

# CARPENTER'S SHELTER

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

REPORTS REQUIRED BY THE UNIFORM GUIDANCE FOR THE YEAR ENDED  
JUNE 30, 2021



*Certified Public Accountants*

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*Certified Public Accountants*

## **Independent Auditor's Report**

To the Board of Directors  
**Carpenter's Shelter**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Carpenter's Shelter** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility 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; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Carpenter's Shelter** as of June 30, 2021 and 2020, 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses with federal Form 990 reconciliation on page 21 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2022, on our consideration of **Carpenter's Shelter's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **Carpenter's Shelter's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Carpenter's Shelter's** internal control over financial reporting and compliance.

*Kositzka, Wicks and Company*

Alexandria, Virginia  
March 10, 2022

# Carpenter's Shelter

## Statements of Financial Position June 30,

2021

2020

### Assets

#### Current assets

Cash and cash equivalents	\$ 451,533	\$ 611,679
Restricted cash - residents' account	9,120	8,307
Grants receivable	128,583	84,028
Contributions receivable	89,192	112,765
Certificates of deposit	133,329	132,292
Investments	5,221,853	3,983,489
Prepaid expenses	24,525	35,284
	<u>6,058,135</u>	<u>4,967,844</u>

#### Noncurrent assets

Future Shelter cost, prepaid	5,214,043	5,214,043
Property and equipment, net accumulated depreciation	343,045	130,902
	<u>5,557,088</u>	<u>5,344,945</u>
Total assets	<u>\$ 11,615,223</u>	<u>\$ 10,312,789</u>

### Liabilities and net assets

#### Current liabilities

Accounts payable	\$ 71,717	\$ 18,324
Accrued salaries and benefits	85,258	107,721
SBA Paycheck Protection Program loan	-	230,700
Residents' account	9,120	8,307
Total liabilities	<u>166,095</u>	<u>365,052</u>

#### Net assets

Without donor restrictions	11,339,255	9,814,292
With donor restrictions	109,873	133,445
Total net assets	<u>11,449,128</u>	<u>9,947,737</u>
Total liabilities and net assets	<u>\$ 11,615,223</u>	<u>\$ 10,312,789</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

# Carpenter's Shelter

## Statement of Activities for the year ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
<b>Support and revenue</b>			
Contributions	\$ 2,170,553	\$ 50,000	\$ 2,220,553
Donated services, meals and materials	228,143	-	228,143
Government grants	1,534,143	-	1,534,143
Investment income, net	954,345	-	954,345
Net assets released from restrictions	73,572	(73,572)	-
	<u>4,960,756</u>	<u>(23,572)</u>	<u>4,937,184</u>
<b>Expenses</b>			
Shelter services	2,576,770	-	2,576,770
Management and general	391,996	-	391,996
Fundraising	434,442	-	434,442
	<u>3,403,208</u>	<u>-</u>	<u>3,403,208</u>
<b>Change in net assets from operating activities</b>	1,557,548	(23,572)	1,533,976
Loss on disposal of assets	(32,585)	-	(32,585)
<b>Change in net assets</b>	1,524,963	(23,572)	1,501,391
<b>Net assets, beginning of year</b>	9,814,292	133,445	9,947,737
<b>Net assets, end of year</b>	<u>\$ 11,339,255</u>	<u>\$ 109,873</u>	<u>\$ 11,449,128</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

# Carpenter's Shelter

## Statement of Activities for the year ended June 30, 2020

	Without donor restrictions	With donor restrictions	Total
<b>Support and revenue</b>			
Contributions	\$ 2,004,127	\$ -	\$ 2,004,127
Donated services and meals	231,287	-	231,287
Government grants	1,373,454	-	1,373,454
Investment loss, net	(8,705)	-	(8,705)
Net assets released from restrictions	308,160	(308,160)	-
	<u>3,908,323</u>	<u>(308,160)</u>	<u>3,600,163</u>
<b>Expenses</b>			
Shelter services	2,145,073	-	2,145,073
Management and general	278,852	-	278,852
Fundraising	482,528	-	482,528
	<u>2,906,453</u>	<u>-</u>	<u>2,906,453</u>
<b>Change in net assets from operating activities</b>	1,001,870	(308,160)	693,710
Depreciation - temporary location	(616,373)	-	(616,373)
<b>Change in net assets</b>	385,497	(308,160)	77,337
<b>Net assets, beginning of year</b>	9,428,795	441,605	9,870,400
<b>Net assets, end of year</b>	<u>\$ 9,814,292</u>	<u>\$ 133,445</u>	<u>\$ 9,947,737</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

