

**The Partnership to End Homelessness, Inc. and Affiliate**

Combined Financial Statements

June 30, 2023 and 2022

## **Independent Auditors' Report**

### **Board of Directors The Partnership to End Homelessness, Inc. and Affiliate**

#### **Opinion**

We have audited the accompanying financial statements of The Partnership to End Homelessness, Inc. and Affiliate (the "Organizations"), a not-for-profit organization, which comprise of the statements of financial position as of June 30, 2023 and 2022 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organizations as of June 30, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organizations and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organizations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*PKF O'Connor Davies, LLP*

December 8, 2023

## The Partnership to End Homelessness, Inc. and Affiliate

### Combined Statements of Financial Position

	June 30,	
	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,193,410	\$ 3,605,928
Due from governmental agencies	497,132	440,475
Prepaid expenses and other assets	66,241	34,917
Grants receivable	250,000	-
Client custodial funds	93,958	87,376
Security deposits and other	9,100	9,100
Property and equipment, net	285,113	317,538
	<b>\$ 3,394,954</b>	<b>\$ 4,495,334</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 89,276	\$ 53,168
Accrued payroll and related liabilities	179,124	113,476
Client custodial funds	93,958	87,376
Contract program advances payable	236,748	683,847
Total Liabilities	599,106	937,867
Net Assets		
Without Donor Restrictions		
Undesignated	1,479,756	1,571,305
Board designated	1,066,092	1,765,692
Total Without Donor Restrictions	2,545,848	3,336,997
With donor restrictions	250,000	220,470
Total Net Assets	2,795,848	3,557,467
	<b>\$ 3,394,954</b>	<b>\$ 4,495,334</b>

See notes to combined financial statements

**The Partnership to End Homelessness, Inc. and Affiliate**

Combined Statements of Activities

	Year Ended June 30, 2023			Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>						
Contract and service fees from governmental agencies	\$ 697,155	\$ -	\$ 697,155	\$ 751,078	\$ -	\$ 751,078
Client service dollars	447,912	-	447,912	473,469	-	473,469
Contributions and grants	1,444,443	250,000	1,694,443	2,445,963	-	2,445,963
Paycheck Protection Program loan forgiveness	-	-	-	209,687	-	209,687
In-kind contributions	39,696	-	39,696	87,444	-	87,444
Interest and other	11,316	-	11,316	1,028	-	1,028
Net assets released from restrictions	220,470	(220,470)	-	559,733	(559,733)	-
Total Revenue and Support	<u>2,860,992</u>	<u>29,530</u>	<u>2,890,522</u>	<u>4,528,402</u>	<u>(559,733)</u>	<u>3,968,669</u>
<b>EXPENSES</b>						
Program services	<u>3,033,841</u>	<u>-</u>	<u>3,033,841</u>	<u>2,318,118</u>	<u>-</u>	<u>2,318,118</u>
Support Services						
Management and general	502,253	-	502,253	601,789	-	601,789
Fundraising	116,047	-	116,047	128,404	-	128,404
Total Support Services	<u>618,300</u>	<u>-</u>	<u>618,300</u>	<u>730,192</u>	<u>-</u>	<u>730,192</u>
Total Expenses	<u>3,652,141</u>	<u>-</u>	<u>3,652,141</u>	<u>3,048,310</u>	<u>-</u>	<u>3,048,310</u>
Change in Net Assets	(791,149)	29,530	(761,619)	1,480,092	(559,733)	920,359
<b>NET ASSETS</b>						
Beginning of year	<u>3,336,997</u>	<u>220,470</u>	<u>3,557,467</u>	<u>1,856,905</u>	<u>780,203</u>	<u>2,637,108</u>
End of year	<u>\$ 2,545,848</u>	<u>\$ 250,000</u>	<u>\$ 2,795,848</u>	<u>\$ 3,336,997</u>	<u>\$ 220,470</u>	<u>\$ 3,557,467</u>

