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, 2017
(With Summarized Financial Information for June 30, 2016)**
with

INDEPENDENT AUDITORS' REPORT THEREON

PDM
CERTIFIED PUBLIC ACCOUNTANTS

INDEX

PDM
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, 2017, 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.

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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, 2017, 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 30 to 31 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, 2016 financial statements, and we expressed an unmodified audit opinion on these audited financial statements in our report dated March 27, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 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 12, 2018 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 12, 2018

PATH (People Assisting The Homeless)
(A Non-Profit Corporation)

Statement of Financial Position
June 30, 2017
(with Summarized Financial Information as of June 30, 2016)

ASSETS	2017	2016
Current assets		
Cash and cash equivalents	$ 1,835,449	$ 2,034,437
Investments in certificates of deposit	1,005,619	1,003,188
Contracts and other receivable	8,544,822	5,088,612
Accounts receivable, related party	108,245	103,751
Pledges receivable, current portion	125,000	500,000
Notes receivable, related party, current portion	15,957	15,484
Prepaid expenses and other assets	368,507	317,975
	12,003,599	9,063,447
Restricted cash in individual client accounts	2,323	17,669
Replacement reserve	3,373	1,000
Pledges receivable, net of current portion	550,000	-
Notes receivable, related party, net of current portion	276,208	293,436
Property and equipment, net	11,330,176	11,887,186
Beneficial interest in perpetual trust	34,250	30,405
	$ 24,199,929	$ 21,293,143
LIABILITIES AND NET ASSETS		
Current liabilities		
Line of credit	$ 1,200,000	$ 1,200,000
Accounts payable and accrued expenses	1,973,111	1,531,699
Accounts payable, related parties	57,785	12,794
Accrued payroll and related liabilities	1,624,378	1,336,508
Contract advances	1,177,609	989,990
Client's disbursement payable	9,891	17,669
Deferred rental income, current portion	7,333	7,333
Capital lease, current portion	25,251	23,549
Notes payable, current portion	1,980,543	1,820,099
Note payable, related party, current portion	18,000	18,000
	8,073,901	6,957,641
Deferred rental income, net of current portion	220,524	227,857
Capital lease, net of current portion	31,773	57,025
Notes payable, net of current portion, net of debt issuance cost	6,987,155	4,919,317
Note payable, related party, net of current portion	50,303	68,303
Interest payable	552,796	500,071
	15,916,452	12,730,214
Net assets		
Unrestricted	6,002,358	6,038,061
Temporarily restricted	2,281,119	2,524,868
	8,283,477	8,562,929
	$ 24,199,929	$ 21,293,143

The accompanying notes are an integral part of these financial statements

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2016)

	2017			2016
REVENUE AND SUPPORT	**Unrestricted**	**Temporarily Restricted**	**Total**	**Total**
Government contract income	$ 24,298,231	$ -	$ 24,298,231	$ 16,061,731
Fee for service contract income	6,355,236	-	6,355,236	8,204,695
Direct public support	4,336,062	675,000	5,011,062	4,341,223
Contribution from acquisition	-	-	-	4,152,283
Special events, net	814,730	-	814,730	1,093,424
Loan and interest forgiveness	-	-	-	657,500
Service fees	241,670	-	241,670	503,651
Childcare tuition	85,664	-	85,664	147,434
In-kind revenue	71,337	-	71,337	74,036
Management fee income, related party	-	-	-	50,000
Rental income	14,704	-	14,704	36,817
Rental income, in-kind, related party	12,960	-	12,960	12,960
Interest income	5,970	-	5,970	11,666
Gain on sale of land	817,600	-	817,600	-
Other income	334,865	-	334,865	8,624
Net assets released from restrictions	918,749	(918,749)	-	-
Total revenue and support	38,307,778	(243,749)	38,064,029	35,356,044
FUNCTIONAL EXPENSES				
Program services	31,831,113	-	31,831,113	28,082,878
Supporting services	5,484,783	-	5,484,783	2,957,982
Fundraising	429,277	-	429,277	386,933
Total expenses before depreciation and amortization	37,745,173	-	37,745,173	31,427,793
CHANGE IN NET ASSETS, before depreciation and amortization	562,605	(243,749)	318,856	3,928,251
Depreciation and amortization:				
Program services	277,781	-	277,781	6,162
Supporting services	320,527	-	320,527	551,062
Total depreciation and amortization	598,308	-	598,308	557,224
CHANGE IN NET ASSETS	(35,703)	(243,749)	(279,452)	3,371,027
NET ASSETS, beginning of year	6,038,061	2,524,868	8,562,929	5,191,902
NET ASSETS, end of year	$ 6,002,358	$ 2,281,119	$ 8,283,477	$ 8,562,929

