

Shelter Tech

**SHELTER TECH
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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DECEMBER 31, 2022**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Shelter Tech

We have reviewed the accompanying financial statements of Shelter Tech (a nonprofit organization; the "Organization"), which comprise the statement of assets, liabilities, and net assets - cash basis as of December 31, 2022, and the related statements of revenues, expenses and other changes in net assets - cash basis, and functional expenses - cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

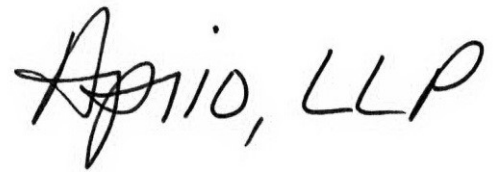
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Report on Financial Statements

The financial statements as of December 31, 2021, were reviewed by RINA Accountancy, LLP, who merged with Aprio, LLP as of August 1, 2022, and whose report dated August 2, 2022, stated that based on their procedures, they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with the cash basis of accounting.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style with a large initial 'A'.

Walnut Creek, CA

December 16, 2023

SHELTER TECH
STATEMENT OF ASSETS, LIABILITIES, AND CHANGES IN NET ASSETS - CASH BASIS
DECEMBER 31, 2022

ASSETS

| | |
|----------------------------|--------------------------|
| <u>Current assets</u> | |
| Cash | \$ <u>169,748</u> |
| Total assets (all current) | \$ <u><u>169,748</u></u> |

LIABILITIES AND NET ASSETS

| | |
|----------------------------------|--------------------------|
| <u>Liabilities</u> | \$ - |
| <u>Net assets</u> | |
| Without donor restrictions | 159,748 |
| With donor restrictions | <u>10,000</u> |
| Total net assets | <u>169,748</u> |
| Total liabilities and net assets | \$ <u><u>169,748</u></u> |

See independent accountants' review report and notes to the financial statements

SHELTER TECH
STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|----------------------------------|---|------------------------------------|-------------------|
| <u>Support and revenue</u> | | | |
| Contributions | \$ 93,174 | \$ - | \$ 93,174 |
| Grant income | <u>219,819</u> | <u>10,000</u> | <u>229,819</u> |
| Total revenues and other support | <u>312,993</u> | <u>10,000</u> | <u>322,993</u> |
| <u>Expenses:</u> | | | |
| Program | 280,191 | - | 280,191 |
| Supporting services: | | | |
| Management and general | 21,659 | - | 21,659 |
| Fundraising | <u>9,318</u> | <u>-</u> | <u>9,318</u> |
| Total expenses | <u>311,168</u> | <u>-</u> | <u>311,168</u> |
| Change in net assets | 1,825 | 10,000 | 11,825 |
| Net assets at beginning of year | <u>157,923</u> | <u>-</u> | <u>157,923</u> |
| Net assets at end of year | <u>\$ 159,748</u> | <u>\$ 10,000</u> | <u>\$ 169,748</u> |

See independent accountants' review report and notes to the financial statements

**SHELTER TECH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

| | Program Services | | | Supporting Services | | | |
|---------------------------|-------------------|-------------------|----------------------------------|---------------------|------------------------|-----------------|-------------------|
| | Program Services | Shelter Connect | Community Representative Program | Total | Management and General | Fundraising | Total |
| Personnel costs | | | | | | | |
| Personnel expense | \$ <u>112,647</u> | \$ <u>10,870</u> | \$ <u>10,870</u> | \$ <u>134,387</u> | \$ <u>9,318</u> | \$ <u>9,318</u> | \$ <u>153,023</u> |
| Total personnel costs | <u>112,647</u> | <u>10,870</u> | <u>10,870</u> | <u>134,387</u> | <u>9,318</u> | <u>9,318</u> | <u>153,023</u> |
| Non-personnel costs | | | | | | | |
| Contract labor | 9,370 | 96,638 | - | 106,008 | - | - | 106,008 |
| Technology costs | 10,805 | 19,221 | - | 30,026 | - | - | 30,026 |
| Marketing and events | 1,086 | - | 1,086 | 2,172 | 9,040 | - | 11,212 |
| Community representatives | - | - | 7,598 | 7,598 | - | - | 7,598 |
| Accounting | - | - | - | - | 1,676 | - | 1,676 |
| Other operating expenses | - | - | - | - | 1,625 | - | 1,625 |
| Total non-personnel costs | <u>21,261</u> | <u>115,859</u> | <u>8,684</u> | <u>145,804</u> | <u>12,341</u> | <u>-</u> | <u>158,145</u> |
| Total | <u>\$ 133,908</u> | <u>\$ 126,729</u> | <u>\$ 19,554</u> | <u>\$ 280,191</u> | <u>\$ 21,659</u> | <u>\$ 9,318</u> | <u>\$ 311,168</u> |

See independent accountants' review report and notes to the financial statements

**SHELTER TECH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note A

Nature of Organization

Shelter Tech (the "Organization") is a nonprofit organization located in San Francisco, California and organized under the laws of the State of California. The Organization's mission is to support the underserved community experiencing homelessness and housing insecurity through Wi-Fi connectivity and access to online resources.

