SHELTER PARTNERSHIP, INC.

(A NONPROFIT ORGANIZATION)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013)

SHELTER PARTNERSHIP, INC.
(A NONPROFIT ORGANIZATION)
CONTENTS
June 30, 2014

SingerLewak LLP

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Shelter Partnership, Inc. (the "Partnership") which comprise the statement of financial position as of June 30, 2014, 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 Partnership'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 Partnership'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 qualified audit opinion.

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Basis for Qualified Opinion

As described in Note 3 to the financial statements, the Partnership did not record donated land and building at fair value. Failure to record the donated land at fair value is a departure from accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the omission of the fair market value of the donated land and building as discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of June 30, 2014 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.

Report on Summarized Comparative Information

We have previously audited the Partnership's 2013 financial statements, and we expressed a qualified audit opinion on those audited financial statements due to the Partnership not recording donated land and building at fair value in our report dated November 27, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

SingerLewak LLP

SingerLewak LLP

Los Angeles, California
December 4, 2014

SHELTER PARTNERSHIP, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
June 30, 2014
(with Comparative Totals for June 30, 2013)

ASSETS

	2014	2013
Current assets		
Cash and cash equivalents	$ 711,805	$ 831,624
Investments	250,000	251,677
Accounts receivable	20,208	29,492
Pledges receivable	95,846	52,987
Inventory	19,949,197	12,515,063
Prepaid expenses and other assets	15,076	-
Total current assets	21,042,132	13,680,843
Property and equipment, net	7,003,134	7,303,624
Total assets	**$ 28,045,266**	**$ 20,984,467**

LIABILITIES AND NET ASSETS

	2014	2013
Current liabilities		
Accounts payable	$ 11,564	$ 982
Accrued expense	21,902	29,472
Compensated absences	55,571	52,987
Capital lease obligation – current portion	3,095	3,421
Benefit plans payables	1,752	48,469
Total current liabilities	93,884	135,331
Capital lease obligation – long-term portion	2,368	5,348
Total liabilities	96,252	140,679
Commitments (Note 8)		
Net assets		
Unrestricted	3,296,676	3,552,790
Temporarily restricted	24,652,338	17,290,998
Total net assets	27,949,014	20,843,788
Total liabilities and net assets	**$ 28,045,266**	**$ 20,984,467**

The accompanying notes are an integral part of these financial statements.

SHELTER PARTNERSHIP, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014
(with Comparative Totals for the Year Ended June 30, 2013)

	2014			
	Unrestricted	Temporarily Restricted	Total	Total 2013
Revenue and support				
Donated goods	$ -	$ 17,193,525	$ 17,193,525	$ 9,104,384
Foundation contributions	88,900	404,000	492,900	438,150
Individual and corporate contributions	161,750	3,000	164,750	171,396
Government grants	210,092	-	210,092	171,915
Special events, net of expense of $72,944 in 2014 and $146,539 in 2013	280,706	-	280,706	433,314
Consulting services	265,084	-	265,084	253,070
Investment income	2,118	-	2,118	2,204
Other income	27,627	-	27,627	-
Total revenue and support	1,036,277	17,600,525	18,636,802	10,574,433
Net assets released from restrictions	10,239,185	(10,239,185)	-	-
Total revenue and support after release from restrictions	11,275,462	7,361,340	18,636,802	10,574,433
Functional expenses				
Program services				
Material assistance	10,685,353	-	10,685,353	8,249,344
Public education and policy/ technical assistance	451,505	-	451,505	493,432
Total program services	11,136,858	-	11,136,858	8,742,776
Supporting services				
General and administrative	144,436	-	144,436	154,544
Fundraising	250,282	-	250,282	254,460
Total supporting services	394,718	-	394,718	409,004
Total functional expenses	11,531,576	-	11,531,576	9,151,780
Change in net assets	(256,114)	7,361,340	7,105,226	1,422,653
Net assets, beginning of year	3,552,790	17,290,998	20,843,788	19,421,135
Net assets, end of year	**$ 3,296,676**	**$ 24,652,338**	**$ 27,949,014**	**$ 20,843,788**

The accompanying notes are an integral part of these financial statements.

