

**SHELTERS OF SARATOGA, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**JUNE 30, 2017 AND 2016**

**SHELTERS OF SARATOGA, INC.**  
**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2017 AND 2016**

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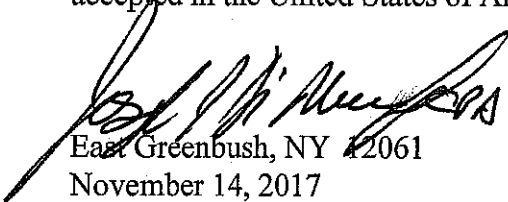
## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Shelters of Saratoga, Inc.  
Saratoga Springs, New York 12866

I have audited the accompanying statements of financial position of the Shelters of Saratoga, Inc. as of June 30, 2017 and 2016 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Shelters of Saratoga, Inc. as of June 30, 2017 and 2016 and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



East Greenbush, NY 12061  
November 14, 2017

**SHELTERS OF SARATOGA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 292,775	\$ 112,991
Restricted Cash (Note F)	187,780	312,472
Accounts Receivable	149,329	64,881
Grants Receivable (Note C)	18,700	23,727
Prepaid Expenses	<u>18,760</u>	<u>25,248</u>
Total Current Assets	667,344	539,319
<b>PROPERTY AND EQUIPMENT:</b>		
Land and Land Improvements	20,500	20,500
Building and Improvements	1,360,102	1,294,948
Equipment	230,021	210,447
Furniture and Fixtures	<u>36,479</u>	<u>36,479</u>
Total	1,647,102	1,562,374
Less: Accumulated Depreciation	<u>729,917</u>	<u>676,488</u>
Net Property and Equipment	<u>917,185</u>	<u>885,886</u>
<b>TOTAL ASSETS</b>	<u><b>\$1,584,529</b></u>	<u><b>\$1,425,205</b></u>

The Notes to Financial Statements are an Integral Part of this Page.

**SHELTERS OF SARATOGA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 11,595	\$ 9,470
Current Portion of Notes Payable	11,879	12,303
Accrued Payroll	8,994	7,680
Security Deposits	3,391	3,420
Deferred Revenue	<u>75,631</u>	<u>116,774</u>
Total Current Liabilities	111,490	149,647
 Notes Payable (Note D)	 <u>260,504</u>	 <u>272,382</u>
 <b>TOTAL LIABILITIES</b>	 371,994	 422,029
 <b>NET ASSETS:</b>		
Unrestricted Net Assets	1,024,755	690,704
Temporarily Restricted Net Assets	<u>187,780</u>	<u>312,472</u>
<b>TOTAL NET ASSETS</b>	<u>1,212,535</u>	<u>1,003,176</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$1,584,529</u></u>	 <u><u>\$1,425,205</u></u>

The Notes to Financial Statements are an Integral Part of this Page.

**SHELTERS OF SARATOGA, INC.**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>SUPPORT AND REVENUE:</b>		
Grants	\$ 158,663	\$148,547
Contributions	248,047	163,840
Shelter Rent	341,146	292,642
Shelter Rent-112 Washington St.	20,445	20,227
Shelter Rent-128 Grand Ave.	24,192	23,974
Special Events/Fundraising	173,561	103,201
SOS Blue Heron Developer Fee (Note H)	48,000	-
Interest Income	450	221
Other Income	-	64
Code Blue Saratoga Springs (Note G)	<u>153,505</u>	<u>169,609</u>
Total Support and Revenue	<u>1,168,009</u>	<u>922,325</u>
<b>EXPENSES:</b>		
Functional Expenses:		
Program	662,820	621,306
General and Administrative	<u>166,306</u>	<u>154,620</u>
Total Functional Expenses	829,126	775,926
Code Blue Saratoga Springs (Note G)	<u>129,524</u>	<u>94,427</u>
Total Expenses	<u>958,650</u>	<u>870,353</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	209,359	51,972
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,003,176</u>	<u>951,204</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$1,212,535</u>	<u>\$1,003,176</u>

NOTE: The Notes to Financial Statements are an Integral Part of this Page.