See notes to combined financial statements

**The Partnership to End Homelessness, Inc. and Affiliate**

Combined Statement of Funtional Expenses  
Year Ended June 30, 2023

	Program Services					Support Services			Total Expenses	
	Housing and Crisis	Health and Well-Being		Education and Public Narrative		Total Program Services	Management and General	Fundraising		Total Support Services
	Housing	Mental Health	OMH	Education	Public Narrative					
<b>PERSONNEL COSTS</b>										
Salaries	\$ 266,811	\$ 96,892	\$ 68,429	\$ 50,573	\$ 37,842	\$ 520,547	\$ 107,163	\$ 24,312	\$ 131,475	\$ 652,022
Fringe benefits	75,216	27,314	19,290	14,257	10,668	146,745	30,210	6,854	37,064	183,809
Total Personnel Costs	<u>342,027</u>	<u>124,206</u>	<u>87,719</u>	<u>64,830</u>	<u>48,510</u>	<u>667,292</u>	<u>137,373</u>	<u>31,166</u>	<u>168,539</u>	<u>835,831</u>
<b>OTHER THAN PERSONNEL COSTS</b>										
Professional fees (includes in-kind legal expenses of \$39,696)	201,991	214,421	140,136	72,510	36,255	665,313	283,675	46,613	330,288	995,601
Occupancy	34,638	17,555	11,227	26,995	13,498	103,913	24,939	9,698	34,637	138,550
Telephone and communications	3,831	3,831	1,533	1,533	25,687	36,415	2,759	1,073	3,832	40,247
Office expenses	31,626	29,136	11,992	11,655	5,827	90,236	40,493	23,635	64,128	154,364
Travel, conferences and training	-	-	-	-	-	-	3,084	-	3,084	3,084
Depreciation and amortization	13,793	13,793	5,517	5,517	2,759	41,379	9,930	3,862	13,792	55,171
Mental health supportive services	<u>777,252</u>	<u>150,216</u>	<u>449,904</u>	<u>498</u>	<u>51,423</u>	<u>1,429,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,429,293</u>
Total Other than Personnel Costs	<u>1,063,131</u>	<u>428,952</u>	<u>620,309</u>	<u>118,708</u>	<u>135,449</u>	<u>2,366,549</u>	<u>364,880</u>	<u>84,881</u>	<u>449,761</u>	<u>2,816,310</u>
Total Expenses	<u>\$ 1,405,158</u>	<u>\$ 553,158</u>	<u>\$ 708,028</u>	<u>\$ 183,538</u>	<u>\$ 183,959</u>	<u>\$ 3,033,841</u>	<u>\$ 502,253</u>	<u>\$ 116,047</u>	<u>\$ 618,300</u>	<u>\$ 3,652,141</u>

The Partnership to End Homelessness, Inc. and Affiliate

Combined Statement of Functional Expenses  
Year Ended June 30, 2022

	Program Services							Support Services			Total Expenses	
	Housing and Crisis		Health and Well-Being			Education and Public Narrative		Total Program Services	Management and Fundraising			Total Support Services
	Housing	Emergency Services	Mental Health	HIV	OMH	Education Access	Public Narrative		General	Fundraising		
<b>PERSONNEL COSTS</b>												
Salaries	\$ 264,568	\$ -	\$ 92,478	\$ 109,954	\$ 30,532	\$ 31,074	\$ 89,224	\$ 617,830	\$ 146,075	\$ 54,553	\$ 200,628	\$ 818,458
Fringe benefits	52,312	-	18,286	21,742	6,037	6,145	17,643	122,165	28,885	10,787	39,672	161,837
Total Personnel Costs	<u>316,880</u>	<u>-</u>	<u>110,764</u>	<u>131,696</u>	<u>36,569</u>	<u>37,219</u>	<u>106,867</u>	<u>739,995</u>	<u>174,960</u>	<u>65,340</u>	<u>240,300</u>	<u>980,295</u>
Professional fees (includes in-kind legal expenses of \$87,444)	49,628	-	152,157	92,343	32,112	137,496	138,513	602,249	303,814	31,323	335,137	937,386
Occupancy	23,364	-	35,046	17,523	11,682	-	-	87,615	21,027	8,177	29,204	116,819
Telephone and communications	559	-	-	-	1,095	-	-	1,654	15,577	4,520	20,097	21,751
Office expenses	15,745	-	23,815	11,907	7,282	-	-	58,749	70,861	4,779	75,640	134,389
Equipment purchase and rental	-	-	-	-	-	-	-	-	-	9,953	9,953	9,953
Travel, conferences and training	-	-	-	-	-	-	-	-	9,079	-	9,079	9,079
Interest	-	-	-	-	-	-	-	-	3	-	3	3
Depreciation and amortization	19,403	1,617	6,468	6,468	6,468	2,695	-	43,117	6,468	4,312	10,779	53,896
Mental health supportive services	<u>228,669</u>	<u>-</u>	<u>81,243</u>	<u>-</u>	<u>474,827</u>	<u>-</u>	<u>-</u>	<u>784,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>784,739</u>
Total Other than Personnel Costs	<u>337,368</u>	<u>1,617</u>	<u>298,729</u>	<u>128,241</u>	<u>533,466</u>	<u>140,191</u>	<u>138,513</u>	<u>1,578,123</u>	<u>426,829</u>	<u>63,064</u>	<u>489,892</u>	<u>2,068,015</u>
Total Expenses	<u>\$ 654,248</u>	<u>\$ 1,617</u>	<u>\$ 409,493</u>	<u>\$ 259,937</u>	<u>\$ 570,035</u>	<u>\$ 177,410</u>	<u>\$ 245,380</u>	<u>\$ 2,318,118</u>	<u>\$ 601,789</u>	<u>\$ 128,404</u>	<u>\$ 730,192</u>	<u>\$ 3,048,310</u>