SHELTER PARTNERSHIP, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2014
(with Comparative Totals for the Year Ended June 30, 2013)

	Program Services		Supporting Services		Totals	
	Material Assistance	Public Education and Policy/ Technical Assistance	General and Administrative	Fundraising	2014	2013
Personnel expenses						
Salaries	$ 326,645	$ 298,671	$ 85,426	$ 156,450	$ 867,192	$ 845,217
Employee benefits	42,327	15,721	10,711	26,371	95,130	157,137
Payroll taxes	38,198	26,055	6,851	12,957	84,061	90,441
Total personnel expenses	407,170	340,447	102,988	195,778	1,046,383	1,092,795
Other functional expenses						
Depreciation	302,232	4,292	1,454	2,012	309,990	320,378
Donated goods distributed	9,653,798	-	-	-	9,653,798	7,156,525
Inventory obsolescence	105,593	-	-	-	105,593	202,901
Insurance	21,961	3,970	1,955	1,209	29,095	26,403
K.I.D.S.	-	-	-	-	-	15,000
Newsletter	-	-	-	6,192	6,192	5,664
Occupancy	71,087	51,281	17,370	24,038	163,776	156,017
Office expense	13,721	8,575	2,907	4,017	29,220	28,392
Other	11,175	2,714	6,482	1,269	21,640	24,673
Postage	1,003	708	241	331	2,283	2,469
Printing	4,035	2,848	968	1,332	9,183	5,216
Professional fees	50,088	15,667	5,170	7,118	78,043	30,720
Taxes and assessments	12,172	-	-	-	12,172	12,172
Telephone	5,945	5,166	1,750	2,421	15,282	15,128
Training and education	1,002	4,140	1,402	1,941	8,485	9,632
Travel	3,499	11,697	1,749	2,624	19,569	24,077
Trucking	13,072	-	-	-	13,072	16,082
Warehousing	7,800	-	-	-	7,800	7,536
Total other functional expenses	10,278,183	111,058	41,448	54,504	10,485,193	8,058,985
Total functional expenses	**$ 10,685,353**	**$ 451,505**	**$ 144,436**	**$ 250,282**	**$ 11,531,576**	**$ 9,151,780**

The accompanying notes are an integral part of these financial statements.

SHELTER PARTNERSHIP, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2014
(with Comparative Totals for the Year Ended June 30, 2013)

	2014	2013
Cash flows from operating activities		
Change in net assets	$ 7,105,226	$ 1,422,653
Adjustments to reconcile change in net assets to net cash		
(used in) provided by operating activities		
Depreciation	309,990	320,378
Noncash contributions received	(16,416)	-
Proceeds from sale of donated securities	16,416	-
Realized/Unrealized gain on investments, net	1,677	(438)
Receipt of donated inventories	(17,193,525)	(9,104,384)
Distribution of donated inventories	9,653,798	7,156,525
Inventory obsolescence	105,593	202,901
Changes in operating assets and liabilities		
Accounts receivable	9,284	78,943
Pledges receivable	(42,859)	42,809
Prepaid expenses and other assets	(15,076)	3,991
Accounts payable	10,582	(8,976)
Compensated absences	2,584	6,390
Benefit plans payable	(46,717)	(3,218)
Accrued expense	(7,570)	10,337
Net cash (used in) provided by operating activities	(107,013)	127,911
Cash flows from investing activities		
Purchase of property and equipment	(9,500)	(60,152)
Net cash used in investing activities	(9,500)	(60,152)
Cash flows from financing activity		
Principal payments under capital lease obligation	(3,306)	(3,421)
Net cash used in financing activity	(3,306)	(3,421)
Net (decrease) increase in cash and cash equivalents	(119,819)	64,338
Cash and cash equivalents, beginning of year	831,624	767,286
Cash and cash equivalents, end of year	**$ 711,805**	**$ 831,624**
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	**$ 163**	**$ 231**
Supplemental schedule of noncash transactions		
Donated securities	**$ 16,416**	**$ -**

The accompanying notes are an integral part of these financial statements.

