

SAMARITAN HOUSE

JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

# **Samaritan House**

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

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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, 2019, 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, 2019, 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**

The financial statements of Samaritan House as of and for the year ended June 30, 2018, were audited by other auditors, whose report, dated October 23, 2018, expressed an unmodified opinion on those statements. The summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Hood & Strong LLP*

San Francisco, California  
October 16, 2019

# Samaritan House

## Statement of Financial Position

<i>June 30, 2019 (With comparative totals for 2018)</i>	2019	2018
<b>Assets:</b>		
Cash and equivalents	\$ 2,403,226	\$ 2,309,435
Investments	6,038,375	4,289,197
Funds held in trust	335,634	161,530
Bequests receivable	36,460	107,495
Grants receivable	1,100,079	957,477
Prepaid expenses and other assets	300,636	188,436
Property and equipment, net	7,519,730	7,616,298
<b>Total assets</b>	<b>\$ 17,734,140</b>	<b>\$ 15,629,868</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 364,686	\$ 192,654
Accrued payroll and paid time off	615,109	528,148
Funds held in trust	335,634	161,530
Notes payable	267,808	301,749
<b>Total liabilities</b>	<b>1,583,237</b>	<b>1,184,081</b>
<b>Net Assets:</b>		
Without donor restrictions		
Undesignated	10,873,327	9,405,379
Board designated reserves	4,487,300	4,092,400
<b>Total without donor restrictions</b>	<b>15,360,627</b>	<b>13,497,779</b>
With donor restrictions	790,276	948,008
<b>Total net assets</b>	<b>16,150,903</b>	<b>14,445,787</b>
<b>Total liabilities and net assets</b>	<b>\$ 17,734,140</b>	<b>\$ 15,629,868</b>

See accompanying notes to financial statements.

# Samaritan House

## Statement of Activities and Changes in Net Assets

*Year Ending June 30, 2019 (With comparative totals for 2018)*

	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Support and Revenue:</b>				
Contributions	\$ 1,123,360	\$ 214,588	\$ 1,337,948	\$ 1,480,310
Bequests	1,022,682	31,557	1,054,239	129,758
Government grants	3,853,516	146,000	3,999,516	3,348,093
Healthcare district grants		1,177,953	1,177,953	1,089,639
Foundation grants	857,239	795,935	1,653,174	1,282,293
Business and Corporations	233,831	359,759	593,590	506,334
Special event revenue	562,185	2,400	564,585	506,477
Special event direct expenses	(140,282)		(140,282)	(123,284)
Donated goods and services	5,078,334		5,078,334	4,448,040
Rental income	161,724		161,724	155,936
Net investment income	268,885		268,885	120,379
Miscellaneous income	118,522		118,522	371,738
Net assets released from restrictions	2,885,924	(2,885,924)	-	-
<b>Total support and revenue</b>	<b>16,025,920</b>	<b>(157,732)</b>	<b>15,868,188</b>	<b>13,315,713</b>
<b>Expenses:</b>				
Program services				
Client Services	1,088,677		1,088,677	797,699
Food Services	3,190,423		3,190,423	3,026,488
Kids Closet	428,394		428,394	343,471
Homelessness Prevention	899,138		899,138	816,312
Safe Harbor Shelter	1,612,804		1,612,804	1,484,961
Holiday Assistance	106,165		106,165	77,350
Medical and Dental Clinics	3,675,539		3,675,539	2,988,056
Worker Resource Center	282,335		282,335	274,278
Coordinated Entry Services	850,161		850,161	688,092
	12,133,636		12,133,636	10,496,707
Supporting services				
Management and general	940,364		940,364	883,911
Fundraising	1,089,072		1,089,072	1,030,888
<b>Total expenses</b>	<b>14,163,072</b>	<b>-</b>	<b>14,163,072</b>	<b>12,411,506</b>
<b>Change in Net Assets</b>	<b>1,862,848</b>	<b>(157,732)</b>	<b>1,705,116</b>	<b>904,207</b>
<b>Net Assets, Beginning of year</b>	<b>13,497,779</b>	<b>948,008</b>	<b>14,445,787</b>	<b>13,541,580</b>
<b>Net Assets, End of year</b>	<b>\$ 15,360,627</b>	<b>\$ 790,276</b>	<b>\$ 16,150,903</b>	<b>\$ 14,445,787</b>

See accompanying notes to financial statements.

