

SAMARITAN HOUSE

JUNE 30, 2021

---

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

# **Samaritan House**

## **Independent Auditors' Report and Financial Statements**

---

<b>Independent Auditors' Report</b>	1 - 2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 18



A Century Strong

## **Independent Auditors' Report**

THE BOARD OF DIRECTORS  
SAMARITAN HOUSE  
San Mateo, California

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

We have audited the accompanying financial statements of **SAMARITAN HOUSE (the Organization)**, which comprise the statement of financial position as of June 30, 2021, 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.

### **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.

### **Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 Organization's preparation and fair presentation of the consolidated 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 Organization'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, 2021, 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 Matter**

#### *Report on Summarized Comparative Information*

We have previously audited the Organization's June 30, 2020 financial statements, and we expressed an unmodified opinion on those statements in our report dated October 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Hood & Strong LLP*

San Francisco, California  
October 21, 2021

# Samaritan House

## Statement of Financial Position

<i>June 30, 2021 (With comparative totals for 2020)</i>	2021	2020
<b>Assets:</b>		
Cash and equivalents	\$ 15,450,968	\$ 11,526,266
Investments	5,998,950	4,836,029
Funds held in trust	460,242	601,477
Bequests receivable	6,619	11,035
Grants receivable	2,203,737	1,911,500
Prepaid expenses and other assets	285,093	184,843
Property and equipment, net	8,302,960	8,470,436
<b>Total assets</b>	<b>\$ 32,708,569</b>	<b>\$ 27,541,586</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 545,657	\$ 269,151
Accrued payroll and paid time off	781,024	813,532
Funds held in trust	445,742	599,977
Notes payable	222,428	990,535
<b>Total liabilities</b>	<b>1,994,851</b>	<b>2,673,195</b>
<b>Net Assets:</b>		
Without donor restrictions:		
Undesignated	21,213,020	15,336,654
Board designated reserves	5,801,584	4,889,373
<b>Total without donor restrictions</b>	<b>27,014,604</b>	<b>20,226,027</b>
<b>With donor restrictions</b>	<b>3,699,114</b>	<b>4,642,364</b>
<b>Total net assets</b>	<b>30,713,718</b>	<b>24,868,391</b>
<b>Total liabilities and net assets</b>	<b>\$ 32,708,569</b>	<b>\$ 27,541,586</b>

The accompanying notes are an integral part of this statement.

# Samaritan House

## Statement of Activities and Changes in Net Assets

Year Ended June 30, 2021 (With comparative totals for 2020)

	2021			2020 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Recurring Support and Revenue:</b>				
Contributions	\$ 4,351,720	\$ 727,073	\$ 5,078,793	\$ 3,902,941
Bequests	11,620		11,620	61,256
Government grants	8,739,835	298,202	9,038,037	4,202,745
Healthcare district grants		1,217,953	1,217,953	1,217,007
Foundation grants	2,195,851	3,544,821	5,740,672	7,995,593
Business and corporate	780,796	779,051	1,559,847	1,384,478
Special event revenue	888,958	100	889,058	767,076
Special event direct expenses	(80,340)		(80,340)	(52,196)
Donated goods and services	6,900,744		6,900,744	5,081,408
Rental income	173,448		173,448	167,745
Net investment income	984,576		984,576	110,458
Miscellaneous income	323,619		323,619	96,077
Net assets released from restrictions	7,510,450	(7,510,450)	-	-
Total support and revenue	32,781,277	(943,250)	31,838,027	24,934,588
<b>Expenses:</b>				
Program services:				
Client services	1,886,454		1,886,454	1,211,957
Food services	6,223,927		6,223,927	3,899,505
Kids Closet	241,035		241,035	365,316
Homelessness prevention	7,540,573		7,540,573	1,941,494
Shelter Services	3,092,171		3,092,171	1,730,074
Holiday assistance	274,038		274,038	111,220
Medical and dental clinics	3,642,075		3,642,075	3,498,686
Worker resource center	273,993		273,993	294,257
Coordinated entry services	984,234		984,234	923,615
Total program expense	24,158,500		24,158,500	13,976,124
Supporting services:				
Management and general	1,292,183		1,292,183	1,070,849
Fundraising	1,299,717		1,299,717	1,170,127
Total expenses	26,750,400	-	26,750,400	16,217,100
<b>Change in Net Assets from Operations</b>	6,030,877	(943,250)	5,087,627	8,717,488
<b>Other Changes in Net Assets:</b>				
Forgiveness of Paycheck Protection Plan Loan	757,700		757,700	-
<b>Total Change in Net Assets</b>	6,788,577	(943,250)	5,845,327	8,717,488
<b>Net Assets, Beginning of year</b>	20,226,027	4,642,364	24,868,391	16,150,903
<b>Net Assets, End of year</b>	\$ 27,014,604	\$ 3,699,114	\$ 30,713,718	\$ 24,868,391

