

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

Combined Financial Statements

June 30, 2024 and 2023

Independent Auditors' Report

Board of Directors The Partnership To End Homelessness, Inc. and Affiliate

Opinion

We have audited the accompanying combined financial statements of The Partnership To End Homelessness, Inc. and Affiliate (the "Organizations"), a not-for-profit organization, which comprise of the combined statements of financial position as of June 30, 2024 and 2023 and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organizations as of June 30, 2024 and 2023, 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 combined 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 the combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined 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 combined 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 combined 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 combined 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 combined 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 combined 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 combined 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 13, 2024

The Partnership To End Homelessness, Inc. and Affiliate

Combined Statements of Financial Position

	June 30	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 260,343	\$ 2,193,410
Investments	2,191,715	-
Due from governmental agencies	109,612	497,132
Grants receivable	150,000	250,000
Prepaid expenses and other assets	68,176	66,241
Client custodial funds	-	93,958
Security deposits and other	9,100	9,100
Property and equipment, net	226,381	285,113
	\$ 3,015,327	\$ 3,394,954
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 31,094	\$ 89,276
Accrued payroll and related liabilities	230,411	179,124
Client custodial funds	-	93,958
Contract program advances payable	421,387	236,748
Total Liabilities	682,892	599,106
Net Assets		
Without Donor Restrictions		
Undesignated	1,485,618	1,479,756
Board designated	572,904	1,066,092
Total Without Donor Restrictions	2,058,522	2,545,848
With donor restrictions	273,913	250,000
Total Net Assets	2,332,435	2,795,848
	\$ 3,015,327	\$ 3,394,954

See notes to combined financial statements

The Partnership To End Homelessness, Inc. and Affiliate

Combined Statements of Activities

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contract and service fees from governmental agencies	\$ 873,091	\$ -	\$ 873,091	\$ 697,155	\$ -	\$ 697,155
Client service dollars	-	-	-	447,912	-	447,912
Contributions and grants	1,537,926	275,000	1,812,926	1,444,443	250,000	1,694,443
In-kind contributions	132,013	-	132,013	39,696	-	39,696
Interest and other	108,199	-	108,199	11,316	-	11,316
Unrealized gain	35,918	-	35,918	-	-	-
Net assets released from restrictions	251,087	(251,087)	-	220,470	(220,470)	-
Total Revenue and Support	<u>2,938,234</u>	<u>23,913</u>	<u>2,962,147</u>	<u>2,860,992</u>	<u>29,530</u>	<u>2,890,522</u>
EXPENSES						
Program services	<u>2,866,890</u>	<u>-</u>	<u>2,866,890</u>	<u>3,033,841</u>	<u>-</u>	<u>3,033,841</u>
Support Services						
Management and general	440,403	-	440,403	502,253	-	502,253
Fundraising	<u>118,267</u>	<u>-</u>	<u>118,267</u>	<u>116,047</u>	<u>-</u>	<u>116,047</u>
Total Support Services	<u>558,670</u>	<u>-</u>	<u>558,670</u>	<u>618,300</u>	<u>-</u>	<u>618,300</u>
Total Expenses	<u>3,425,560</u>	<u>-</u>	<u>3,425,560</u>	<u>3,652,141</u>	<u>-</u>	<u>3,652,141</u>
Change in Net Assets	(487,326)	23,913	(463,413)	(791,149)	29,530	(761,619)
NET ASSETS						
Beginning 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>
End of year	<u>\$ 2,058,522</u>	<u>\$ 273,913</u>	<u>\$ 2,332,435</u>	<u>\$ 2,545,848</u>	<u>\$ 250,000</u>	<u>\$ 2,795,848</u>

