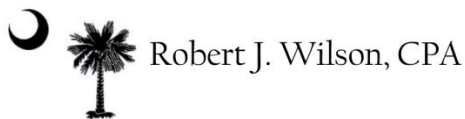


**Shelter Health Services, Inc.**  
(A Nonprofit Corporation)

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**Financial Statements and Supplementary Information**  
**June 30, 2021**  
**(With Independent Auditor's Report Thereon)**

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### **Independent Auditor's Report**

To the Board of Directors  
**Shelter Health Services, Inc**  
Charlotte, North Carolina

We have audited the accompanying statements of financial position of **Shelter Health Services, Inc** (Shelter Health), as of June 30, 2021 and the related statements of activities and cash flows for the year ended June 30, 2021. These financial statements are the responsibility of Shelter Health's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Shelter Health's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Shelter Health as of June 30, 2021, and the changes in its net assets and its cash flows for the fiscal year ended June 30, 2021 in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule of Functional Expenses for the fiscal year ended June 30, 2021 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the June 30, 2021 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the June 30, 2021 basic financial statements taken as a whole.

*Robert J. Wilson*

October 22, 2021

**Shelter Health Services, Inc.**  
**(A Nonprofit Corporation)**  
**Statement of Financial Position**  
**June 30, 2021**

**Assets**

**Current Assets**

Cash	\$ 311,403
	<u>311,403</u>
Total current assets	<u>\$ 311,403</u>

**Liabilities and Net Assets**

**Current Liabilities**

Accounts payable	\$ 4,308
Accrued liabilities	<u>-</u>
Total current liabilities	<u>4,308</u>

**Net Assets**

Undesignated	72,448
Temporarily restricted	234,647
Permanently restricted	<u>-</u>
Total net assets	<u>307,095</u>
	<u>\$ 311,403</u>

(See accompanying notes and accountant's report)

**Shelter Health Services, Inc.**  
**(A Nonprofit Corporation)**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue Support</b>				
Contributions	\$ 50,730	\$ -	\$ -	\$ 50,730
Fundraising income	-	-	-	-
Grants (Note 3)	108,550	383,215	-	491,765
In-Kind Services	70,031	-	-	70,031
Interest income	348	-	-	348
Other income	1,801	-	-	1,801
Net assets released: Satisfaction of restrictions	-	-	-	-
<b>Total Revenue and Support</b>	231,460	383,215	-	614,675
<b>Expenses</b>				
Functional	311,214	262,893	-	574,107
<b>Total Expenses</b>	311,214	262,893	-	574,107
<b>Decrease in Net Assets</b>	(79,754)	120,322	-	40,568
<b>Net Assets - Beginning of year</b>	152,202	114,325	-	266,527
<b>Net Assets - End of year</b>	<u>\$ 72,448</u>	<u>\$ 234,647</u>	<u>\$ -</u>	<u>\$ 307,095</u>

(See accompanying notes and accountant's report)

**Shelter Health Services, Inc.**  
**(A Nonprofit Corporation)**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2021**

<b>Cash Flows from Operating Activities</b>	
Net Income	\$ 40,568
Adjustments to reconcile net income to cash flows from operating activities:	
Decrease in accounts payable	(745)
Decrease in accrued liabilities	<u>-</u>
Net cash provided by operating activities	<u>39,823</u>
 <b>Cash Flows from Investing Activities</b>	
Purchase of fixed assets, net	<u>-</u>
Net cash used by investing activities	<u>-</u>
 <b>Cash Flows from Financing Activities</b>	
Purchase of investments	<u>-</u>
Net cash used by financing activities	<u>-</u>
<b>Net Increase in Cash and Cash Equivalents</b>	39,823
<b>Cash and Cash Equivalents - Beginning of year</b>	<u>271,580</u>
<b>Cash and Cash Equivalents - End of year</b>	<u><u>\$ 311,403</u></u>

(See accompanying notes and accountant's report)

## (1) Organization

Shelter Health Services Inc., A Nonprofit Corporation (Shelter Health or the Company) was organized in May 2005 as a nonprofit corporation to provide a variety of healthcare services to the homeless in Mecklenburg County. Services include healthcare screenings, assessments, treatment and education. Sources of revenues are grants and contributions.

## (2) Summary of Significant Accounting Policies

### (a) Classification of Net Assets

Shelter Health follows generally accepted accounting principles. Shelter Health reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Shelter Health adopted Statement of Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the organization is required to report information regarding the financial position and activities according to three classifications of net assets (unrestricted net assets, temporarily restricted net assets and permanently restricted net assets). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- *Undesignated net assets* – includes unrestricted funds for general operations, support used in account operations after meeting initial grantor or donor restrictions and unrestricted net assets.
- *Temporarily restricted net assets* – includes funds whose use by Shelter Health is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of Shelter Health pursuant to those specifications.
- *Permanently restricted net assets* – includes funds that are subject to donor restrictions requiring that the principal be invested in perpetuity and only income thereon be used Shelter Health.