The Organization has three major programs: SF Service Guide, ShelterConnect, and Community Representative. The SF Service Guide is an online directory of human services in San Francisco that launched in November 2019 and currently serves 1,500 unique monthly users. The directory's focus is on homelessness and housing services but also covers a variety of other services, from education and legal aid to senior services and re-entry programs. The ShelterConnect program works with partners to deliver a free, turn-key WiFi solution for shelters and transitional housing facilities. ShelterConnect is proud to provide over 4,000 people a year with daily internet access in over 20 local shelters and resource centers. The Community Representative program provides for those who have experienced homelessness to engage with volunteers, help build program awareness, and gain insight to inform our programs and products.

Note B

Summary of Significant Accounting Policies

Basis of Accounting:

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements. Noncash transactions are not recognized in the financial statement.

The cash basis differs from accounting principles generally accepted in the United States of America primarily because the effects of accounts receivable and accounts payable are not reflected in the accompanying financial statement.

**SHELTER TECH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note B
Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation:

Financial statement presentation is in accordance with accounting standards regarding the reporting of net assets. The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.
- Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor-imposed restrictions may be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits:

The Organization maintains cash balances at a commercial bank, these balances can at times exceed the FDIC insured deposit limit of \$250,000 per financial institution. The Organization has not experienced any losses in these accounts through the date when the financial statements were available to be issued.

Revenue Recognition:

The Organization's revenue consist mainly of grants from governments and contributions from individuals. Revenues without donor-imposed restrictions are reported as unrestricted while revenues with donor-imposed restrictions are reported as restricted. If revenues are received and the restriction is satisfied within the same year, the amount is recognized as without donor restriction as of year-end.

The Organization recognizes grant revenues and contributions as restricted support if they are received with donor-imposed restrictions that limit the use of the donated assets. When a donor-imposed restriction is met or the passage of time expires, restricted net assets are reclassified to net assets without donor restrictions and presented in the accompanying statement of revenues, expenses, and other changes in net assets - cash basis as net assets released from restrictions.

Functional Expenses:

The Organization allocates its expenses on a functional basis among its programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly. Expenses common to several functions are allocated according to the formula developed by management.

**SHELTER TECH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

Note B
Summary of Significant Accounting Policies (Continued)

Tax Exempt Status:

The Organization is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal income taxes is required. The Organization applies the guidance on accounting for uncertain tax provisions in FASB ASC 740 Income Taxes. The Organization is no longer subject to income tax examinations for tax years up to and including 2019.

Note C
Liquidity and Availability of Resources

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of assets, liabilities, and net assets - cash basis date, comprise the following as of December 31, 2022:

Financial assets available for general expenditure within one year:

| | | |
|--|----|-----------------|
| Cash | \$ | 169,748 |
| Less: donor-restricted grant revenue | | <u>(10,000)</u> |
| Total financial assets available for general expenditure within one year | \$ | <u>159,748</u> |

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. In addition to financial assets available for general expenditure within one year, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Because the donor restrictions require resources to be used in a particular manner or in future periods, the Organization maintains sufficient resources to meet the responsibility to its donors. Thus, financial assets as they relate to donor restrictions may not be available for general expenditure within one year.

Note D
Net Assets With Donor Restrictions

Net assets with donor restrictions totaling \$10,000 at December 31, 2022, and received during the year then ended consists of a grant restricted for use to provide free WiFi to residents at a particular hotel in San Francisco to serve people experiencing homelessness by providing them with housing, services and community building programs.

SHELTER TECH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note E
Concentrations

Significant Vendors:

A significant vendor is defined as one from which the Organization makes at least 10% its total purchases. For the year ended December 31, 2022, the Organization had purchases from two vendors totaling \$113,862, which comprised approximately 72% of the Organization's annual purchases.

Significant Donors:

A significant donor is defined as one from whom at least 10% of annual revenue is derived. The Company had contributions and grants from three donors totaling \$274,819, which comprised approximately 85% of annual revenues for the year ended December 31, 2022.

Note F
Subsequent Events

Management considered all events through December 16, 2023, the date the financial statements were available for release, in preparing the financial statements and the related disclosures. The Organization is not aware of any other significant events that occurred subsequent to December 31, 2022, but prior to the issuance of this report, that would have a material impact on the financial statements.