**SHELTERS OF SARATOGA, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2017  
(WITH COMPARATIVE TOTALS FROM JUNE 30, 2016)**

	2017		2016	
	<u>Program</u>	<u>General and Administrative</u>	<u>Total Expenses</u>	<u>Total Expenses</u>
<b>EXPENSES:</b>				
Salaries	\$346,857	\$103,606	\$450,463	\$425,798
Employee Benefits	22,841	6,823	29,664	33,845
Payroll Taxes	31,779	9,492	41,271	39,696
Retirement Contributions	2,744	820	3,564	4,839
Advertising	121	-	121	485
Guest Assistance	3,635	-	3,635	1,620
Depreciation	53,429	-	53,429	56,966
Dues & Subscriptions	1,385	414	1,799	1,745
Equipment Lease & Maintenance	7,474	2,233	9,707	5,945
Insurance	27,688	8,271	35,959	34,963
Interest Expense	13,538	-	13,538	13,546
Office Expense	17,448	5,212	22,660	17,151
Payroll Processing Fees	-	2,735	2,735	2,874
Professional Fees	42,897	12,814	55,711	42,220
Project Sponsorship Expense	1,883	562	2,445	2,146
Repairs & Maintenance	13,743	4,105	17,848	10,920
Shelter Food Supplies	12,386	-	12,386	5,700
Shelter House Supplies	10,588	-	10,588	8,557
Fundraising	21,521	-	21,521	26,414
Telephone	3,252	972	4,224	4,480
Travel, Meals & Conferences	5,412	1,617	7,029	1,068
Utilities	19,530	5,833	25,363	26,592
Drug Testing	1,477	441	1,918	2,512
Other Expenses	1,192	356	1,548	5,844
Total Expenses	\$662,820	\$166,306	\$829,126	\$775,926

NOTE: The Notes to Financial Statements are an Integral Part of this Page.

**SHELTERS OF SARATOGA, INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$209,359	\$51,972
Adjustments to reconcile increase (decrease) to net cash provided by operating activities:		
Depreciation	53,429	56,966
(Increase) Decrease in Accounts Receivable	(84,448)	(10,458)
(Increase) Decrease in Grants Receivable	5,027	(2,847)
(Increase) Decrease in Prepaid Expenses	6,488	(8,898)
Increase (Decrease) in Accounts Payable	2,125	(506)
Increase (Decrease) in Accrued Payroll	1,314	(11,227)
Increase (Decrease) in Security Deposits	(29)	478
Increase (Decrease) in Deferred Revenue	(41,143)	64,540
<b>NET CASH PROVIDED (USED)     BY OPERATING ACTIVITIES</b>	<b>152,122</b>	<b>140,020</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property & Equipment	(84,728)	(7,841)
<b>NET CASH PROVIDED (USED)     BY INVESTING ACTIVITIES</b>	<b>(84,728)</b>	<b>(7,841)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Notes Payable Payments	(12,302)	(12,294)
<b>NET CASH PROVIDED (USED)     BY FINANCING ACTIVITIES</b>	<b>(12,302)</b>	<b>(12,294)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>55,092</b>	<b>119,885</b>
<b>CASH AT BEGINNING OF YEAR</b>	<u><b>425,463</b></u>	<u><b>305,578</b></u>
<b>CASH AT END OF YEAR</b>	<u><b>\$480,555</b></u>	<u><b>\$425,463</b></u>

NOTE: The Notes to Financial Statements are an Integral Part of this Page.

**SHELTERS OF SARATOGA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017 AND 2016**

**NOTE A - NATURE OF ORGANIZATION**

The financial statements include the accounts of the Shelters of Saratoga, Inc. and its wholly-owned subsidiaries Shelters of Saratoga Housing Development Fund Corporation and Washington Street Housing Development Fund Co., Inc.

The Organization is a not-for-profit human services agency located in Saratoga Springs, New York and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization provides temporary shelter to the homeless and impoverished. In addition, the Organization administers grants related to housing preservation, restoration and community renewal. The Organization's revenues primarily come from general public support, government grants and program fees.

Shelters of Saratoga Housing Development Fund Corporation and Washington Street Housing Development Fund Co., Inc. were incorporated to be holding corporations for the low income housing projects completed by the Organization. Revenues will primarily be from rental income. All significant intercompany balances and transactions have been eliminated on consolidation.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accounts of the Organization are maintained and the accompanying financial statements are prepared on the accrual basis of accounting, which is in accordance with generally accepted accounting principles.

**Accounting for Net Assets**

The Organization's net assets, the excess of assets over liabilities, are reported in three mutually exclusive classes:

1. Permanently Restricted-net assets resulting from inflows of assets whose use is limited by donor-imposed restrictions which do not expire by passage of time.

# SHELTERS OF SARATOGA, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

### Accounting for Net Assets (continued)

2. Temporarily Restricted-net assets resulting from inflows of assets whose use is limited by donor-imposed restrictions which expire by passage of time or are fulfilled by actions of the Organization.
3. Unrestricted-net assets that are neither permanently nor temporarily restricted.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. However, donor restricted contributions whose restrictions are met within the same fiscal year are reported as unrestricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

### Property and Equipment

Property and equipment are recorded at cost when purchased. Property and equipment, with an original cost of \$500 or greater, are capitalized when purchased. Repairs and maintenance are expensed and betterments that extend the life or capacity of the asset are capitalized. Depreciation is recorded on the straight-line basis.

### Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### Donated Materials and Services

The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with their purpose. The Organization also receives donations of food, personal items and household items which are passed through to the residents. There has been no income or expense recorded for their donations.

**SHELTERS OF SARATOGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017 AND 2016**

**NOTE C – GRANTS RECEIVABLE**

Grants receivable from State of New York - Office of Mental Health & CDBG of \$18,700 at June 30, 2017 and \$23,727 at June 30, 2016 are deemed to be fully collectible by management.

**NOTE D – NOTES PAYABLE**

	<u>2017</u>	<u>2016</u>
Note payable to Adirondack Trust Company, with monthly installments of \$616, including interest at 4.75% through December 2031, secured by property at 112 Washington Street.	\$ 77,362	\$ 80,908
Note payable to Adirondack Trust Company, with monthly installments of \$551, including interest at 4.75% through June 2036, secured by property at 128 Grand Avenue.	83,169	85,705
Note payable to Saratoga National Bank, with monthly installments of \$981, including interest at 4.75% through March 2030, secured by property at 14 Walworth Street.	<u>111,852</u>	<u>118,072</u>
Total Notes Payable	\$272,383	\$284,685
Less: Current Portion	<u>(11,879)</u>	<u>(12,303)</u>
Long-Term Portion	<u>\$260,504</u>	<u>\$272,382</u>

**SHELTERS OF SARATOGA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017 AND 2016**

**NOTE D – NOTES PAYABLE (continued)**

The maturities of long-term debt are as follows:

June 30, 2018	12,962
June 30, 2019	13,105
Thereafter	<u>246,316</u>
Total Notes Payable	<u>\$272,383</u>

**NOTE E – RETIREMENT PLAN**

The Organization maintains a SIMPLE IRA retirement plan qualified under Section 408(p) of the Internal Revenue Code. The plan covers full-time employees of the Organization. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Organization matches these contributions up to a maximum of 3% of their salaries. Total contributions to the plan for the years ended June 30, 2017 and 2016 were \$3,564 and \$4,839, respectively.

**NOTE F – TEMPORARILY RESTRICTED CASH**

The Organization's temporarily restricted cash is as follows:

	<u>2017</u>	<u>2016</u>
Replacement Reserves	\$124,102	\$190,409
Code Blue Saratoga Springs	57,124	115,486
Security Deposits	<u>6,554</u>	<u>6,577</u>
	<u>\$187,780</u>	<u>\$312,472</u>

**SHELTERS OF SARATOGA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017 AND 2016**

**NOTE G – CODE BLUE SARATOGA SPRINGS**

Code Blue Saratoga Springs (CBSS), which opened in December 2013, is an emergency shelter serving homeless people in the City of Saratoga Springs during periods of extreme winter weather. Shelters of Saratoga, Inc. served as the fiscal agent for CBSS through the year ended June 30, 2015. During the fiscal year ended June 30, 2016, CBSS became a standalone program of Shelters of Saratoga, Inc. The activity below is included in the statements of activity at June 30, 2017 and 2016.

	<u>2017</u>	<u>2016</u>
Revenues:		
State Funding	\$ 66,143	\$ 23,697
Contributions	33,686	91,497
8K Race	40,218	34,415
CDBG Grant	<u>13,458</u>	<u>20,000</u>
Total Revenue	153,505	169,609
Expenditures:		
Salaries	\$ 73,283	42,206
Employee Benefits	6,108	7,251
Payroll Taxes	5,506	3,229
Rent	11,939	5,535
Fundraising	18,389	18,658
Office Expense	499	883
8K Race	12,678	14,641
Telephone	734	1,136
Other	<u>388</u>	<u>888</u>
Total Expenditures	<u>129,524</u>	<u>94,427</u>
Net Income	<u>\$ 23,981</u>	<u>\$ 75,182</u>

**SHELTERS OF SARATOGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017 AND 2016**

**NOTE H – SOS BLUE HERON DEVELOPMENT II HOUSING DEVELOPMENT FUND COMPANY, INC. (“SOS BLUE HERON”)**

The Organization is the sole member of SOS Blue Heron Development II Housing Development Fund Company, Inc. (“SOS Blue Heron”), who is the co-managing member of Blue Heron Trail II, LLC, the beneficial owner of a 60 unit affordable housing project in the town of Ballston Spa, NY.

During the fiscal year ending June 30,2017, the Organization received a developer fee of \$48,000 from SOS Blue Heron in connection with its participation in the development of the affordable housing project.