See notes to combined financial statements

The Partnership To End Homelessness, Inc. and Affiliate

Combined Statement of Functional Expenses Year Ended June 30, 2024

	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 Access	Public Narrative					
PERSONNEL COSTS										
Salaries	\$ 505,868	\$ 142,838	\$ 38,860	\$ 54,205	\$ 47,033	\$ 788,804	\$ 86,920	\$ 34,115	\$ 121,035	\$ 909,839
Fringe benefits	184,677	52,146	14,187	19,789	17,170	287,969	31,732	12,451	44,183	332,152
Total Personnel Costs	690,545	194,984	53,047	73,994	64,203	1,076,773	118,652	46,566	165,218	1,241,991
OTHER THAN PERSONNEL COSTS										
Professional fees	283,241	102,297	28,146	8,476	7,355	429,515	255,680	34,915	290,595	720,110
Occupancy	81,861	29,374	-	8,763	7,603	127,601	14,812	5,541	20,353	147,954
Telephone and communications	29,421	10,557	-	3,149	2,733	45,860	5,323	1,992	7,315	53,175
Office expenses	56,821	19,428	961	6,083	5,278	88,571	23,215	21,043	44,258	132,829
Equipment purchase and rental	7,266	2,607	-	778	675	11,326	1,315	492	1,807	13,133
Travel, conferences and training	2,962	1,120	-	304	264	4,650	1,889	192	2,081	6,731
Depreciation and amortization	41,015	14,718	-	4,391	3,810	63,934	7,421	2,779	10,200	74,134
Mental health supportive services	677,009	124,906	-	-	101,575	903,490	-	-	-	903,490
Donated legal services	70,397	25,285	-	7,543	6,545	109,770	12,096	4,747	16,843	126,613
Donated art	2,970	2,430	-	-	-	5,400	-	-	-	5,400
Total Other than Personnel Costs	1,252,963	332,722	29,107	39,487	135,838	1,790,117	321,751	71,701	393,452	2,183,569
Total Expenses	\$ 1,943,508	\$ 527,706	\$ 82,154	\$ 113,481	\$ 200,041	\$ 2,866,890	\$ 440,403	\$ 118,267	\$ 558,670	\$ 3,425,560

See notes to combined financial statements

The Partnership To End Homelessness, Inc. and Affiliate

Combined Statement of Functional 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 Access	Public Narrative					
PERSONNEL COSTS										
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>
Professional fees	192,067	204,497	136,166	68,540	34,270	635,540	276,530	43,835	320,365	955,905
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	777,252	150,216	449,904	498	51,423	1,429,293	-	-	-	1,429,293
Donated legal services	9,924	9,924	3,970	3,970	1,985	29,773	7,145	2,778	9,923	39,696
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>

See notes to combined financial statements

The Partnership To End Homelessness, Inc. and Affiliate

Combined Statements of Cash Flows

	Year Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (463,413)	\$ (761,619)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	74,134	55,171
Unrealized (gain) on investments	(35,918)	-
Changes in assets and liabilities		
Due from governmental agencies	387,520	(56,657)
Prepaid expenses and other assets	(1,935)	(31,324)
Grants receivable	100,000	(250,000)
Accounts payable and accrued expenses	(58,182)	36,108
Accrued payroll and related liabilities	51,287	65,648
Contract program advances payable	184,639	(447,099)
Net Cash from Operating Activities	238,132	(1,389,772)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(15,402)	(22,746)
Purchase of investments	(2,155,797)	-
Net Cash from Investing Activities	(2,171,199)	(22,746)
Change in Cash and Cash Equivalents	(1,933,067)	(1,412,518)
CASH AND CASH EQUIVALENTS		
Beginning of year	2,193,410	3,605,928
End of year	\$ 260,343	\$ 2,193,410

See notes to combined financial statements

The Partnership To End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements
June 30, 2024 and 2023

1. Organization

The Partnership To End Homelessness' values - compassion, inclusion, integrity, professionalism and social justice – steer our strategy, decision-making, and operations as we work to achieve our mission of ending homelessness by preventing it.

The Partnership To End Homelessness, Inc. (the “Partnership”) is a homelessness prevention organization. The Partnership’s upstream intervention model combines housing assistance and crisis services with mental health and education programming to prevent people from losing their homes. The Partnership’s services are available to New Yorkers of any ability, age, family type, gender, national origin, race and sexual orientation who are at risk of experiencing or recovering from homelessness. In 2024, the Partnership’s impact increased by 80%. In 2024 and 2023, the Partnership saved homes for 5,600 and 3,000 New Yorkers, at a combined savings of \$332 million in public spending on shelter (\$216 million in 2024 and \$116 million in 2023).