## Carpenter's Shelter

### Statement of Functional Expenses for the year ended June 30, 2021

	Shelter services	Supporting services		Total expenses
		Management and general	Fundraising	
<b>Expenses</b>				
Accounting fees	\$ -	\$ 64,918	\$ -	\$ 64,918
Banking and credit card fees	-	-	18,663	18,663
Conference and meetings	32	1,361	83	1,476
Depreciation	47,118	2,118	2,119	51,355
Donated services, meals and materials	228,143	-	-	228,143
Dues and subscriptions	955	4,518	25	5,498
Employee benefits	99,158	49,445	24,306	172,909
Food and dining supplies	8,849	137	-	8,986
Fundraising supplies and expenses	-	-	58,707	58,707
Insurance	22,848	11,424	3,808	38,080
Office supplies	3,564	32,305	1,634	37,503
Payroll taxes	106,329	3,475	3,338	113,142
Personnel	1,327,205	65,000	184,860	1,577,065
Postage	160	3,032	48,390	51,582
Printing	-	2,126	18,018	20,144
Professional and other fees	2,469	5,600	26,737	34,806
Rent and lease costs	9,000	500	500	10,000
Repairs and maintenance	107,095	74,902	8,510	190,507
Resident activities and supplies	15,922	-	-	15,922
Retirement contributions	8,768	2,673	1,881	13,322
Scholarship expense	11,334	-	-	11,334
Short-term rental subsidies	544,013	-	-	544,013
Software and information technology	5,017	57,751	28,465	91,233
Telephone	7,004	1,718	1,485	10,207
Transportation	1,100	418	19	1,537
Travel	3,537	-	36	3,573
Utilities	17,150	8,575	2,858	28,583
<b>Total expenses by function</b>	<b>\$ 2,576,770</b>	<b>\$ 391,996</b>	<b>\$ 434,442</b>	<b>\$ 3,403,208</b>

The accompanying independent auditor's report and notes are an integral part of the financial statements.



## Carpenter's Shelter

### Statement of Functional Expenses for the year ended June 30, 2020

	Shelter services	Supporting services		Total expenses
		Management and general	Fundraising	
<b>Expenses</b>				
Accounting fees	\$ -	\$ 38,430	\$ -	\$ 38,430
Banking and credit card fees	-	-	8,961	8,961
Conference and meetings	162	3,969	936	5,067
Depreciation	572,507	32,158	32,159	636,824
Donated meals and materials	209,327	-	-	209,327
Donated services	21,960	-	-	21,960
Dues and subscriptions	75	1,334	424	1,833
Employee benefits	74,955	34,744	21,238	130,937
Food and dining supplies	29,251	-	-	29,251
Fundraising supplies and expenses	250	-	69,480	69,730
Insurance	13,465	4,015	748	18,228
Office supplies	3,135	14,443	384	17,962
Payroll taxes	83,071	8,870	14,955	106,896
Personnel	1,080,492	55,404	275,389	1,411,285
Postage	4	1,794	24,454	26,252
Printing	150	1,358	5,188	6,696
Professional and other fees	-	37,784	10,509	48,293
Rent and lease costs	21,600	1,276	1,200	24,076
Repairs and maintenance	62,828	41,016	5,817	109,661
Resident activities and supplies	16,140	-	-	16,140
Retirement contributions	6,912	2,622	2,971	12,505
Scholarship expense	8,728	-	-	8,728
Short-term rental subsidies	441,706	-	-	441,706
Software and information technology	12,748	22,321	29,852	64,921
Telephone	5,602	1,861	1,861	9,324
Transportation	3,275	-	107	3,382
Travel	13,155	168	611	13,934
Utilities	18,311	6,103	6,103	30,517
<b>Total expenses by function</b>	<b>2,699,809</b>	<b>309,670</b>	<b>513,347</b>	<b>3,522,826</b>
<b>Less expenses included on the statement of activities</b>				
Depreciation - temporary location	(554,736)	(30,818)	(30,819)	(616,373)
<b>Total expenses included in the expense section on the statement of activities</b>	<b>\$ 2,145,073</b>	<b>\$ 278,852</b>	<b>\$ 482,528</b>	<b>\$ 2,906,453</b>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