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2016)

	2017				
	Program Services	Supporting Services	Fundraising	Total	Summarized 2016 Total
PERSONNEL EXPENSES					
Salaries	$ 12,660,389	$ 2,427,581	$ 219,988	$ 15,307,958	$ 14,602,998
Payroll taxes	942,434	300,784	15,915	1,259,133	1,137,316
Employee benefits	2,402,759	392,224	21,855	2,816,838	2,630,126
TOTAL PERSONNEL EXPENSES	16,005,582	3,120,589	257,758	19,383,929	18,370,440
OTHER EXPENSES					
Building maintenance	799,899	5,202	-	805,101	798,000
Community engagement	16,316	199,233	-	215,549	90,430
Direct client assistance	7,522,498	10,155	-	7,532,653	3,648,319
Equipment	199,455	9,540	-	208,995	153,959
Fundraising	-	-	119,626	119,626	149,534
Finance related fees	7,440	141,239	3	148,682	92,699
Insurance	198,933	7,627	210	206,770	228,400
Interest	85,559	323,517	-	409,076	288,582
Office expenses	257,395	87,639	304	345,338	273,569
Other expenses	287,653	36,532	266	324,451	98,669
Professional services	1,280,963	968,523	44,096	2,293,582	1,358,549
Rent expense	198,861	79,688	-	278,549	315,302
Residential supplies, services, and transportation	565,281	36,293	794	602,368	658,506
Security	895,679	3,699	-	899,378	868,525
Staff training and recruitment	182,649	323,799	5,132	511,580	348,640
Sub-recipient grants	1,701,802	-	-	1,701,802	2,139,487
Telephone	688,876	62,747	129	751,752	550,166
Travel	283,638	64,386	959	348,983	339,963
Utilities	652,634	4,375	-	657,009	656,054
TOTAL OTHER EXPENSES	15,825,531	2,364,194	171,519	18,361,244	13,057,353
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	31,831,113	5,484,783	429,277	37,745,173	31,427,793
Depreciation and amortization	277,781	320,527	-	598,308	557,224
TOTAL FUNCTIONAL EXPENSES	$ 32,108,894	$ 5,805,310	$ 429,277	$ 38,343,481	$ 31,985,017

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2016)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (279,452)	$ 3,371,027
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	598,308	557,224
Amortization of loan fees	25,407	5,348
Gain on sale of land	(817,600)	-
Loan and interest forgiveness	-	(657,500)
(Gain)/loss on beneficial interest in perpetual trust	(3,845)	1,373
Contributed net assets from non-profit acquisitions	-	(4,152,283)
Changes in operating assets and liabilities:		
Contracts receivable	(3,456,210)	(1,786,359)
Pledges receivable	(175,000)	(500,000)
Prepaid expenses and other assets	(50,532)	(138,585)
Accounts payable and accrued expenses	429,305	881,355
Accounts payable, related parties, net	52,604	(36,627)
Accrued payroll and related liabilities	287,870	277,529
Contract advances	187,619	424,387
Client's disbursement payable, net	7,568	(59,769)
Increase in cash reserves	2,373	-
Deferred rental income	(7,333)	213,189
Interest payable	52,725	52,725
Net cash flows from operating activities	(3,146,193)	(1,546,966)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments received on notes receivable, related party	16,755	228,643
Purchases of property and equipment	(223,698)	(24,505)
Proceeds from sale of property and equipment	1,000,000	-
Reinvestment of interest income	(2,431)	(2,573)
Cash acquired in acquisition from non-profit organizations	-	365,130
Net cash flows from investing activities	790,626	566,695

STATEMENT OF CASH FLOWS, CONTINUED
YEAR ENDED JUNE 30, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2016)