The accompanying combined financial statements include the assets, liabilities, net assets and activities of 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 intervention program model combines housing and crisis services with mental health support and education programming to prevent people from losing their homes. The Partnership’s programs were expanded from the Save Homes rental assistance program and Sound Homes mental health program to include the Safe Homes rapid rehousing program.

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, 2024 and 2023

1. Organization (*continued*)

Program Services

Housing Assistance and Crisis Assistance: The Partnership's Save Homes rental arrears assistance program address crises and provide intensive casework to keep New Yorkers permanently housed.

Save Homes (Housing): The Partnership's rental arrears assistance program is a full grant payment (no loans) that is accessible to immigrants and citizens, regardless of employment status. The Partnership provides rental assistance as a first step to keeping New Yorkers safely housed while the Partnership provides them with ongoing support to secure and/or improve their income. This work includes NYC one shot deal navigation and related advocacy for all eligible families, landlord negotiations and mediation to secure rent and arrears discounts, new leases, repairs and timely payments; and, collaborations with legal services partners to ensure legal representation for clients.

Safe Homes (Emergency Services): The Partnership's rehousing program serves clients who are experiencing domestic and gender-based violence that prevents them from remaining in their current homes. The Partnership works with New Yorkers impacted by violence to find new safe homes and provide guaranteed rent and supportive services for up to two years to ensure housing and health stability. Services include landlords and broker relations; housing searches and housing quality standards ("HQS") inspections, rent reasonableness assessments, lease negotiations, financial assistance for qualifying moving and utility costs, and the development of individual Rapid Rehousing Manuals that explain lease terms, tenant rights and responsibilities and the rental assistance breakdown plan.

In tandem with these interventions, the Partnership stabilizes families by providing crisis intervention services and casework to give clients access to government benefits, education access, financial empowerment, emergency food programs, childcare, small cash grants, assistance through the Partnership's on-site pantry and other emergency services.

Health and Well-Being: The Partnership's Sound Homes health and well-being program addresses the mental health and emotional well-being needs of the Partnership's clients. In addition to, and often underlining, the struggle to keep a roof over their heads and survive on low incomes, the Partnership's clients are surviving trauma and discrimination.

Sound Homes (Mental Health): The Partnership's mental health and well-being program provides clients access to culturally-competent mental health screenings, one-on-one counseling (in-person and through telehealth), peer support, facilitated workshops and groups on topics such as sexual trauma, parenting and tenant's rights and responsibilities. The program also facilitates connections to primary and mental health care providers to address chronic health conditions potentially exacerbated by or driving housing instability. Case management services offered are tailored to the needs of each client and the intensity and duration of the services is adapted to their specific needs and may fluctuate over time.

The Partnership To End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements
June 30, 2024 and 2023

1. Organization (*continued*)

Program Services (*continued*)

The Partnership's mental health and well-being program ensures The Partnership is a trauma-informed environment. The road to stability is not always linear, and periods of disengagement or crisis are normalized and validated. The Partnership's trauma-informed approach is mindful of the potential for interventions to evoke trauma, confusion or hardship, which may in turn trigger disengagement, crisis or setbacks. The Partnership works with their clients for at least one year and continue to be available whenever a client may need the Partnership in the future.

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. The Partnership is working with OMH to close the contract and to end the program.

Education Access and Public Narrative: The Partnership works in community and in collaborations to change the public understanding of homelessness and increase awareness that:

a) women and children of color, lesbian, gay, bi-sexual, transgender, queer/questioning, intersex, and asexual ("LGBTQIA+"), immigrant and older New Yorkers are the primary groups hurt by homelessness.

b) a majority of the families at risk or experiencing homelessness are living with complex trauma.

c) prevention is the most cost-effective and humanitarian approach to solve the problem. The Partnership works with partners to ensure access to education as a means of ending intergenerational homelessness and provides education programming to augment its health and well-being programming including financial empowerment, budgeting, banking and credit and employment/career development.

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, 2024 and 2023

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

Basis of Presentation and Use of Estimates (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 Partnership To End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements
June 30, 2024 and 2023

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

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, 2024 and 2023.

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.

The Partnership To End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements
June 30, 2024 and 2023

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

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, 2024 and 2023.