The accompanying notes are an integral part of this statement.

# Samaritan House

## Statement of Functional Expenses

Year Ended June 30, 2021 (with comparative totals for 2020)

	Client Services	Food Services	Kids Closet	Homelessness Prevention	Shelter Services	Holiday Assistance	Medical and Dental Clinics	Worker Resource Center	Coordinated Entry Services	Total Program Expense	Management and General	Fundraising	Total Supporting Services	2021 Total Expenses	2020 Total Expenses
Salaries and related payroll costs	\$ 915,874	\$ 543,349	\$ 7,750	\$ 192,942	\$ 1,738,049	\$ 59,371	\$ 1,427,785	\$ 158,432	\$ 651,506	\$ 5,695,058	\$ 818,269	\$ 790,791	\$ 1,609,060	\$ 7,304,118	\$ 5,730,208
Employee benefits	123,112	84,070	646	16,677	200,141	4,682	200,005	29,256	77,146	735,735	69,880	76,865	146,745	882,480	745,478
Temporary staffing	458,898	65,462	1,869		121,060	18,358	90,611	1,669	7,508	765,435	42,681	35,488	78,169	843,604	353,030
Donated services							776,924			776,924				776,924	1,030,091
Donated facilities					375,281			36,480		411,761				411,761	288,816
Employee training	7,369	284	10		1,394	34	3,692	101	3,738	16,622	2,058	4,528	6,586	23,208	32,272
Equipment rental	8,889	3,017	100	986	5,750	699	4,954	1,284	3,401	29,080	7,891	5,219	13,110	42,190	40,120
Client food, clothing, education and shelter	219	79,411	16,272		30,250	111,130	9,416	4,817	405	251,920	70	2,085	2,155	254,075	109,800
Client housing and emergency assistance	55,370			7,308,896	377				129,251	7,493,894				7,493,894	1,983,812
Client assistance of in-kind food, bus passes, medication and clothing		5,049,359	132,958		18,900		497,296			5,698,513				5,698,513	3,762,501
Insurance and taxes	8,650	24,278	14,139		5,525	643	34,128	715	2,321	90,399	18,490	1,495	19,985	110,384	79,860
Interest	200				410		4,760		200	5,370	1,123		1,123	6,493	7,557
Medical clinic supplies							113,931			113,931				113,931	126,496
Outreach and marketing	11,907	195			17,269				8,064	37,435	3,587	56,998	60,585	98,020	122,761
Outside services	62,556	53,327	27,781	16,000	210,192	5,940	88,264	20,161	47,281	531,502	165,562	190,962	356,524	888,026	490,958
Postage	655	322	30		411	148	533	30	104	2,233	2,829	17,219	20,048	22,281	32,956
Printing and mailing services	383			1,439			438			2,260	790	62,721	63,511	65,771	61,066
Professional fees											65,348		65,348	65,348	54,514
Supplies	38,576	43,517	3,572	3,367	160,684	60,391	33,418	1,208	11,513	356,246	29,831	15,104	44,935	401,181	128,590
Rent	22,531	57,448	1		8,340	7,250	121,809	332	17	217,728	25	16	41	217,769	180,521
Repairs and maintenance	48,410	50,298	21,970		119,776	996	84,114	4,466	7,226	337,256	18,370	8,568	26,938	364,194	232,551
Travel, meetings and conferences	4,625	10,173	8		18,030	153	837	130	984	34,940	2,565	3,317	5,882	40,822	67,237
Utilities and telephone	63,832	86,308	7,495	266	35,523	2,685	69,881	13,799	17,716	297,505	23,385	14,390	37,775	335,280	272,466
Total expenses before depreciation	1,832,056	6,150,818	234,601	7,540,573	3,067,362	272,480	3,562,796	272,880	968,181	23,901,747	1,272,754	1,285,766	2,558,520	26,460,267	15,933,661
Depreciation	54,398	73,109	6,434		24,809	1,558	79,279	1,113	16,053	256,753	19,429	13,951	33,380	290,133	283,439
Total expenses	\$ 1,886,454	\$ 6,223,927	\$ 241,035	\$ 7,540,573	\$ 3,092,171	\$ 274,038	\$ 3,642,075	\$ 273,993	\$ 984,234	\$ 24,158,500	\$ 1,292,183	\$ 1,299,717	\$ 2,591,900	\$ 26,750,400	\$ 16,217,100