**The Partnership to End Homelessness, Inc. and Affiliate**

Combined Statements of Cash Flows

	Year Ended June 30,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (761,619)	\$ 920,359
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	55,171	53,896
Paycheck Protection Program loan forgiveness	-	(209,687)
Changes in assets and liabilities		
Due from governmental agencies	(56,657)	(17,505)
Prepaid expenses and other assets	(31,324)	4,089
Grants receivable	(250,000)	75,000
Security deposits and other	-	20,400
Accounts payable and accrued expenses	36,108	(77,495)
Accrued payroll and related liabilities	65,648	51,194
Contract program advances payable	(447,099)	(87,819)
Net Cash from Operating Activities	(1,389,772)	732,432
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(22,746)	(13,763)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Mortgage repayment	-	(8,311)
Change in Cash and Cash Equivalents	(1,412,518)	710,358
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	3,605,928	2,895,570
End of year	\$ 2,193,410	\$ 3,605,928

See notes to combined financial statements



## The Partnership to End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements  
June 30, 2023 and 2022

### 1. Organization

The Partnership for the Homeless, Inc. announced a new name, The Partnership to End Homelessness, Inc. to better reflect the organization's mission of ending homelessness by preventing it. The new name retains "The Partnership" to reflect the organization's way of working with clients and their families. It also expresses an approach of partnering with government agencies, tenants, property owners, non-profits, corporations and foundations, which underscores that solving homelessness cannot be done by one group or one sector alone. "To End Homelessness" emphasizes the organization's vision that homelessness can and should be ended in New York City. The new name also better reflects the Partnership's broad base of clients who include New Yorkers at risk of, experiencing and/or recovering from homelessness, and highlights that homelessness is a preventable economic experience, not an identity marker.

The accompanying combined financial statements include the assets, liabilities, net assets and activities of The Partnership to End Homelessness, Inc. (the "Partnership") and The Partnership Homeless Facilities Corporation (the "Corporation"), collectively known as (the "Organizations"). 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, but not exclusively, is to support the mission of the Partnership.

The Organizations 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, and foundations, as well as revenue through contracts with various governmental agencies to provide the full suite of housing, health, education and emergency services it offers. The Partnership combines direct services that immediately impact clients' lives with advocacy and policy interventions in order to address overlapping systemic challenges and drive long-term change that will help end homelessness once and for all.

The Partnership's services, offered across the five boroughs, are putting the building blocks in place to address immediate housing needs, create stability through important health interventions, disrupt generational homelessness, and change the public narrative about homelessness. This multi-pronged approach is grounded in prevention and partnership, and is realized through the following programmatic objectives and initiatives:

## The Partnership to End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements  
June 30, 2023 and 2022

### 1. Organization (*continued*)

#### **Program Services**

Housing and Crisis: The Partnership intervenes to meet immediate needs for clients and families at risk of or experiencing homelessness, and builds infrastructure to prevent crisis for vulnerable New Yorkers – now and for future generations. The Partnership’s critical crisis support touched 50,000 New Yorkers over the past year.

