PATH (PEOPLE ASSISTING THE HOMELESS)

(A Non-Profit Corporation)

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION REQUIRED BY
THE UNIFORM GUIDANCE

For The Year Ended June 30, 2020
(With Comparative Totals for June 30, 2019)
with

INDEPENDENT AUDITORS' REPORT THEREON

PDM

CERTIFIED PUBLIC ACCOUNTANTS

INDEX

	Page
Independent Auditors' Report	1 - 3
Financial Statements:	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7 - 8
Notes to Financial Statements	9 - 23
Supplemental Information Required by the Uniform Guidance:	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	24 - 25
Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance	26 - 28
Schedule of Expenditures of Federal Awards	29 - 30
Notes to Schedule of Expenditures of Federal Awards	31
Schedule of Findings and Questioned Costs	32 - 33

P D M
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
PATH (People Assisting The Homeless)

We have audited the accompanying financial statements of PATH (People Assisting The Homeless) (the "Organization," a non-profit corporation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors' 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 auditors' 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 Organization'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 Organization'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 PATH (People Assisting The Homeless) as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards appearing on pages 28 to 29 are presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and are 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 statement or 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 supplemental schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

Report of Summarized Comparative Information

We have previously audited the Organization's June 30, 2019 financial statements, and we expressed an unmodified audit opinion on these audited financial statements in our report dated March 2, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

PDM, LLP

Torrance, California
January 29, 2021

PATH (PEOPLE ASSISTING THE HOMELESS)
(A NON-PROFIT CORPORATION)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019)

ASSETS	2020	2019
Current assets		
Cash and cash equivalents	$ 4,551,644	$ 6,266,023
Contracts and other receivable	20,605,510	15,032,841
Other receivables, related parties	167,436	1,302,445
Pledges receivable, current portion	184,950	243,750
Notes receivable, related party, current portion	1,027,486	12,811
Prepaid expenses and other assets	918,864	478,164
	27,455,890	23,336,034
Replacement reserve	3,373	3,373
Pledges receivable, net of current portion	462,500	506,250
Notes receivable, related party, net of current portion	883,660	246,955
Property and equipment, net	10,098,466	10,104,977
Beneficial interest in perpetual trust	38,642	38,747
	$ 38,942,531	$ 34,236,336
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 3,914,065	$ 2,540,958
Accrued payroll and related liabilities	3,233,682	2,464,423
Contract advances	8,380,593	7,957,750
Deferred rental income, current portion	7,351	7,351
Capital lease, current portion	-	4,699
Notes payable, current portion	2,806,961	360,486
	18,342,652	13,335,667
Deferred rental income, net of current portion	198,471	205,822
Notes payable, net	4,516,178	7,112,967
Interest payable	710,941	658,246
	23,768,242	21,312,702
Net assets		
Without donor restrictions	14,284,289	11,646,974
With donor restrictions	890,000	1,276,660
	15,174,289	12,923,634
	$ 38,942,531	$ 34,236,336

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	2020			2019
REVENUE AND SUPPORT	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**	**Total**
Government contract income	$ 65,986,770	$ -	$ 65,986,770	$ 31,146,536
Fee for service contract income	10,600,086	-	10,600,086	22,316,559
Direct public support	6,008,448	360,400	6,368,848	3,690,059
Special events, net	1,396,211	-	1,396,211	1,610,529
Gain on transfer of partnership interest	666,891	-	666,891	-
In-kind revenue	2,876,137	-	2,876,137	2,894,435
Gain (loss) on sale of land, net	(35,558)	-	(35,558)	1,778,502
Other contracted revenue	760,843	-	760,843	989,852
Other income	209,247	-	209,247	120,291
Net assets released from restrictions	747,060	(747,060)	-	-
Total revenue and support	89,216,135	(386,660)	88,829,475	64,546,763
FUNCTIONAL EXPENSES				
Program services	76,046,587	-	76,046,587	52,164,850
Supporting services	8,702,187	-	8,702,187	7,999,013
Fundraising	1,300,035	-	1,300,035	942,914
Total expenses before depreciation and amortization	86,048,809	-	86,048,809	61,106,777
CHANGE IN NET ASSETS, before depreciation and amortization	3,167,326	(386,660)	2,780,666	3,439,986
Depreciation and amortization:				
Program services	133,220	-	133,220	260,151
Supporting services	396,791	-	396,791	330,567
Total depreciation and amortization	530,011	-	530,011	590,718
CHANGE IN NET ASSETS	2,637,315	(386,660)	2,250,655	2,849,268
NET ASSETS, beginning of year	11,646,974	1,276,660	12,923,634	10,074,366
NET ASSETS, end of year	$ 14,284,289	$ 890,000	$ 15,174,289	$ 12,923,634

PATH (PEOPLE ASSISTING THE HOMELESS)
(A NON-PROFIT CORPORATION)

