

**SHELTERS OF SARATOGA, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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Joseph J. DiMura, Jr., CPA  
P.O. Box 102  
East Greenbush, NY 12061  
518-477-1287  
jjdjrcpa@aol.com

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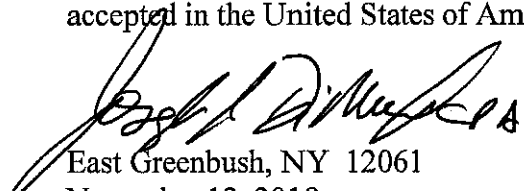
## INDEPENDENT AUDITOR'S REPORT

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, 2019 and 2018 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, 2019 and 2018 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 12, 2019

**SHELTERS OF SARATOGA, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 383,415	\$ 217,818
Cash-With Donor Restrictions (Note F)	187,333	153,736
Accounts Receivable	64,646	224,745
Grants Receivable (Note C)	48,049	28,349
Prepaid Expenses	<u>22,124</u>	<u>17,810</u>
Total Current Assets	705,567	642,458
<b>PROPERTY AND EQUIPMENT:</b>		
Land and Land Improvements	20,500	20,500
Building and Improvements	1,360,122	1,360,102
Equipment	231,869	230,021
Furniture and Fixtures	<u>36,479</u>	<u>36,479</u>
Total	1,648,970	1,647,102
Less: Accumulated Depreciation	<u>839,146</u>	<u>780,702</u>
Net Property and Equipment	<u>809,824</u>	<u>866,400</u>
<b>TOTAL ASSETS</b>	<u><b>\$1,515,391</b></u>	<u><b>\$1,508,858</b></u>

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

**SHELTERS OF SARATOGA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 14,438	\$ 6,402
Current Portion of Notes Payable (Note D)	13,500	12,553
Accrued Payroll	16,742	11,473
Security Deposits	3,253	2,775
Deferred Revenue	<u>28,993</u>	<u>40,718</u>
Total Current Liabilities	76,926	73,921
 Notes Payable (Note D)	 <u>232,673</u>	 <u>246,829</u>
 <b>TOTAL LIABILITIES</b>	 309,599	 320,750
 <b>NET ASSETS:</b>		
Without Donor Restrictions	1,018,459	1,034,372
With Donor Restrictions	<u>187,333</u>	<u>153,736</u>
 <b>TOTAL NET ASSETS</b>	 <u>1,205,792</u>	 <u>1,188,108</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u>\$1,515,391</u>	 <u>\$1,508,858</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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>SUPPORT AND REVENUE:</b>		
Grants	\$ 198,640	\$175,916
Contributions	61,625	75,828
Shelter Rent	284,390	337,848
Shelter Rent-112 Washington St.	20,318	20,416
Shelter Rent-128 Grand Ave.	24,244	24,192
Special Events/Fundraising	159,790	163,615
Capital Campaign	86,000	-
Interest Income	338	318
Code Blue Saratoga Springs (Note H)	<u>352,786</u>	<u>300,606</u>
Total Support and Revenue	<u>1,188,131</u>	<u>1,098,739</u>
<b>EXPENSES:</b>		
Functional Expenses:		
Program	766,667	701,495
General and Administrative	<u>195,148</u>	<u>177,503</u>
Total Functional Expenses	961,815	878,998
Code Blue Saratoga Springs (Note H)	<u>208,632</u>	<u>244,168</u>
Total Expenses	<u>1,170,447</u>	<u>1,123,166</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	17,684	(24,427)
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, BEG OF YEAR</b>	<u>1,188,108</u>	<u>1,212,535</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR</b>	<u>\$1,205,792</u>	<u>\$1,188,108</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, 2019  
(WITH COMPARATIVE TOTALS FROM JUNE 30, 2018)**

	2019		2018	
	<u>Program</u>	<u>General and Administrative</u>	<u>Total Expenses</u>	<u>Total Expenses</u>
<b>EXPENSES:</b>				
Salaries	\$436,536	\$130,394	\$566,930	\$505,069
Employee Benefits	38,508	11,502	50,010	43,607
Payroll Taxes	47,243	14,112	61,355	51,841
Retirement Contributions	2,273	679	2,952	3,221
Advertising	-	-	-	230
Guest Assistance	3,393	-	3,393	1,849
Depreciation	58,443	-	58,443	50,786
Dues & Subscriptions	1,488	445	1,933	1,293
Equipment Lease & Maintenance	7,408	2,213	9,621	8,478
Insurance	29,757	8,889	38,646	35,524
Interest Expense	16,315	-	16,315	14,003
Office Expense	14,358	4,289	18,647	27,191
Payroll Processing Fees	-	4,856	4,856	3,026
Professional & Legal Fees	6,743	2,014	8,757	17,134
Outreach Program Expense	1,527	456	1,983	2,983
Repairs & Maintenance	18,430	5,505	23,935	17,455
Shelter Food Supplies	821	-	821	12,056
Shelter House Supplies	4,624	-	4,624	8,529
Fundraising	22,463	-	22,463	29,089
Telephone	4,792	1,432	6,224	7,897
Travel, Meals & Conferences	1,681	502	2,183	9,266
Utilities	20,947	6,257	27,204	25,638
Employee Screening	3,113	930	4,043	1,995
Bad Debt Expense	23,551	-	23,551	-
Other Expenses	<u>2,253</u>	<u>673</u>	<u>2,926</u>	<u>838</u>
Total Expenses	<u>\$766,667</u>	<u>\$195,148</u>	<u>\$961,815</u>	<u>\$878,998</u>

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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$17,684	\$(24,427)
Adjustments to reconcile increase (decrease) to net cash provided by operating activities:		
Depreciation	58,443	50,786
(Increase) Decrease in Accounts Receivable	160,099	(75,416)
(Increase) Decrease in Grants Receivable	(19,700)	(9,649)
(Increase) Decrease in Prepaid Expenses	(4,314)	950
Increase (Decrease) in Accounts Payable	8,036	(5,193)
Increase (Decrease) in Accrued Payroll	5,269	2,479
Increase (Decrease) in Security Deposits	478	(616)
Increase (Decrease) in Deferred Revenue	<u>(11,725)</u>	<u>(34,913)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	214,270	(95,999)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property & Equipment	<u>(1,868)</u>	-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(1,868)</u>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Notes Payable Payments	<u>(13,208)</u>	<u>(13,002)</u>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>(13,208)</u>	<u>(13,002)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	199,194	(109,001)
<b>CASH AT BEGINNING OF YEAR</b>	<u>371,554</u>	<u>480,555</u>
<b>CASH AT END OF YEAR</b>	<u>\$570,748</u>	<u>\$371,554</u>

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

**SHELTERS OF SARATOGA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**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.

**Financial Statement Presentation**

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 and Accounting Standards Update (ASU) No. 2016-14 dated August, 2016 and the provisions of the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations (the "Guide"). Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions, namely net assets without donor restrictions and net assets with donor restrictions.

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

**JUNE 30, 2019 AND 2018**

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.

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, 2019 AND 2018**

**NOTE C – GRANTS RECEIVABLE**

Grants receivable from State of New York - Office of Mental Health & CDBG of \$48,049 at June 30, 2019 and \$28,349 at June 30, 2018 are deemed to be fully collectible by management.

**NOTE D – NOTES PAYABLE**

	<u>2019</u>	<u>2018</u>
Note payable to Adirondack Trust Company, with monthly installments of \$616, including interest at 6.75% through December 2031, secured by property at 112 Washington Street.	\$ 69,929	\$ 73,744
Note payable to Adirondack Trust Company, with monthly installments of \$587, including interest at 5.50% through June 2036, secured by property at 128 Grand Avenue.	77,795	80,298
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>98,449</u>	<u>105,340</u>
Total Notes Payable	\$246,173	\$259,382
Less: Current Portion	<u>(13,500)</u>	<u>(12,553)</u>
Long-Term Portion	<u>\$232,673</u>	<u>\$246,829</u>

**SHELTERS OF SARATOGA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**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, 2019 and 2018 were \$2,952 and \$3,221, respectively.

**NOTE F – CASH**

The Organization's Cash at June 30, 2019 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Operating Checking	\$320,536	-
Operating Reserves	33,671	-
Certificate of Deposit	29,208	-
Replacement Reserves	-	\$135,318
Capital Campaign	-	44,983
Security Deposits	<u>-</u>	<u>7,032</u>
	<u>\$383,415</u>	<u>\$187,333</u>

**NOTE G – LIQUIDTY**

The Organization has \$496,110 of current financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$383,415 and accounts and grants receivables of \$112,695. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

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

**JUNE 30, 2019 AND 2018**

**NOTE H – 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, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
<b>Revenues:</b>		
State Funding	\$276,222	\$ 149,581
Contributions	70,064	97,623
8K Race	-	41,040
Grants	<u>6,500</u>	<u>12,362</u>
Total Revenue	352,786	300,606
<b>Expenditures:</b>		
Salaries	153,860	128,675
Employee Benefits	-	1,394
Payroll Taxes	3,970	9,844
Rent	15,684	17,225
Fundraising/Programs	13,410	22,779
Office Expense	747	216
8K Race	-	12,678
Telephone	954	730
Professional & Legal Fees	<u>20,007</u>	<u>50,627</u>
Total Expenditures	<u>208,632</u>	<u>244,168</u>
Net Income	<u>\$144,154</u>	<u>\$ 56,438</u>

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

**JUNE 30, 2019 AND 2018**

**NOTE I – 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.