NOTE 1 – PARTNERSHIP

Shelter Partnership, Inc. (the "Partnership") is a California not-for-profit public benefit corporation whose primary purpose is to prevent and to end homelessness in Los Angeles County. To accomplish this goal, the Partnership provides technical assistance in the development of short-term housing and permanent, affordable housing with supportive services to individuals and families who are homeless or at risk of homelessness. The Partnership also advances the development and implementation of homeless and special needs housing programs through research, planning and technical assistance and also distributes new goods, at no cost, to community agencies serving the homeless and households in poverty.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The accompanying financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. These financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Partnership's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

Reclassifications

Certain amounts in the 2013 financial statements have been reclassified to conform to the 2014 presentation.

Temporarily Restricted Net Assets

Temporarily restricted net assets include those assets whose use by the Partnership has been limited by donor-imposed stipulations that can be fulfilled and removed by actions of the Partnership pursuant to those stipulations.

Contributions

The Partnership distinguishes between contributions of unrestricted assets and temporarily restricted assets. Contributions from donors that have imposed restrictions limiting use of donated assets are reported as restricted assets. When these restrictions are met, temporarily restricted assets are reclassified to unrestricted net assets and reported as assets released from restrictions. Contributions from donors that have no restrictions are reported as unrestricted.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Goods, Revenues, Inventory and Expenses

Donated goods consist of new goods donated by manufacturers, retailers and others, including clothing, personal care products, household goods, cleaning supplies, paper products, office products, etc. These goods are recorded at estimated fair market value, which is typically provided by the donor on the date of receipt and recorded as contributions in temporarily restricted net assets. 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 inventory on an annual basis for possible damaged or expired goods and provides for a write off or reserve accordingly.

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. The Partnership pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Partnership with specific programs. These volunteer services of the Partnership did not meet the above criteria and therefore have not been recorded in the accompanying financial statements.

Functional Classification of Expenses

Costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Certain costs have been allocated among the programs and supporting services benefited.

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.

Accounts and Pledges Receivable

Earnings and pledges for contributions not collected by the Partnership at year-end are recorded as accounts and pledges receivable, and no provision has been made for uncollectible amounts, as all amounts are considered to be fully collectible. No discount is required, as all receivables are collected within one year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments
Investments are recorded at market value. Investment income consists of interest on short-term investments and is accrued when earned.

Property and Equipment
Property and equipment are carried at cost. Expenditures for property and equipment in excess of $1,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of these assets are as follows:

Building	30 years
Building improvements	5 – 30 years
Furniture and office equipment	5 years

Maintenance and repairs are charged to the appropriate expense account in the period in which the expenditure is incurred. Improvements and betterments are capitalized and depreciated. When property and equipment are sold, or otherwise disposed of, the asset and accumulated depreciation are removed, and any gain or loss is recognized. Contributions of long-lived assets with time restrictions stipulated by the donor are recorded as temporarily restricted support and an increase in temporarily restricted net assets when received. Amounts are reclassified from temporarily restricted to unrestricted net assets ratably over the life of the stipulated time period.

Concentrations of Credit Risk
Cash and cash equivalents generally consist of cash and highly liquid investments with an initial maturity of three months or less. These securities are primarily held at one financial institution and are insured by the Federal Deposit Insurance Corporation ("FDIC") with coverage up to $250,000 per depositor. At times during the year, cash in these accounts may exceed the federally insured amounts. The Partnership has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Income Taxes
The Partnership is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)
In accordance with ASC 740, 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, 2014 and 2013, the Partnership did not recognize any amount in potential interest and penalties associated with uncertain tax positions. At June 30, 2014, the open tax years for the Partnership were 2009 to 2013.

