

CARPENTER'S SHELTER, INC.

Alexandria, Virginia

FINANCIAL REPORT

JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Carpenter's Shelter, Inc.
Alexandria, Virginia

Opinion

We have audited the financial statements of Carpenter's Shelter, Inc. (the Shelter), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Shelter as of June 30, 2025 and 2024, 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Shelter and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Shelter's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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 GAAS 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- 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 Shelter'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Shelter's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Gount, Hyde & Barbour, P.C.

Winchester, Virginia
February 26, 2026

CARPENTER'S SHELTER, INC.

Statements of Financial Position

June 30, 2025 and 2024

Assets	2025	2024
Cash and cash equivalents	\$ 584,336	\$ 354,594
Grants and pledges receivable	635,340	475,651
Investments	6,371,677	6,592,591
Prepaid expenses	24,495	8,840
Property and equipment, net	<u>4,753,067</u>	<u>4,966,579</u>
 Total assets	 <u>\$ 12,368,915</u>	 <u>\$ 12,398,255</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 40,843	\$ 23,494
Accrued paid leave	<u>105,832</u>	<u>71,442</u>
Total liabilities	<u>146,675</u>	<u>94,936</u>
 Net Assets		
Without donor restrictions	10,817,268	12,219,100
With donor restrictions	<u>1,404,972</u>	<u>84,219</u>
Total net assets	<u>12,222,240</u>	<u>12,303,319</u>
 Total liabilities and net assets	 <u>\$ 12,368,915</u>	 <u>\$ 12,398,255</u>

See Notes to Financial Statements.

CARPENTER'S SHELTER, INC.

Statement of Activities

For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions of cash and other financial assets	\$ 2,014,091	\$ 148,027	\$ 2,162,118
Government grants	-	2,853,544	2,853,544
Contributions of nonfinancial assets	545,927	-	545,927
Net investment income	626,077	-	626,077
Net assets released from restrictions:			
Satisfaction of purpose restrictions	1,680,818	(1,680,818)	-
Total revenue and support	4,866,913	1,320,753	6,187,666
Expenses			
Program services:			
Shelter services	4,815,090	-	4,815,090
Total program services	4,815,090	-	4,815,090
Supporting services:			
Management and general	642,504	-	642,504
Fundraising	811,151	-	811,151
Total supporting services	1,453,655	-	1,453,655
Total expenses	6,268,745	-	6,268,745
Change in Net Assets	(1,401,832)	1,320,753	(81,079)
Net Assets, beginning of year	12,219,100	84,219	12,303,319
Net Assets, end of year	\$ 10,817,268	\$ 1,404,972	\$ 12,222,240

See Notes to Financial Statements.

CARPENTER'S SHELTER, INC.

Statement of Activities

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions of cash and other financial assets	\$ 1,571,747	\$ 267,483	\$ 1,839,230
Government grants	-	2,188,375	2,188,375
Contributions of nonfinancial assets	398,185	-	398,185
Net investment income	571,788	-	571,788
Other income	6,781	-	6,781
Net assets released from restrictions:			
Satisfaction of purpose restrictions	4,145,802	(4,145,802)	-
Total revenue and support	6,694,303	(1,689,944)	5,004,359
Expenses			
Program services:			
Shelter services	3,720,371	-	3,720,371
Total program services	3,720,371	-	3,720,371
Supporting services:			
Management and general	502,752	-	502,752
Fundraising	804,405	-	804,405
Total supporting services	1,307,157	-	1,307,157
Total expenses	5,027,528	-	5,027,528
Change in Net Assets	1,666,775	(1,689,944)	(23,169)
Net Assets, beginning of year	10,552,325	1,774,163	12,326,488
Net Assets, end of year	\$ 12,219,100	\$ 84,219	\$ 12,303,319

See Notes to Financial Statements.