# Carpenter's Shelter

## Statements of Cash Flows for the years ended June 30,

2021

2020

### Cash flows from operating activities

Change in net assets	\$ 1,501,391	\$ 77,337
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	51,355	636,824
Loss on disposal of assets	32,585	-
Forgiveness of SBA Paycheck Protection Program loan	(230,700)	-
Sale of donated stock	35,621	91,325
Realized and unrealized (gain) loss on investments	(976,519)	67,805
(Increase) decrease in operating assets		
Grants receivable	(44,555)	(53,230)
Contributions receivable	23,573	283,160
Prepaid expenses	10,759	(6,873)
Increase (decrease) in operating liabilities		
Accounts payable	53,393	12,694
Accrued salaries and benefits	(22,463)	4,328
Residents' account	813	1,314
Net cash provided by operating activities	<u>435,253</u>	<u>1,114,684</u>

### Cash flows from investing activities

Purchase of investments and reinvestments	(297,466)	(1,059,700)
Reinvested interest on certificates of deposit	(1,037)	(2,049)
Purchase of property and equipment	<u>(296,083)</u>	<u>(99,560)</u>
Net cash used in investing activities	<u>(594,586)</u>	<u>(1,161,309)</u>

### Cash flows from financing activities

Proceeds from SBA Paycheck Protection Program loan	<u>-</u>	<u>230,700</u>
Net cash provided by financing activities	<u>-</u>	<u>230,700</u>

### Net change in cash and cash equivalents

(159,333) 184,075

### Cash, restricted cash, and cash equivalents - beginning of year

619,986 435,911

### Cash, restricted cash, and cash equivalents - end of year

\$ 460,653 \$ 619,986

### Supplemental disclosure of cash flow information

Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

# Carpenter's Shelter

## Notes to Financial Statements June 30, 2021 and 2020

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### 1. Organization and purpose

Carpenter's Shelter (the Shelter) was established in 1988 as an emergency shelter to respond to the growing need for temporary housing for individuals that were homeless Alexandria, Virginia. Since 1988, the Shelter has evolved to include comprehensive programs and services that promote self-sufficiency for families and individuals in an environment of dignity and caring. The Shelter is guided by a strategic plan and direction that believes homelessness is a lack of housing and that anyone homeless is ready to be housed. The past few fiscal years have included the COVID-19 health pandemic, which has tested many existing approaches to moving people successfully back to permanent housing. Amid that, the Shelter remained open and continuing its purpose for those in need. The Shelter's major sources of revenue are contributions and grants.

### 2. Significant accounting policies

#### Basis of accounting

The accompanying financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net assets, revenues, gains, and losses are classified based on the existence or absence of restrictions imposed by donors or grantors. Accordingly, net assets and changes therein are classified and reported in two categories as described below.

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At June 30, 2021 and 2020, the Shelter had \$109,873 and \$133,445 in net assets with donor restrictions.

#### Cash and cash equivalents

For purposes of the statements of cash flows, Carpenter's Shelter considers all cash and unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. It is the Shelter's policy not to classify cash and cash equivalents held in investment accounts and certificates of deposit as cash and cash equivalents.

Carpenter's Shelter maintains cash in bank accounts which may, at times, exceed federally insured limits. Carpenter's Shelter has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. FDIC insurance is \$250,000 per depositor, per insured bank. As of June 30, 2021 and 2020, amounts held by Carpenter's Shelter exceeded FDIC insurance coverage by \$231,728 and \$0, respectively.

#### Restricted cash - residents' account

The Shelter maintains a separate cash escrow account in which funds are held on behalf of residents. These funds are exclusively held for the residents and are not available to pay the Shelter's expenses. The Shelter holds these funds for residents until their departure from the Shelter or upon request to withdraw funds while in the Shelter. At June 30, 2021 and 2020, residents' funds held were \$9,120 and \$8,307, respectively.

See independent auditor's report.

# Carpenter's Shelter

## Notes to Financial Statements June 30, 2021 and 2020

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### Receivables

Accounts and grants receivable are due within one year and are measured at the amount management expects to collect from balances at year-end. Annually, management determines if an allowance for doubtful accounts is necessary based on a review of outstanding receivables, historical collection information, and existing economic conditions. Accounts deemed uncollectible are charged off based on individual credit evaluation and specific circumstances of the parties involved.