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	2020				
	Program Services	Supporting Services	Fundraising	Total	Comparative 2019 Total
PERSONNEL EXPENSES					
Salaries	$ 29,399,892	$ 3,697,482	$ 763,244	$ 33,860,618	$25,757,629
Payroll taxes	3,415,742	454,227	57,401	3,927,370	3,228,028
Employee benefits	3,866,595	650,670	84,000	4,601,265	3,329,467
TOTAL PERSONNEL EXPENSES	36,682,229	4,802,379	904,645	42,389,253	32,315,124
OTHER EXPENSES					
Building maintenance	1,882,980	158,806	18,502	2,060,288	1,252,532
Community engagement	118,695	84,103	166	202,964	216,460
Direct client assistance	20,203,873	-	-	20,203,873	11,314,399
Equipment	1,396,536	666,594	3,750	2,066,880	1,130,996
Fundraising	-	-	325,725	325,725	319,299
Finance related fees	-	55,942	-	55,942	96,280
In-kind expenses	2,876,137	-	-	2,876,137	2,894,435
Insurance	185,381	153,240	4,504	343,125	253,602
Interest	-	329,674	-	329,674	493,575
Office expenses	264,967	277,644	10,314	552,925	489,646
Other expenses	1,206	74,768	-	75,974	294,051
Professional services	2,506,931	1,399,727	-	3,906,658	2,587,075
Program supplies, services, and transportation	2,633,909	53,536	-	2,687,445	1,170,783
Rent expense	759,291	6,626	-	765,917	573,742
Security	1,752,444	124,817	12,384	1,889,645	1,023,157
Staff training and recruitment	116,099	205,140	1,175	322,414	257,890
Sub-recipient grants	2,850,877	-	-	2,850,877	2,345,816
Telephone	676,976	251,192	2,710	930,878	739,895
Travel	527,082	31,597	15,154	573,833	733,004
Utilities	610,974	26,402	1,006	638,382	605,016
TOTAL OTHER EXPENSES	39,364,358	3,899,808	395,390	43,659,556	28,791,653
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	76,046,587	8,702,187	1,300,035	86,048,809	61,106,777
Depreciation and amortization	133,220	396,791	-	530,011	590,718
TOTAL FUNCTIONAL EXPENSES	$ 76,179,807	$ 9,098,978	$ 1,300,035	$ 86,578,820	$ 61,697,495

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,250,655	$ 2,849,268
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	519,064	590,718
Amortization of loan fees	10,947	14,596
Gain on transfer of partnership interest	(666,891)	-
(Gain) loss on sale of land and property	35,558	(1,778,502)
(Gain) loss on beneficial interest in perpetual trust	105	(1,865)
Bad debt expense	-	43,455
Changes in operating assets and liabilities:		
Contracts receivable	(5,572,669)	(4,892,950)
Other receivables, related parties	135,009	(225,384)
Pledges receivable	102,550	250,000
Prepaid expenses and other assets	(440,700)	(165,421)
Accounts payable and accrued expenses	1,373,107	589,688
Accrued payroll and related liabilities	769,259	498,111
Contract advances	422,843	3,735,107
Deferred rental income	(7,351)	(7,351)
Interest payable	52,695	52,725
Net cash flows from operating activities	(1,015,819)	1,552,195
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments received on (increase in) notes receivable, related party	15,511	16,442
Purchases of property and equipment	(548,111)	(565,599)
Net cash flows from investing activities	(532,600)	(549,157)

STATEMENT OF CASH FLOWS, CONTINUED
YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital leases	(4,699)	(27,075)
Borrowings on notes payable, net of interest reserve	-	150,400
Principal payments on notes payable	(161,261)	(247,193)
Net cash flows from financing activities	(165,960)	(123,868)
Net change in cash and cash equivalents	(1,714,379)	879,170
Cash and cash equivalents, beginning of year	6,266,023	5,386,853
Cash and cash equivalents, end of year	$ 4,551,644	$ 6,266,023
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	$ 329,674	$ 478,981
Noncash investing and financing activities:		
Note received as proceeds for sale of land and building	$ -	$ 1,000,000
Mortgage satisfied by buyer upon sale of land and building	$ -	$ 1,739,000
Refinance of previous note payable to bank	$ 2,176,000	$ -
Note receivable on sale of partnership interest	$ 666,891	$ -

NOTE 1 - ORGANIZATION

PATH (People Assisting the Homeless) (the "Organization") is a publicly-supported non-profit corporation established in California on October 19, 1984 for the specific purpose of meeting the needs of homeless and at-risk individuals in the Los Angeles area.

The Organization receives funding from government contracts as well as corporate and foundation grants and donations from individuals.

The Organization receives approximately 74% of its operating funds from government agencies. This funding is recognized as contract income when grant-purpose services are performed by the Organization. Government funding is provided by various ongoing contracts with the United States, County and City of Los Angeles, as well as other municipalities. In addition, the Organization received approximately 12% of its operating funds from fee for service contracts which are also from government agencies.

