SHELTER PARTNERSHIP, INC.

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

June 30, 2017

(With Comparative Totals for the Year Ended June 30, 2016)

Gursey | Schneider LLP
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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Independent Auditor's Report

To the Board of Directors
Shelter Partnership, Inc.
Los Angeles, California

We have audited the accompanying financial statements of Shelter Partnership, Inc. (a California nonprofit public benefit corporation) (the "Partnership"), which comprises 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of the Partnership 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 Matter

As disclosed in Note 2 to the financial statements, 84% of total revenues are from donated goods and 68% of total assets are from donated inventory on hand. The valuation of these donated goods is subject to estimation. The Partnership estimates the value of donated goods by obtaining estimates of wholesale selling prices provided by the donors, or other indicators of value when donor estimated wholesale values are not provided. The Partnership also undertakes its own research as needed in order to better ascertain fair values. As a result, there is significant judgment and uncertainty in arriving at fair values of contributed goods, and such values materially enter into the determination of net assets and results of activities.

Report on Summarized Comparative Information

We have previously audited the Shelter Partnership, Inc.'s June 30, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 3, 2016. 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.

Gursey | Schneider LLP

November 29, 2017
Los Angeles, California

SHELTER PARTNERSHIP, INC.
(A California Nonprofit Public Benefit Corporation)
Statements of Financial Position
June 30, 2017 and 2016

ASSETS

	2017	2016
ASSETS		
Cash and cash equivalents	$ 501,835	$ 574,870
Certificates of deposit	250,000	250,000
Accounts receivable	97,775	9,797
Pledges receivable	73,627	52,070
Donated inventory	15,252,820	18,273,875
Prepaid expenses and other assets	7,300	6,840
Property and equipment, net	6,171,335	6,481,576
TOTAL ASSETS	$ 22,354,692	$ 25,649,028

LIABILITIES AND NET ASSETS

	2017	2016
LIABILITIES		
Accounts payable	$ 4,747	$ 15,085
Accrued expenses and other liabilities	95,781	104,810
TOTAL LIABILITIES	100,528	119,895
NET ASSETS		
Unrestricted	2,995,717	3,112,662
Temporarily restricted	19,258,447	22,416,471
TOTAL NET ASSETS	22,254,164	25,529,133
TOTAL LIABILITIES AND NET ASSETS	$ 22,354,692	$ 25,649,028

See Accompanying Notes to Financial Statements.

SHELTER PARTNERSHIP, INC.
(A California Nonprofit Public Benefit Corporation)
Statements of Activities
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Summarized Total
REVENUE AND SUPPORT				
Donated goods	$ -	$ 7,259,180	$ 7,259,180	$ 8,536,111
Foundation contributions	142,329	323,242	465,571	323,114
Individual and corporate contributions	184,860	53,125	237,985	214,927
Government grants	160,000	25,000	185,000	222,605
Special events, net of expense of $100,596 in 2017 and $81,278 in 2016	307,839	-	307,839	311,292
Consulting services	200,951	-	200,951	184,066
Other	1,305	-	1,305	1,184
Subtotal	997,284	7,660,547	8,657,831	9,793,299
Net assets released from restrictions	10,818,571	(10,818,571)	-	-
TOTAL REVENUES AND SUPPORT	11,815,855	(3,158,024)	8,657,831	9,793,299
FUNCTIONAL EXPENSES				
Program services				
Material assistance	11,199,483	-	11,199,483	9,967,100
Public education and policy / technical assistance	416,452	-	416,452	390,934
Total Program Services	11,615,935	-	11,615,935	10,358,034
Supporting services				
General and administrative	138,990	-	138,990	159,754
Fundraising	177,875	-	177,875	258,692
Total Supporting Services	316,865	-	316,865	418,446
TOTAL FUNCTIONAL EXPENSES	11,932,800	-	11,932,800	10,776,480
CHANGES IN NET ASSETS	(116,945)	(3,158,024)	(3,274,969)	(983,181)
NET ASSETS, Beginning of Year	3,112,662	22,416,471	25,529,133	26,512,314
NET ASSETS, End of Year	$ 2,995,717	$ 19,258,447	$ 22,254,164	$ 25,529,133

See Accompanying Notes to Financial Statements.

