

**SHELTERS OF SARATOGA, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**SHELTERS OF SARATOGA, INC.**  
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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

### **Opinion**

I have audited the accompanying financial statements of the Shelters of Saratoga, Inc. which comprise the statements of financial position as of June 30, 2024 and 2023 and the related statements of activities and change in net assets and cash flows for the years then ended and the related notes to the financial statements.

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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Shelters of Saratoga, Inc. and to meet my other ethical responsibilities in accordance with the relevant requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Responsibilities of Management 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, and 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Shelters of Saratoga, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibility for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Shelters of Saratoga, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about the Shelters of Saratoga, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

East Greenbush, NY 12061  
September 25, 2024

**SHELTERS OF SARATOGA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash (Note E)	\$ 300,105	\$ 400,513
Cash-With Donor Restrictions (Note E)	638,614	486,062
Investments (Note G)	983,086	923,662
Accounts Receivable-Net (Note D)	368,529	253,587
Prepaid Expenses	29,039	26,231
Total Current Assets	2,319,373	2,090,055
PROPERTY AND EQUIPMENT:		
Land and Land Improvements	20,500	20,500
Building and Improvements	2,869,168	2,379,436
Equipment	79,127	272,539
Furniture and Fixtures	13,515	49,994
Total	2,982,310	2,722,469
Less: Accumulated Depreciation	921,389	1,164,905
Net Property and Equipment	2,060,921	1,557,564
<b>TOTAL ASSETS</b>	<b>\$4,380,294</b>	<b>\$3,647,619</b>

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

**SHELTERS OF SARATOGA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts Payable	\$ 213,983	\$ 128,024
Current Portion of Notes Payable (Note C)	13,320	8,280
Accrued Payroll	35,145	31,373
Security Deposits	3,601	3,865
Deferred Revenue	<u>34,000</u>	<u>125</u>
Total Current Liabilities	300,049	171,667
Notes Payable (Note C)	<u>119,823</u>	<u>109,515</u>
TOTAL LIABILITIES	419,872	281,182
NET ASSETS:		
Without Donor Restrictions	3,321,808	2,844,538
With Donor Restrictions	<u>638,614</u>	<u>521,899</u>
TOTAL NET ASSETS	<u>3,960,422</u>	<u>3,366,437</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$4,380,294</b></u>	<u><b>\$3,647,619</b></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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>SUPPORT AND REVENUE:</b>		
Grants (Notes H, J-L)	\$1,227,227	\$ 983,876
Contributions	205,055	89,846
Shelter Rent	272,081	231,963
Shelter Rent-112 Washington St.	22,419	19,126
Shelter Rent-128 Grand Ave.	25,075	21,602
Special Events/Fundraising	231,082	343,367
Health Home Revenue (Note M)	195,147	18,950
Interest & Dividends	42,180	29,152
Net Unrealized Gain (Loss) on Investments	118,963	63,382
Net Realized Gain (Loss) on Sale of Investments/Assets	<u>(3,079)</u>	<u>3,406</u>
 Total Support and Revenue	 <u>2,336,150</u>	 <u>1,804,670</u>
 <b>EXPENSES:</b>		
Functional Expenses:		
Program	1,393,828	1,307,329
General and Administrative	163,478	130,164
Fundraising	<u>184,859</u>	<u>166,608</u>
Total Functional Expenses	<u>1,742,165</u>	<u>1,604,101</u>
 Total Expenses	 <u>1,742,165</u>	 <u>1,604,101</u>
 <b>INCREASE (DECREASE) IN NET ASSETS</b>	 593,985	 200,569
 <b>NET ASSETS, BEGINNING OF YEAR</b>	 <u>3,366,437</u>	 <u>3,165,868</u>
 <b>NET ASSETS, END OF YEAR</b>	 <u><u>\$3,960,422</u></u>	 <u><u>\$3,366,437</u></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, 2024  
(WITH COMPARATIVE TOTALS FROM JUNE 30, 2023)**