# Samaritan House

## Statement of Functional Expenses

Year Ending June 30, 2019 (with comparative totals for 2018)

	Client Services	Food Services	Kids Closet	Homeless Prevention Assistance	Safe Harbor Shelter	Holiday Assistance	Medical and Dental Clinics	Worker Resource Center	Coordinated Entry System	Total Program Services	Management and General	Fundraising	Total Supporting Services	2019 Total Expenses	2018 Total Expenses
Salaries and related payroll costs	\$ 651,241	\$ 314,389	\$ 19,656	\$ 119,884	\$ 828,712	\$ 58,842	\$ 1,102,605	\$ 181,658	\$ 425,904	\$ 3,702,891	\$ 665,627	\$ 562,643	\$ 1,228,270	\$ 4,931,161	\$ 4,457,566
Employee benefits	84,531	67,581	2,135	12,165	138,709	4,657	132,745	31,280	47,682	521,485	45,420	41,849	87,269	608,754	490,969
Temporary staffing	46,930	248	8	31,641	29,433	22	506	111	45,301	154,200	971	141,836	142,807	297,007	86,240
Donated services							1,410,585			1,410,585				1,410,585	1,158,341
Donated facilities					242,769			36,480		279,249				279,249	270,971
Employee training	6,069	795	8		720	24	710	248	298	8,872	2,498	1,488	3,986	12,858	7,787
Equipment rental	13,435	775	248	1,474	5,221	1,542	3,175	445	4,616	30,931	10,315	3,774	14,089	45,020	35,543
Client food, clothing, education and shelter	425	(1,167)	24,233	1,500	28,485	16,469	301	11,712		81,958	188		188	82,146	80,135
Client housing and emergency assistance	110			725,329					219,708	945,147				945,147	880,657
Client assistance of in-kind food, bus passes, medication and clothing		2,588,786	318,674		80,845		400,195			3,388,500				3,388,500	3,018,729
Insurance and taxes	6,861	14,455	3,302		5,810	594	26,671	899	1,140	59,732	14,082	4,505	18,587	78,319	97,793
Interest	200				410		6,856			7,466	1,123		1,123	8,589	9,591
Medical clinic supplies							161,752			161,752				161,752	160,466
Outreach and marketing	45	625	244		8,316	311	1,132	140	4,438	15,251	1,988	34,273	36,261	51,512	24,368
Outside Services	53,789	13,113	3,117		87,625	7,074	78,069	7,658	55,897	306,342	46,540	189,747	236,287	542,629	463,253
Postage	241	103	35	25	72	46	416	17	31	986	1,101	4,248	5,349	6,335	10,029
Printing and mailing services	13						13			26	893	46,465	47,358	47,384	63,063
Professional fees	6	66	29		4	38	1,382	5		1,530	53,620		53,620	55,150	68,074
Supplies	36,395	29,805	2,444	553	57,330	6,729	18,296	1,998	4,420	157,970	18,854	14,055	32,909	190,879	143,599
Rent	22,809	19,031	312		5,118	5,839	115,426	374		168,909	193		193	169,102	145,096
Repairs and maintenance	60,594	39,950	21,021	5,747	28,105	370	89,025	1,372	6,855	253,039	21,963	13,734	35,697	288,736	229,523
Travel, meetings and conferences	13,070	10,490	81	235	10,438	149	2,089	1,265	5,339	43,156	14,789	4,483	19,272	62,428	66,695
Utilities and telephone	37,237	45,990	11,423	585	31,593	2,028	51,187	4,784	15,072	199,899	21,132	11,394	32,526	232,425	210,237
<b>Total expenses before depreciation</b>	<b>1,034,001</b>	<b>3,145,035</b>	<b>406,970</b>	<b>899,138</b>	<b>1,589,715</b>	<b>104,734</b>	<b>3,603,136</b>	<b>280,446</b>	<b>836,701</b>	<b>11,899,876</b>	<b>921,297</b>	<b>1,074,494</b>	<b>1,995,791</b>	<b>13,895,667</b>	<b>12,178,725</b>
Depreciation	54,676	45,388	21,424		23,089	1,431	72,403	1,889	13,460	233,760	19,067	14,578	33,645	267,405	232,781
<b>Total expenses</b>	<b>\$ 1,088,677</b>	<b>\$ 3,190,423</b>	<b>\$ 428,394</b>	<b>\$ 899,138</b>	<b>\$ 1,612,804</b>	<b>\$ 106,165</b>	<b>\$ 3,675,539</b>	<b>\$ 282,335</b>	<b>\$ 850,161</b>	<b>\$ 12,133,636</b>	<b>\$ 940,364</b>	<b>\$ 1,089,072</b>	<b>\$ 2,029,436</b>	<b>\$ 14,163,072</b>	<b>\$ 12,411,506</b>