SHELTER PARTNERSHIP, INC.
(A California Nonprofit Public Benefit Corporation)
Statements of Functional Expenses
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

	Program Services		Supporting Services			
	Materials Assistance	Public Education and Policy / Technical Assistance	General and Administrative	Fundraising	2017 Total	2016 Summarized Total
Personnel:						
Salaries	$ 336,516	$ 271,895	$ 70,017	$ 112,260	$ 790,688	$ 834,132
Employee benefits	72,851	31,689	9,329	15,871	129,740	154,382
Payroll taxes	41,050	23,390	6,128	9,359	79,927	84,975
Total Personal	450,417	326,974	85,474	137,490	1,000,355	1,073,489
Other Operating Expenses						
Depreciation	300,295	9,423	3,906	3,221	316,845	310,012
Donated goods distributed	10,242,188	-	-	-	10,242,188	9,021,366
Inventory obsolescence	38,046	-	-	-	38,046	5,448
Insurance	17,961	3,503	1,136	1,086	23,686	31,000
K.I.D.S	15,000	-	-	-	15,000	15,000
Newsletter	-	-	-	8,344	8,344	5,219
Occupancy	55,670	31,802	13,695	13,239	114,406	121,447
Office expense	17,957	7,180	3,176	2,499	30,812	44,006
Other	264	290	11,329	98	11,981	10,903
Postage	915	536	182	174	1,807	1,719
Printing	2,817	1,647	561	537	5,562	5,727
Professional fees	19,835	15,057	13,684	5,410	53,986	61,331
Taxes and assessments	11,951	114	52	49	12,166	12,146
Telephone	5,837	5,133	2,053	1,673	14,696	14,340
Training and education	2,136	4,540	2,047	1,959	10,682	5,371
Travel	2,797	10,253	1,695	2,096	16,841	19,994
Trucking	7,175	-	-	-	7,175	8,291
Warehousing	8,222	-	-	-	8,222	9,671
Total Other Operating Expenses	10,749,066	89,478	53,516	40,385	10,932,445	9,702,991
TOTAL FUNCTIONAL EXPENSES	$ 11,199,483	$ 416,452	$ 138,990	$ 177,875	$ 11,932,800	$ 10,776,480

See Accompanying Notes to Financial Statements.

SHELTER PARTNERSHIP, INC.
(A California Nonprofit Public Benefit Corporation)
Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (3,274,969)	$ (983,181)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	316,845	310,012
Noncash contributions received	-	(15,035)
Cash proceeds from sale of donated securities	-	14,601
Realized / unrealized loss on investments, net	-	434
Receipt of donated inventories	(7,259,180)	(8,536,111)
Distribution of donated inventories	10,242,189	9,021,366
Inventory obsolescence	38,046	5,448
(Increase) decrease in assets:		
Accounts receivable	(87,978)	18,767
Pledges receivable	(21,557)	159,868
Prepaid expenses and other assets	(460)	30,012
Increase (decrease) in liabilities:		
Accounts payable	(10,338)	8,970
Accrued expenses and other liabilities	(9,029)	(49)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(66,431)	35,102
CASH FLOWS FROM INVESTING ACTIVITY		
Purchases of property and equipment	(6,604)	(65,983)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(73,035)	(30,881)
CASH AND CASH EQUIVALENTS, Beginning of Year	574,870	605,751
CASH AND CASH EQUIVALENTS, End of Year	$ 501,835	$ 574,870

See Accompanying Notes to Financial Statements.