	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on line of credit, net	-	1,200,000
Paydown on line of credit from acquired non-profit	-	(5,657)
Principal payments on capital leases	(23,550)	(21,962)
Borrowings on notes payable, net of interest reserve	2,445,702	1,566,941
Principal payments on notes payable	(247,573)	(654,367)
Principal payments on notes payable, related party	(18,000)	(3,000)
Net cash flows from financing activities	2,156,579	2,081,955
Net change in cash and cash equivalents	(198,988)	1,101,684
Cash and cash equivalents, beginning of year	2,034,437	932,753
Cash and cash equivalents, end of year	$ 1,835,449	$ 2,034,437
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 330,944	$ 230,513
Refinance of notes payable (Primary Madison & Santa Barbara)	$ 2,432,655	$ -

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 81% 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.

The Organization receives contributions in the form of restricted and unrestricted donations. The Organization received approximately 15% of its funding for operations from contributions made by private organizations and individuals, as well as special events.

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

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. These assets are available to support the Organization's activities and operations at the discretion of the Board of Directors.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met either by actions of the donor, the Organization and/or the passage of time and net assets from non-governmental capital campaign contributions which are reflected as temporarily restricted over the estimated useful lives of the assets acquired.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that the corpus be maintained permanently by the Organization. The donors of these assets permit the Organization to use all or part of the income or gains earned on related investments for general (unrestricted) or specific (temporarily restricted) purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Revenues are reported as increases in unrestricted net assets unless use of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

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.

Contributions - Contributions 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 unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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, 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. Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

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 90 days or less. The Organization maintains its cash balances in a financial institution, the balances of which may, at times, exceed federally insured limits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investments - Investments in marketable securities are classified as available-for-sale and reported at fair value as determined by quoted market prices in an active market. Realized gains and losses (computed by the specific identification method) and unrealized gains and losses are included in the statement of activities. Interest and dividend income are recorded on the accrual basis of accounting.

Investments consist of a certificate of deposit, classified as Level 1 under the Fair Value hierarchy, which matures one year from its origination date with an interest rate of 0.10%.

Contracts Receivable - The Organization's contracts receivable primarily consist 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. Management believes that contracts receivable are fully collectible at June 30, 2017, and as such, no allowance for uncollectible accounts has been recorded.

Property and Equipment - Donated assets are recorded at their fair market value when received. Property and improvements are recorded at cost and 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, 2017.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investment in limited partnership - Investments in partnerships are accounted for under the equity method. In accordance with the partnership agreement, as amended and restated, 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 all existing investments in partnerships at least annually.

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.

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 was categorized as a level 2 fair value measurement and had a gain of $3,845.

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

Deferred Financing Costs - Deferred financing costs are amortized on a straight-line basis over the life of the respective loan and amortization expense, totaling $25,407 for the year ended June 30, 2017, is included in interest expense. As of June 30, 2017, capitalized deferred financing costs are $81,484 presented net of $30,755 accumulated amortization, as an offset to the related notes payable.

Fee for Service Contract Income - The Organization serves as a vendor to help the VA fulfill its Veterans Affairs Supportive Housing grant from HUD and treats this income as fee for service income.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Contribution from Acquisition - The Organization has recognized contribution from acquisition resulting from the three acquisitions in fiscal year ended June 30, 2016. Accounting principles generally accepted in the United States of America require that contributed net assets be recorded when net assets transfer from the non-profit.

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, 2017, 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. During the year ended June 30, 2017, the Organization did not recognize any amount in potential interest and penalties associated with uncertain tax positions. As of June 30, 2017, all federal tax returns since the 2013 tax year and state tax returns since the 2012 tax year are still subject to adjustment upon audit. No tax returns are currently being examined by taxing authorities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

Subsequent Events - Subsequent events have been evaluated by the Organization through January 12, 2018, 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, 2017 consists of:

Building and improvements	$ 14,910,960
Furniture and equipment	1,922,392
Automobiles	128,687
	16,962,039
Less: accumulated depreciation and amortization	(8,198,607)
Land	2,566,744
	$ 11,330,176

In December 2016, the Organization sold a portion of their land located at the 340 Madison site to Metro Villas 345, LP, a limited partnership, which is 0.005% owned by Path Ventures Metro 345, LLC, in which the sole member is Path Ventures, a non-profit corporation related through common board membership, for $1,000,000. The Organization realized a gain of $817,600 on this transaction.