Fair Value Measurements

The Organizations follow U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest level of reliance and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments and Investment Income Recognition

Investments are carried at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded when declared. Realized and unrealized gains and losses are included in the determination of the change in net assets.

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.

As of June 30, 2024 the Partnership no longer works on this contract with OMH. Monies advanced under the contract amounted to \$272,040 and are included in contract program advances payable. The Partnership is working with OMH to close the contract.

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.

The Partnership To End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements
June 30, 2024 and 2023

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

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:

	2024	2023	Usage in Program/Activities	Donor Restriction	Fair Value Techniques
Legal services	\$126,613	\$39,696	Program and Administration	None	Estimated based on current rates of legal services provided by law firm
Art	<u>5,400</u>	-	Program and Administration	None	Estimated based on donor's valuation of art
	<u>\$132,013</u>	<u>\$39,696</u>			

The Organizations do not sell in-kind contributions.

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, 2021.

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 13, 2024.

The Partnership To End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements
June 30, 2024 and 2023

3. Investments

At June 30, 2024, the Organizations investments consists of United States government securities totaling \$2,191,715, which are valued based on level 1 inputs. During the year ended June 30, 2024, there were no transfers in or out of Levels 1,2 or 3 of the fair value hierarchy.

4. Property and Equipment

Property and equipment consisted of the following at June 30:

	2024	2023
Condominium unit	\$ 890,267	\$ 890,267
Condominium improvements	366,197	366,197
Leasehold improvements	125,205	125,205
Furniture, fixtures and equipment	114,788	99,386
	1,496,457	1,481,055
Accumulated depreciation and amortization	(1,270,076)	(1,195,942)
	\$ 226,381	\$ 285,113

5. Net Assets With Donor Restrictions

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

Purpose / Restriction	2024			
	Beginning of Year	Additions	Net Assets Released	End of Year
Restricted by Purpose				
Save homes fund	\$ -	\$ 275,000	\$ (1,087)	\$ 273,913
Restricted by time	250,000	-	(250,000)	-
Total Net Assets With Donor Restrictions	\$ 250,000	\$ 275,000	\$ (251,087)	\$ 273,913
Purpose / Restriction	2023			
Purpose / Restriction	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	\$ 220,470	\$ 250,000	\$ (220,470)	\$ 250,000

The Partnership To End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements
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6. 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. At June 30, 2024 and 2023, \$493,188 and \$696,796 were released from the board designated net assets to support the Save Homes campaign.

7. Concentration of Credit Risk

The Partnership receives funding from various governmental sources to operate its programs. Receivables from these governmental agencies totaled \$109,612 and \$508,082 at June 30, 2024 and 2023. 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:

	<u>2024</u>	<u>2023</u>
Federal	17%	42%
State	83%	58%

Financial instruments that potentially subject the Organizations to concentrations of credit risk and market risk consists of principally of cash and cash equivalents, investments, and accounts receivable. The Organizations believe they are not exposed to any significant risk of loss on these funds. At June 30, 2024, no cash or cash equivalents balances were in excess of FDIC insured limits. At June 30, 2023, approximately \$1,455,000 of cash deposits were maintained with institutions in excess of FDIC limits.

Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times balances may exceed SIPC limits. At June 30, 2024 the Organizations' uninsured investment holdings exceeded federal insurance limits by \$1,691,715.

8. 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:

	<u>2024</u>	<u>2023</u>
Federal	55%	18%
State	45%	82%

The Partnership To End Homelessness, Inc. and Affiliate

Notes to Combined Financial Statements
June 30, 2024 and 2023

9. 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:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 260,343	\$ 2,193,410
Investments	2,191,715	-
Due from governmental agencies	109,612	497,132
Grants receivable	<u>150,000</u>	<u>250,000</u>
Total Financial Assets	2,711,670	2,940,542
Less contractual, board or donor imposed restrictions amounts:		
Restricted by donor with time or purpose restrictions	(273,913)	(250,000)
Board designated	(572,904)	(1,066,092)
Add: time or purpose restriction expected to release over the next twelve months	<u>273,913</u>	<u>250,000</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 2,138,766</u>	<u>\$ 1,874,450</u>

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 \$572,904 can be used if necessary.

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