The accompanying notes are an integral part of this statement.

# Samaritan House

## Statement of Cash Flows

<i>Year Ended June 30, 2021 (With comparative totals for 2020)</i>	2021	2020
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 5,845,327	\$ 8,717,488
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	290,133	283,439
Net realized and unrealized loss (gain) on investments	(930,401)	14,737
Principal forgiven on Paycheck Protection Program loan	(757,700)	
Changes in operating assets and liabilities:		
Bequests receivable	4,416	25,425
Grants receivable	(292,237)	(811,421)
Prepaid expenses and other assets	(100,250)	115,793
Accounts payable and accrued expenses	276,506	(95,535)
Accrued payroll and paid time off	(32,508)	198,423
Funds held in trust	(13,000)	(1,500)
Net cash provided by operating activities	4,290,286	8,446,849
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sales of investments		1,837,974
Purchases of investments	(232,520)	(650,365)
Purchases of property and equipment	(122,657)	(1,234,145)
Net cash used by investing activities	(355,177)	(46,536)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from Paycheck Protection Program loan		757,700
Proceeds from notes payable	29,291	
Payments of principal on notes payable	(39,698)	(34,973)
Net cash (used) provided by financing activities	(10,407)	722,727
<b>Net Increase in Cash and Cash Equivalents</b>	<b>3,924,702</b>	<b>9,123,040</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>11,526,266</b>	<b>2,403,226</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 15,450,968</b>	<b>\$ 11,526,266</b>
<b>Supplemental Cash Flow Information:</b>		
Interest paid	\$ 6,492	\$ 7,557
Principal forgiven on Paycheck Protection Program loan	\$ 757,700	

The accompanying notes are an integral part of this statement.



# 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 the people in San Mateo County. These needs may include culturally specific case management, shelter, housing assistance, homelessness prevention services (i.e. rental assistance), health care, bilingual assistance, transportation, education, clothing, worker resources, 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 event activities.

The Organization acts as the lead agency with multiple grants in collaboration with six other non-profit organizations who cover unduplicated regions of San Mateo County providing safety net and homelessness prevention services. The Organization is also the fiscal sponsor with the San Francisco Chronicle's Season of Sharing emergency assistance fund for all of San Mateo County.

The Organization has been impacted by the COVID-19 pandemic (see Note 12). As a result, it was classified as an essential service providing needs assistance to those impacted by the pandemic. The Organization shifted its operations to comply with State and local mandates for delivering needed services to the community. During the fiscal year, the community responded to the COVID-19 pandemic with significant non-recurring support to the Organization in the form of cash and in-kind contributions. These contributions will assist in providing the needed support to those impacted by the pandemic. This increase in contributions can be seen in the Statement of Activities comparison to the prior fiscal year.

#### The Organization 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.

#### *Food Services*

The Food Services program prepares and serves hot meals for its 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 at various sites in San Mateo County. Food distribution increased significantly during the last fiscal year due to impacts of the COVID-19 pandemic to the Organization's clients.

# Samaritan House

## Notes to Financial Statements

---

### *Kids Closet and Holiday Assistance*

The 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.

### *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 San Francisco Chronicle's Season of Sharing fund for the homelessness prevention services. In addition, new funding to combat the impacts of the COVID-19 pandemic were received for distribution throughout San Mateo County. The Organization acts as the lead agency in collaboration with six other non-profit service providers covering unduplicated service areas in San Mateo County to distribute funds on behalf of clients throughout San Mateo County.