Contributions receivable consist of unconditional promises to give, collectible generally over a three-year period. A "New Heights" capital campaign was established in 2018 to pay for the capital costs associated with the temporary and permanent location, as well as start-up costs related to permanent supportive housing and to seed an innovation fund that will test new and different approaches to the Shelter more effectively living out its mission and ending homelessness for those served. Pledges expected to be collected in less than one year are considered short-term and recorded at the estimated amount to be ultimately realized. Pledges to be paid to the Shelter over a period of years are considered long-term and recorded at the present value of their estimated cash flows using the prime rate as of the fiscal year-end in the year of the donation. A discount on the pledges receivable has not been recorded due to the immaterial nature of the discount. For the years ended June 30, 2021 and 2020, management provides for potential uncollectible amounts through an allowance for uncollectible accounts based on historical collection experience. A limited number of pledges to be fulfilled with proceeds from fundraising events were delayed due to the COVID-19 pandemic.

### Certificates of deposit

At June 30, 2021 and 2020, the Shelter held certificates of deposit with original maturity dates greater than a period of ninety days that are carried at amortized cost. Interest earned on certificates of deposit is included in the accompanying statements of activities. These certificates of deposit do not qualify as securities as defined in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 320, Investments – Debt and Equity Securities. Therefore, these investments are not included in the fair value disclosures required by FASB ASC 820, Fair Value Measurements and Disclosures.

### Investments

Investments are stated at fair value based on quoted market prices. Unrealized gains and losses are included in investment income in the statements of activities.

The Shelter invests in a professionally managed portfolio. Such investments are exposed to various risks such as market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

### Property and equipment

Property and equipment is recorded at cost, or at estimated fair market value if donated, and is depreciated on a straight-line basis over the estimated lives of the assets. The Shelter capitalizes all property, building, and equipment with a cost of \$3,000 or more. Significant renewals or betterments are capitalized. Maintenance and repairs are expensed as incurred.

### Compensated absences

Employees of Carpenter's Shelter are entitled to paid time off depending on job classification, length of service and other factors. As of June 30, 2021 and 2020, compensated absences of \$66,095 and \$56,527, respectively, are included in accrued salaries and benefits on the accompanying statements of financial position.

See independent auditor's report.

# Carpenter's Shelter

## Notes to Financial Statements June 30, 2021 and 2020

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### **Other financial assets and liabilities**

Financial assets with carrying values approximating fair value include cash and cash equivalents, restricted cash, grants receivable, contributions receivable, and prepaid expenses. Financial liabilities with carrying values approximating fair value include accounts payable, accrued salaries and benefits, and residents' account. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities and any associated interest rates approximate current market rates.

### **Support and revenue**

The Shelter recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

A portion of the Shelter's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

### **Use of estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Shelter participates in federally assisted programs which are subject to financial and compliance audits by the federal agencies or their representatives. As such, there is a possibility that questioned costs might result from such an audit in the future. Management estimates there are not material unallowable costs.

### **In-kind support**

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by U.S. GAAP principles. Contributed meals are recorded at fair value at the date of donation. The Shelter records donated professional services at the respective fair values of the services received. See Note 8 for additional information on donated services and meals.

### **Functional classification of expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supported services benefitted. A portion of general and administrative expenses that benefit multiple functional areas have been allocated across the programs and supporting services based on the proportion of time spent by personnel on each activity or use of building space. The allocated expenses include: depreciation, insurance, personnel, employee benefits, retirement contributions, payroll taxes, rent and lease costs, and software and information technology.

# Carpenter's Shelter

## Notes to Financial Statements June 30, 2021 and 2020

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### Income taxes

Carpenter's Shelter is exempt from federal income tax as a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation. There was no unrelated business income for the years ended June 30, 2021 and 2020. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

The material jurisdictions subject to potential examination by taxing authorities are the U.S. and Virginia. The Board does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on Carpenter's Shelter's results of operations. Tax years that remain subject to examination by the IRS are fiscal years 2018 through 2021.

### Upcoming accounting pronouncements

The FASB has issued ASU 2020-07, which clarifies the presentation and disclosure of contributed nonfinancial assets, which include tangible property, intangible items, and specialized services. Upon implementation, nonprofits will be required to show in-kind contributions of nonfinancial assets as a separate line, apart from cash contributions, on the statement of activities, along with qualitative information about how the organization either monetized or utilized the assets and a description of the valuation techniques used to arrive at the fair value of the assets at initial recognition. ASU 2020-07 is effective for annual reporting periods beginning after June 15, 2021. The Organization plans to adopt the standard on its effective date, which for the organization is July 1, 2021.