NOTE 1 – ORGANIZATION

Shelter Partnership, Inc. (the "Partnership"), formed February 8, 1985, is organized as a California non-profit public benefit corporation. The Partnership works to collaboratively solve homelessness in Los Angeles County through policy analysis, program design, resource development, and advocacy in support of agencies and local governments that serve the homeless. The Partnership also distributes new goods, at no cost, to community agencies serving the homeless and households in poverty.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying financial statements have been presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates.

The most significant estimates related to the valuation of contributed goods and the valuation of inventory on hand. Contributed goods account for 84% of total revenues during the year ended June 30, 2017 and contributed goods in inventory on hand accounted for 68% of total assets at June 30, 2017.

Management relies on the use of judgment in the estimation in determining fair values of contributed goods, and such values materially enter into determination of net assets and results of activities. Management has implemented a number of safeguards that are designed to significantly reduce the risk of donated goods being recorded as overstated (or misstated) amounts. These safeguards are utilized on an ongoing basis and management feels they effectively reduce risk of misstating the financial position.

Classes of Net Assets – To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of the Partnership are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

Unrestricted - These generally result from revenues generated by receiving unrestricted contributions, providing services and receiving interest from investments less expenses incurred in providing program-related services, raising contributions and performing administrative functions.

Temporarily Restricted - The Partnership reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires - that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished – temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Permanently Restricted – These net assets are received by donors who stipulate that resources are to be maintained permanently, but permit the Partnership to expend all of the income (or other economic benefits) derived from the donated assets. At June 30, 2017 and 2016, the Partnership had no permanently restricted net assets.

Cash and Cash Equivalents – Cash equivalents consist of short-term, highly liquid investments that are readily convertible into cash and were purchased with maturities of less than three months.

Certificates of Deposit – Certificates of deposit are carried at cost plus accrued interest. This amount approximates fair value. As of June 30, 2017, the certificates of deposit consist of:

Issuer	Face value	Interest Rate	Maturity Date
CIT	$ 155,000	0.56%	10/2/2017
CIT	95,000	0.56%	1/6/2018

Accounts and Pledges Receivable – The Partnership records accounts and pledges receivable, net of allowances for uncollectible amounts, whenever there is sufficient evidence in the form of verifiable documentation that an unconditional promise was made and received. No provision has been provided for uncollectible amounts at June 30, 2017, as all amounts are considered to be fully collectible. In addition, accounts and pledges receivable are expected to be collected within one year.

Inventory, Donated Goods, Revenues and Expenses – Inventory / Donated Goods consists of new goods donated by manufacturers, retailers and others, including clothing, shoes, personal care products, household goods, cleaning supplies, paper products, office products, etc. These goods are recorded as temporarily restricted contributions at estimated fair market value. Fair values are determined based on numerous factors which may include (a) amounts specified by the donor as being the wholesale selling price, (b) current retail or selling price of similar items, if known, or (c) management's own subjective appraisals based on research. The goods are held at the value recorded at the date of contribution on an item-by-item basis and placed into inventory for distribution. Goods are distributed to independent nonprofit organizations for households in poverty, and the distributed items' values are removed from inventory based on the specific identification method. Upon distribution of the inventory, the amount is released from temporarily restricted net assets. The Partnership reviews its inventory on an ongoing basis for possible damaged goods and provides for a write off and determines whether a reserve is required. No allowance is provided for damaged or expired goods as such amounts are not material.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Property and Equipment – Property and equipment are stated at cost or, for those assets acquired by gift or bequest, the estimated fair value at the date of contribution. Depreciation and amortization is computed on the straight-line basis over the estimated useful lives of the related assets as follows:

Office equipment	5 years
Vehicles / warehouse equipment	5 years
Warehouse	30 years
Warehouse improvements	5 – 30 years

Long-lived assets, such as property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require that a long-lived asset be tested for possible impairment, the Partnership first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment loss is recognized to the extent that the carrying value exceeds its fair value. No impairment losses were recorded for the years ended June 30, 2017 and 2016.

Income Taxes – The Partnership is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code of the State of California. In addition, the Partnership does not have any revenue which it believes would subject it to unrelated business income taxes.