NOTE 4 - INVESTMENT IN LIMITED PARTNERSHIP

The Organization owns 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 common board membership. 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.

The financial position of Gramercy Court is summarized below, as of December 31, 2016, its most recent audited financial statements:

Cash	$	167,860
Tenant and other receivables		12,961
Property and equipment, net		1,280,062
Total assets	$	1,460,883
Current and other liabilities	$	63,549
Notes payable - forgivable		976,553
Accrued interest payable - forgivable		426,622
Partners' deficit		(5,841)
Total liabilities and partners' capital	$	1,460,883

As a limited partner, the Organization has not committed to provide further financial support to, or guaranteed obligations of, Gramercy Court. The equity method of accounting discontinues, and the investment balance carries at zero, once the investor's share of the investee's losses is greater than the balance of the investment. 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 5 - LINE OF CREDIT

The Organization has an unsecured line of credit for $250,000 with a financial institution that matures January 31, 2018. Interest on the outstanding borrowings is charged monthly at 5%. As of June 30, 2017, there was $250,000 outstanding balance on the line of credit.

The Organization has a secured line of credit for $950,000 due to the same bank on which interest is charged, monthly, at 1.03%. The line is secured by a $950,000 certificate of deposit issued by the same financial institution, due April 28, 2018. As of June 30, 2017, there was a $950,000 outstanding balance on the line of credit.

NOTE 6 - NOTES PAYABLE

Notes payable at June 30, 2017 are summarized as follows:

Unsecured notes payable from a foundation due June 30, 2024 with the following monthly payments and interest rates:		
$4,892 at 3%.	$	370,245
$742 at 5%.		52,530
$742 at 5%.		52,530
$835 at 5%.		59,084
$408 at 5%.		28,846
$1,421 at 5%.		100,558
Note payable due 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. The lender retained $357,000 for interest reserve, of which $27,417 has been drawn. The remaining $329,582 is netted against the gross loan amount.		2,370,418
An unsecured note payable from a debtor split into two separate notes, as follows:		
Note payable for $100,000 payable in monthly installments of $1,036 including interest at 4.5%, annually, and matures May 2024.		73,802
Note payable for $30,000 bearing interest at 4.5% annually, requiring no monthly payments, and matures June 2019.		30,000
Note payable to a bank ("Primary Madison Note"), secured by a deed of trust on real property at 340 N. Madison Avenue, Los Angeles, California, ("Madison Property"), due in monthly installments of principal and interest ranging from $13,033 to $17,225 through August 1, 2026, interest payable at 4.75%.		2,465,000

NOTE 6 - NOTES PAYABLE, continued

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, 2017 is $434,072, which is included in interest payable. This note is subordinate to the Primary Madison Note.	909,450
Note payable to a bank ("Primary Cotner Note"), secured by deed of trust on real property at 2346 Cotner Avenue, Los Angeles, California, due in monthly installments of principal and interest of $4,684 through October 1, 2017, interest payable at 5.25%. The Organization paid off the entire balance in October 2017.	23,735
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 2069. Principal and interest payments are due annually out of residual receipts of the affordable housing project. Unpaid interest on this note at June 30, 2017 is $118,724, and included in interest payable in the statement of financial position. This note is subordinated to the Primary Cotner Note.	848,017
Note payable to a non-profit financial institution, secured by deed of trust on real property at 5627 Fernwood Avenue, Los Angeles, California, due in monthly installments of interest only at the LIBOR rate plus 4.5%. The note matures March 15, 2018 with the option of extending the maturity date for up to two twelve month periods. The lender retained $196,100 for interest reserve, of which $122,067 has been drawn. The remaining $74,033 is netted against the gross loan amount.	1,664,967
Total notes payable as of June 30, 2017	9,049,182
Less: current portion	(1,980,543)
Less: deferred financing cost, net	(81,484)
	$ 6,987,155

NOTE 6 - NOTES PAYABLE, continued

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

	Related party	Other	Total
2018	$ 18,000	$ 1,980,543	$ 1,998,543
2019	18,000	336,595	354,595
2020	18,000	321,499	339,499
2021	14,303	2,706,984	2,721,287
2022	-	351,807	351,807
Thereafter	-	3,351,754	3,351,754
	$ 68,303	$ 9,049,182	$ 9,117,485

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, 2017.