- Housing: Safe and stable housing is an absolute prerequisite for rebuilding one’s life and preventing future crisis. At the heart of the Partnership’s work is preventing homelessness via eviction prevention, shelters, housing stability and income support services. The Partnership offers financial assistance and landlord mediation, legal referrals, and housing placement supports to focus on preventing a family from entering the shelter system or relocating them to more suitable housing. The Partnership also offers employment training and benefits screening to address support needs and build a family’s long-term wellness and economic independence. In the past year alone, the Partnership assisted 1,600 families to avoid eviction and achieve a home of their own.

- Emergency Services: The Partnership intervenes when clients are struggling to make ends meet and are faced with a rent increase, domestic violence, illness, or other unexpected emergency to access the lifeline supports and services they need to address immediate needs and remain safely housed. The programs focus on communities that sit at the center of New York City’s homeless crisis and feature a disproportionate number of low-income families that are at-risk of homelessness, living in shelters, or struggling after leaving a shelter. The Partnership provides emergency services through its numerous community partners and strategic alliances. In the past year alone, the Partnership provided 35,000 meals and basic supplies to families in need through work with food pantry partners, and offered emergency financial assistance, critical health services, and more to support clients on the road to regain life stability amidst a crisis.

Health and Well-Being: The Partnership prevents people from cycling in and out of the crisis that can lead to homelessness by providing basic health, mental health, and well-being services.

- Mental Health: The people who rely on the organization are often navigating layers of trauma in addition to the brick and mortar issues of affordable housing. With an onsite clinical staff team, the Partnership provides in-house clinical services and emotional well-being training, and applies a trauma-informed lens across the organization to identify clients in need of interventions to make appropriate referrals for long-term care and therapeutic services. More than 3,000 received comprehensive support services from the Partnership in the past year.

- HIV: The Partnership supports its clients living with HIV/AIDS through a partnership with the New York State Department of Health AIDS Institute, to strengthen the provision of HIV prevention, health care, and supportive services across the City. The Partnership provides community based case management and health education services to help clients adhere to treatment plans and manage their condition, as well as peer navigation services and linkages to a robust resource and referral network to provide wide-ranging supports for vulnerable clients.

## The Partnership to End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements  
June 30, 2023 and 2022

### 1. Organization (*continued*)

#### **Program Services (*continued*)**

• OMH: The Partnership addresses clients' clinical and emotional well-being needs to ensure that they are less likely to transition in and out of homelessness. The Partnership supports the New York State Office of Mental Health ("NYS OMH") by overseeing and monitoring fund reimbursements to intensive case managers employed by that governmental agency, to help make certain that those exiting psychiatric care can access the range of supports they need to live independently and safely, and build roots in their community.

Education Access: The Partnership disrupts the generational cycle of homelessness by ensuring the more than 100,000 children who are living in shelters or at risk of experiencing homelessness have continuous access to school and that their educational needs are met in classrooms, whether virtual or in-person. The Partnership supports families as they navigate issues pertaining to their child's education, including ensuring that children are placed in shelters near their schools. Likewise, the organization provides financial education trainings and tenant's rights/responsibilities workshops to parents and other adults to promote long term financial independence and family stability. Last year, 44,000 benefitted from ongoing advocacy in the City's family shelters to safeguard children's right to quality education.

Public Narrative: The Partnership is partnering with leading journalists, to launch an educational video series to change the public understanding of what homelessness is, and to highlight that it is mostly women of color and children who are impacted by the housing and homelessness crisis in New York City (the "City") and across the United States. In addition, the Partnership is engaging candidates and elected officials to advance that the City provide full payments of rent arrears instead of partial payments, in keeping with the Partnership's approach, and implement a move at a citywide level to a common application process for rental assistance. Lastly, the Partnership is collaborating with state and national organizations and ensure that the eviction moratoria stay in place, rental assistance funding increases and emergency rental assistance payment distribution of funds is streamlined and expedited.

### 2. Summary of Significant Accounting Policies

#### **Basis of Presentation and Use of Estimates**

The accompanying 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 contingent assets and liabilities at the date of the combined financial statements and the amount of revenues and expenses recognized during the reporting period. Accordingly, actual results could differ from those estimates.

## The Partnership to End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements  
June 30, 2023 and 2022

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

#### ***Principles of Combination***

The Organizations 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 balances resulting from these transactions have been eliminated in these combined financial statements.

#### ***Net Asset Presentation***

The Organizations report information regarding financial position and activities according to two classes of net assets: without and with donor restrictions.

*Without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organizations. These net assets may be used at the discretion of the Organizations' management and Board of Directors.