The Organization receives contributions in the form of donations with or without restrictions. The Organization received approximately 9% of its funding for operations from contributions made by private organizations and individuals, as well as special events.

Liquidity and Availability of Resources - The Organization's financial assets available for unrestricted purposes are as follows:

Cash and equivalents	$ 4,551,644
Contracts, pledges, and other receivables, current	21,985,382
Gross funds available within one year	26,537,026
Less: financial assets subject to donor restrictions	(890,000)
Financial assets available within one-year	$ 25,647,026

This allows for $25,647,026 available assets for unrestricted purposes. This is above the Organization's preliminary goal to maintain financial assets on hand to meet at least 90 days of normal operating expenses which, on average, totals approximately $7,000,000 per month given full programmatic expenditures. The Organization also has a line of credit available for $4,000,000 that matures December 31, 2021.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

> *Net assets without donor restrictions* - Net assets available for use in general operations and not subject to donor or certain grantor restrictions.
>
> *Net assets with donor restrictions* - Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as gifts to an Endowment, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when restrictions expire, that is, when the stipulation of time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Grants and Contributions - Contributions, including pledges, are recognized at fair value when the donor makes an unconditional promise to give to the Organization. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets, or that require specialized skills that are provided by the individual possessing those skills and would typically need to be purchased, if not provided by donation, are recorded at the fair values in the period received. For the year ended June 30, 2020, the Organization recognized donated in-kind food valued at $2,559,870.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents - For the purpose of reporting cash flows, cash and cash equivalents include operating cash held in banks, money market funds, and investments with an original maturity of ninety-days or less. The Organization maintains its cash balances in a financial institution, the balances of which may, at times, exceed federally insured limits.

Contracts Receivable - The Organization's contracts receivable primarily consists of reimbursements due from contracted government grant reimbursement requests. On a periodic basis, the Organization evaluates outstanding contracts receivable and establishes an allowance based upon a history of past write-offs and collections as well as current credit conditions and all uncollectible amounts were charged to bad debt expense during the year. Management believes that June 30, 2020 contracts receivable are fully collectible, and as such, no allowance for uncollectible accounts has been recorded.

Government contract income is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the contract agreements.

Notes Receivable - Notes receivables are recorded as receivables and reported at their estimated realizable values.

Property and Equipment - Property and equipment are recorded at cost with the exception of donated assets which are recorded at their fair market value when received. Property and equipment are depreciated using the straight-line method over the estimated useful lives ranging from five to thirty years. Normal repairs and maintenance are expensed as incurred. Expenditures that materially adapt, improve, or alter the nature of the underlying assets are capitalized. When property and equipment are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and the resulting gain or loss is credited or charged to income.

Management of the Organization assesses the recoverability of property and equipment whenever a triggering event occurs by determining whether the depreciation of such assets over their remaining lives can be recovered through projected undiscounted cash flows. The amount of impairment, if any, is measured based on fair value (projected discounted cash flows) and is charged to operations in the period in which such impairment is determined by management. To date, management has not identified any impairment of property and equipment.

Long-lived Assets - The Organization owns significant long-lived assets, which are used in its operations. These assets are subject to changes in value, including potential declines in value, depending on events or changes in circumstances. In the event that there is a decline in value, the Organization performs an analysis to determine if the decline in value may not be recoverable. Management has determined that no unrecoverable declines in the market values of long-lived assets exist at June 30, 2020.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investment in Limited Partnership - The investment in a partnership is accounted for under the equity method.

In accordance with the amended and restated partnership agreement, the Organization's cost is increased for its share of profits and reduced by distributions and its share of losses, as the Organization, as a limited partner, does not effectively control the partnership investment. The Organization shall discontinue the equity method if the investment (and net advances) is reduced to zero and shall not provide for additional losses unless the Organization has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee. The Organization performs impairment testing on its existing partnership investment at least annually. As noted in Note 4, the Organization sold its only partnership investment interest in the year ended June 30, 2020.

Fair Value Measurements - The Organization defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization measures fair value under a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities valued using level 3 inputs were primarily valued using managements' assumptions about the assumptions market participants would utilize in pricing the assets or liability. Valuation techniques utilized to determine fair value are consistently applied.

Beneficial Interest in Perpetual Trust - The Organization is a beneficiary of the PATH Endowment Fund (the "Fund"), which was established in 2008. The Organization is entitled to a distribution of the income on an annual basis as determined by the Board of Directors of the California Community Foundation, the Fund administrators. During the fiscal year, the Fund's fair value is measured using level 2 inputs under the fair value hierarchy and had a loss of $105, which is included in other income.

Contract Advances - Contract advances represent monies received on contract agreements in advance of services being performed from government agencies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Deferred Financing Costs - Deferred financing costs are amortized on a straight-line basis over the life of the respective loan and amortization expense, totaling $10,947 for the year ended June 30, 2020, is included in interest expense. As of June 30, 2020, capitalized deferred financing costs are $25,303, presented net of $86,936 accumulated amortization, as an offset to the related notes payable.