The Organization's original Primary Madison Note was due on May 1, 2016. The Organization submitted the refinance application prior to the maturity date and, in August 2016, the refinancing was completed.

In September 2016, the Organization paid off their note payable agreement with a former associate of the Organization.

In February 2017, the Organization paid off their note payable to a bank that was secured by certain equipment.

In April 2017, the Organization refinanced their loan that was secured by real property at 816 Cacique Street, Santa Barbara, California.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

As a result of the Beyond Shelter acquisition in fiscal year 2016, the Organization has a temporarily 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. The Organization will not release the restriction until there exists a mutually agreeable resolution with LAHSA.

Temporarily restricted net assets as of June 30, 2017 are available for the following purposes:

	July 1, 2016	Additions	Releases	June 30, 2017
Restriction as noted above from Beyond Shelter net asset acquisition	$ 250,000	$ -	$ -	$ 250,000
Daniel J. Liff Living Trust bequest	500,000	-	(500,000)	-
Woltcheck Charitable Trust	-	675,000	-	675,000
Land and building at the Madison Property, restricted for affordable housing for program participants through September 2031 of $7,478,066, net of accumulated depreciation of $3,713,375, and original outstanding loan balances of $2,408,572	1,774,868	-	(418,749)	1,356,119
	$ 2,524,868	$ 675,000	$ (918,749)	$ 2,281,119

Net assets were released from donor restrictions by depreciation expense, increase of notes payable and usage of temporarily restricted contributed funds. The summary of net assets released during the year ended June 30, 2017 is as follows:

Release of temporarily restricted net assets related to the Madison Property:	
Depreciation expense on buildings at the Madison Property	$ 236,349
Add: Release of portion of land	182,400
	$ 418,749

The Madison Property was purchased with primarily non-governmental capital campaign funds raised specifically for this building. Therefore, the net book value of the building (net of related loans) is considered to be temporarily restricted.

NOTE 8 - DEFERRED RENTAL INCOME

The Organization subleases certain space at the Madison Property for 15 years for a lump-sum amount of $110,000 paid in advance. Rental income will be recognized on a straight-line basis over the life of the agreement at $7,333 per year. The unamortized balance is included in deferred rental income. The sublease was extended from July 2018 through June 2048 in exchange for a lump-sum payment of $220,524. Rental income will be recognized on a straight-line basis over the life of the agreement at $7,351 per year beginning July 2018. The unamortized balance is included in deferred rental income.

NOTE 9 - SPECIAL EVENTS

The Organization held several special events during the year ended June 30, 2017. Revenues and expenses from the events were as follows:

	Revenues	Expenses	Net
Imaginary Feast	$ 673,180	$ 3,554	$ 669,626
Making it Home	188,341	43,237	145,104
	$ 861,521	$ 46,791	$ 814,730

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, 2017 was $323,475.

NOTE 11 - RELATED PARTY TRANSACTIONS

Accounts receivable and notes receivable balances due from related parties consist of the following as of June 30, 2017:

	Accounts Receivable	Notes Receivable	Total
Deep Green	$ -	$ 292,165	$ 292,165
Gramercy Court	83,332	-	83,332
Path Partners	5,500	-	5,500
Path Ventures	19,413	-	19,413
	$ 108,245	$ 292,165	$ 400,410

Accounts receivable from related parties consist of short-term operating accounts.

NOTE 11 - RELATED PARTY TRANSACTIONS, continued

Path Partners, a non-profit corporation, is related to the Organization through common board membership.

Note Receivable from Former Affiliate - As of June 30, 2017, amounts due from Deep Green Housing and Community Development ("Deep Green"), formerly related by common board membership of a non-profit acquired in 2016, totaling $292,165, 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.

Notes Receivable - After the fiscal year ended June 30, 2017, the Organization loaned Path Ventures various amounts totaling to $495,000 at 1.22% to 6% interest, due at various dates ranging from October 15 through December 31, 2017. In December 2017, Path Ventures repaid $125,000 of the outstanding notes receivable to the Organization.