The Partnership recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. To date, the Partnership has not recorded any uncertain tax positions. The Partnership recognizes potential accrued interest and penalties related to uncertain tax positions in income tax expense. During the years ended June 30, 2017 and 2016, the Partnership did not recognize any potential interest and penalties associated with uncertain tax positions. At June 30, 2017, the open tax years for the Partnership were 2013 to 2016.

Contributions and Revenue – Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Conditional contributions are recorded as support in the period the condition is met. All gifts and other public support are included in unrestricted net assets unless they are specifically restricted by the terms of the gift or grant instrument or require the passage of time.

Contributed Services – Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year ended June 30, 2017, the following contributed services met the above criteria, and therefore these services have been recorded at estimated fair value in the accompanying financial statements:

Legal services	$11,222

Functional Allocation of Expenses – Expenses that can be identified with a specific program or supporting service are charged directly to that related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on an evaluation by management.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Fair Value Measurements – The Partnership records its assets and liabilities at fair value. Fair value is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. In addition, assets and liabilities are classified in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable inputs that are not corroborated by market data

The Partnership's cash and cash equivalents and investments are classified within the Level 1 category. At June 30, 2017, the Partnership's other financial instruments such as accounts receivable, pledges receivable, accounts payable, accrued expenses and other liabilities and benefit plans payable, and are all stated at carrying value, which approximate fair value due to the short maturity of these instruments.

Effect of Recently Issued Accounting Standards – In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *"Leases"* (Topic 842). This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. For non-public entities, the standard is effective for fiscal years beginning after December 15, 2019 and interim periods beginning the following year. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients during the period of adoption. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. Management is currently evaluating the impact this change in accounting standards will have on the Partnership's financial statements and related disclosures and has not yet selected a transition method.

In May 2014, FASB issued ASU 2014-09, *"Revenue from Contracts with Customers,"* which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective. In July 2015, the FASB approved a one-year deferral of this standard, with a revised effective date for fiscal years beginning after December 15, 2017. Early adoption is permitted, although not prior to fiscal years beginning after December 15, 2016. The standard permits the use of either the retrospective or modified retrospective (cumulative effect) transition method. Management is currently evaluating the impact this change in accounting standards will have on the Partnership's financial statements and related disclosures and has not yet selected a transition method.

Finally, on August 18, 2016, FASB issued new rules for nonprofit organizations under ASU 2016-14 "Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities" ("NFP"). This ASU changes the financial reporting format for nonprofit organization financial statements to simplify the way in which NFPs quantify and qualify their financial performance, their liquidity and cash flows, and their classification of net assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Five changes included in ASU 2016-14 are:

(1) The existing three-class system of classifying net assets as unrestricted, temporarily restricted and permanently restricted, will be replaced with a simpler two-class structure. Going forward, NFPs will differentiate net assets solely between those net assets with donor restriction and net assets without donor restrictions. NFPs will still be required to disclose the nature and amounts of donor-imposed restrictions.

(2) The presentation of required disclosure of underwater endowment funds will change. When the fair market value of a donor-restricted endowment is less than the original gift amount or the amount the NFP is required to maintain by the donor or by law, NFPs will be required to also report the amount of the deficiency and their governing boards' policies or decisions to reduce or spend from these funds.

(3) NFPs will be required to disclose in financial statement notes qualitative information regarding how they will manage available liquid resources to meet cash needs for general expenses for the year following the balance sheet date. In addition, NFPs will be required to provide on the face of financial statements or in disclosure notes detailed quantitative information regarding their availability of financial assets at the balance sheet date to meet cash needs for the next year.

(4) Expenses by both their natural classification and their functional classification will be presented either on the face of the statement of activities, as a separate statement or in the notes to the financial statements. In addition to this change in the presentation of expenses, the method used to allocate costs among program and supporting activities functions is required to be disclosed.

(5) Finally, NFP's may continue to present the statement of cash flows using either the direct or indirect method of reporting. However, under the new reporting standard, NFPs employing the direct method to report cash flow will no longer be required to provide a reconciliation of net income to the cash amounts presented under the indirect method.