Fee for Service Contract Income - The Organization serves as a vendor to help certain government agencies fulfill its housing grants from governmental entities. This income is recognized as fee for service income when services are performed by the Organization.

Sub-recipient Grants - The Organization receives pass-through grants. The revenue from these grants are reflected in the accompanying statement of activities as contract income while the grant award to sub-recipients is reflected as sub-recipient grants expense in the accompanying statement of functional expenses. The grants are listed in the accompanying schedule of expenditures of federal awards and corresponding notes to the schedule of expenditures of federal awards.

Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. During the year, costs are categorized into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support activities by the method that best measures the relative degree of benefit.

> *Program services* - Expenses include costs that primarily relate to client services and outreach programs.
>
> *Supporting services* - Expenses include costs that primarily relate to management and general administration
>
> *Fundraising* - Expenses include costs that primarily relate to fundraising activities to obtain grants and generate revenue through contributions.

Income Taxes - The Organization is a qualified non-profit organization under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is not classified as a private foundation. Non-profit organizations are not generally liable for taxes on income; therefore, no provision is made for such taxes for the Organization in the financial statements. During the year ended June 30, 2020, the Organization had no unrelated business income.

In accordance with accounting principles generally accepted in the United States of America, the Organization recognizes the impact of tax positions in the financial statements if that position is more likely than not of being sustained in an audit, based on the technical merits of the position. To date, the Organization has not recorded any uncertain tax positions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

During the year ended June 30, 2020, the Organization did not recognize any amount in potential interest and penalties associated with uncertain tax positions. As of June 30, 2020, all federal tax returns since the 2016 tax year and state tax returns since the 2015 tax year are still subject to adjustment upon audit. No tax returns are currently being examined by taxing authorities.

Risks and Uncertainties - Certain services of the Organization are governed by grant agreements with governmental agencies. All such grant agreements to which the Organization currently is a party of are for fixed terms and expire on an annual basis. There can be no assurance that the Organization will be able to obtain future grant agreements as deemed necessary by management. The loss of some of the current grants or the inability to obtain future grants could have an adverse effect on the Organization's financial position and results of operations.

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, the President of the United States declared a national emergency relating to the disease. In addition to the declaration, state and local authorities have recommended social distancing and have imposed quarantine and isolation measures on large portions of the population, including mandatory business closures. These measures are designed to protect the overall public health, however, adverse impacts on domestic and foreign economies occurred.

The COVID-19 pandemic and resulting global disruptions have caused significant economic uncertainty and volatility. Despite the increase in volatility in the overall economy, the Organization has experienced a significant increase in operational activity due to the nature of their operations. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Subsequent Events - Subsequent events have been evaluated by the Organization through January 29, 2021, which is the date these financial statements were issued, and no subsequent events have arisen, other than those described in these financial statements, that would require disclosure.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2020 consists of:

Building and improvements	$ 13,500,443
Furniture and equipment	2,159,475
Transportation equipment	128,687
	15,788,605
Less: accumulated depreciation and amortization	(8,952,464)
Construction in process	774,364
Land	2,487,961
	$ 10,098,466

During fiscal 2019, the Organization sold its Fernwood building and the accompanying land for a gain of $1,778,502 to Path Ventures, a related party, is summarized as follows:

Settlement of the Fernwood mortgage by Path Ventures	$ 1,739,000
Receivable from Path Ventures	1,000,000
Less: Building and land, net carrying value	(960,498)
Gain on sale	$ 1,778,502

The receivable from Path Ventures for $1,000,000 is scheduled to be collected in fiscal 2021 as per terms of agreement.

NOTE 4 - INVESTMENT IN LIMITED PARTNERSHIP

Through December 27, 2019, the Organization owned a 99.9% limited partner interest in Gramercy Court, LP (“Gramercy Court”), a limited partnership. The Organization is related to the general partner, Path Ventures, a non-profit corporation, through certain common board members between the two entities. Gramercy Court owns a sixteen-unit residential building (the “Project”) in Los Angeles, California, consisting of affordable housing as well as commercial space for child care, a barbershop, and another space rented to the Organization for program operations. The Organization was under contracts with HUD and other public agencies to operate the Project. These contracts provide substantial funding that support the Project’s operations.

As a limited partner, the Organization had not committed to provide further financial support to, or guaranteed obligations of, Gramercy Court.

During 2013, the Organization’s investment in Gramercy Court was reduced to zero as the Organization’s share of Gramercy Court’s cumulative losses exceeded the Organizations investment in Gramercy Court.

NOTE 4 - INVESTMENT IN LIMITED PARTNERSHIP, continued

On December 27, 2019 the building owned by Gramercy Court with a cost basis of approximately $1,150,000 net of accumulated depreciation was sold to a partnership (Montclair LA, LP), of which Path Ventures is a partner. In exchange for its interest as a 99.9% limited partner, the Organization received a note with 2.09% interest from Path Ventures for $666,891. This amount was for 50% of the note receivable that Path Ventures received from the buyer of $1,333,782. Principal and interest payments are due annually out of residual receipts of the housing project. Accrued interest receivable as of June 30, 2020 is $6,969 and is included in related party other receivables.