Accounts Payable - Accounts payable to related parties as of June 30, 2017, consist of:

Gramercy Court	$	2,755
Path Ventures		55,030
	$	57,785

Note Payable - At June 30, 2017, the Organization had a $68,303 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.

NOTE 11 - RELATED PARTY TRANSACTIONS, continued

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 $12,960 for the year ending June 30, 2017.

Path Ventures provided certain administration offices at the 320 Madison site to the Organization free of charge through April 2017. Management estimates the fair market value of the rent is approximately $30,000 for the year ending June 30, 2017. The Organization received $100,000 in parking lot relocation revenue from Path Ventures.

Gramercy Court owns the premises from which the Organization operates and provides this to the Organization in-kind, which is reflected as in-kind revenues and rent expenses for $26,796 for the year ended June 30, 2017.

Gramercy Court Lease - During the year ended June 30, 2017, 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 pays part of Gramercy Court's utilities and maintenance expenses totaling to $82,890. These expenses are included in other expenses for the year ended June 30, 2017.

NOTE 12 - INDEMNITIES AND GUARANTEES

The Organization has made certain indemnities and guarantees under which it may be required to make payments in relation to certain transactions. The Organization indemnifies its directors, officers, employees and agents to the maximum extent permitted under the laws of the State of California. The duration of these indemnities and guarantees varies and, in certain cases, is indefinite. These indemnities and guarantees do not provide for any limitation of the maximum potential future payments the Organization could be obligated to make. Historically, the Organization has not been obligated to make significant payments for these obligations and no liabilities have been recorded for these indemnities and guarantees.

NOTE 13 - 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.

The Organization entered into an agreement with LAHSA, which stipulates various restrictions regarding the use of the Fernwood shelter through 2025. According to the agreement, related to the $600,000 grant, the Organization is required to operate the shelter in compliance with provisions of the agreement. 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.

Contingency Loss - Subsequent to June 30, 2017, as part of the Organization's quality assurance activities, the leadership team identified billing discrepancies which were determined to be an effort by employees, who have since been terminated, to misappropriate funds. An internal investigation is ongoing and the Organization has communicated the misappropriation to the funding agency. The Organization estimates that a potential loss of $189,528 was incurred for the year ended June 30, 2017, which has been accrued as of June 30, 2017.

NOTE 13 - COMMITMENTS AND CONTINGENCIES, continued

Capital Leases - The Organization leases equipment under a capital lease that expires in August 2019. The lease agreement calls for annual payments of $28,440. 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 are depreciated over their estimated useful lives.

Included in property and equipment at June 30, 2017 are the following assets held under capital leases:

Equipment	$ 119,704
Less: accumulated depreciation	(77,332)
	$ 42,372

Future minimum lease payments for assets under capital leases for years ending June 30 are as follows:

2018	$ 28,440
2019	28,440
2020	4,741
	61,621
Less: amount representing interest	(4,597)
Less: current portion	(25,251)
	$ 31,773

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, 2017, 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 12, 2018.

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.

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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.

BDM, LLP

Torrance, California
January 12, 2018

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, 2017. 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.

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.

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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, 2017.

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, 2017, and have issued our report thereon dated January 12, 2018, 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.