	2024			2023	
	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>	<u>Total Expenses</u>
<b>EXPENSES:</b>					
Salaries	\$ 815,679	\$109,245	\$104,830	\$1,029,754	\$ 993,357
Employee Benefits	32,210	7,570	11,811	51,591	35,602
Payroll Taxes	74,521	10,089	8,958	93,568	91,741
Retirement Contributions	8,348	3,575	2,089	14,012	12,953
Rent	92,362	2,700	2,025	97,087	83,759
Client Assistance	14,930	-	-	14,930	23,483
Depreciation	76,224	1,326	-	77,550	77,517
Dues & Subscriptions	573	623	43	1,239	1,966
Equipment Lease & Maintenance	10,647	-	-	10,647	5,857
Insurance	67,167	5,149	6,218	78,534	66,709
Interest Expense	7,985	-	-	7,985	6,631
Office Expense	17,922	2,779	10,939	31,640	25,336
Payroll Processing Fees	5,282	440	651	6,373	6,535
Professional & Legal Fees	35,921	8,023	11,288	55,232	19,809
Investment Management Fees	-	9,449	-	9,449	8,010
Repairs & Maintenance	64,308	108	-	64,416	25,499
Food Supplies	13,612	40	16,865	30,517	30,245
Supplies	7,638	-	793	8,431	10,323
Telephone	5,774	321	470	6,565	5,510
Travel, Meals & Conferences	3,726	278	-	4,004	2,298
Utilities	31,830	1,110	940	33,880	46,734
Bad Debt Expense	6,031	-	330	6,361	15,741
Bank Service Charges	239	203	2,798	3,240	2,880
Printing and Reproduction	899	450	3,811	5,160	4,951
Other Expenses	-	-	-	-	655
Total Expenses	<u>\$1,393,828</u>	<u>\$163,478</u>	<u>\$184,859</u>	<u>\$1,742,165</u>	<u>\$1,604,101</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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$593,985	\$200,569
Adjustments to reconcile increase (decrease) to net cash provided by operating activities:		
Depreciation	77,550	77,517
Net Realized & Unrealized (gains) losses on investments/assets	(115,884)	(66,788)
(Increase) Decrease in Accounts Receivable	(114,942)	(114,968)
(Increase) Decrease in Prepaid Expenses	(2,808)	(16,235)
Increase (Decrease) in Accounts Payable	85,959	122,433
Increase (Decrease) in Accrued Payroll	3,772	2,388
Increase (Decrease) in Security Deposits	(264)	239
Increase (Decrease) in Notes Payable	10,308	(8,078)
Increase (Decrease) in Deferred Revenue	<u>33,875</u>	<u>(8,688)</u>
<b>NET CASH PROVIDED (USED)     BY OPERATING ACTIVITIES</b>	571,551	188,389
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property & Equipment	(573,132)	(226,628)
Purchase of Investments	(95,282)	(64,057)
Proceeds from Sale of Investments	<u>149,007</u>	<u>63,558</u>
<b>NET CASH PROVIDED (USED)     BY INVESTING ACTIVITIES</b>	<u>(519,407)</u>	<u>(227,127)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	52,144	(38,738)
<b>CASH AT BEGINNING OF YEAR</b>	<u>886,575</u>	<u>925,313</u>
<b>CASH AT END OF YEAR</b>	<u>\$938,719</u>	<u>\$886,575</u>

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

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

**JUNE 30, 2024 AND 2023**

**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 and case management services to the homeless and impoverished. In addition, the Organization operates 11 supportive housing units which provide low cost, permanent housing and case management services to at-risk individuals in Saratoga Springs. 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, 2024 AND 2023**

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 \$1,000 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.

Date of Management's Review

Management has evaluated subsequent events through September 25, 2024 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**SHELTERS OF SARATOGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE C – NOTES PAYABLE**

	<u>2024</u>	<u>2023</u>
Note payable to The Adirondack Trust Company, with monthly installments of \$542, including interest at 6.24% through September 2029, secured by a 2023 Dodge Promaster Van.	\$ 23,713	-
Note payable to The Adirondack Trust Company, with monthly installments of \$638, including interest at 5.25% through December 2031, secured by property at 112 Washington Street.	47,511	\$ 52,518
Note payable to The Adirondack Trust Company, with monthly installments of \$587, including interest at 5.50% through June 2036, secured by property at 128 Grand Avenue.	<u>61,919</u>	<u>65,277</u>
Total Notes Payable	\$133,143	\$117,795
Less: Current Portion	<u>(13,320)</u>	<u>(8,280)</u>
Long-Term Portion	<u>\$119,823</u>	<u>\$109,515</u>

**SHELTERS OF SARATOGA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE D – ACCOUNTS RECEIVABLE**

Accounts receivable are stated net of an allowance for doubtful accounts. The Organization estimated the allowance for doubtful accounts based on a review and analysis of the balances that may not be collectible. Accounts are considered for write-off when it is determined that the probability of collection is remote. The allowance for doubtful accounts was \$1,422 at June 30, 2024 and \$2,155 at June 30, 2023.