*With donor restrictions* – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organizations or by the passage of time. Other donor restrictions are permanent in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash balances held in bank accounts and highly liquid debt instruments with maturities of three months or less at the time of purchase. At times, cash deposits may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. The Organizations believe they are not exposed to any significant risk of loss on these funds. At June 30, 2023 and 2022, approximately \$1,455,000 and \$2,709,000 of cash deposits were maintained with institutions in excess of FDIC limits.

#### ***Due from Government Agencies and Grants Receivable***

Due from government agencies and grants receivable are stated at the amount that management expects to collect from outstanding balances. Management provides an allowance for doubtful accounts based on prior experience and its assessment of the collectability of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance account and a reduction to the receivable. Management has concluded that no allowance is necessary at June 30, 2023 and 2022.

## The Partnership to End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements  
June 30, 2023 and 2022

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

#### ***Contributions and Pledges Receivable***

Unconditional contributions, including promises to give cash and other assets, are reported at net realizable value at the date the contribution is received. Gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

#### ***Property and Equipment***

The Organizations follow the practice of capitalizing all expenditures for property and equipment with a cost in excess of \$1,000 and a useful life of at least five years. Property 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.

#### ***Impairment of Long-Lived Assets***

U.S. GAAP guidance, *Accounting for the Impairment or Disposal of Long-Lived Assets*, requires long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, impairment would then be measured as the difference between the fair value of the asset and its carrying value to determine the amount of the impairment. The Organizations generally determine fair value by using the undiscounted cash flow method. No impairment losses have been recognized during the years ended June 30, 2023 and 2022.

## The Partnership to End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements  
June 30, 2023 and 2022

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

#### **OMH Custodial Funds**

Funds are held by the Partnership on behalf of NYS OMH. These funds are disbursed by the Partnership to New York City-based OMH Centers at the request of, or on behalf of, NYS OMH.

#### **Revenue Recognition**

Contract program revenue and client service dollars are 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.

#### **In-Kind Contributions**

In-kind contributions are recorded as income and expenses at the time the items are received, which is also the time they are placed into service. Donated services are reported as income and expense at their fair value if such services create value or would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such specialized skills.

The Organizations received donated services for the years ended June 30, as follows:

	<u>2023</u>	<u>2022</u>	<u>Usage in Program/Activities</u>	<u>Donor Restriction</u>	<u>Fair Value Techniques</u>
Legal services	\$39,696	\$87,444	Program and Administration	None	Estimated based on current rates of legal services provided by law firm

#### **Functional Expense Allocation**

The combined financial statements report categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries are allocated on the basis of time and effort. Direct program costs such as relief and other program expenses, mental health supportive services, office supplies and expense, food expense, postage, client travel, dues and subscriptions, and program-related professional fees are allocated directly to programs. All other costs that are not charged directly to a program are allocated by percentage of overall salary allocation.

#### **Accounting for Uncertainty in Income Taxes**

The Organizations recognize the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organizations had no uncertain tax positions that would require financial statement recognition or disclosure. The Organizations are no longer subject to examinations by the applicable taxing jurisdictions for years prior to June 30, 2020.

## The Partnership to End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements  
June 30, 2023 and 2022

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

#### ***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 December 8, 2023.

### 3. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Condominium unit	\$ 890,267	\$ 890,267
Condominium improvements	366,197	366,197
Leasehold improvements	125,205	125,205
Furniture, fixtures and equipment	<u>99,386</u>	<u>76,640</u>
	1,481,055	1,458,309
Accumulated depreciation and amortization	<u>(1,195,942)</u>	<u>(1,140,771)</u>
	<u>\$ 285,113</u>	<u>\$ 317,538</u>

### 4. Loan Payable

On January 28, 2021, the Partnership received loan proceeds in the amount of \$369,247 under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest is forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period of either eight or twenty-four weeks (the "Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries below a certain threshold during the Covered Period and does not qualify for certain safe harbors.

The unforgiven portion of the PPP loan, if any, is payable within two years from the date of the PPP loan with deferral of payments of principal and interest until the amount of the loan forgiveness is approved by the United States Small Business Administration (the "SBA"). If the Partnership does not apply for forgiveness, payments begin in approximately 16 months after the loan date. During the year ended June 30, 2022, the SBA had notified the Partnership that the PPP loan has been forgiven. For the year ended June 30, 2022, the Partnership recognized \$209,687 of the proceeds from the PPP loan as income from the forgiveness of the PPP loan.