CARPENTER'S SHELTER, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2025

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Supporting Services</u>	<u>Total</u>
	<u>Shelter Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Client food and supplies	\$ 96,591	\$ 70	\$ --	\$ 70	\$ 96,661
Conferences and meetings	2,943	685	--	685	3,628
Donated meals and materials	349,690	--	--	--	349,690
Donated professional services	38,000	158,237	--	158,237	196,237
Dues, fees and subscriptions	71,304	29,704	25,422	55,126	126,430
Facility and equipment expenses	414,776	24,014	13,469	37,483	452,259
Fundraising supplies and expenses	--	--	350,428	350,428	350,428
Insurance	33,671	42,602	--	42,602	76,273
Office expenses	20,173	11,992	417	12,409	32,582
Other expenses	43	281	2	283	326
Professional services	65,262	143,646	10,500	154,146	219,408
Resident activities	35,648	--	--	--	35,648
Salaries and related expenses	2,358,177	226,601	410,913	637,514	2,995,691
Scholarship and assistance	1,308,637	3,932	--	3,932	1,312,569
Travel and transportation	20,175	740	--	740	20,915
Total expenses	<u>\$ 4,815,090</u>	<u>\$ 642,504</u>	<u>\$ 811,151</u>	<u>\$ 1,453,655</u>	<u>\$ 6,268,745</u>

See Notes to Financial Statements.

CARPENTER'S SHELTER, INC.

Statement of Functional Expenses
For the Year Ended June 30, 2024

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Supporting Services</u>	<u>Total</u>
	<u>Shelter Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Client food and supplies	\$ 51,737	\$ 6,992	\$ 11,186	\$ 18,178	\$ 69,915
Conferences and meetings	1,779	240	385	625	2,404
Donated meals and materials	199,217	26,921	43,074	69,995	269,212
Donated professional services	95,440	12,896	20,636	33,532	128,972
Dues, fees and subscriptions	54,862	7,414	11,862	19,276	74,138
Facility and equipment expenses	286,235	38,681	61,889	100,570	386,805
Fundraising supplies and expenses	186,455	25,196	40,314	65,510	251,965
Insurance	35,872	4,848	7,756	12,604	48,476
Office expenses	67,779	9,159	14,655	23,814	91,593
Other expenses	10,614	1,434	2,295	3,729	14,343
Professional services	133,757	18,075	28,921	46,996	180,753
Resident activities	22,151	2,994	4,789	7,783	29,934
Salaries and related expenses	1,903,203	257,190	411,503	668,693	2,571,896
Scholarship and assistance	659,690	89,147	142,636	231,783	891,473
Travel and transportation	11,580	1,565	2,504	4,069	15,649
Total expenses	<u>\$ 3,720,371</u>	<u>\$ 502,752</u>	<u>\$ 804,405</u>	<u>\$ 1,307,157</u>	<u>\$ 5,027,528</u>

See Notes to Financial Statements.

CARPENTER'S SHELTER, INC.

Statements of Cash Flows

For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ (81,079)	\$ (23,169)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation	213,512	223,040
Net realized and unrealized (gain) on investments	(430,162)	(367,163)
Change in operating assets and liabilities:		
(Increase) in grants and pledges receivable	(159,689)	(101,511)
(Increase) decrease in prepaid expenses	(15,655)	21,110
Increase (decrease) in accounts payable and accrued expenses	17,349	(64,007)
Increase in accrued paid leave	34,390	- -
(Decrease) in residents' account	- -	(8,655)
Net cash (used in) operating activities	(421,334)	(320,355)
 Cash Flows from Investing Activities		
Proceeds from sales of investments	354,692	24,718
Purchases of investments	(329,936)	(268,458)
Redemption and purchases of certificates of deposit, net	626,320	893,540
Net cash provided by investing activities	651,076	649,800
 Net increase in cash and cash equivalents	229,742	329,445
 Cash, Cash Equivalents and Restricted Cash, beginning of year	354,594	25,149
 Cash, Cash Equivalents and Restricted Cash, end of year	\$ 584,336	\$ 354,594
 Supplemental Disclosure of Noncash Investing and Financing Activities,		
fair market value of assets contributed	\$ 36,949	\$ - -

See Notes to Financial Statements.