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, 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.

Fair Value Measurements
The Partnership applies the guidance of FASB ASC Topic No. 820, "Fair Value Measurements and Disclosures." ASC 820 applies to all assets and liabilities that are recognized or disclosed at fair value. ASC 820 defines fair value 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 to defining fair value, ASC 820 expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs.

The statement requires that assets and liabilities carried at fair value be classified and disclosed 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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)
In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given instrument is based on the lowest level of input that is significant to the fair value measurement. The Partnership's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the instrument.

At June 30, 2014, the Partnership's financial instruments consisted primarily of cash and cash equivalents, accounts receivable, pledges receivable, accounts payable, compensated absences, Benefit plans payable and accrued liabilities, which are all stated at carrying value, which approximate fair value due to the short maturity of these instruments.

Cash and cash equivalents are financial assets with maturities of less than three months and are classified within Level 1. Investments are certificates of deposit and securities and are classified within Level 1.

Recently Adopted Accounting Pronouncements
In October 2012, the FASB issued ASU No. 2012-05, Not-for-Profit Entities ("NFP"): Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows ("ASU 2012-05"), which requires an NFP to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those receipts were from the sale of donated financial assets that, upon receipt, were directed without any NFP-imposed limitations for sale and were converted nearly immediately into cash. Accordingly, cash receipts from the sale of those financial assets should be classified as cash inflows from operating activities, unless the donor restricted use of the contributed resources to long-term purposes, in which case those cash receipts should be classified as cash flows from financing activities. Otherwise, cash receipts from the sale of donated securities should be classified as cash flows from investing activities by the NFP. ASU 2012-05 is effective prospectively for fiscal years, and interim periods within those years, beginning after June 15, 2013. The adoption of this guidance did not have a material financial impact on the financial statements except for additional disclosure in the financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements
In October 2012, the FASB issued ASU No. 2012-04, "Technical Corrections and Improvements." This update includes amendments that identify when the use of fair value should be linked to the definition of fair value in ASC Topic 820, "Fair Value Measurement." For nonpublic entities, the changes will be effective for fiscal periods beginning after December 15, 2013. The Partnership does not expect the adoption of this guidance to have a material financial impact on the Partnership's financial statements.

In April 2013, the FASB issued Accounting Standards Update ("ASU") No. 2013-06, "Not-for-Profit Entities (Topic 958): Services Received from Personnel of an Affiliate." The amendment in this guidance requires a not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. The changes are effective prospectively for the fiscal years, and interim period within those years, beginning after June 15, 2014. A recipient not-for profit entity may apply the amendments using a modified retrospective approach under which all prior periods presented upon date of adoption should be adjusted, but no adjustment should be made to the beginning balance of net assets of the earliest period presented. The Partnership does not expect the adoption of this guidance to have a material financial impact on the Partnership's financial statements.

NOTE 3 – GENERALLY ACCEPTED ACCOUNTING PRINCIPLES DEPARTURE

Donated Building and Land
During the year ended June 30, 2008, the Partnership was granted legal title to a warehouse building and land ("warehouse") from the General Services Administration of the Federal Government. No appraisal was performed to determine the fair market value of the property. The Partnership recorded the property at a value of $5,732,117 based on an insurance estimate of the building only, which is not representative of fair market value. Accordingly, the accompanying financial statements do not include the fair market value of the donated warehouse. As of June 30, 2014, the net carrying value of the property was $4,394,620, which is included in "Property and equipment, net".

NOTE 4 – INVESTMENTS

As of June 30, 2014, the Partnership had $250,000 of investments held in certificates of deposit, which approximates fair value, mature between September 5, 2014 and August 3, 2015 and bear interest at rates ranging from 0.558% to 0.560%.