## The Partnership to End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements  
June 30, 2023 and 2022

### 5. Mortgage Payable

Mortgage payable consists of a 20-year commercial mortgage, which commenced in June 2001, in the amount of \$1,500,000. During 2023, the mortgage interest rate was 3%. 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 was secured by a first mortgage lien on the Corporation's property located at 305 Seventh Avenue, New York, NY. At June 30, 2022, the mortgage payable was paid in full. Interest expense for the year ended June 30, 2022 was \$3.

### 6. Net Assets With Donor Restrictions

Changes in net assets with donor restrictions consist of the following for the years ended June 30:

Purpose / Restriction	2023			
	Beginning of Year	Additions	Net Assets Released	End of Year
Restricted by Purpose				
Housing	\$ 1,499	\$ -	\$ (1,499)	\$ -
Financial program	4,166	-	(4,166)	-
Mental wellbeing program	1,305	-	(1,305)	-
Save homes fund	213,500	-	(213,500)	-
Restricted by time	-	250,000	-	250,000
Total Net Assets With Donor Restrictions	<u>\$ 220,470</u>	<u>\$ 250,000</u>	<u>\$ (220,470)</u>	<u>\$ 250,000</u>
Purpose / Restriction	2022			
	Beginning of Year	Additions	Net Assets Released	End of Year
Restricted by Purpose				
Housing	\$ 120,773	\$ -	\$ (119,274)	\$ 1,499
Financial program	4,166	-	-	4,166
Mental wellbeing program	277,213	-	(275,908)	1,305
Save homes fund	303,051	-	(89,551)	213,500
Restricted by time	75,000	-	(75,000)	-
Total Net Assets With Donor Restrictions	<u>\$ 780,203</u>	<u>\$ -</u>	<u>\$ (559,733)</u>	<u>\$ 220,470</u>



## The Partnership to End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements  
June 30, 2023 and 2022

### 7. Board Designated Fund

The board designated net assets, funds to the Partnership's Save Homes campaign for the support of all expenses, operational and capital, that support the Partnership's homelessness prevention strategy.

### 8. Concentration of Credit Risk

The Partnership receives funding from various governmental sources to operate its programs. Receivables from these governmental agencies totaled \$497,132 and \$440,475 at June 30, 2023 and 2022. Collection of these receivables is expected in the normal course of business.

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

	2023	2022
Federal	22%	0%
State	78%	100%

### 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 years ended June 30 is as follows:

	2023	2022
Federal	9%	3%
State	91%	97%

### 10. Liquidity and Availability of Financial Resources

The following reflects the Organizations' financial assets as of June 30, reduced by amounts not available per general use within one year of that date because of contractual, board or donor-imposed restrictions. Amounts available include donor restricted amounts that are available for general expenditure in the following year:

	2023	2022
Cash and cash equivalents	\$ 2,193,410	\$ 3,605,928
Due from governmental agencies	497,132	440,475
Grants receivable	250,000	-
Total financial assets	2,940,542	4,046,403
Less contractual, board or donor imposed restrictions amounts:		
Restricted by donor with time or purpose restrictions	(250,000)	(220,470)
Board designated	(1,066,092)	(1,765,692)
Add: time or purpose restriction expected to release over the next twelve months	250,000	-
Financial assets available to meet general expenditures over the next twelve months	\$ 1,874,450	\$ 2,060,241

## The Partnership to End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements  
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### 10. Liquidity and Availability of Financial Resources *(continued)*

The Organizations structure their financial assets to be available to meet their general expenditures and obligations as they come due. As part of its liquidity plan, the Organizations rely on reimbursements from government contracts and contributions from donors. Additionally, the board designated amount of \$1,066,092 can be used if necessary.

### 11. Reclassification of Prior Year's Net Assets

Net assets for the year ending June 30, 2022 have been reclassified. In 2023, the Organizations identified \$50,000 of releases of restricted net assets that were not recorded. Accordingly, the net assets were reclassified as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets as previously reported	\$ 3,286,997	\$ 270,470	\$3,557,467
Reclassification/restatement	50,000	(50,000)	-
Net assets restated	<u>\$ 3,336,997</u>	<u>\$ 220,470</u>	<u>\$3,557,467</u>

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