CARPENTER'S SHELTER, INC.

Notes to Financial Statements

Note 1. Nature of Operations

Carpenter's Shelter, Inc. (the Shelter) was established in 1988 as an emergency shelter to respond to the growing need for temporary housing for individuals who were homeless in 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 continued its purpose for those in need. The Shelter's activities are primarily supported through contributions and grants.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Shelter have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recorded as obligations are incurred.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, money market accounts and all highly liquid investments with initial maturities of three months or less. Excluded from this definition are cash and money market funds held in long-term investment portfolios.

Grants and Pledges Receivable

Grants and pledges receivable represent uncollected federal and state government grants and other grants and contributions. The balance of grants and pledges receivable at June 30, 2025 and 2024 has been deemed by management to be fully collectible within one year. If an amount becomes uncollectible, it is expensed when that determination is made.

Leases

The Shelter determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Shelter also considers whether its service arrangements include the right to control the use of an asset.

Notes to Financial Statements

The Shelter recognizes most leases on its statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition on the statements of activities.

The Shelter made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Shelter made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable, they will be incurred.

The Shelter has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The non-lease components typically represent additional services transferred to the Shelter, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Investments

Investments consist of cash and money market funds, equity funds, and fixed income funds. Investments are recorded in the financial statements at fair value. 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. Unrealized gains or losses on investments are determined by the change in fair value at the beginning and end of the reporting period. Investment income is presented net of investment advisory and management fees on the accompanying statements of activities. Net realized and unrealized gains or losses on investments are included in net investment income.

Property and Equipment

Property and equipment over \$3,000 with a projected useful life exceeding one year are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to thirty years. Expenditures for minor and routine repairs and maintenance are expensed as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue or expense on the accompanying statements of activities.

Notes to Financial Statements

Classification of Net Assets

- Net Assets Without Donor Restrictions represent funds that are not subject to donor-imposed stipulations and are available for support of the Shelter's operations.
- Net Assets With Donor Restrictions represent funds 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. The Shelter did not have any donor-imposed restrictions which are perpetual in nature at June 30, 2025 and 2024, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Estimates also affect the reported amounts of revenue and expenses recognized during the reporting period. Actual results could differ from those estimates and assumptions.

Revenue Recognition

Grants and Contributions

The majority of the Shelter's revenue is received through contributions and grants considered to be contributions including federal grants. Unconditional grants and contributions are recognized upon receipt or notification of the award and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. Grants and contributions with donor-imposed restrictions are reclassified to net assets without donor restrictions when those restrictions are met, only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and for the expiration of donor-imposed time restrictions. These reclassifications are reported on the accompanying statements of activities as net assets released from restrictions.

Grants and contributions that are considered to be conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized as revenue once the conditions on which they depend have been met. The Shelter adopted the simultaneous release option for donor-restricted conditional grants and contributions that are recognized and used within the same reporting period, therefore, these amounts are reported as without donor restrictions. Revenue recognized on grants and contributions, but have not been received, is included in grants and pledges receivable on the accompanying statements of financial position. Conversely, amounts received in advance of the conditions being met are recorded as refundable advances on the accompanying statements of financial position. The Shelter had approximately \$385,074 and \$488,641 in unrecognized conditional awards at June 30, 2025 and 2024, respectively.

Donated marketable securities and other non-cash financial assets are recorded as contributions at their estimated fair market values at the date of donation. The Shelter's policy is to sell donated securities and other non-cash financial assets as soon as practical.

Notes to Financial Statements

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets include donated meals, and materials. Contributions of nonfinancial assets are recognized as revenue and expense on the accompanying statements of activities at their estimated fair value at the date of receipt. All contributions of meals and materials were used for the Shelter's program services and are included under Shelter Services on the accompanying statements of functional expenses. Unless noted, contributed nonfinancial assets did not have donor-imposed restrictions. See Note 7 for additional information on contributions of nonfinancial assets.