### *Shelter Services*

Samaritan House operates two shelters: Safe Harbor Shelter and the new Pacific Emergency Shelter. The Safe Harbor and Pacific Emergency Shelter program provide emergency and transitional shelter and supportive services for up to 200 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 and permanent housing. During this fiscal year, the Organization partnered with the County of San Mateo and operated a homeless shelter operation at two local hotel facilities to provide safe housing for the unsheltered homeless and to reduce occupancy at Safe Harbor Shelter during the COVID-19 pandemic.

### *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. In addition to the 14 employees, the two Free Clinics are staffed by 68 professional and administrative volunteers who provided more than 3,400 volunteer hours during the fiscal year ended June 30, 2021. This number is less than the prior year due to the COVID-19 pandemic restrictions.

# Samaritan House

## Notes to Financial Statements

---

### *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 primarily funded by the City of San Mateo.

### *Coordinated Entry System*

The Organization also manages the Coordinated Entry System (CES) program in partnership with the County of San Mateo. The CES program provides assessments, case management and other services to families and individuals seeking emergency shelter within San Mateo County so they may return to permanent housing as quickly as possible.

### The Organization 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, human resources, and all fiscal responsibilities of the Organization.

#### *Fundraising*

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

### **Note 2 - Summary of Significant Accounting Policies:**

#### a. 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 (U.S. GAAP). 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:

##### *Net Assets Without Donor Restriction*

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. The governing board has designated, from net assets without donor restrictions, an operating and board-designated reserve totaling \$5,801,584 as of June 30, 2021.

# Samaritan House

## Notes to Financial Statements

---

### *Net Assets With Donor Restrictions*

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization does not hold funds in perpetuity as of June 30, 2021.

### b. Recognition of Revenue

A portion of the Organization'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. Government grant revenue is recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts due at June 30, 2021, are included in grants receivable and are expected to be collected in fiscal year 2022. Amounts billed or received in advance are recorded as refundable advances until the related services are performed.

Contributions are recognized at their fair value when the donor makes an unconditional promise to give to the Organization. Donor-restricted contributions are reported as increases in net assets with restrictions. When a restriction expires, restricted net assets are reclassified to net assets without restrictions.

Pledges which are conditional are recognized as revenue when conditions are substantially met. Unconditional 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.

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*

Donated services are reported at fair value in the financial statements when those services create or enhance non-financial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services of \$ 776,924 services were recorded for the year ended June 30, 2021. These donated services included volunteer medical services, in-kind lab tests, in-kind legal services and an in-kind grant for marketing services. Overall volunteer service hours were less than prior year due to restrictions related to the COVID-19 pandemic.

# Samaritan House

## Notes to Financial Statements

---

For the year ended June 30, 2021, gifts-in-kind of food, bus passes, equipment, medication and clothing totaling \$5,698,513 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 \$4,591,668. The valuation of food provided by Second Harvest Food Bank is based on a per pound basis and values are derived directly from Feeding America, the national network of food banks.

During the year ended June 30, 2021, total donated facilities of \$ 411,761 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.

The Organization received more than 45,000 hours of donated services that do not meet the criteria for recording contributed services but are nonetheless central to the organization's operations. The value of these services is not reflected in the financial statements.

c. Property and Equipment

Property and equipment are carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is calculated using the estimated useful life of the related asset, which is generally from three to forty years.

d. 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.

Management and general expenses by function have been allocated among program and supporting services classifications based upon time and usage.

e. 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. Any cash in money market funds managed by the investment advisor is listed in investments – see note 3.

f. Investments

Investments are reported at fair value with realized and unrealized gains and losses recognized in the Statement of Activities and Changes in Net Assets in the period in which they occur.

# Samaritan House

## Notes to Financial Statements

---

g. Fair Value Measurements

The Organization classifies its financial assets and liabilities measured at fair value on a recurring basis based on a fair value hierarchy with three levels of inputs. Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. Level 1 values are based on unadjusted quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect the Organization's determination of assumptions that market participants might reasonably use in valuing the securities. The valuation levels are not necessarily an indication of the risk or liquidity associated with the assets and liabilities measured at fair value.

h. Use of Estimates

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

i. Income Taxes

The Organization is a tax-exempt organization under the provisions of the Internal Revenue Code, Section 501(c)(3), and the California Revenue and Taxation Code, Section 23701(d). Accordingly, no provision for federal and state income taxes has been reflected in these financial statements.