## 3. Contributions receivable

The summary of information relative to the pledged capital campaign contributions as of June 30, 2021 and 2020 was as follows:

	2021	2020
<i>Amounts due</i>		
In one year or less	\$ 109,873	\$ 133,445
Between one year and three years	-	-
Allowance for uncollectible pledges	(20,680)	(20,680)
	<u>\$ 89,192</u>	<u>\$ 112,765</u>

A limited number of pledges to be fulfilled with proceeds from fundraising events were delayed due to the COVID-19 pandemic.

## 4. Investments and fair value measurements

The Shelter classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. All of the Shelter's investments are classified as Level 1 on June 30, 2021 and 2020.

See independent auditor's report.

## Carpenter's Shelter

### Notes to Financial Statements June 30, 2021 and 2020

The Shelter's investment in money market funds is valued at cost plus accrued interest, which approximates fair value. Fixed income funds are valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The fixed income funds held by Carpenter's Shelter are deemed to be actively traded. Level 1, fair market measurements were as follows for the years ended June 30, 2021 and 2020:

	Level 1 total 2021	Level 1 total 2020
Cash and money markets	\$ 197,841	\$ 207,692
Equities		
International Large Blend	385,816	277,141
Exchange traded funds		
Diversified Emerging Markets	821,830	614,647
Small Value	103,606	65,397
Small Growth	96,312	78,197
Mid-Cap Value	105,207	66,964
Mid-Cap Growth	104,144	82,697
Large Value	947,596	616,482
Large Growth	650,466	511,163
Fixed income		
Long-term bonds	246,959	198,526
Intermediate-term bonds	635,175	520,078
Short-term bonds	926,901	744,505
	<u>\$ 5,221,853</u>	<u>\$ 3,983,489</u>

#### 5. Property, equipment and land

A summary of property and equipment for the years ended June 30, 2021 and 2020 is as follows:

	2021	2020	Useful life
Temporary space improvements	\$ -	\$ 1,305,261	2 years
Equipment	-	1,040	5 - 10 years
Furniture & fixtures	263,464	104,254	5 - 10 years
Vehicles	99,560	99,560	5 years
Building improvements	32,620	-	5-10 years
Computers and software	-	9,706	3 - 5 years
	<u>395,644</u>	<u>1,519,821</u>	
Less accumulated depreciation	<u>(52,599)</u>	<u>(1,388,919)</u>	
	<u>\$ 343,045</u>	<u>\$ 130,902</u>	

Depreciation expense for the years ended June 30, 2021 and 2020 was \$49,422 and \$636,824, respectively. Depreciation expense for the years ended June 30, 2021 and 2020, specifically related to the relocation and build out of the temporary location was \$0 and \$616,373, respectively, and is included in the total depreciation expense on the statements of functional expenses.

See Note 7 for information about the new shelter facility.

See independent auditor's report.

## Carpenter's Shelter

### Notes to Financial Statements June 30, 2021 and 2020

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#### 6. Net assets with donor restrictions

Net assets with donor restrictions are for specific events as well as for future periods. A summary of activity for the years ended June 30, 2021 and 2020 was as follows:

	<u>June 30, 2020</u>	<u>Contributions</u>	<u>Release of restrictions</u>	<u>June 30, 2021</u>
Capital campaign	\$ 133,445	\$ -	\$ (73,572)	\$ 59,873
Time restricted	-	50,000	-	50,000
	<u>\$ 133,445</u>	<u>\$ 50,000</u>	<u>\$ (73,572)</u>	<u>\$ 109,873</u>

	<u>June 30, 2019</u>	<u>Contributions</u>	<u>Release of restrictions</u>	<u>June 30, 2020</u>
Capital campaign	\$ 416,605	\$ -	\$ (283,160)	\$ 133,445
Various	25,000	-	(25,000)	-
	<u>\$ 441,605</u>	<u>\$ -</u>	<u>\$ (308,160)</u>	<u>\$ 133,445</u>

#### 7. Commitments and contingencies

##### *Future Shelter facility*

In March 2017, the Shelter executed a purchase and sale agreement with Alexandria North Henry Limited Partnership (ANH), an entity affiliated with the Alexandria Housing Development Corporation (AHDC), to develop a new homeless shelter, ten permanent supportive housing units (PSH units), 87 affordable residential housing units (Residential Development), and an underground parking structure. Under the terms of the agreement, the Shelter sold its existing property to ANH for the agreed fair market value prior or simultaneous to the closing for construction financing. As a part of the development AHDC was awarded low income housing tax credits from the Virginia Housing Development Authority. The PSH units shall be owned by ANH; the Shelter has an option to purchase these units at the conclusion of the 15-year low-income-housing tax-compliance period for a price of \$10 per unit.