Contributed Services

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Shelter. Professional services include donated medical services, consulting, legal and accounting services. Professional services are used for program, management and general and fundraising services.

The Shelter receives other contributed services from volunteers, including board and committee members, who contributed approximately 8,500 hours of their time to the Shelter. These services do not meet the requirement under GAAP to be recognized as contributions in the financial statements, therefore, excluded from the accompanying statements of activities.

Reclassifications

Certain reclassifications of amounts previously reported have been made to footnote disclosure tables to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets balance.

Notes to Financial Statements

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis on the accompanying statements of activities. The statements of functional expenses presents expenses by function and natural classification. The Shelter incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Shelter also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on either financial or nonfinancial data, such as level of direct cost or time and effort incurred by personnel. The expenses that are allocated include salaries and related expenses, facility and equipment expenses, professional services, dues, fees and subscriptions, office expenses, insurance, and other expenses.

<u>Expense</u>	<u>Method of Allocation</u>
Client food and supplies	Direct Allocation
Conferences and meetings	Direct Allocation
Donated meals and materials	Direct Allocation
Donated professional services	Direct Allocation
Dues, fees and subscriptions	Time and Effort
Facility and equipment expenses	Time and Effort
Fundraising supplies and expenses	Direct Allocation
Insurance	Time and Effort
Office expenses	Time and Effort
Other expenses	Direct Allocation
Professional services	Time and Effort
Resident activities	Direct Allocation
Salaries and related expenses	Time and Effort
Scholarship and assistance	Direct Allocation
Travel and transportation	Direct Allocation

Note 3. Concentrations

The Shelter's cash is held in accounts at certain commercial financial institutions, the aggregate balance of these, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limit per depositor, per institution. The Shelter has not experienced any losses on its cash deposits to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of the institutions and believes that the risk of any loss is minimal.

The Shelter invests funds in a professionally managed portfolio. Such investments are exposed to market and credit risks. Therefore, the Shelter's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported on the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

Revenue and support from two sources accounted for approximately 42% and 39% of the Shelter's revenue and support for the years ended June 30, 2025 and 2024, respectively.

Notes to Financial Statements

Note 4. Investments

Investments consist of the following at June 30, 2025 and 2024:

Summary by Type of Investment	2025		
	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Cash and money market funds	\$ 1,196,155	\$ 1,196,155	\$ - -
Equity funds	2,014,564	3,300,435	1,285,871
Fixed income funds	1,947,240	1,875,087	(72,153)
Total investments	\$ 5,157,959	\$ 6,371,677	\$ 1,213,718
Summary by Type of Investment	2024		
	Cost	Fair Market Value	Unrealized Appreciation
Cash and money market funds	\$ 1,246,475	\$ 1,246,475	\$ - -
Certificates of deposit	610,000	626,320	16,320
Equity funds	2,110,968	3,143,509	1,032,541
Fixed income funds	1,667,562	1,576,287	(91,275)
Total investments	\$ 5,635,005	\$ 6,592,591	\$ 957,586

Investment return, net consisted of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Interest and dividend income	\$ 215,552	\$ 223,089
Realized gain	174,076	11,792
Unrealized gain	256,087	355,371
Investment fees	(19,638)	(18,464)
	\$ 626,077	\$ 571,788

Note 5. Fair Value Measurements

Accounting Standards Codification (ASC) Topic 820, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. The ASC emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and, therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. In order to increase consistency and comparability in fair value measurements, the ASC established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability.

Notes to Financial Statements

The three levels of the fair value hierarchy are described as follows:

Level 1 – Based on unadjusted, quoted market prices in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 – Based on inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.

Level 3 – Based on unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining fair value.

