

Shelter Health Services, Inc.
(A Nonprofit Corporation)

Financial Statements and Supplementary Information
June 30, 2024
(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, 2024 and the related statements of activities and cash flows for the year ended June 30, 2024. 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, 2024, and the changes in its net assets and its cash flows for the fiscal year ended June 30, 2024 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 the Schedule of Functional Expenses for the fiscal year ended June 30, 2024 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, 2024 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the June 30, 2024 basic financial statements taken as a whole.

October 30, 2024

Shelter Health Services, Inc.
(A Nonprofit Corporation)
Statement of Financial Position
June 30, 2024

Assets

Current Assets

Cash	\$ 151,382
	<u>151,382</u>
Total current assets	<u>\$ 151,382</u>

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 3,799
Accrued liabilities	<u>-</u>
Total current liabilities	<u>3,799</u>

Net Assets

Undesignated	145,343
Temporarily restricted	2,240
Permanently restricted	<u>-</u>
Total net assets	<u>147,583</u>
	<u>\$ 151,382</u>

(See accompanying notes and accountant's report)

Shelter Health Services, Inc.
(A Nonprofit Corporation)
Statement of Activities
For the Year Ended June 30, 2024

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue Support				
Contributions	\$ 40,907	\$ -	\$ -	\$ 40,907
Fundraising income	10,000	-	-	10,000
Grants (Note 3)	147,500	140,550	-	288,050
In-Kind Services	110,932	-	-	110,932
Interest income	2,801	-	-	2,801
Other income	4,979	-	-	4,979
Net assets released:				
Satisfaction of restrictions	-	-	-	-
Total Revenue and Support	317,119	140,550	-	457,669
Expenses				
Functional	337,457	188,526	-	525,983
Total Expenses	337,457	188,526	-	525,983
Decrease in Net Assets	(20,338)	(47,976)	-	(68,314)
Net Assets - Beginning of year	165,681	50,216	-	215,897
Net Assets - End of year	<u>\$ 145,343</u>	<u>\$ 2,240</u>	<u>\$ -</u>	<u>\$ 147,583</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, 2024

Cash Flows from Operating Activities	
Net Income	\$ (68,314)
Adjustments to reconcile net income to cash flows from operating activities:	
Decrease in accounts payable	(842)
Decrease in accrued liabilities	<u>-</u>
Net cash provided by operating activities	<u>(69,156)</u>
Cash Flows from Investing Activities	
Purchase of fixed assets, net	<u>-</u>
Net cash used by investing activities	<u>-</u>
Cash Flows from Financing Activities	
Purchase of investments	<u>-</u>
Net cash used by financing activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	(69,156)
Cash and Cash Equivalents - Beginning of year	<u>220,538</u>
Cash and Cash Equivalents - End of year	<u><u>\$ 151,382</u></u>

(See accompanying notes and accountant's report)

Shelter Health Services, Inc.

Notes to Financial Statements June 30, 2024

(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. 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 by Shelter Health. As of June 30, 2024, the organization had no permanently restricted net assets.

Shelter Health Services, Inc.

Notes to Financial Statements
June 30, 2024

(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

Shelter Health Services, Inc.

Notes to Financial Statements June 30, 2024

donation are recorded at their fair values in the period received. Shelter Health recognized donated services of \$110,932 for the fiscal year ended June 30, 2024.

(2) Summary of Significant Accounting Policies (Continued)

(f) Federal Income Taxes

Shelter Health is exempt from income tax under the 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, 2024:

	<u>2024</u>
Foundation For a Healthy Carolina	20,000
George W. and Ruth R. Baxter Foundation	15,000
Giles Foundation	5,000
Leon Levin Foundation	40,000
Mecklenburg County Community Grants Fund	65,550
Merancas Foundation	65,000
Provident Benevolent Foundation	10,000
Sister's of Mercy	55,000
The Good News Shop	2,500
Triad Foundation	10,000
Total	<u>\$ 288,050</u>

(4) Temporarily Restricted Net Assets

During the fiscal year June 30, 2024, \$188,526 of temporarily restricted net assets were used for payroll, equipment, supplies and other functional program expenses. Shelter Health had \$2,240 temporarily restricted net assets as of June 30, 2024.

Shelter Health Services, Inc.

Notes to Financial Statements
June 30, 2024

(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, 2024, Shelter Health had cash balances of \$151,382. 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, 2024

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Bank Fees	\$ 207	\$ -	\$ -	\$ 207
Business Insurance	2,253	10,505	-	12,758
Computer Software & Equipment	-	5,135	-	5,135
Contract Labor	70	-	-	70
Dues and Membership Fees	-	704	-	704
Employee Benefits	34,631	-	-	34,631
Fundraising Expenses	2,586	-	-	2,586
In-Kind Services	110,932	-	-	110,932
Licenses and Permits	443	-	-	443
Medical Equipment & Supplies	-	22,257	-	22,257
Occupancy Maintenance	5,698	-	-	5,698
Office Expenses	2,598	-	-	2,598
Payroll Expenses	157,075	146,457	-	303,532
Pharmaceutical Expenses	-	3,468	-	3,468
Postage and Delivery	78	-	-	78
Professional Services	9,934	-	-	9,934
Repairs and Maintenance	16	-	-	16
Staff Development	5,812	-	-	5,812
Telephone & Communication	3,780	-	-	3,780
Travel Expenses	1,344	-	-	1,344
	<u>\$ 337,457</u>	<u>\$ 188,526</u>	<u>\$ -</u>	<u>\$ 525,983</u>
Total functional expenses	<u>\$ 337,457</u>	<u>\$ 188,526</u>	<u>\$ -</u>	<u>\$ 525,983</u>

(See accompanying notes and accountant's report)