The existing property was sold to ANH for \$6,250,000 on October 12, 2018. As a part of the agreement, ANH retained \$5,214,043 of the proceeds and is held as construction in process until the building is completed. For an interim period, the Shelter was temporarily relocated in the Landmark area of Alexandria. Beginning November 2020, despite the construction not being fully completed, the Shelter occupied its new facility under a temporary Certificate of Occupancy and was operational as a shelter in November 2020 as additional work continued on the building. The Shelter terminated the Landmark Lease with Howard Hughes Corporation on November 30, 2020. The Shelter's lease expense for the years ended June 30, 2021 and 2020 was \$10,000 and \$24,000, respectively.

The Shelter officially purchased its facility on September 29, 2021, once again owning it. Due to the unusual timing of when the new space was occupied but not owned, Shelter management decided not to recognize the cost of depreciation during the period the building was under construction and not owned by the Shelter. Depreciation of the building will begin as of the date the Shelter achieved ownership.

See independent auditor's report.



# Carpenter's Shelter

## Notes to Financial Statements June 30, 2021 and 2020

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### *SBA Paycheck Protection Program*

The Organization obtained \$230,700 from the CARES Act SBA Paycheck Protection Program loan in May 2020 as a result of the COVID-19 pandemic. The Organization complied with the loan requirements and the loan was fully forgiven in November 2020.

### *Contingencies*

During the year ended June 30, 2020, a Carpenter's Shelter van was involved in a fatal accident. The Commonwealth's Attorney filed no criminal charges in relation to the incident. The family of the deceased filed a claim against the organization and the case is still ongoing and Carpenter's Shelter is defending the allegations made in the case.

## 8. Donated services, meals and materials

Carpenter's Shelter receives in-kind revenue from various sources. Professional services include donated medical services, consulting and accounting services. Donated meals include the provision of three meals a day for residents of the Shelter. The value of the meals is estimated each month based on the number of days in the month and the average number of individuals served at each meal. Donated materials consists of various home goods, toys and supplies. In-kind revenue is recorded at fair market value or estimated fair market value of services or good received. For the years ended June 30, 2021 and 2020, donated services, meals, and materials were as follows:

	2021	2020
Professional services	\$ 22,500	\$ 21,960
Donated meals and materials	205,643	209,327
	<u>\$ 228,143</u>	<u>\$ 231,287</u>

During the years ended June 30, 2021 and 2020, there were approximately 1,200 volunteers that donated their time to the Shelter that are not recognized as contributions in the financial statements since the recognition criteria under U.S. GAAP were not met.

Additionally, the Shelter received donated stock of \$35,621 and \$91,325 in the years ended June 30, 2021 and 2020, respectively. Donated stock is included in contributions on the statements of activities.

## Carpenter's Shelter

### Notes to Financial Statements June 30, 2021 and 2020

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#### 9. Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2021 and 2020:

	2021	2020
Cash and cash equivalents	\$ 451,533	\$ 611,679
Accounts and grants receivable	128,583	84,028
Contributions receivable	89,192	112,765
Investments	5,221,853	3,983,489
Financial assets, at year end	5,891,161	4,791,961
Less amounts unavailable for general expenditures within one year due to:		
Donor-imposed restrictions	(109,873)	(133,445)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,781,288</u>	<u>\$ 4,658,516</u>

As a part of its liquidity management plan, the Organization strives to maintain 90 days' worth of expenses as a reserve.

#### 10. Restricted cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts show in the statement of cash flows. These restricted cash funds are exclusively held for the residents and are not available to pay the Shelter's expenses.

	2021	2020
Cash and cash equivalents	\$ 451,533	\$ 611,679
Restricted cash	9,120	8,307
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 460,653</u>	<u>\$ 619,986</u>

#### 11. Retirement plan

The Shelter's management established a Salary Deferral Plan (the Plan) under Section 403(b) of the Internal Revenue Code effective January 1, 2000, covering employees who have completed one year of service and who are at least 21 years of age. The Plan is funded by voluntary contributions through salary reductions plus an employer match of 100 percent up to two percent of salary. The Plan also allows for a discretionary employer contribution for which the Shelter did not contribute during 2021 or 2020. The employer match contribution to the Plan, during the years ended June 30, 2021 and 2020 was \$13,322 and \$12,505, respectively.

See independent auditor's report.