See accompanying notes to financial statements.

# Samaritan House

## Statement of Cash Flows

<i>June 30, 2019 (With comparative totals for 2018)</i>	2019	2018
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 1,705,116	\$ 904,207
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of loan principal and interest		(269,850)
Depreciation and amortization	267,405	232,781
Contributions restricted for renovation project		(256,586)
Net realized and unrealized gain on investments	(157,693)	(50,856)
Changes in operating assets and liabilities:		
Bequests receivable	71,035	(23,965)
Grants receivable	(142,602)	277,922
Prepaid expenses and other assets	(112,200)	(57,392)
Accounts payable and accrued expenses	172,032	34,672
Accrued payroll and paid time off	86,961	72,146
<b>Net cash provided by operating activities</b>	<b>1,890,054</b>	<b>863,079</b>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sales of investments	68,530	1,111,873
Purchases of investments	(1,660,015)	(1,871,668)
Purchases of property and equipment	(170,837)	(160,088)
<b>Net cash used by investing activities</b>	<b>(1,762,322)</b>	<b>(919,883)</b>
<b>Cash Flows from Financing Activities:</b>		
Payments of principal on notes payable	(33,941)	(32,938)
Capital contributions		256,586
<b>Net cash (used) provided by financing activities</b>	<b>(33,941)</b>	<b>223,648</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>93,791</b>	<b>166,844</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>2,309,435</b>	<b>2,142,591</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,403,226</b>	<b>\$ 2,309,435</b>

**Supplemental Cash Flow Information:**

Interest paid	\$ 5,588	\$ 3,907
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See accompanying notes to financial statements.



# Samaritan House

## Notes to Financial Statements

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### 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 is acting as the lead agency with multiple grants in collaboration with six other non-profit organizations of whom 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 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.

#### *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.

# **Samaritan House**

## **Notes to Financial Statements**

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### *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. Samaritan House 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.

### *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 and permanent housing.

### *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 over 200 professional and administrative volunteers who provided more than 9,200 volunteer hours during the fiscal year ended June 30, 2019.

### *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.

# Samaritan House

## Notes to Financial Statements

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### 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 and Development*

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 \$4,487,300.

##### *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, 2019.

#### b. Recognition of Revenue

Government grants and contracts, rental and other program income, are recognized when earned. Amounts received in advance are recorded as deferred revenue until earned.

# Samaritan House

## Notes to Financial Statements

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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 (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services of \$1,410,585 services were recorded for the year ended June 30, 2019. These donated services included volunteer medical services, in-kind lab tests, in-kind legal services and an in-kind grant for marketing services.

For the year ended June 30, 2019, gifts-in-kind of food, bus passes, equipment, medication and clothing totaling \$3,388,500 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 \$1,956,883. 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, 2019, total donated facilities of \$279,249 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 42,000 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 approximate value at the date of donation. Depreciation is over the estimated useful life of the related asset, ranging from three to forty years.

# Samaritan House

## Notes to Financial Statements

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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.

f. Investments

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

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.

# Samaritan House

## Notes to Financial Statements

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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, 2018, from which the summarized information was derived. Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current- year financial statements.

k. Recent Accounting Pronouncements

*Pronouncements effective in the future:*

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies and improves current guidance about whether a transfer of assets, or the reduction, settlement or cancellation of liabilities, is a contribution or an exchange transaction. It provides a framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The amendments in this ASU related to contributions received are effective for annual financial statements issued for fiscal year beginning after December 15, 2018, while the amendments related to contributions made are effective one year later. The Organization is currently evaluating the impact of these pronouncements on its financial statements.

l. Subsequent Events

The Organization evaluated subsequent events through October 16, 2019, 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.