Management evaluated the Organization's tax positions and concluded that the Organization had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

j. Comparative Financial Statements

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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended June 30, 2020, from which the summarized information was derived.

# Samaritan House

## Notes to Financial Statements

---

### k. Recent Accounting Pronouncements

#### *Pronouncements:*

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU changes the required presentation of in-kind contributions other than contributed services. The first element will require separate presentation on the Statement of Activities and the second element will require additional disclosure about how the in-kind gifts were utilized (in which program or as part of management and general or fundraising), donor restrictions associated with the gifts and valuation techniques employed. The ASU is effective for the Organization for the fiscal year beginning after June 15, 2021 with early application permitted. The Organization is currently assessing the impact this ASU will have on its financial statements.

### l. Subsequent Events

The Organization evaluated subsequent events through October 21, 2021, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

### **Note 3 - Investments and Fair Value Measurement:**

Investments consisted of the following as of June 30, 2021:

Money market funds	\$	93,412
Certificate of deposits		513,737
Mutual funds and ETFs		5,391,801
<hr/>		
Total investments	\$	5,998,950

Net investment income consisted of the following for the year ended June 30, 2021:

Interest and dividends	\$	85,282
Net realized and unrealized gain		930,401
Investment expenses		(31,107)
<hr/>		
Total net investment income	\$	984,576

# Samaritan House

## Notes to Financial Statements

All investments are measured at Level 1.

### Note 4 - Property and Equipment:

Property and equipment at June 30, 2021 were as follows:

Land	\$ 2,692,459
Building and building improvements	8,302,300
Furniture and equipment	574,434
Computer equipment and software	347,334
Vehicles	140,036
	<u>12,056,563</u>
Less: accumulated depreciation	<u>(3,753,603)</u>
Total	<u>\$ 8,302,960</u>

Depreciation expense for the year ended June 30, 2021 was \$290,133.

### Note 5 - Notes Payable:

Notes payable as of June 30, 2021 consisted of the following:

	Amount
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% per annum through February 2024. The fifteen-year note is secured by a deed of trust on the medical office building in San Mateo.	\$ 96,798
Note payable to the County of San Mateo for a facility rehabilitation project. The terms of the note are 3% per annum interest for 10 years maturing on March 31, 2023. Payments are deferred for the entire term. Both principal and interest will be forgiven on the maturity date of March 31, 2023 unless the properties assisted with this loan are sold, conveyed or alienated by The Organization or in the case of a violation of the agreement.	100,000
Note payable to PG&E for Hospitality Energy Efficiency Program to install energy efficient for LED fixtures and lights at the Organization's headquarters. Total no interest loan amount is \$29,291. The repayment term is 40 monthly installments of \$732. Payments are added to the monthly utility bill. Maturity date is May 31, 2024.	25,630
Total	<u>\$ 222,428</u>



# Samaritan House

## Notes to Financial Statements

Future principal maturities of notes payable are as follows:

Year Ending June 30,	Amount
2022	\$ 45,920
2023	147,049
2024	29,459
<hr/>	
Total	\$ \$222,428

During the fiscal year ended June 30, 2019, the County of San Mateo forgave the note payable secured by the San Mateo Clinic property in the amount of \$178,808 plus accrued interest in the amount of \$91,042. In return, The Organization agreed that the use of the property shall be restricted from the date of recordation until December 31, 2030 (the maturity date of the original promissory note) to serve as a Free Clinic and a site where Homelessness Prevention Services are provided, or for similar eligible use, in accordance with Community Development Block Grant requirements.

### Note 6 - Commitments and Contingencies:

The Organization leases office space for the Redwood City Medical Clinic under a five-year lease through April 2022. In June 2020, the Organization also entered into a 9-month lease that ended February 2021 for parking lot space adjacent to their existing property. The parking lot lease was subsequently renewed through January 31, 2022. The future minimum lease payments are \$118,336 for the year ending June 30, 2022. Total rent expense for the year ended June 30, 2021 was \$217,767.