As of June 30, 2020, the organization had no permanently restricted nets assets.

## **(2) Summary of Significant Accounting Policies (Continued)**

### ***(b) Use of Estimates***

Shelter Health uses estimates and assumptions in preparing these financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements, and the reported support and revenues and expenditures during the reporting period. Actual results could vary from the estimates that were used.

### ***(c) Recognition of Revenue***

Shelter Health reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When the donor restriction expires, that is, when a stipulation of time restriction ends or a purpose restriction is satisfied, temporarily restricted net assets remain classified as temporarily restricted until resources are utilized based upon the original terms of the grant and reported in the consolidated statements of activities as net assets released from restrictions. Federal and nonfederal grants used in healthcare activities are recognized as unrestricted resources in the year that the grant requirements are met.

### ***(d) Cash and Cash Equivalents***

Shelter Health considers cash on hand, deposits in banks, certificates of deposit and short-term marketable securities with an original maturity of less than 90 days as cash and cash equivalents.

### ***(e) Donated Services and Assets***

Shelter Health reports in-kind contributions for goods and services under SFAS No. 116, "Accounting for Contributions Received and Contributions Made", and SFAS No. 136, "Transfers of Assets to a Not-For-Profit Organization of Charitable Trust That Raises of Hold Contributions for Others."

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received. Shelter Health recognized donated services of \$70,031 for the fiscal year ended June 30, 2021.



## (2) Summary of Significant Accounting Policies (Continued)

### (f) Federal Income Taxes

Shelter Health is exempt from income tax under provisions of Internal Revenue Code Section 501(c)(3).

## (3) Grants

The following represents details of grant revenues for the fiscal year ended June 30, 2021:

	<u>2021</u>
Americare Foundation COVID	10,000
Blumenthal Foundation	6,000
COVID Response Fund	27,725
Delta Dental Foundation	2,000
George W. and Ruth R. Baxter Foundation	15,000
Giles Foundation	5,000
Leon Levin Foundation	55,000
Mary Norris Preyer Fund	5,000
Mecklenburg County Community Grants Fund	69,000
Merancas Foundation	65,000
NC Assoc. of Free Clinics Base Grant	3,550
NC Rural Health Grant	57,490
NCPPro	100,000
Sister's of Mercy	48,500
Speedway Children's Charities	7,500
The Mary E Carnrick Foundation	5,000
Triad Foundation	10,000
Total	<u>\$ 491,765</u>

## (4) Temporarily Restricted Net Assets

During the fiscal year June 30, 2021, \$262,893 of temporarily restricted net assets that were used for payroll, equipment, supplies and other functional program expenses. Shelter Health had \$234,647 temporarily restricted net assets as of June 30, 2021.

## (5) Financial Instruments

Shelter Health maintains its cash accounts at one financial institution. Accounts at the financial institution are insured up to \$250,000 per depositor by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2021, Shelter Health had cash balances of \$311,403. Shelter Health has not experienced any losses in such amounts, and monitors the creditworthiness of the financial institutions with which it conducts business. Management believes that the organization is not exposed to any significant credit risk with respect to its cash balances.

**Shelter Health Services, Inc.**  
**(A Nonprofit Corporation)**  
**Schedule of Functional Expenses**  
**For the Year Ended June 30, 2021**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Bank Fees	\$ 235	\$ -	\$ -	\$ 235
Business Insurance	2,253	11,003	-	13,256
Computer Software & Equipment	-	5,181	-	5,181
Contract Labor	-	-	-	-
Dues and Membership Fees	-	1,256	-	1,256
Employee Benefits	46,993	-	-	46,993
Fundraising Expenses	2,204	-	-	2,204
In-Kind Services	70,031	-	-	70,031
Licenses and Permits	202	-	-	202
Medical Equipment & Supplies	-	61,092	-	61,092
Occupancy Maintenance	5,416	-	-	5,416
Office Expenses	1,493	-	-	1,493
Payroll Expenses	160,818	176,550	-	337,368
Pharmaceutical Expenses	-	7,811	-	7,811
Postage and Delivery	913	-	-	913
Professional Services	10,035	-	-	10,035
Repairs and Maintenance	1,792	-	-	1,792
Staff Development	3,487	-	-	3,487
Telephone & Communication	4,352	-	-	4,352
Travel Expenses	990	-	-	990
	<u>\$ 311,214</u>	<u>\$ 262,893</u>	<u>\$ -</u>	<u>\$ 574,107</u>
Total functional expenses	<u>\$ 311,214</u>	<u>\$ 262,893</u>	<u>\$ -</u>	<u>\$ 574,107</u>

(See accompanying notes and accountant's report)