In relation to the sale, the Organization disposed of property associated with the building owned by Gramercy Court. The disposal with no proceeds received resulted in a loss of $35,558 which represented property cost of $111,039 less accumulated depreciation of $75,481.

NOTE 5 - NOTES PAYABLE

Notes payable at June 30, 2020 are summarized as follows:

Various unsecured notes payable to a foundation due June 30, 2024 with monthly payments ranging from $408 to $4,891 and interest rates between 3 to 5%.	$ 401,224
Note payable to a non-profit financial institution, secured by deed of trust on real property at 816 Cacique St., #A, Santa Barbara, California, due in monthly installments of interest only at 5.75%. The note matures April 19, 2021 with the option of extending the maturity date for up to one year.	2,700,000
Unsecured note from a debtor for $100,000 payable in monthly installments of $1,036 including interest at 4.5%, annually, and matures May 2024.	44,583
Note payable to Housing Authority of the County of Los Angeles ("HACOLA"), secured by a deed of trust on the Madison Property, bearing interest at 3% per annum, due September 2031. Principal and interest payments are due annually out of the affordable housing project grant. Unpaid interest on this note at June 30, 2020 is $515,924, which is included in interest payable. This note is subordinate to the Primary Madison Note.	909,450

NOTE 5 - NOTES PAYABLE, continued

Note payable to the Community Redevelopment Agency ("CRA"), secured by a deed of trust on real property at 2346 Cotner Avenue, Los Angeles, California, bearing interest at 3% per annum, due October 2021. Principal and interest payments are due annually out of residual receipts of the affordable housing project. Unpaid interest on this note at June 30, 2020 is $195,017, which is included in interest payable.	848,017
Note payable to a bank, secured by a deed of trust on real property at 340 N. Madison Avenue, Los Angeles, California, due in monthly installments of principal and interest of $10,795 through April 1, 2030, interest payable at 2.864%.	2,180,865
Investment Department, secured by a deed of trust on real property at 340 N. Madison Ave., Los Angeles, California, bearing interest at 0%, due July 1, 2023. This note earns forgiveness of $50,000 annually, provided that the Organization continues to be in compliance with loan covenants. The Organization was in compliance with such covenants through June 30, 2020.	250,000
Total notes payable as of June 30, 2020	7,334,139
Less: current portion	(2,806,961)
Less: deferred financing cost, net	(25,303)
	$ 4,501,875

Related Party - At June 30, 2020, the Organization had a $14,303 unsecured, non-interest bearing liability due to a former founder of an acquired non-profit. The Organization agreed to make monthly $1,500 payments to reduce the liability.

Future minimum required annual gross principal payments on notes payable for the years ending June 30, are:

	Related party	Other	Total
2021	$ 14,303	$ 2,806,961	$ 2,821,264
2022	-	110,702	110,702
2023	-	364,601	364,601
2024	-	113,483	113,483
2025	-	-	-
Thereafter	-	3,938,392	3,938,392
	$ 14,303	$ 7,334,139	$ 7,348,442

NOTE 5 - NOTES PAYABLE, continued

For the loans from the CRA and the HACOLA, principal and interest payments are due annually and payable only through the residual receipts of the related affordable housing project. If the residual receipts are insufficient, no annual payments will be due as long as the Organization is in compliance with the conditions and covenants of the agreements with the respective agencies and maintains the properties as emergency shelters or transitional housing. Since the Organization has historically had no residual receipts and anticipates remaining in compliance with the related agreements, all amounts due under these notes are reflected in the respective year the related note matures in the above table. There was no recognition of loan and interest forgiveness for the year ended June 30, 2020.

During fiscal year 2020, the Organization accrued a note payable to the City of Los Angeles Housing and Community Investment Department, secured by a deed of trust on real property at 340 N. Madison Ave., Los Angeles, California, bearing interest at 0%. The note is available for $1,945,468 of building improvement borrowings. Once the construction is completed, the note will earn forgiveness at 1/40th of the balance each six months provided that the Organization continues to be in compliance with loan covenants. The Organization was in compliance with such covenants through January 29, 2021.

NOTE 6 - LINE OF CREDIT

The Organization has a line of credit with a bank that was acquired on January 23, 2020 and matures December 31, 2021. The line of credit provides for borrowings up to $4,000,000 (based on a borrowing base defined in the agreement), and is unsecured. Interest on the outstanding borrowings is charged monthly at the Prime Rate minus 0.5%.

The line of credit requires that the Organization satisfy certain covenants, including financial covenants. The Organization was in compliance with these covenants as of and for the year ended June 30, 2020.

