisted of the following:

	June 30,	
	2021	2020
Purpose restriction:		
Endowment	\$ 3,677,852	\$ 2,652,594
Capital improvements and education	8,408,737	8,570,955
Staff development	-	1,606
Various programs	659,786	629,455
Total net assets subject to donor restriction	\$ <u>12,746,375</u>	\$ <u>11,854,610</u>

RISKS AND UNCERTAINTIES

In March 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 30, 2022.

SUBSEQUENT EVENTS

In accordance with GAAP, the Organization has evaluated subsequent events through March 30, 2022, which is the date these financial statements were available to be issued. All subsequent events requiring recognition have been incorporated into these financial statements.

SUPPLEMENTAL INFORMATION

UNION STATION HOMELESS SERVICES
SUPPLEMENTAL STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

	ASSETS				
	UNION STATION HOMELESS SERVICES	PACIFIC HOUSING ALLIANCE	160 EUCLID PARTNERS, LP	ELIMINATIONS	TOTAL
CURRENT ASSETS					
Cash	\$ 136,269	\$ -	\$ 3,601	\$ -	\$ 139,870
Cash held in trust - client accounts	8,535	-	-	-	8,535
Investments	16,885,483	-	-	(152,518)	16,732,965
Prepaid expenses	835,455	-	-	-	835,455
Grants receivable	8,215,545	-	-	-	8,215,545
Other receivables	52,898	6,035	124,996	(174,738)	9,191
Total current assets	26,134,185	6,035	128,597	(327,256)	25,941,561
INTANGIBLE ASSETS - NET	9,090	-	11,040	-	20,130
PROPERTY AND EQUIPMENT - NET	3,627,299	-	2,860,414	-	6,487,713
OTHER ASSETS					
Tenant deposits held in trust - underfunded	-	-	3,768	-	3,768
Investments - endowment	3,677,852	-	-	-	3,677,852
Restricted reserves	-	-	16,417	-	16,417
Total other assets	3,677,852	-	20,185	-	3,698,037
TOTAL ASSETS	\$ 33,448,426	\$ 6,035	\$ 3,020,236	\$ (327,256)	\$ 36,147,441

The accompanying notes are an integral part of this statement.

UNION STATION HOMELESS SERVICES
SUPPLEMENTAL STATEMENT OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2021

LIABILITIES AND NET ASSETS

	UNION STATION HOMELESS SERVICES	PACIFIC HOUSING ALLIANCE	160 EUCLID PARTNERS, LP	ELIMINATIONS	TOTAL
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 2,535,866	\$ -	\$ 2,167,794	\$ (413,744)	\$ 4,289,916
Client trust liability	8,535	-	-	-	8,535
Tenant security deposits	-	-	7,984	-	7,984
Other liabilities	2,451,533	-	-	-	2,451,533
Line of credit	500,000	-	-	-	500,000
Total current liabilities	<u>5,495,934</u>	<u>-</u>	<u>2,175,778</u>	<u>(413,744)</u>	<u>7,257,968</u>
LONG-TERM LIABILITIES					
Notes payable	<u>-</u>	<u>-</u>	<u>2,400,361</u>	<u>-</u>	<u>2,400,361</u>
TOTAL LIABILITIES	<u>5,495,934</u>	<u>-</u>	<u>4,576,139</u>	<u>(413,744)</u>	<u>9,658,329</u>
NET ASSETS AND PARTNERS' CAPITAL					
Without donor restriction					
Undesignated	12,463,929	6,035	-	(66,030)	12,403,934
Partners' Capital (Deficit)	<u>-</u>	<u>-</u>	<u>(1,555,903)</u>	<u>152,518</u>	<u>(1,403,385)</u>
Total undesignated	12,463,929	6,035	(1,555,903)	86,488	11,000,549
Board designated	<u>2,742,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,742,188</u>
Total without donor restriction	<u>15,206,117</u>	<u>6,035</u>	<u>(1,555,903)</u>	<u>86,488</u>	<u>13,742,737</u>
With donor restriction	12,746,375	-	-	-	12,746,375
TOTAL NET ASSETS (DEFICIT)	<u>27,952,492</u>	<u>6,035</u>	<u>(1,555,903)</u>	<u>86,488</u>	<u>26,489,112</u>
TOTAL LIABILITIES, NET ASSETS AND PARTNERS' CAPITAL (DEFICIT)	<u>\$ 33,448,426</u>	<u>\$ 6,035</u>	<u>\$ 3,020,236</u>	<u>\$ (327,256)</u>	<u>\$ 36,147,441</u>