BDM, LLP

Torrance, California
January 12, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program Title	Catalog of Federal Domestic Assistance (CFDA) Number	Agency or Pass-Through Entity Identifying Number	Federal Awards Expenditures	Sub-recipients
U.S. Department of Agriculture				
CADE Food Program (CNIPS)	10.558	04686-CACFP-19-NP-IC	$ 17,420	$ -
Total U.S. Department of Agriculture			**17,420**	-
U.S. Department of Housing and Urban Development				
Direct programs:				
Continuum of Care Program	14.267	CA0384L9D001508	214,978	-
Continuum of Care Program	14.267	CA0469L9D001508	144,908	-
Continuum of Care Program	14.267	CA1115L9D011504	612,579	-
Total programs			972,465	-
Pass-through programs from:				
City of Long Beach				
Continuum of Care Program	14.267	CA0650U9D061508	245,662	-
San Diego Housing Commission				
Community Development Block Grant	14.218	SHI-13-06.4	277,926	188,099
Move to Work Program	14.881	SBS3-HAP	233,907	-
Emergency Solutions Grant Program	14.231	SHI-13-06.4	124,783	-
Emergency Solutions Grant Program	14.231	SHI-14-01D.3	48,506	-
Los Angeles Homeless Services Authority				
Continuum of Care Program	14.267	CA0371L9D001508	343,749	-
Continuum of Care Program	14.267	CA0425L9D001508	174,300	-
Continuum of Care Program	14.267	CA0467L9D001508	237,815	-
Emergency Solutions Grant Program	14.231	2016CNESG05	103,387	47,046
Emergency Solutions Grant Program	14.231	2016FDPSS06	390,893	-
Community Development Block Grant	14.218	2016HFSS06	12,532	-
Harbor Interfaith Services				
Community Development Block Grant	14.218	2015HFSS13-01	92,804	-
St. Vincent de Paul Village, Inc. dba Father Joe's Villages				
Community Development Block Grant	14.218	n/a	27,540	-
City of Santa Barbara				
Community Development Block Grant	14.218	25466	44,732	-
HOME Program	14.239	25194	118,712	-
Total programs			2,477,248	235,145
Total U.S. Department of Housing and Urban Development			**3,449,713**	**235,145**
U.S. Department of Labor				
Direct programs:				
Homeless Veterans Reintegration Project	17.805	HV-25981-14-60-5-6	281,349	-
Homeless Veterans Reintegration Project	17.805	HV-29046-16-60-5-6	300,000	-
Pass-through programs from:				
County of Santa Barbara				
Homeless Veterans Reintegration Project	17.805	HV-27449-15-60-5-6	100,000	-
Total U.S. Department of Labor			**681,349**	-

PATH (PEOPLE ASSISTING THE HOMELESS)
(A Non-Profit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
YEAR ENDED JUNE 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program Title	Catalog of Federal Domestic Assistance (CFDA) Number	Agency or Pass-Through Entity Identifying Number	Federal Awards Expenditures	Sub-recipients	
U.S. Department of Veterans Affairs					
Direct programs:					
Grants and Per Diem Program	64.024	03-096-CA	137,828	-	
Grants and Per Diem Program	64.024	04-157-CA	71,739	-	
Total programs			209,567	-	
Supporting Services for Veteran Families Program					
SSVF - Priority 2	64.033	12-CA-014	2,056,844	30,000	*
SSVF - Priority 1	64.033	C15-CA-600C	1,625,593	248,534	*
Pass-through programs from:					
Interfaith Community Services					
SSVF San Diego	64.033	C15-CA-60B	411,957	-	*
Total programs			4,094,394	278,534	
Total U.S. Department of Veterans Affairs			**4,303,961**	**278,534**	
Federal Emergency Management Agency					
Pass-through programs from:					
Catholic Charities Diocese of San Diego					
Emergency Food and Shelter Program	97.024	PHASE 33	65,692	-	
United Way					
Emergency Food and Shelter Program	97.024	PHASE 33	136,446	-	
Total Federal Emergency Management Agency			**202,138**	**-**	
U.S. Department of Health and Human Services					
Pass-through programs from:					
Los Angeles Homeless Services Authority					
Temporary Assistance for Needy Families	93.558	2016FDPSS06	1,635,120	-	
County of Santa Barbara					
Healthcare for the Homeless	93.224	n/a	15,000	-	
Family Health Centers of San Diego					
Affordable Care Act Grant for New and Expanded Services Under the Health Center Program	93.928	H97HA25090	63,589	-	
Clare Foundation, Inc.					
Substance Abuse & Mental Health Services Projects	93.243	IH79T1025759-01	70,387	-	
Total U.S. Department of Health and Human Services			**1,784,096**	**-**	
U.S. Department of Justice					
Pass-through programs from:					
1736 Family Crisis Center					
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	n/a	7,500	-	
			7,500	-	
Total expenditures of federal awards			**$ 10,446,177**	**$ 513,679**	

* 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, 2017. 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. The Organization has elected not to use the 10 percent de minimis indirect rate allowed under the Uniform Guidance.

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 Veterans Affairs/ Supporting Services for Veteran Families Program	64.033

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, 2017.

B. FINANCIAL STATEMENT AUDIT FINDINGS

None noted.

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

None noted.

D. SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None noted.