NOTE 7 - DEFERRED RENTAL INCOME

The Organization subleases certain space at the Madison Property for 30 years for a lump-sum amount of $220,524 paid in advance. Rental income is being recognized on a straight-line basis over the life of the agreement at $7,351 per year. The unamortized balance is included in deferred rental income.

NOTE 8 - SPECIAL EVENTS

The Organization held several special events during the year ended June 30, 2020. Revenues and expenses from the events were as follows:

	Revenues	Expenses	Net
Imaginary Feast	$ 1,117,556	$ 23,193	$ 1,094,363
Making it Home	307,170	5,322	301,848
	$ 1,424,726	$ 28,515	$ 1,396,211

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

As a result of the Beyond Shelter acquisition in fiscal year 2016, the Organization has a donor restricted net asset of $250,000 that originated from a 2001 grant by HUD towards rehabilitation of the Courtyard property. The grant restricted the use of the Courtyard for 20 years, through 2021, after which this restriction will be released. The Courtyard property was sold as a result of an auction on July 19, 2012. However, the restriction from Los Angeles Homeless Services Authority ("LAHSA") was not released in connection with the sale. The Organization is communicating regarding the potential release on this restriction with LAHSA, the agency authorized by HUD to enter into contract with the Organization.

Donor restricted net assets as of June 30, 2020 are available for the following purposes:

	July 1, 2019	Additions	Releases	June 30, 2020
Restriction as noted above from				
Beyond Shelter net asset acquisition	$ 250,000	$ -	$ -	$ 250,000
Santa Barbara grant	550,000	-	-	550,000
CA disaster fund	-	90,000	-	90,000
Employment support	-	7,500	(7,500)	-
Project Room Key	-	100,000	(100,000)	-
Los Angeles COVID-19 support	-	100,000	(100,000)	-
Santa Barbara operational support	-	52,900	(52,900)	-
San Jose COVID-19 support	-	10,000	(10,000)	-
PATH Mall improvements	393,327	-	(393,327)	-
Veterans employment program	33,333	-	(33,333)	-
Santa Barbara women's program	50,000	-	(50,000)	-
	$ 1,276,660	$ 360,400	$ (747,060)	$ 890,000

NOTE 10 - RETIREMENT PLAN

The Organization maintains a deferred annuity plan under IRC Section 403(b) which covers all full time employees who have been employed by the Organization for at least two years. Employee contributions are voluntary. Employer contributions are five percent of qualified wages. The Organization's contribution for the year ended June 30, 2020 was $708,271.

NOTE 11 - RELATED PARTY TRANSACTIONS

Note Receivable from Former Affiliate - As of June 30, 2020, amounts due from Deep Green Housing and Community Development ("Deep Green"), formerly related by certain common board members of a non-profit acquired in 2016, totaling $244,255, net of an allowance for uncollectible amounts of $200,000, represent advances made by the acquired entity to Deep Green in previous years. The receivable is scheduled to be paid in monthly installments of $1,692 of principal and interest at 3% through December 10, 2025. Reductions will be made against the note receivable in exchange for in-kind rent of $3,542 per month, beginning on October 1, 2022 as discussed below.

In-kind Rent from Former Affiliate - The Organization currently utilizes the facility at premises owned by Deep Green located at 5101 South Broadway, Los Angeles, California in exchange for building improvements made by the Organization on the premises. Deep Green agreed to extend the agreement to the Organization for a portion of its aforementioned gross receivable due to the Organization at an estimated value of $3,542 per month that will be considered as in-kind rental income by the Organization at the rate of $3,542 per month beginning October 1, 2022 through September 30, 2030.

Path Partners and Path Partners Associates, non-profit corporations, are related to the Organization through common board membership. The Organization receives short term advances from Path Partners and Path Partner associates for reimbursable expenses.

Accounts receivable from related parties of $167,436 are included in other receivables.

NOTE 11 - RELATED PARTY TRANSACTIONS, continued

Accounts receivable and notes receivable balances due from related parties consist of the following as of June 30, 2020:

	Other receivables, related parties	Notes receivable	Total
Deep Green	$ -	$ 244,255	$ 244,255
Gramercy Court	102,769	-	102,769
Path Partners	30,002	-	30,002
Path Ventures	24,586	1,666,891	1,691,477
Other	10,079	-	10,079
	$ 167,436	$ 1,911,146	$ 2,078,582

Gramercy Court Lease - During the year ended June 30, 2020, the Organization leased premises at $2,200 on a month-to-month basis from Gramercy Court, totaling to $26,400.

Partnership Costs - As a limited partner, the Organization paid part of Gramercy Court's utilities and maintenance expenses. These expenses were included in other expenses for the year ended June 30, 2020.

In-kind Rent - The Organization provides certain administrative offices at the 340 Madison site to PATH Ventures free of charge. Management estimates the fair market value of the rent is approximately $26,800 for the year ending June 30, 2020, which is included in in-kind revenue and in-kind expense.