ASU 2016-14 will be effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early application of the amendments in this ASU is permitted. Management is currently evaluating the impact this change in accounting standards will have on the Partnership's financial statements and related disclosures.

Concentrations of Credit Risk – *Cash in Excess of FDIC Insured Limits* - Cash and cash equivalents generally consist of cash and highly liquid investments with an initial maturity of three months or less. The Federal Deposit Insurance Corporation ("FDIC") insures cash deposits up to $250,000 per depositor. At times, cash may exceed the federally insured amounts.

Subsequent Events – Subsequent events have been evaluated through November 29, 2017, the financial statements were available to be issued.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2017	2016
Building and improvements	$ 8,760,273	$ 8,760,273
Construction in process	78,274	74,060
Office equipment	150,286	148,760
Vehicles / warehouse equipment	238,583	237,719
	9,227,416	9,220,812
Accumulated depreciation	(3,056,081)	(2,739,236)
	$ 6,171,335	$ 6,481,576

Depreciation expense for the years ended June 30, 2017 and 2016 was $316,845 and $310,012, respectively.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Changes in temporarily restricted net assets were as follows:

	Available at June 30, 2016	Contributions	Released from Restrictions	Available at June 30, 2017
Donated goods	$ 18,273,875	$ 7,259,180	$ (10,280,234)	$ 15,252,821
Donated building	4,012,482	-	(191,071)	3,821,411
Program activities	130,114	401,367	(347,266)	184,215
	$ 22,416,471	$ 7,660,547	$ (10,818,571)	$ 19,258,447

On July 6, 2007, the United States of America, acting through the Secretary of Health and Human Services ("Grantor"), granted the Organization the building currently occupied as the S. Mark Taper Foundation Shelter Resource Bank. The grant of this property from the United States government contained certain continuing covenants and restrictions including (1) the use of property for health purposes, (2) limitation on ability to sell or encumber property without the consent of the Grantor, (3) annual reporting requirements as to the Organization's program use and accomplishments, (4) maintenance of tax exempt status, and (5) other customary requirements for receiving assistance and doing business with the United States of America. The Organization currently uses the donated property to distribute, free of charge, donations of surplus inventory from manufacturers, wholesalers, retailers, and others to homeless service agencies throughout Los Angeles County. The Organization believes it is in compliance with all covenants and restrictions under the grant agreement. The covenants and restrictions will lapse in year 2037.

NOTE 5 – LEASE COMMITMENTS

The Partnership leases its office space under a non-cancelable operating lease agreement that expires on July 31, 2020. The future minimum lease payments are as follows:

Year Ending June 30:		
2018	$	79,611
2019		81,999
2020		84,683
2021		7,698
	$	253,991

Rent expense for the years ended June 30, 2017 and 2016, was $71,676 and $81,394, respectively.

NOTE 6 – PROFIT SHARING PLANS

The Partnership offers a 401(k) profit sharing plan (the “401(k) Plan”). All employees are eligible to participate in the 401(k) Plan. The 401(k) Plan allows employees to defer up to $18,000 of their salary plus a catch-up contribution of $6,000 (for individuals over age 50). The Partnership may make discretionary contributions to the plan. The Partnership contributed $37,913 and $41,247 for the years ended June 30, 2017 and 2016, respectively.

The Partnership also offers a tax-exempt deferred compensation plan (the “457 Plan”) for the executive director. The 457 plan allows for contributions discretionary contributions. For the years ended June 30, 2017 and 2016, the Partnership contributed $6,500 and $6,500 to the 457 Plan, respectively.

NOTE 7 – RELATED PARTY TRANSACTIONS

During the years ended June 30, 2017 and 2016, the Partnership received a total of $81,775 and $70,034, respectively, in contributions from board members. Receivables from the board of directors as of June 30, 2017 and 2016 were $7,750 and $12,350, respectively.