The following is a summary of input levels used to determine fair values, measured on a recurring basis, of investments at June 30, 2025 and 2024:

	2025		
	Level 1	Level 2	Total
Cash and money market fund	\$ 1,196,155	\$ --	\$ 1,196,155
Equity funds	3,300,435	--	3,300,435
Fixed income funds	<u>1,875,087</u>	<u>--</u>	<u>1,875,087</u>
	<u>\$ 6,371,677</u>	<u>\$ --</u>	<u>\$ 6,371,677</u>
	2024		
	Level 1	Level 2	Total
Cash and money market fund	\$ 1,246,475	\$ --	\$ 1,246,475
Certificates of deposit	--	626,320	626,320
Equity funds	3,143,509	--	3,143,509
Fixed income funds	<u>1,576,287</u>	<u>--</u>	<u>1,576,287</u>
	<u>\$ 5,966,271</u>	<u>\$ 626,320</u>	<u>\$ 6,592,591</u>

Notes to Financial Statements

Note 6. Property and Equipment

The Shelter held the following property and equipment on June 30, 2025 and 2024:

	2025	2024
Land - shelter	\$ 45,000	\$ 45,000
Facility - shelter	5,226,495	5,226,495
Furniture and fixtures	271,180	271,180
Vehicles	99,560	99,560
Total property and equipment	5,642,235	5,642,235
Less: accumulated depreciation	(889,168)	(675,656)
Property and equipment, net	\$ 4,753,067	\$ 4,966,579

Note 7. Contributions of Nonfinancial Assets

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities included:

	2025	2024
Professional services	\$ 196,237	\$ 128,973
Meals	281,250	150,328
Materials	68,440	118,884
Total contributions of nonfinancial assets	\$ 545,927	\$ 398,185

Professional services are provided by attorneys and other professionals who advise on various general legal and other matters. Contributed legal and other professional services are recognized at fair value based on current rates for similar legal and other 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 consist of various home goods, toys and supplies, and gift cards. Revenue is recorded at fair market value or estimated fair market value of goods received.

The Shelter does not have a policy to monetize any contributed non-financial assets received.

Notes to Financial Statements

Note 8. Liquidity and Availability of Resources

The following schedule reflects the Shelter's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for general use within one year. All financial assets listed below are considered to be convertible to cash within one year.

	2025	2024
Financial Assets:		
Cash and cash equivalents	\$ 584,336	\$ 354,594
Grants and pledges receivable	635,340	475,651
Investments	6,371,677	6,592,591
Total financial assets	7,591,353	7,422,836
Less amounts unavailable for general expenditures within one year due to:		
Donor-imposed restrictions on the financial assets	(1,404,972)	(84,219)
Financial assets available to meet cash needs for general expenditures within one year	\$ 6,186,381	\$ 7,338,617

The Shelter's policy is to structure its financial assets to become available as general expenditures, liabilities and other obligations become due, operating within a prudent range of financial soundness and stability while maintaining and monitoring reserves to provide reasonable assurance that long-term program goals will continue to be met.

Note 9. Net Assets with Donor Restrictions

Net assets with donor restrictions were restricted for the following at June 30, 2025 and 2024:

	2025	2024
Subject to expenditures for specific purposes:		
Shelter services	\$ 1,404,972	\$ 84,219
Total net assets with donor restrictions	\$ 1,404,972	\$ 84,219

During the years ended June 30, 2025 and 2024, releases from net assets with donor restrictions were for the following:

	2025	2024
Satisfaction of purpose restrictions:		
Capital campaign	\$ - -	\$ 37,745
Shelter services	1,680,818	4,108,057
Total net assets released from donor restrictions	\$ 1,680,818	\$ 4,145,802

Notes to Financial Statements

Note 10. Retirement Plan

The Shelter sponsored a defined contribution 403(b) plan (the Plan) to provide benefits to all eligible employees who meet age and length of service requirements. Under the Plan, the Shelter matched an employee's contribution up to 2% of the employee's annualized compensation. The employer contribution to the Plan was \$18,840 and \$19,735 during the years ended June 30, 2025 and 2024, respectively.

Note 11. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Shelter is a nonprofit organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the years ended June 30, 2025 and 2024, as the Shelter had no material taxable net unrelated business income.

Note 12. Subsequent Events

In preparing these financial statements, the Shelter has evaluated events and transactions for potential recognition or disclosure through February 26, 2025, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements.