

SAMARITAN HOUSE
FINANCIAL STATEMENTS
June 30, 2015

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Vocker Kristofferson and Co.
1700 S. El Camino Real, Suite 506
San Mateo, CA 94402
(650) 574-5000 • FAX (650) 574-2334

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Samaritan House

Report on the Financial Statements

We have audited the accompanying financial statements of Samaritan House, a California non-profit public benefit corporation, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from Samaritan House's June 30, 2014 financial statements and, in our report dated November 17, 2014; we expressed an unqualified opinion on those 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 Samaritan House as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary and 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 Office of Management and Budget Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*, 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 a report dated November 17, 2015, on our consideration of Samaritan House'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 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 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 Samaritan House's internal control over financial reporting and compliance.

Vaughn Knutson and Co.

November 17, 2015
San Mateo, California

SAMARITAN HOUSE
STATEMENT OF FINANCIAL POSITION
June 30, 2015
(With Comparative Totals as of June 30, 2014)

	ASSETS			2014
	2015			
	Unrestricted	Temporarily Restricted	Total	Total
Current Assets:				
Cash and cash equivalents (Note 2)	\$ 841,330	\$ 381,078	\$ 1,222,408	\$ 838,473
Investments (Notes 2 and 4)	3,188,451	-	3,188,451	3,190,069
Trust fund cash (Note 5)	250,715	-	250,715	249,310
Client accounts – Safe Harbor (Note 5)	31,040	-	31,040	36,449
Current portion of promises to give restricted to building project	-	-	-	2,500
Bequests receivable	10,000	-	10,000	110,000
Grants receivable	597,070	16,500	613,570	641,949
Prepaid expenses	117,263	-	117,263	116,529
Total Current Assets	<u>5,035,869</u>	<u>397,578</u>	<u>5,433,447</u>	<u>5,185,279</u>
Property and Equipment (Note 2):				
Land	1,882,459	-	1,882,459	1,882,459
Buildings and improvements	7,288,527	-	7,288,527	7,288,527
Furniture and equipment	453,300	-	453,300	380,913
Computer equipment	197,396	-	197,396	197,396
Computer software	74,558	-	74,558	74,558
Vehicles	71,805	-	71,805	71,805
	<u>9,968,045</u>	<u>-</u>	<u>9,968,045</u>	<u>9,895,658</u>
Less accumulated depreciation and amortization	(2,214,146)	-	(2,214,146)	(1,976,630)
Property and Equipment, Net	<u>7,753,899</u>	<u>-</u>	<u>7,753,899</u>	<u>7,919,028</u>
Other Assets:				
Bequest receivable - long term	22,200	-	22,200	22,200
Security deposits	20,000	-	20,000	20,000
Total Other Assets	<u>42,200</u>	<u>-</u>	<u>42,200</u>	<u>42,200</u>
Total Assets	<u>\$12,831,968</u>	<u>\$ 397,578</u>	<u>\$13,229,546</u>	<u>\$13,146,507</u>

See accompanying notes to financial statements.

SAMARITAN HOUSE
STATEMENT OF FINANCIAL POSITION (Continued)
June 30, 2015
(With Comparative Totals as of June 30, 2014)

LIABILITIES AND NET ASSETS

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Current Liabilities:				
Current portion of notes payable (Note 6)	\$ 31,023	\$ -	\$ 31,023	\$ 30,107
Accounts payable	143,247	-	143,247	95,328
Accrued payroll and paid time off	324,760	-	324,760	264,774
Funds held in trust (Note 5)	250,715	-	250,715	249,310
Client accounts – Safe Harbor (Note 5)	31,040	-	31,040	36,449
Total Current Liabilities	<u>780,785</u>	<u>-</u>	<u>780,785</u>	<u>675,968</u>
Long-Term Liabilities:				
Notes payable (Note 6)	545,461	-	545,461	576,484
Accrued interest payable	83,631	-	83,631	75,267
Total Long-Term Liabilities	<u>629,092</u>	<u>-</u>	<u>629,092</u>	<u>651,751</u>
Total Liabilities	<u>1,409,877</u>	<u>-</u>	<u>1,409,877</u>	<u>1,327,719</u>
Net Assets:				
Unrestricted:				
Undesignated	8,437,091	-	8,437,091	8,325,911
Board designated reserve (Note 9)	2,985,000	-	2,985,000	3,043,028
Total Unrestricted	11,422,091	-	11,422,091	11,368,939
Temporarily restricted (Note 8)	-	397,578	397,578	449,849
Total Net Assets	<u>11,422,091</u>	<u>397,578</u>	<u>11,819,669</u>	<u>11,818,788</u>
Total Liabilities and Net Assets	<u>\$12,831,968</u>	<u>\$ 397,578</u>	<u>\$13,229,546</u>	<u>\$13,146,507</u>

See accompanying notes to financial statements.

SAMARITAN HOUSE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Support and Revenue (Note 2):				
Support:				
Individual and organization contributions	\$ 887,944	\$ 147,559	\$ 1,035,503	\$ 831,981
Bequests	502,585	-	502,585	699,343
Government grants	2,351,937	-	2,351,937	2,184,438
Foundation and other grants	532,620	1,671,309	2,203,929	2,102,776
Corporate contributions	68,619	127,147	195,766	174,119
Contributions restricted for building project	-	-	-	41,218
Special event revenues	224,731	-	224,731	201,713
Special event direct expenses	(62,289)	-	(62,289)	(59,414)
Donated facilities (Note 7)	150,480	-	150,480	150,480
Donated services (Note 7)	1,138,889	-	1,138,889	1,188,494
Gifts-in-kind of food, clothing, equipment bus passes, and medication (Note 7)	2,758,218	-	2,758,218	2,389,986
Net assets released from restrictions (Note 8)	<u>1,998,286</u>	<u>(1,998,286)</u>	<u>-</u>	<u>-</u>
Total Support	<u>10,552,020</u>	<u>(52,271)</u>	<u>10,499,749</u>	<u>9,905,134</u>
Revenue:				
Contracted meals	34,152	-	34,152	31,857
Rental income	97,095	-	97,095	92,371
Net investment income (Note 4)	3,477	-	3,477	192,399
Miscellaneous income	<u>54,363</u>	<u>-</u>	<u>54,363</u>	<u>54,140</u>
Total Revenue	<u>189,087</u>	<u>-</u>	<u>189,087</u>	<u>370,767</u>
Total Support and Revenue	<u>10,741,107</u>	<u>(52,271)</u>	<u>10,688,836</u>	<u>10,275,901</u>
Expenses (Note 3):				
Program Services:				
Client Services	788,524	-	788,524	726,118
Food Services	3,001,978	-	3,001,978	2,779,578
Kids Closet	128,934	-	128,934	118,043
Holiday Assistance	94,915	-	94,915	105,496
Homelessness Prevention Assistance	887,918	-	887,918	787,007
Safe Harbor Shelter	1,489,179	-	1,489,179	1,279,252
Medical and Dental Clinics	2,753,248	-	2,753,248	2,504,905
Worker Resource Center	<u>209,811</u>	<u>-</u>	<u>209,811</u>	<u>199,575</u>
Total Program Services	<u>9,354,507</u>	<u>-</u>	<u>9,354,507</u>	<u>8,499,974</u>
Supporting Services:				
Management and general	599,811	-	599,811	600,988
Fundraising	<u>733,637</u>	<u>-</u>	<u>733,637</u>	<u>550,692</u>
Total Supporting Services	<u>1,333,448</u>	<u>-</u>	<u>1,333,448</u>	<u>1,151,680</u>
Total Expenses	<u>10,687,955</u>	<u>-</u>	<u>10,687,955</u>	<u>9,651,654</u>
Change in Net Assets, carried forward to page 6	<u>53,152</u>	<u>(52,271)</u>	<u>881</u>	<u>624,247</u>

See accompanying notes to financial statements.

SAMARITAN HOUSE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (Continued)
For the Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Change in Net Assets, carried forward from page 5	\$ 53,152	\$ (52,271)	\$ 881	\$ 624,247
Net Assets:				
Beginning of Year	<u>11,368,939</u>	<u>449,849</u>	<u>11,818,788</u>	<u>11,194,541</u>
End of Year	<u>\$ 11,422,091</u>	<u>\$ 397,578</u>	<u>\$ 11,819,669</u>	<u>\$ 11,818,788</u>

See accompanying notes to financial statements.

SAMARITAN HOUSE
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2015
(With Comparative Totals for the Year Ended June 30, 2014)

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities:	\$ 881	\$ 624,247
Change in net assets		
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	237,516	247,115
Donated fixed asset	(27,156)	-
Contributions restricted for building project	-	(41,218)
Net realized and unrealized loss (gain) on investments	79,966	(149,917)
Decrease in promises to give	2,500	10,731
Decrease in benefits contribution receivable from employees	-	3,669
Decrease in bequests receivable	100,000	682,781
Decrease in grants receivable	28,379	1,818
Increase in prepaid expenses	(734)	(12,827)
Increase (Decrease) in accounts payable	47,919	(40,952)
Increase in accrued payroll and paid time off	59,986	36,620
Increase in accrued interest payable	<u>8,364</u>	<u>8,364</u>
Net Cash Provided by Operating Activities	<u>537,621</u>	<u>1,370,431</u>
 Cash Flows From Investing Activities:		
Proceeds from sale of investments other than money market funds	786,629	887,555
Purchases of investments other than money market funds	(887,762)	(2,703,875)
Proceeds from money market funds transactions	22,785	1,093,172
Purchases of property and equipment	<u>(45,231)</u>	<u>(5,791)</u>
Net Cash Used in Investing Activities	<u>(123,579)</u>	<u>(728,939)</u>
 Cash Flows From Financing Activities:		
Payments of principal on notes payable	(30,107)	(402,545)
Contributions restricted for building project	-	41,218
Net Cash Used in Financing Activities	<u>(30,107)</u>	<u>(361,327)</u>
 Net Increase in Cash and Cash Equivalents	383,935	280,165
 Cash and Cash Equivalents:		
Beginning of year	<u>838,473</u>	<u>558,308</u>
End of year	<u>\$ 1,222,408</u>	<u>\$ 838,473</u>
 Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	<u>\$ 9,733</u>	<u>\$ 31,066</u>
 Non-Cash Investing Activities:		
Capitalized donated fixed asset	<u>\$ 27,156</u>	<u>\$ -</u>
Donated securities	<u>\$ 44,603</u>	<u>\$ 14,041</u>

See accompanying notes to financial statements.

Samaritan House
Statement of Functional Expenses
For the Year Ended June 30, 2015
(With Comparative Totals for June 30, 2014)

2015

	Kids Closet	Food Services	Client Services	Holiday Assistance	Homelessness Prevention Assistance	Safe Harbor Shelter	Medical and Dental Clinics	Worker Resource Center	Total Program Services
Employee compensation and related payroll taxes	\$ 2,649	\$ 287,559	\$ 519,120	\$ 54,618	\$ 234,080	\$ 814,407	\$ 954,966	\$ 118,614	2,986,013
Employee benefits	-	58,871	74,540	8,144	7,722	180,709	124,790	26,416	481,192
Temporary staffing	-	-	-	-	-	-	1,078,039	-	1,078,039
Donated services	-	-	-	-	-	-	-	36,480	150,480
Donated facilities	-	-	-	-	-	114,000	-	-	2,061
Employee training	-	17	1,100	98	75	422	341	8	32,088
Equipment rental	23	1,810	11,626	3,506	949	2,954	8,620	2,600	29,237
Client food, clothing, education & shelter	1,037	28,200	-	-	-	1,000	-	-	627,175
Client housing and emergency assistance	-	-	-	-	626,175	-	-	-	-
Client assistance of in-kind food, bus passes, medication and clothing	79,620	2,471,865	-	-	-	111,300	68,277	-	2,731,062
Insurance and taxes	2,211	15,748	5,866	556	52	11,389	35,514	1,230	72,566
Interest	-	-	200	-	-	410	16,053	-	16,663
Outreach and marketing	18	307	104	74	-	205	1,777	311	2,796
Medical clinic supplies	-	-	-	-	-	-	128,300	-	128,300
Office expenses	-	5,171	10,465	10,682	3,267	47,056	15,784	11,017	103,442
Outside Services	531	9,064	53,392	11,346	7,664	111,442	54,628	4,773	252,840
Postage	70	137	496	16	-	354	661	37	1,771
Printing and mailing services	1	8	135	2	699	332	7	-	1,184
Professional fees	-	-	-	-	2,500	10,898	-	-	13,398
Rent (Note 10)	3	3,338	1,906	4,041	-	2,512	105,200	61	117,061
Repairs and maintenance	6,598	15,982	15,632	553	644	28,313	59,229	2,931	129,882
Travel and transportation	51	10,382	3,864	417	1,491	13,742	2,552	857	33,356
Utilities and telephone	9,952	49,408	25,540	571	2,600	22,693	47,016	3,274	161,054
Total expenses before depreciation and amortization	102,764	2,957,867	723,986	94,624	887,918	1,474,138	2,701,754	208,609	9,151,660
Depreciation and amortization	26,170	44,111	64,538	291	-	15,041	51,494	1,202	202,847
Total Expenses	\$ 128,934	\$ 3,001,978	\$ 788,524	\$ 94,915	\$ 887,918	\$ 1,489,179	\$ 2,753,248	\$ 209,811	\$ 9,354,507

See accompanying notes to financial statements

Samaritan House
Statement of Functional Expenses (Continued)
For the Year Ended June 30, 2015
(With Comparative Totals for June 30, 2014)

	2015			2014		
	Total Program Services	Management and General	Fundraising	Total Supportive Services	Total Expenses	Total Expenses
Employee compensation and related payroll taxes	\$ 2,986,013	\$ 322,683	\$ 446,411	\$ 769,094	\$ 3,755,107	\$ 3,119,973
Employee benefits	481,192	18,486	42,820	61,306	542,498	538,804
Temporary staffing	-	4,000	-	4,000	4,000	98,340
Donated services	1,078,039	5,850	55,000	60,850	1,138,889	1,188,494
Donated facilities	150,480	-	-	-	150,480	150,480
Employee training	2,061	2,350	474	2,824	4,885	13,889
Equipment rental	32,088	5,612	2,391	8,003	40,091	41,469
Client food, clothing, education & shelter	29,237	-	-	-	29,237	32,332
Client housing and emergency assistance	627,175	-	-	-	627,175	593,488
Client assistance of in-kind food, bus passes, medication and clothing	2,731,062	-	-	-	2,731,062	2,389,986
Insurance and taxes	72,566	7,091	2,123	9,214	81,780	108,038
Interest	16,663	1,434	-	1,434	18,097	39,430
Outreach and marketing	2,796	2,021	35,961	37,982	40,778	18,874
Medical clinic supplies	128,300	-	-	-	128,300	140,559
Office expenses	103,442	64,239	75,209	24,562	128,004	95,754
Outside services	252,840	18,145	6,417	139,448	392,288	232,397
Postage	1,771	3,149	6,241	9,390	11,161	13,897
Printing and mailing services	1,184	1,033	18,228	19,261	20,445	39,833
Professional fees	13,398	92,244	-	92,244	105,642	90,082
Rent	117,061	71	55	126	117,187	109,317
Repairs and maintenance	129,882	7,788	18,350	26,138	156,020	130,583
Travel and transportation	33,356	10,226	2,370	12,596	45,952	53,505
Utilities and telephone	161,054	12,415	7,892	20,307	181,361	165,015
Total expenses before depreciation and amortization	9,151,660	578,837	719,942	1,298,779	10,450,439	9,404,539
Depreciation and amortization	202,847	20,974	13,695	34,669	237,516	247,115
Total Expenses	<u>\$ 9,354,507</u>	<u>\$ 599,811</u>	<u>\$ 733,637</u>	<u>\$ 1,333,448</u>	<u>\$ 10,687,955</u>	<u>\$ 9,651,654</u>

See accompanying notes to financial statements

SAMARITAN HOUSE
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES

Samaritan House (the Organization) is a nonprofit public benefit corporation organized under the laws of the State of California to provide a comprehensive approach to meet the needs of low-income people in San Mateo County. These needs may include culturally specific case management, shelter, housing assistance, homelessness prevention services, health care, bilingual assistance, transportation, education, clothing, household, food and emergency needs.

The Organization raises the funds necessary to provide program services to the community from individuals, organizations, foundations, government entities, local businesses, religious organizations, and through fundraising events. Samaritan House engages more than 2,000 volunteers annually to assist in providing these services.

The Organization is acting as the lead agency with multiple grants in collaboration with seven other non-profit service providers in unduplicated areas of San Mateo County who also provide safety net services. The Organization is also the fiscal sponsor with the San Francisco Chronicle's Season of Sharing emergency assistance funds for San Mateo County.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization classifies its net assets and changes in net assets as follows:

Unrestricted net assets:

that portion of net assets that is neither time nor purpose restricted by donors;

Temporarily restricted net assets:

that portion of net assets whose use is limited by donor-imposed stipulations that can be fulfilled and removed by actions of the Organization or by the passage of time; and

Permanently restricted net assets:

that portion of net assets that have been restricted in perpetuity. The Organization does not have any permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and money market funds held in the UBS investment accounts are excluded from cash equivalents. The Organization maintains cash on deposits at banks in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limits. The uninsured cash balance was approximately \$1,117,000 as of June 30, 2015. The Organization has not experienced any losses in such accounts. Management believes that it is not exposed to any significant cash credit risk.

SAMARITAN HOUSE
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Unconditional promises to give (pledges) are recognized as revenue when the promise is made. Pledges which are conditional are recognized as revenue when conditions are substantially met. Pledges expected to be collected within one year are recorded as revenue and a receivable at net realizable value. Pledges expected to be collected in future years are recorded as revenue and a receivable at the present value of the expected future cash flows.

Receivables from cost reimbursement government grants are recorded as the eligible costs are incurred.

Receivables are stated at the amount management expects to collect from balances outstanding. Management closely monitors outstanding balances throughout the year, and writes off to expense all balances that are considered uncollectible.

Investments

All mutual funds and exchange traded funds (ETFs) are carried at fair value based upon closing market prices. Certificates of deposit are valued at estimated fair value using prevailing interest rates. Unrealized gains and losses are recorded in the statement of activities in the period in which they occur. Interest and dividend income are accrued when earned.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate value at the date of donation. Depreciation is computed on the straight-line method over a period of five years for vehicles, five to fifteen years for furniture and equipment, five years for computer equipment, three years for computer software and thirty-nine to forty years for buildings.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets on the placed in service date and the reclassifications are reported on the Statement of Activities as net assets released from restrictions.

SAMARITAN HOUSE
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted revenue, which increases those net asset classes. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities as net assets released from restrictions. Temporarily restricted contributions are recorded as temporarily restricted revenue and release from restriction when the restriction is met in the same year the contribution is received.

Bequests

Bequests are recorded as revenue when the Organization receives notification that the court declares the will is valid and an estimate is determinable.

Donated Services, Materials and Facilities

Donations of services, materials and facilities are recorded as contributions measured at estimated fair market value when received. The fair value of contributed services, facilities, and supplies has been measured on a nonrecurring basis using quoted prices for similar assets in inactive markets (Level 2 inputs).

Functional Allocation of Expenses

Expenses are allocated directly to program activities if they can be specifically identified with a program. If not specifically identifiable, expenses are allocated to programs based on estimated usage by each program. These allocation ratios are reviewed periodically by management.

Income Tax Status

The organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code and from state income tax under Section 23701(d) of California Revenue and Taxation Code. Accordingly, no provision is made for current or deferred income taxes. The Organization uses the same accounting methods for tax and financial reporting.

SAMARITAN HOUSE
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 3 - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

Samaritan House Programs

The following programs of the Organization are to provide for the needs of low-income neighbors in San Mateo County.

Client Services

The client services program includes: case management, counseling, housing assistance, financial asset building and coaching, and referrals to resources, all of which assist clients to move towards self-sufficiency through an individual service plan.

Homelessness Prevention Assistance

The Organization receives and distributes emergency assistance funds for housing and critical family needs. Sources of funding are through the Community Service Block Grant (CSBG), local County Measure A funds and the Season of Sharing fund for the homelessness prevention services. Homelessness prevention services include case management, utility, rental and deposit assistance. Samaritan House acts as the lead agency in collaboration with seven other non-profit service providers covering unduplicated service areas in San Mateo County.

Food Services

Food Services program prepares and serves hot meals for several programs, including the community dining room, mobile meals, kids' summer lunch and snacks program, senior centers, homeless shelter, and other community centers. The Food Pantry program distributes bags of groceries and food items in the bread pantry daily. Food distributions in collaboration with the Second Harvest Food Bank provide fresh produce and additional food items during the year with the Produce Mobile and Family Harvest distributions.

SAMARITAN HOUSE
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES (Continued)

Kids Closet and Holiday Assistance

Kids Closet program provides quality new and used children's clothing to client families. The Holiday Assistance program provides low-income families with food and toys during the Thanksgiving and Christmas holidays.

Safe Harbor Shelter

The Safe Harbor Shelter program provides emergency and transitional shelter and supportive services for up to ninety men and women each night. Services include meals, bathing facilities, life management skills training, health education, access to healthcare, budgeting education, on-site case management, substance abuse support meetings, housing assistance and other supportive services. Residents work with their case manager to develop a case plan to work towards self-sufficiency.

Medical and Dental Clinics

The San Mateo and Redwood City Free Clinics provide primary and specialty medical care to low-income residents of San Mateo County. Specialty services offered at one or both of the Free Clinics includes dentistry, gynecology, breast cancer screenings, dermatology, diabetic care, endocrinology, neurology, orthopedics, ophthalmology, pediatrics, optometry, podiatry, pulmonology, rheumatology, nutritional counseling, psychology, and psychiatry. The two Free Clinics are staffed by over 190 volunteers providing just under 10,000 volunteer hours.

Worker Resource Center

The Worker Resource Center (WRC), established in 2003, provides a location for temporary laborers and potential employers to meet. In addition, workers receive language training, referrals and other supportive services. The WRC is managed by the Organization and is funded by the City of San Mateo.

Samaritan House Supporting Services

Management and General

These expenses include non-program related expenses essential for operating the administrative functions of the Organization. These functions include accounting, governance, strategic planning, legal, and all fiscal responsibilities of the Organization.

Fundraising and Development

Provides the structure necessary to encourage and secure financial support from individuals, government and community agencies, foundations and corporations.

SAMARITAN HOUSE
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 – FAIR VALUE MEASUREMENTS AND INVESTMENTS

Fair Value Measurements

The Organization classifies its assets carried at fair value on a recurring basis according to the hierarchy of valuation techniques used to determine fair value. The fair value hierarchy prioritizes the inputs to valuation techniques into three broad levels:

Level 1 inputs – quoted market prices (unadjusted) in active markets for identical assets that the Organization has the ability to access at the measurement date

Level 2 inputs – quoted prices in active markets for similar assets; quoted prices for similar or identical assets in inactive markets; inputs other than quoted prices that are observable for the asset

Level 3 inputs – at least one significant model assumption or input is unobservable. Valuation methodologies and determination of the fair value requires significant management judgment or estimation.

Investments and Money Market Funds

The following schedule presents the balances of assets measured at fair value on a recurring basis as of June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money funds and deposits:			
Money market funds and cash	\$ 52,037	\$ -	\$ 52,037
Certificates of deposit	-	500,441	500,441
Fixed income mutual funds and ETFs:			
Domestic:			
Total return/broad market	461,151	-	461,151
Intermediate/long term	276,487	-	276,487
Short term corporate	174,483	-	174,483
Senior rate securities	81,932	-	81,932
International:			
Broad market	132,967	-	132,967
Equity mutual funds and ETFs:			
Domestic:			
Broad market/large cap	728,367	-	728,367
Mid Cap	180,499	-	180,499
Small Cap	83,076	-	83,076
International	<u>517,011</u>	<u>-</u>	<u>517,011</u>
Total	<u>\$ 2,688,010</u>	<u>\$ 500,441</u>	<u>\$ 3,188,451</u>

SAMARITAN HOUSE
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

The Organization has an investment policy in place. The Investment Committee of the Board reviews performance quarterly and ensures adherence to the investment policy. As of June 30, 2015 the Organization’s investments are in compliance with its investment policy.

The following schedule summarizes the net investment income classified as unrestricted income in the Statement of Activities for the year ended June 30, 2015:

Interest and dividends	\$ 106,475
Net unrealized losses	(87,814)
Realized gains	7,848
Less: Investment expenses	<u>(23,032)</u>
Total net investment income	<u>\$ 3,477</u>

NOTE 5 - CASH HELD IN TRUST/AMOUNTS HELD FOR OTHERS

The Organization acts as a fiscal agent on behalf of the San Francisco Chronicle's Season of Sharing Fund to a specific group of San Mateo County Community nonprofit organizations. The Organization has agreed to receive and remit grant assistance to eligible individuals. All grants must be submitted by the participating agency and are for a one-time, non-recurring need. Grants are typically used for housing assistance and critical family needs as defined by the funder. Maximum grant amount per household is \$3,000. During the fiscal year ending June 30, 2015, the Organization received \$577,717 and expended a total of \$576,312. Since the Organization is acting as a fiscal agent, these amounts are not recorded as revenue and expenses of the Organization.

The Organization encourages residents at Safe Harbor Shelter to save money for transitioning back into the community. The Organization deposits and tracks account balances for individual residents. Funds are disbursed to clients as they exit the shelter or as approved by their case manager.

Amounts held as of June 30, 2015 for the above programs are as follows:

San Francisco Chronicle’s Season of Sharing Fund	\$ 250,715
Safe Harbor Shelter	<u>31,040</u>
Total	<u>\$ 281,755</u>

SAMARITAN HOUSE
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - NOTES PAYABLE

	<u>Amount</u>
Notes payable as of June 30, 2015 consist of the following:	
Note payable to the California Health Facilities Financing Authority (CHFFA) payable in monthly installments of \$3,294 consisting of principal plus interest at a fixed rate of 3% through February 2024. The fifteen year note is secured by a deed of trust on the medical office building in San Mateo.	\$ 297,676
Note payable to the County of San Mateo for a facility rehabilitation project. The terms of the note are 3% interest for 10 years maturing on June 30, 2023. Payments are deferred for the entire term. Both principal and interest will be forgiven on the maturity date of June 30, 2023 unless the properties assisted with this loan are sold, conveyed or alienated by Samaritan House or in the case of a violation of the agreement. This note payable includes federal funding of \$97,469.	100,000
Note payable to the County of San Mateo accrues interest at 3% per annum, non-compounding. Both principal and accrued interest are payable upon maturity in January 2031, unless the property is sold or refinanced without the consent of the County of San Mateo. The note is secured by a deed of trust on the medical office building in San Mateo. The terms of the note restricts the use of 10.3% of the total building area to the use of free/low cost clinic services. This deed of trust is subordinated to the CHFFA deed of trust.	<u>178,808</u> 576,484 <u>(31,023)</u>
Less current portion	
Long-term portion	<u>\$ 545,461</u>

Future principal maturities of notes payable are as follows:

<u>Years Ending June 30:</u>	<u>Amount</u>
2016	\$ 31,023
2017	31,966
2018	32,939
2019	33,941
2020	34,973
Thereafter	<u>411,642</u>
Total	<u>\$ 576,484</u>

SAMARITAN HOUSE
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 - DONATED FACILITIES, SERVICES, AND MATERIALS

Donated services are reported at fair value in the financial statements when those services create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services of \$1,138,889 were recorded for the year ended June 30, 2015. These donated services included volunteer medical services, in-kind lab tests, in-kind legal services and an in-kind grant for marketing services. The Organization has controls in place and has maintained sufficient records of donated services to be able to record such services in the financial statements for that period.

In addition to the services above, Samaritan House received more than 23,000 hours of donated services that do not meet the criteria for recording contributed services but are nonetheless central to the organizations operations. The value of these services is not reflected in the financial statements.

For the year ended June 30, 2015, gifts-in-kind of food, bus passes, equipment, medication and clothing totaling \$2,758,218 have been recorded in the financial statements. Second Harvest Food Bank was the single largest in-kind contributor of food during the fiscal year with food contributions valued at \$1,349,737.

During the year ended June 30, 2015, total donated facilities of \$150,480 have been recognized in the financial statements for the sites provided by the City of San Mateo and the County of San Mateo for the Worker Resource Center and the Safe Harbor Shelter programs.

SAMARITAN HOUSE
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

As of June 30, 2015, temporarily restricted net assets are available for the following purposes:

<u>Purpose:</u>	<u>Amount</u>
Food services	\$ 1,115
Client Services	7,788
Kid's Closet	3,694
San Mateo Free Medical Clinic	299,405
San Mateo Free Dental Clinic	23,220
Redwood City Free Medical Clinic	<u>62,356</u>
Total	<u>\$ 397,578</u>

During the year ended June 30, 2015, net assets were released from donor restrictions by incurring expenses satisfying the purpose restriction specified by donors as follows:

<u>Purpose restriction accomplished:</u>	<u>Amount</u>
Client Services	\$ 193,982
Kid's Closet	6,720
Food services	106,735
Holiday program	11,853
Safe Harbor Shelter	71,957
San Mateo Free Medical Clinic	788,395
San Mateo Free Dental Clinic	3,986
Redwood City Free Medical Clinic	787,296
Redwood City Free Dental Clinic	25,000
Worker Resource Center	<u>2,362</u>
Total restrictions released	<u>\$ 1,998,286</u>

**SAMARITAN HOUSE
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 9 - BOARD DESIGNATED RESERVES

The Board Designated Reserves include funds designated by the Samaritan House Board of Directors to address agency emergency, cash and capital needs. The reserves are set-aside in categories as follow:

<u>Category</u>	<u>Purpose</u>	<u>Amount</u>
Emergency Fund	Intended to be used for unexpected expenses or unexpected revenue shortfalls	\$ 2,237,000
Operating Reserves	Intended for cash flow purposes only to bridge grant and government payments	325,000
Facility Reserve	To address capital repairs and replacement needs	<u>423,000</u>
	Total amount of reserves on June 30, 2015	<u>\$ 2,985,000</u>

NOTE 10 - DONOR FUND

In 1994, the Silicon Valley Community Foundation received a bequest to be used for the benefit of the Organization. These funds are being held by the Foundation and are used "to benefit Samaritan House" as it was specified by the donor. During the fiscal year, Samaritan House received \$68,000 for implementing new financial accounting software from this fund. The balance of the funds as of June 30, 2015 is \$74,565 and is not included in the financial statements of Samaritan House as per policies of the Foundation. The amount of these funds that can be made available to the Organization as of June 30, 2015 is \$49,565.

NOTE 11 - OPERATING LEASE OBLIGATION

Samaritan House leases 3,289 square feet of office space for the Redwood City Medical Clinic under a five-year lease through April 2017. Monthly rent payments under this lease are currently \$8,715 and are subject to annual increases on May 1 of each year thereafter.

The future minimum lease payments under the lease are as follows:

<u>Year Ending June 30:</u>	<u>Amount</u>
2016	\$ 107,612
2017	<u>91,510</u>
	<u>\$ 199,122</u>

SAMARITAN HOUSE
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 – RETIREMENT PLAN

Samaritan House has a 403(b) retirement plan. The plan covers all employees meeting certain eligibility requirements. Employees voluntarily make contributions to the Plan based upon limits established under the Internal Revenue Code. The Organization may make nonelective contributions as defined by the plan. The Organization did not make any nonelective contributions for the year ended June 30, 2015.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 17, 2015, the date which the financial statements were available to be issued, and determined no reportable events occurred.

SUPPLEMENTARY INFORMATION

SAMARITAN HOUSE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

<u>Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Community Development Block Grant for transitional housing and support services:		
Pass-through from County of San Mateo	14.218	\$ 145,675
Pass-through from City of Redwood City	14.218	24,250
Pass-through from City of San Mateo	14.218	16,000
Loans made in prior fiscal year with continuing compliance – Pass-through from County of San Mateo	14.218	276,277
<u>U.S. Department of Health and Human Services</u>		
Community Service Block Grant:		
Pass-through from County of San Mateo	93.569	449,942
Consolidated Health Centers		
Pass-through from County of San Mateo	93.224	57,512
<u>U.S. Department of Housing and Urban Development</u>		
Supportive Housing Demonstration Programs	14.235	107,000
Federal Emergency Shelter Grants for transitional housing	14.231	168,385
<u>U.S. Department of Homeland Security</u>		
Emergency Food and Shelter National Board Program	97.024	<u>52,000</u>
Total Federal Awards		<u>\$ 1,297,041</u>

See accompanying notes to the schedule of expenditures of federal awards.

SAMARITAN HOUSE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Samaritan House under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Samaritan House, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Samaritan House.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – PRIOR YEAR'S EXPENDITURES

The accompanying schedule of expenditures of federal awards includes \$276,277 in expenditures from prior years for which continuing compliance is required.



Vocker Kristofferson and Co.
1700 S. El Camino Real, Suite 506
San Mateo, CA 94402
(650) 574-5000 • FAX (650) 574-2334

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
Samaritan House

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 Samaritan House (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 17, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Samaritan House's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Samaritan House's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Samaritan House'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.

Vocke Knutoffson and Co.

November 17, 2015
San Mateo, California



Vocker Kristofferson and Co.
1700 S. El Camino Real, Suite 506
San Mateo, CA 94402
(650) 574-5000 • FAX (650) 574-2334

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors
Samaritan House
San Mateo, California

Report on Compliance for Each Major Federal Program

We have audited Samaritan House's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Samaritan House's major federal programs for the year ended June 30, 2015. Samaritan House'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Samaritan House'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Samaritan House'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 Samaritan House's compliance.

Opinion on Each Major Federal Program

In our opinion, Samaritan House 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, 2015.

Report on Internal Control over Compliance

Management of Samaritan House 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 Samaritan House'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 OMB Circular A-133, 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 Samaritan House'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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Vocke Kristofferson and Co.

November 17, 2015
San Mateo, California

**SAMARITAN HOUSE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal Control over major programs:		
Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that required to be reported in accordance with Circular A-133, Section 510(a)?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Identification of major programs tested:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.569	Community Service Block Grant for Transitional Housing and Support Services

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>	
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no

SAMARITAN HOUSE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2015

Section II - Financial Statement Findings

There were no significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

There were no audit findings required to be reported by Circular A-133, Section 510(a).