# **Carpenter's Shelter**

## **Notes to Financial Statements June 30, 2021 and 2020**

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### **12. Subsequent events**

Carpenter's Shelter assessed events occurring subsequent to June 30, 2021 through March 10, 2022, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events, other than those in Note 7, have occurred that would require adjustment to or disclosure in the financial statements.

## **Supplementary information**

## Carpenter's Shelter

### Schedule of Functional Expenses with Federal Form 990 Reconciliation for the year ended June 30, 2021

Expenses	Shelter services	Supporting services		Total expenses
		Management and general	Fundraising	
Accounting fees	\$ -	\$ 64,918	\$ -	\$ 64,918
Banking and credit card fees	-	-	18,663	18,663
Conference and meetings	32	1,361	83	1,476
Depreciation	47,118	2,118	2,119	51,355
Donated services, meals and materials	228,143	-	-	228,143
Dues and subscriptions	955	4,518	25	5,498
Employee benefits	99,158	49,445	24,306	172,909
Food and dining supplies	8,849	137	-	8,986
Fundraising supplies and expenses	-	-	58,707	58,707
Insurance	22,848	11,424	3,808	38,080
Office supplies	3,564	32,305	1,634	37,503
Payroll taxes	106,329	3,475	3,338	113,142
Personnel	1,327,205	65,000	184,860	1,577,065
Postage	160	3,032	48,390	51,582
Printing	-	2,126	18,018	20,144
Professional and other fees	2,469	5,600	26,737	34,806
Rent and lease costs	9,000	500	500	10,000
Repairs and maintenance	107,095	74,902	8,510	190,507
Resident activities and supplies	15,922	-	-	15,922
Retirement contributions	8,768	2,673	1,881	13,322
Scholarship expense	11,334	-	-	11,334
Short-term rental subsidies	544,013	-	-	544,013
Software and information technology	5,017	57,751	28,465	91,233
Telephone	7,004	1,718	1,485	10,207
Transportation	1,100	418	19	1,537
Travel	3,537	-	36	3,573
Utilities	17,150	8,575	2,858	28,583
	<u>2,576,770</u>	<u>391,996</u>	<u>434,442</u>	<u>3,403,208</u>
<b>Reconciling items to Form 990</b>				
<b>Part IX, Statement of Functional Expenses</b>				
Donated services	(22,500)	-	-	(22,500)
Disposal of old assets	32,585	-	-	32,585
Investment expenses	-	17,553	-	17,553
	<u>10,085</u>	<u>17,553</u>	<u>-</u>	<u>27,638</u>
<b>Total expenses</b>	<u>\$ 2,586,855</u>	<u>\$ 409,549</u>	<u>\$ 434,442</u>	<u>\$ 3,430,846</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

**Reports required by Government Auditing Standards and  
the Uniform Guidance**

## Carpenter's Shelter

### Schedule of Expenditures of Federal Awards for the year ended June 30, 2021

	Federal grant number	CFDA number	Expenditures
<b>U.S. Department of Housing</b>			
<i>Pass-through entity: Virginia Department of Housing and Community Development</i>			
COVID Homelessness Emergency Response Program Funding			
Virginia Homeless Solutions Program	E-20-DC-51-0001	14.231	\$ 216,921
COVID Homelessness Emergency Response Program Funding	E-20-DW-51-0001	14.231	333,047
			<u>549,968</u>
<i>Pass-through entity: New Hope Housing</i>			
Continuum of Care Program	VA0121L3G031911	14.267	151,318
<b>U.S. Department of the Treasury</b>			
<i>Pass-through entity: City of Alexandria</i>			
Coronavirus Relief Fund		21.019	50,000
<b>U.S. Department of Agriculture</b>			
State Administrative Expenses for Child Nutrition		10.560	<u>2,352</u>
<b>Total federal awards</b>			<u>\$ 753,638</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

# Carpenter's Shelter

## Notes to the Schedule of Expenditures of Federal Awards for the year ended June 30, 2021

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### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Carpenter's Shelter under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Carpenter's Shelter, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Carpenter's Shelter.

### 2. Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### 3. Indirect cost rate

Carpenter's Shelter has elected not to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.