**NOTE E – CASH**

The Organization’s Cash at June 30, 2024 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Operating Checking	\$300,105	\$249,155
Operating Reserves	-	73,819
Replacement Reserves	-	135,154
Capital Campaign	<u>-</u>	<u>180,486</u>
	<u>\$300,105</u>	<u>\$638,614</u>

**NOTE F – LIQUIDITY**

The Organization has \$1,651,720 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 \$300,105, investments of \$983,086 and accounts receivables of \$368,529. 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, 2024 AND 2023**

**NOTE G - INVESTMENTS**

The Organization has adopted SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value on a recurring basis at Level 1 inputs (see below) and amounted to \$983,086 in the statement of financial position. Net realized gains (losses) on sale of investments was (\$3,079) and net unrealized gains (losses) on investments was \$118,963 and are included in the statement of activities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities is measured according to the Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification (ASC) 820. Fair value is required to be evaluated and adjusted according to the following valuation techniques:

*Level 1* – Fair value is determined using quoted market prices in active markets for identical assets and liabilities.

*Level 2* – Fair value is determined using quoted market prices in active markets for similar assets and liabilities.

*Level 3* – Fair value is determined using unobservable market prices in a market that is typically inactive.

**NOTE H – CODE BLUE SHELTER**

The Code Blue Shelter, opened in December 2013, is a New York State mandated emergency shelter serving individuals facing homelessness in Saratoga County when the real-feel temperature drops below 32 degrees. Funded through the New York State Office of Temporary and Disability Assistance and private contributors, Shelters of Saratoga operates Code Blue in partnership with the County of Saratoga.

**NOTE I – 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 by the Organization for the years ended June 30, 2024 and 2023 were \$14,012 and \$12,953.

**SHELTERS OF SARATOGA, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

**NOTE J – HHAP-HOMELESS HOUSING AND ASSISTANCE PROGRAM**

On March 11, 2021, the Organization received a Homeless Housing and Assistance Program (“HHAP”) grant from the NYS Homeless Housing and Assistance Corporation (“HHAC”) totaling \$3.4 million dollars. The grant funds assisted with the purchase of property at 73-75 Ballston Ave, renovation of the facility into nine supportive housing units and the remodeling of the shelter properties located at 14-20 Walworth St. On February 28, 2023, the grant was increased to \$4,333,513 to cover increased costs of construction. In November 2023, the organization signed a final award agreement with HHAC and construction commenced. Project completion is anticipated in the fall of 2025. HHAP grant funds received this fiscal year were \$481,209.

**NOTE K–NYSSHP-NEW YORK STATE SUPPORTIVE HOUSING PROGRAM GRANT**

In January 2022, the Organization was awarded a five-year grant totaling \$189,600 to fund supportive services for 14 residents housed in apartments at 128 Grand Ave, 112 Washington St. and 1 Franklin Square in Saratoga Springs, NY. Total funds received for the years ended June 30, 2024 and 2023 were \$41,772 and \$39,048, respectively.

**NOTE L–SUMMER MOTEL**

The organization entered in to a contract with the Saratoga County Department of Social Services to provide 10 motel rooms for placement of Saratoga County homeless residents from June 1, 2024-September 30, 2024. \$16,500 of Shelter rent revenues are attributable to this contract.

**NOTE M–HEALTH HOME PROGRAM**

In March 2023, Shelters of Saratoga became a NYS Health Home (NYSHH) provider through Adirondack Health Institute (AHI), which offers ongoing care management services to eligible Medicaid enrollees with a chronic health condition. The goal of Health Home is to stabilize/manage a participant’s chronic condition to avoid burdening the health care system. The Health Home program offers the following services: comprehensive assessments, goal setting, healthcare management, and housing stabilization. Participation in the NYSHH program is voluntary.