Gramercy Court owned a premise from which the Organization operated and provided this to the Organization in-kind. Management estimated the fair value of the rent was approximately $26,796 for the year ended June 30, 2020, which is included in in-kind revenue and in-kind expense. As of June 30, 2020 upon the sale of the building, the Organization is no longer in these premises (see Note 4).

Contracted employees - The Organization donates in-kind services from certain employees to Path Ventures. The estimated fair value of these donated services totaled $262,063 for the year ended June 30, 2020, which is included in in-kind revenue and in-kind expense.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Operating Leases - The Organization leases a program service facility for $400 per month under a month-to-month agreement from an unrelated party.

The Organization also has non-cancelable operating leases agreements for office equipment with minimum monthly payments ranging from $134 to $2,409 through July 2022. The costs are included in office expenses.

In-kind Rent - The Organization performs program services at a facility in Los Angeles (known as "Broadway Village II," or "BVII") under an operating lease agreement with Deep Green expiring in September 2022. The lease agreement requires minimum monthly payments of $1 per month through the lease term and the Organization is required to finance certain leasehold improvements to the BVII property as defined under the lease agreement. Since 2009, the Organization has paid or financed $467,388 in leasehold improvements to BVII, which is included in property and equipment. No value has been assigned to in-kind rent since the value cannot be estimated.

Agreement - The Organization acquired an agreement with the City of Santa Barbara and County of Santa Barbara, which stipulate various restrictions regarding the use of the Santa Barbara shelter through 2059.

According to the agreement, related to the $1,112,035 grant, the Organization is required to operate the shelter in compliance with provisions of the agreement, such that no fees may be charged for any shelter or services provided unless the amount and purpose of the fee is first approved in writing by City of Santa Barbara and County of Santa Barbara. Although this is a possibility, management deems the contingencies unlikely and intends to meet the conditions as set forth in the provisions of the agreement.

Guarantees - The Organization has provided a co-guarantee with Path Ventures on the development of a low income housing project, for which Path Ventures is a managing general partner. Under the co-guarantee the Organization and Path Ventures provide assurance of project completion and provide repayment guarantees for certain project loans. The guarantees generally terminate when construction is complete and permanent financing repays the construction loans and will expire through the terms of the underlying agreements.

NOTE 12 - COMMITMENTS AND CONTINGENCIES, continued

Capital Leases - The Organization leased equipment under a capital lease that expired in August 2019. The lease agreement called for monthly payments of $2,370 at an interest rate of 7% per annum. The assets and liabilities under capital leases were recorded upon lease inception at the lower of present value of minimum lease payments or fair market value of the related assets. The assets were depreciated over their estimated useful lives.

Included in property and equipment at June 30, 2020 are the following assets that were held under capital leases:

Equipment	$ 119,704
Less: accumulated depreciation	(119,704)
	$ -

PDM
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
PATH (People Assisting The Homeless)

We have audited, 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, the financial statements of PATH (People Assisting The Homeless) (the "Organization") which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

3460 Torrance Boulevard, Suite 200
Torrance, CA 90503
P (310) 540-4118
F (310) 543-2051
www.pdmcpas.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PDM, LLP

Torrance, California
January 29, 2021

PDM
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS'
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
PATH (People Assisting The Homeless)

Report on Compliance for Each Major Federal Program

We have audited PATH (People Assisting The Homeless)'s (the "Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

PDM
CERTIFIED PUBLIC ACCOUNTANTS

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Organization as of and for the year ended June 30, 2020, and have issued our report thereon dated January 29, 2021, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

PDM, LLP

Torrance, California
January 29, 2021

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Catalog of Federal Domestic Assistance (CFDA) Number	Contract Grant Number	Federal Awards Expenditures	Sub-recipients
U.S. Department of Housing and Urban Development				
Direct programs:				
Continuum of Care Program	14.267	CA1115L9D011807	$ 766,861	$ -
Total programs			766,861	-
Pass-through programs from:				
City of Long Beach				
Continuum of Care Program	14.267	CA0632U9D061811	709,834	-
HUD-TLC/RRH (LB)	14.267	CA0650U9D061811	297,248	-
San Diego Housing Commission				
Continuum of Care Program	14.267	HHI-20-02 (CA1208L9D011805)	226,002	-
SDHC	14.267	CoC: CA-601; CA-17-061 52531A and B	347,246	-
Community Development Block Grant	14.218	HHI-17-06.2	275,753	-
Emergency Solutions Grant Program	14.231	HHI-17-06.2	123,618	-
Emergency Solutions Grant Program	14.231	HHI-17-03b.2	234,648	-
Moving to Work Demonstration Program	14.881	PATH (SBS3)	280,315	-
Los Angeles Homeless Services Authority				
Emergency Solutions Grant Program	14.231	2017CESSAY34	182,492	-
Emergency Solutions Grant Program	14.231	2017CESF04	291,736	-
Housing Authority of the County of Los Angeles				
City of San Jose				
Emergency Solutions Grant Program	14.231	ESG-18-001B	421,679	-
County of Santa Barbara, Housing and Community Development Commission				
Continuum of Care Program	14.267	CA1796L9D031800	67,601	-
Community Development Block Grant	14.218	Agreement	15,000	-
County of Santa Barbara, Community Services				
Community Development Block Grant	14.218	26431	27,197	-
Emergency Solutions Grant Program	14.321	BC19259	86,173	-
County of Santa Clara				
Behavioral Health-Case Management	93.779	2610; P.O. #4300015507	76,228	-
Villas on the Park	93.779	County of Santa Clara U-588	62,093	-
Total programs			3,724,863	-
Total U.S. Department of Housing and Urban Development			**4,491,724**	-
U.S. Department of Labor				
Direct programs:				
Homeless Veterans Reintegration Project	17.805	HV-25981-14-60-5-6	280,156	-
Total U.S. Department of Labor			**280,156**	-
U.S. Department of Veterans Affairs				
Direct programs:				
Grants and Per Diem Program	64.024	PATH196-0430-691-LD-18-0	227,559	-
Total programs			227,559	-