The Organization leases office equipment at its various sites. The future minimum lease payments are as follows:

Year Ending June 30,	Amount
2022	\$ 34,505
2023	32,540
2024	19,370
2025	17,989
2026	14,991
<hr/>	
Total	\$ 119,395

# Samaritan House

## Notes to Financial Statements

---

### Note 7 - Retirement Plan:

The Organization 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. Effective November 1, 2018, the Organization implemented a new plan with a matching component that provides an employer contribution of up to 4% of employees' eligible wages when employees contribute up to 5% as described in the plan documents. The Organization made matching contributions totaling \$136,205 for the year ended June 30, 2021.

### Note 8 - Net Assets with Donor Restrictions:

As of June 30, 2021, net assets with donor restrictions are available for the following purposes:

Homelessness Prevention	\$ 1,117,420
Medical Clinics	840,915
Client Services	817,912
General operating	646,831
Medical clinic facility repairs	204,588
Kids Closet	41,348
Holiday program	20,100
Shelter Services	10,000
<hr/>	
Total	\$ 3,699,114

During the year ended June 30, 2021, net assets were released from donor restrictions by incurring expenses satisfying the time and purpose restriction specified by donors as follows:

Homelessness Prevention	\$ 3,598,860
Medical Clinics	1,864,547
Client services	615,262
General operating	641,133
Kids Closet	49,062
Holiday program	215,013
Shelter Services	147,095
<hr/>	
Total restrictions released	\$ 7,510,450

# Samaritan House

## Notes to Financial Statements

---

### Note 9 - 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 for 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. The maximum grant amount per household was raised to \$5,000 in March 2021 in response to those impacted by the COVID-19 pandemic. During the fiscal year ended June 30, 2021, the Organization received \$1,207,000 and expended a total of \$1,356,692. 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, 2021 for the above programs were as follows:

San Francisco Chronicle's Season of Sharing Fund	\$ 396,405
Safe Harbor Shelter	63,837
<hr/>	
Total	\$ 460,242

### Note 10 - Availability and Liquidity:

As of June 30, 2021, the Organization's financial assets available within one year for general expenditures are as follows:

Cash and cash equivalents	\$ 15,450,968
Receivables	2,210,356
Investments	5,998,950
<hr/>	
Sub-total	23,660,274
Less:	
Long term receivables	15,619
Board designated reserves:	
Emergency reserve	4,614,911
Facility reserve	527,400
Operations	659,273
Funds with donor restrictions	3,699,114
<hr/>	
Total available for general expenditures	\$ 14,143,957

# Samaritan House

## Notes to Financial Statements

---

During the fiscal year, the Organization received a non-recurring surge of contributions and support from the community to respond to the impacts of the COVID-19 pandemic. These funds will continue to be used to meet the increased demand for services. The Organization aims to maintain financial assets to meet 180 days of operating expenses. Additionally, the Board designated reserves can also be made available for specific purposes subject to Board approval. The Organization expects to continue delivering services at an increased rate to those impacted by the COVID-19 pandemic as resources allow.

### **Note 11 - Funds Held by Others:**

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. The balance of the funds as of June 30, 2021 is \$100,908 and is not included in the accompanying statement of financial position. The amount of these funds that can be made available to the Organization as of June 30, 2021 is \$ 75,908.

### **Note 12 - Impact of the COVID-19 Pandemic on Operations:**

On March 11, 2020, the World Health Organization publicly characterized COVID-19 as a pandemic. Many Federal, state and local governmental agencies have declared a state of emergency and issued a variety of recommendations impacting travel, group gatherings, etc. As a result, this has impacted the Organization’s operations in many ways, The Organization has continued to shift the way it delivered services to comply with state and local mandates for sheltering in place, social distancing and personal protection equipment for staff and clients. The demand for services increased and the Organization was called upon from public and private funders to distribute significant new emergency rental and disaster relief funding. Additionally, the community has continued to rise to the occasion by responding with significant non-recurring support to the Organization in the form of cash and in-kind contributions.

The Organization received loan proceeds in the amount of \$757,700 under the Paycheck Protection Program (PPP) in May of 2020. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provided loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest may be forgivable as long as the Organization uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities. During the fiscal year the Organization applied for and received full forgiveness for the loan of \$757,700.