# Samaritan House

## Notes to Financial Statements

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

Investments consist of the following as of June 30, 2019:

Money market funds	\$ 188,152
Certificate of deposits	1,758,644
Mutual funds	4,091,579
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Total investments	\$ 6,038,375

Investment income consists of the following at June 30, 2019:

Interest and dividends	\$ 145,221
Net realized and unrealized gain	157,693
Investment expenses	(34,029)
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Total investment income	\$ 268,885

All investments are measured at Level One.

### Note 4 - Property and Equipment:

Property and equipment at June 30, 2019 were as follows:

Land	\$ 1,882,459
Building and building improvements	7,770,336
Furniture and equipment	559,596
Computer hardware and software	347,334
Vehicles	140,036
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	10,699,761
Less: accumulated depreciation	(3,180,031)
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Total	\$ 7,519,730

Depreciation expense for the year ended June 30, 2019 was \$267,405.

# Samaritan House

## Notes to Financial Statements

### Note 5 - Notes Payable:

Notes payable as of June 30, 2019 consist of the following:

	Amount
Note payable to the California Health Facilities Financing Authority (CHFHA) 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	\$ 167,808
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 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
<b>Total</b>	<b>\$ 267,808</b>

Future principal maturities of notes payable are as follows:

June 30,	Amount
2020	\$ 34,973
2021	36,037
2022	37,133
2023	38,262
2024	21,403
Thereafter	100,000
<b>Total</b>	<b>\$ 267,808</b>

During the previous fiscal year (ending June 30, 2018), the County of San Mateo forgave the note payable secured by the San Mateo Clinic property in the amount of \$ 178,808 and 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 as a site where Homelessness Prevention Services are provided or for similar eligible use in accordance with Community Development Block Grant requirements.



# Samaritan House

## Notes to Financial Statements

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### Note 6 - Commitments and Contingencies:

The Organization leases office space for the Redwood City Medical Clinic under a five-year lease through April 2022. The future minimum lease payments are as follows:

June 30,	Amount
2020	\$ 118,248
2021	121,800
2022	104,236
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Total	\$ 344,284

Total rent expense for June 30, 2019 was \$114,798.

### 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' wages when employees contribute up to 5% as described in the plan documents. The Organization made matching contributions of \$81,998 for the year ended June 30, 2019.

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

As of June 30, 2019, net assets with donor restrictions are available for the following purposes:

Medical services	\$ 302,750
Medical clinic facility repairs	145,719
General operating	176,000
Client services	112,000
Food services	10,000
Safe Harbor Shelter	33,000
Kids Closet	10,807
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Total	\$ 790,276

# Samaritan House

## Notes to Financial Statements

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During the year ended June 30, 2019, net assets were released from donor restrictions by incurring expenses satisfying the purpose restriction specified by donors as follows:

Kids Closet	\$ 27,452
Food services	189,328
Client services	198,530
Holiday program	31,043
Safe Harbor Shelter	75,856
Medical clinics	2,141,665
General operating	222,050
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Total restrictions released	\$ 2,885,924

### 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 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, however, up to \$5,000 can be authorized for special circumstances by Executive Director of the fund. During the fiscal year ending June 30, 2019, the Organization received \$909,500 and expended a total of \$772,283. 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, 2019 for the above programs are as follows:

San Francisco Chronicle's Season of Sharing Fund	\$ 249,780
Safe Harbor Shelter	85,854
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Total	\$ 335,634

# Samaritan House

## Notes to Financial Statements

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### Note 10 - Availability and Liquidity:

As of June 30, 2019, the Organization's financial assets available within one year for general expenditures are as follows:

Cash	\$ 2,403,226
Receivables	1,136,539
Investments	6,038,375
	<hr/>
	9,578,140
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Less:	
Long term receivables	36,460
Board designated reserves:	
Emergency reserve	3,583,040
Facility reserve	392,400
Operations	511,860
Funds with donor restrictions	790,276
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Total available for general expenditures	\$ 4,264,104

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 purpose subject to board approval.

### 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, 2019 is \$84,992 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, 2019 is \$59,992.