Federal Grantor/ Pass-Through Grantor/ Program Title	Catalog of Federal Domestic Assistance (CFDA) Number	Contract Grant Number	Federal Awards Expenditures	Sub-recipients	
U.S. Department of Veterans Affairs, continued					
Supporting Services for Veteran Families Program					
SSVF LA - Supportive Services & Admin	64.033	19-CA-014	4,274,879	61,248	*
SSVF LA - RRH TFA	64.033	19-CA-014	1,106,961	-	*
SSVF LA - Prevention TFA	64.033	19-CA-014	376,940	-	*
SSVF SD - Supportive Services & Admin	64.033	20-CA-440	335,811	-	*
SSVF SD - TFA	64.033	20-CA-440	272,593	-	*
VA Veterans Administration	64.009	VA262-15-D-0064	700,235	-	
VA Veterans Administration	64.009	36C26220D0019	24,000	-	
Total programs			7,091,419	61,248	
Total U.S. Department of Veterans Affairs			**7,318,978**	**61,248**	
Federal Emergency Management Agency					
Pass-through programs from:					
United Way					
Emergency Food and Shelter Program	97.024	PHASE 36	99,950	-	
Total Federal Emergency Management Agency			**99,950**	**-**	
U.S. Department of Health and Human Services					
Direct programs:					
SAMHSA	93.243	1H79SM063356-01	63,283	-	
Pass-through programs from:					
Los Angeles Homeless Services Authority					
Department of Public Social Services	93.558	2017DPSSF04	2,585,795	-	*
Total U.S. Department of Health and Human Services			**2,649,078**	**-**	
U.S. Department of Justice					
Pass-through programs from:					
US Office on Violence Against Women					
Family Crisis Center	16.736	1736 Family Crisis Center	13,192	-	
Total U.S. Department of Health and Human Services			**13,192**	**-**	
Total expenditures of federal awards			**$ 14,853,078**	**$ 61,248**	

* Major program

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of PATH (People Assisting The Homeless) (the "Organization") under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The Organization has not elected to use the 10 percent de minimis indirect rate allowed under the Uniform Guidance.

NOTE 3 - LOANS OUTSTANDING

The Organization had the following loan balances outstanding at June 30, 2020:

Catalog of Federal Domestic Assistance (CFDA) Number	Federal Grantor/ Pass-Through Grantor/ Program Title	Amount
14.218	U.S. Department of Housing and Urban Development/ City of Los Angeles Housing and Community Investment Department/Community Development Block Grant	$250,000

A. SUMMARY OF AUDIT RESULTS

Financial Statements

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Organization.

2. No material weaknesses related to internal control over financial reporting were identified.

3. No significant deficiencies not considered to be material weaknesses related to internal control over financial reporting were reported.

4. No instances of noncompliance material to the financial statements of the Organization were disclosed during the audit.

Federal Awards

5. The Independent Auditors' Report on Compliance for Each Major Federal Program for the Organization expresses an unmodified opinion.

6. No material weaknesses related to internal control over major program compliance were identified.

7. No significant deficiencies not considered to be material weaknesses related to internal control over major program compliance were reported.

8. There are no audit findings relative to the major federal programs for the Organization that are required to be reported in accordance with 2 CFR 200.516(a).

9. The program tested as a major program (including pass-through programs) are:

	CFDA Number
U.S. Department of Veteran Affairs/	
VA Veterans Medical Care	64.009
U.S. Department of Health and Human Services/	
Temporary Assistance for Needy Families	93.558

10. The threshold for distinguishing Type A and B programs was $750,000.

11. The Organization was considered to be a low-risk auditee for the year ended June 30, 2020.

B. FINANCIAL STATEMENT AUDIT FINDINGS

None noted.

C. MAJOR FEDERAL AWARD PROGRAMS AUDIT p- FINDINGS AND QUESTIONED COSTS

None noted.

D. SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None noted.