The accompanying notes are an integral part of this statement.

UNION STATION HOMELESS SERVICES
SUPPLEMENTAL STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	UNION STATION HOMELESS SERVICES	PACIFIC HOUSING ALLIANCE	160 EUCLID PARTNERS, LP	ELIMINATIONS	Total
SUPPORT AND REVENUE					
Individuals	\$ 3,414,858	\$ -	\$ -	\$ -	\$ 3,414,858
Churches	51,418	-	-	-	51,418
Government grants	22,105,044	-	65,246	(65,246)	22,105,044
Foundations	1,577,291	-	-	-	1,577,291
Other organizations	442,875	-	-	-	442,875
Other income	36,386	-	3,641	-	40,027
Gifts-in-kind	433,004	-	-	-	433,004
Investment income - net	507,280	-	-	-	507,280
Realized and unrealized gain on investments	4,029,550	-	-	-	4,029,550
Net rental revenue	-	-	64,344	-	64,344
Forgiveness of debt - PPP loan	1,878,125	-	-	-	1,878,125
	<u>34,475,831</u>	<u>-</u>	<u>133,231</u>	<u>(65,246)</u>	<u>34,543,816</u>
Special events revenue	80,186	-	-	-	80,186
Special events expenses	<u>(33,173)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,173)</u>
Net revenue from special events	<u>47,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,013</u>
Total support and revenue	<u>34,522,844</u>	<u>-</u>	<u>133,231</u>	<u>(65,246)</u>	<u>34,590,829</u>
EXPENSES					
Program services	25,078,673	-	206,805	(63,671)	25,221,807
Management and general	2,396,274	-	156,016	(19,343)	2,532,947
Fundraising	1,248,319	-	-	-	1,248,319
Total expenses	<u>28,723,266</u>	<u>-</u>	<u>362,821</u>	<u>(83,014)</u>	<u>29,003,073</u>
CHANGE IN NET ASSETS	<u>5,799,578</u>	<u>-</u>	<u>(229,590)</u>	<u>17,768</u>	<u>5,587,756</u>
CURRENT YEAR CAPITAL CONTRIBUTIONS	-	-	74,520	(74,520)	-
NET ASSETS AND PARTNERS' CAPITAL (DEFICIT) AT BEGINNING 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>
NET ASSETS AND PARTNERS' CAPITAL (DEFICIT) AT END OF YEAR	<u>\$ 27,952,492</u>	<u>\$ 6,035</u>	<u>\$ (1,555,903)</u>	<u>\$ 86,488</u>	<u>\$ 26,489,112</u>

The accompanying notes are an integral part of this statement.

UNION STATION HOMELESS SERVICES
STATEMENT OF CHANGES IN PARTNERS' CAPITAL
FOR THE YEAR ENDED JUNE 30, 2021

	General Partner PHA	Limited Partner USHS	Total
	<u> </u>	<u> </u>	<u> </u>
Balance, June 30, 2020	\$ (453,971)	\$ (946,862)	\$ (1,400,833)
Capital contributions	-	74,520	74,520
Net loss	<u>(2,296)</u>	<u>(227,294)</u>	<u>(229,590)</u>
Balance, June 30, 2021	\$ <u><u>(456,267)</u></u>	\$ <u><u>(1,099,636)</u></u>	\$ <u><u>(1,555,903)</u></u>

The accompanying notes are an integral part of this statement.