*Certified Public Accountants*

**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of  
**Carpenter's Shelter**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **Carpenter's Shelter** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 10, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **Carpenter's Shelter's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Carpenter's Shelter's** internal control. Accordingly, we do not express an opinion on the effectiveness of the **Carpenter's Shelter's** internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **Carpenter's Shelter's** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kositzka, Wicks and Company*

Alexandria, Virginia  
March 10, 2022



*Certified Public Accountants*

**Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control Over  
Compliance Required by the Uniform Guidance**

To the Board of Directors of  
**Carpenter's Shelter**

**Report on Compliance for Each Major Federal Program**

We have audited **Carpenter's Shelter's** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Carpenter's Shelter's** major federal programs for the year ended June 30, 2021. **Carpenter's Shelter's** major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of **Carpenter's Shelter's** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Carpenter's Shelter's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Carpenter's Shelter's** compliance.

***Opinion on Each Major Federal Program***

In our opinion, **Carpenter's Shelter** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

**Carpenter's Shelter's** response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **Carpenter's Shelter's** response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of **Carpenter's Shelter** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Carpenter's Shelter's** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Carpenter's Shelter's** internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001 that we consider to be significant deficiencies.

**Carpenter's Shelter's** response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **Carpenter's Shelter's** response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Kositzka, Wicks and Company*

Alexandria, Virginia  
March 10, 2022

# Carpenter's Shelter

## Schedule of Findings and Questioned Costs for the year ended June 30, 2021

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### Section 1. Summary of Auditor's Results

#### Financial Statements

1. Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified
2. Internal control over financial reporting:
  - a. Material weakness(es) identified? No
  - b. Significant deficiency identified? No
3. Noncompliance material to financial statements noted? No

#### Federal Awards

1. Internal control over major programs:
  - a. Material weakness(es) identified? No
  - b. Significant deficiency identified? Yes
2. Type of auditor's report issued on compliance for major programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes
4. Identification of major program:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
COVID Homeless Emergency Response Program	14.231
5. Dollar threshold used to distinguish between type A and type B programs \$750,000
6. Auditee qualified as a low-risk? No

## **Carpenter's Shelter**

### **Schedule of Findings and Questioned Costs for the year ended June 30, 2021**

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#### **Section 2. Findings – Financial Statement Audit**

**None.**

#### **Section 3. Findings – Major Federal Award Programs Audit**

##### **2021-001 Controls over payroll costs**

- Condition: Payroll costs charged to the federal award did not agree with the payroll costs in the accounting system or payroll reports.
- Criteria: Payroll costs charged to federal awards should be reviewed and approved by a responsible party.
- Cause: Tracking for federal expenditures is kept outside of the accounting system and reports from the accounting system are not reconciled regularly with the federal submissions.
- Context and Effect: Each month, the grant submissions include payroll transactions. 17 of 123 transactions tested did not reflect the actual amount paid to the employee. The net impact of the errors was immaterial, but the errors indicate a control deficiency in accurately reporting payroll costs. Employees keep time cards and are paid accordingly, but the charges to the grant did not take into the fluctuation of hourly employees or employees on leave without pay.
- Recommendations: We recommend the grant reports are reconciled monthly with the accounting records and payroll records before submission.



**Carpenter's  
Shelter**

At The Hubert N. Hoffman, Jr. Center

**Corrective Action Plan  
For the year ended June 30, 2021**

**March 10, 2022**

Carpenter's Shelter (the Organization) respectfully submits the following  
Corrective Action Plan for the year ended June 30, 2021.

Name and address of independent public accounting firm:

Kositzka, Wicks & Company (KWC)  
5270 Shawnee Road, Ste. 250  
Alexandria, VA 22312

Audit period:

July 1, 2020 to June 30, 2021

The findings from the Schedule of Findings and Questions Costs for the year  
ended June 30, 2021 are discussed below. The findings are numbered  
consistently with the numbers assigned in the schedule.

**Section 3. Findings – Major Federal Award Programs Audit**

Finding No. 2021-001 – Significant deficiency - Controls over payroll costs

**Recommendations:**

We recommend the grant reports are reconciled monthly with the  
accounting records and payroll records before submission.

**Views of Responsible Officials and Planned Corrective Actions:**

We agree with the auditors' comments, and the following action will be  
taken to improve the situation. We will have the Accounting Manager to  
make a detailed review of the monthly invoices before they are submitted  
for reimbursement to the government offices.

Person Responsible: Shannon Steene, Executive Director

Planned completion date: June 30, 2022

Carpenter's Shelter

Shannon Steene, Executive Director  
shannonsteene@carpentersshelter.org  
703-548-7500 ext 206

**Board of Directors**

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Michael J. Lyden, *Vice Chair*  
Simone Putnam, *Treasurer*  
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Kisha Perkins  
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Ankur Shah  
Jonathan F. Wolcott  
Laura Zabriskie

Executive Director

Shannon Steene

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