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give, which will be collected in future periods. Pledges expected to be collected in more than one year are discounted to their present value using appropriate discount rates. Pledges receivable of $95,846 and $52,987 as of June 30, 2014 and 2013, respectively, are expected to be collected in less than one year.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2014 and 2013 consisted of the following:

	2014	2013
Office equipment	$ 142,407	$ 142,407
Vehicles/warehouse equipment	234,967	234,967
Construction in progress	49,984	40,484
Warehouse (Note 3)	5,732,117	5,732,117
Warehouse improvements	3,020,226	3,020,226
	9,179,701	9,170,201
Less accumulated depreciation	2,176,567	1,866,577
Property and equipment, net	**$ 7,003,134**	**$ 7,303,624**

Depreciation expense was $309,990 and $320,378 for the years ended June 30, 2014 and 2013, respectively.

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes at June 30, 2014:

	Available June 30, 2013	New Revenues	Released from Restricted	Available June 30, 2014 Total
Donated goods available for distribution	$ 12,515,063	$ 17,193,525	$ (9,759,391)	$ 19,949,197
Donated building	4,585,693	-	(191,071)	4,394,622
Contributions to support operations	190,242	404,000	(285,752)	308,490
Capital campaign	-	3,000	(2,971)	29
Total	**$ 17,290,998**	**$ 17,600,525**	**$(10,239,185)**	**$ 24,652,338**

NOTE 8 – LEASE COMMITMENTS

The Partnership leases equipment under an agreement that is classified as a capital lease. The original cost of the equipment under this capital lease is included under property and equipment in the statement of financial position, and the balance at June 30, 2014 was $15,868. Accumulated depreciation of the leased equipment for the year ended June 30, 2014 was $10,314. The depreciation of assets under capital leases is included in depreciation expense.

The total capitalized cost and future minimum capital lease payments are as follows:

Years Ending June 30,	
2015	$ 3,188
2016	2,410
Total minimum lease payments	5,598
Amount representing interest	(135)
Present value of minimum lease payments	5,463
Current portion	(3,095)
Long-term portion	**$ 2,368**

The Partnership has entered into a noncancelable operating lease for its office space, which expires in fiscal year 2016. The total future minimum noncancelable lease payments are as follows:

Years Ending June 30,	
2015	$ 106,216
2016	9,084
Total	**$ 115,300**

For the fiscal years ended June 30, 2014 and 2013, rental expense was $105,100 and 95,341, respectively.

NOTE 9 – PROFIT SHARING PLAN

Effective October 1, 1997, the Partnership adopted a 401(k) profit sharing plan (the "Plan"). All employees are eligible to participate in the Plan as long as they are twenty-one years of age and have completed 500 hours of service. The Plan allows employees to defer up to 20% of their salary or $17,500 plus a catch-up of $5,500 for individuals over 50 for the calendar years ended December 31, 2014 and 2013, respectively, whichever is less. The Partnership, at management's discretion, contributed $0 and $40,791 for the fiscal years ended June 30, 2014 and 2013, respectively.

Effective January 1, 2002, the Partnership adopted a tax-exempt 457 deferred compensation plan for the sole benefit of the Partnership's executive director. The Plan allows for contributions to the plan at the Board's discretion, subject to IRS contribution limits. For the fiscal years ended June 30, 2014 and June 30, 2013, the Partnership contributed $0 and $6,500 to the Plan, respectively.

NOTE 10 – RELATED PARTY TRANSACTIONS

The Partnership's board of directors is actively involved in raising funds for the Partnership. During the years ended June 30, 2014 and 2013, the Partnership received a total of $87,161 and $97,558, respectively, in contributions from board members. Receivables from the board of directors as of June 30, 2014 and 2013 were $6,450 and $6,138, respectively.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 4, 2014, which is the date the financial statements were available to be issued.