Hood & Strong

Advisory, Tax and Assurance

Samaritan House

June 30, 2025

Report to the Audit Committee of the Board of Directors

Hood & Strong

October 13, 2025

THE AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS
SAMARITAN HOUSE
San Mateo, California

We are pleased to present this report related to our audit of the financial statements of **SAMARITAN HOUSE (the Organization)** for the year ended June 30, 2025. Our report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Organization's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Organization.

Hood & Strong LLP

Samaritan House

Report to The Board of Directors

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Required Communications – AU–C 260

The following required communications summarize our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

Our Responsibilities

We describe our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States to you in our engagement letter dated June 26, 2025. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.

Planned Scope and Timing of the Audit

We have previously issued a separate communication dated June 26, 2025 regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Organization. The Organization did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant accounting policies used by the Organization are described in detail in the notes to the financial statements.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

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Required Communications – AU–C 260

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Audit Adjustments

There was one audit adjustment made to the original trial balance presented to us to begin our audit to reverse in-kind revenue and expense recognized in the year ended June 30, 2024 that was also recorded in the year ended June 30, 2025. The effect of this entry decreased donated goods and services revenue and donated services expenses by $532,005. The entry did not impact the change in net assets.

Uncorrected Misstatements and Omitted Disclosure

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

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Required Communications – AU–C 260

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit. Requested schedules were available on a timely basis and management actively participated in the drafting of the financial statements.

Shared Responsibilities for Independence

Independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and Government Accountability Office (GAO) independence rules. For Hood & Strong LLP (H&S) to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, and H&S each play an important role.

Our Responsibilities

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. H&S is to ensure that the AICPA and GAO's General Requirements for performing nonattest services are adhered to and included in all letters of engagement.

- Maintain a system of quality management over compliance with independence rules and firm policies.

The Organization's Responsibilities

- Timely inform H&S, before the effective date of transactions or other changes, of new affiliates, directors, or officers, and changes in the organization structure or the reporting entity impacting affiliates.

- Not entering into arrangements of nonaudit services resulting in H&S being involved in making management decisions on behalf of the Organization.

- Not entering into relationships resulting in close family members of H&S covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Organization.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the Organization include the engagement letter and the representation letter provided to us by management. We would be pleased to provide copies should you so desire.

Samaritan House

Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in the Organization's June 30, 2025 financial statements:

Allocation of functional expense	
Accounting policy	Expenses are allocated to Program Services, Management and General, and Fundraising expenses based on the actual expenses incurred by each department as well as allocations of certain costs.
Management's estimation process	On an annual basis, management analyzes the allocation of expenses to the relevant department for reasonableness.
Basis for our conclusions on reasonableness of estimate	We reviewed management's estimate noting the method and assumptions were reasonable, consistent with the prior years, and in accordance with accounting principles generally accepted in the United States (U.S. GAAP).
Depreciable lives assigned to property and equipment	
Accounting policy	Depreciation is computed on a straight-line basis over the estimated useful lives of the assets which range from 3 to 40 years.
Management's estimation process	The Organization maintains a capitalization policy which outlines the depreciable lives assigned to property and equipment. The policy is adhered to as purchases are made.
Basis for our conclusions on reasonableness of estimate	We reviewed management's estimate noting the method and assumptions were reasonable, consistent with prior years, and in accordance with U.S. GAAP.