SAMARITAN HOUSE

JUNE 30, 2020

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

Samaritan House

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HOOD & STRONG LLP
CERTIFIED PUBLIC ACCOUNTANTS

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, 2020, 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, 2020, 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, 2019 financial statements, and we expressed an unmodified opinion on those statements in our report dated October 16, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, 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, 2020

Samaritan House

Statement of Financial Position

June 30, 2020 (With comparative totals for 2019)	2020	2019
Assets:		
Cash and equivalents	$ 11,526,266	$ 2,403,226
Investments	4,836,029	6,038,375
Funds held in trust	601,477	335,634
Bequests receivable	11,035	36,460
Grants receivable	1,911,500	1,100,079
Prepaid expenses and other assets	184,843	300,636
Property and equipment, net	8,470,436	7,519,730
Total assets	$ 27,541,586	$ 17,734,140
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 269,151	$ 364,686
Accrued payroll and paid time off	813,532	615,109
Funds held in trust	599,977	335,634
Notes payable	990,535	267,808
Total liabilities	2,673,195	1,583,237
Net Assets:		
Without donor restrictions:		
Undesignated	15,336,654	10,873,327
Board designated reserves	4,889,373	4,487,300
Total without donor restrictions	20,226,027	15,360,627
With donor restrictions	4,642,364	790,276
Total net assets	24,868,391	16,150,903
Total liabilities and net assets	$ 27,541,586	$ 17,734,140

The accompanying notes are an integral part of this statement.

Samaritan House

Statement of Activities and Changes in Net Assets

Year Ending June 30, 2020 (With comparative totals for 2019)

	2020			
	Without Donor Restrictions	With Donor Restrictions	Total	2019 Total
Recurring Support and Revenue:				
Contributions	$ 3,092,147	$ 810,794	$ 3,902,941	$ 1,337,948
Bequests	61,256		61,256	1,054,239
Government grants	3,827,955	374,790	4,202,745	3,999,516
Healthcare district grants	7,054	1,209,953	1,217,007	1,177,953
Foundation grants	2,615,307	5,380,286	7,995,593	1,653,174
Business and Corporate	881,497	502,981	1,384,478	593,590
Special event revenue	690,076	77,000	767,076	564,585
Special event direct expenses	(52,196)		(52,196)	(140,282)
Donated goods and services	5,081,408		5,081,408	5,078,334
Rental income	167,745		167,745	161,724
Net investment income	110,458		110,458	268,885
Miscellaneous income	96,077		96,077	118,522
Net assets released from restrictions	4,503,716	(4,503,716)	-	
Total support and revenue	21,082,500	3,852,088	24,934,588	15,868,188
Expenses:				
Program services:				
Client services	1,211,957		1,211,957	1,088,677
Food services	3,899,505		3,899,505	3,190,423
Kids Closet	365,316		365,316	428,394
Homelessness Prevention	1,941,494		1,941,494	899,138
Safe Harbor Shelter	1,730,074		1,730,074	1,612,804
Holiday assistance	111,220		111,220	106,165
Medical and dental clinics	3,498,686		3,498,686	3,675,539
Worker resource center	294,257		294,257	282,335
Coordinated entry services	923,615		923,615	850,161
Total program expense	13,976,124		13,976,124	12,133,636
Supporting services:				
Management and general	1,070,849		1,070,849	940,364
Fundraising	1,170,127		1,170,127	1,089,072
Total expenses	16,217,100	-	16,217,100	14,163,072
Change in Net Assets	4,865,400	3,852,088	8,717,488	1,705,116
Net Assets, Beginning of year	15,360,627	790,276	16,150,903	14,445,787
Net Assets, End of year	$ 20,226,027	$ 4,642,364	$ 24,868,391	$ 16,150,903

The accompanying notes are an integral part of this statement.

Samaritan House

Statement of Functional Expenses

Year Ending June 30, 2020 (with comparative totals for 2019)

	Client Services	Food Services	Kids Closet	Homelessness Prevention	Safe Harbor Shelter	Holiday Assistance	Medical and Dental Clinics	Worker Resource Center	Coordinated Entry Services	Total Program Expense	Management and General	Fundraising	Total Supporting Services	2020 Total Expenses	2019 Total Expenses
Salaries and related payroll costs	$ 787,389	$ 428,682	$ 23,788	$ 89,171	$ 1,017,279	$ 42,998	$ 1,244,432	$ 187,673	$ 457,515	$ 4,278,927	$ 737,489	$ 713,792	$ 1,451,281	$ 5,730,208	$ 4,931,161
Employee benefits	105,902	72,049	2,455	8,723	163,813	4,453	177,076	35,363	43,602	613,436	60,364	71,678	132,042	745,478	608,754
Temporary staffing	58,436	20,635	2,648		62,307	3,377	41,448	392	149,657	338,900	1,634	12,496	14,130	353,030	297,007
Donated services							1,030,091			1,030,091				1,030,091	1,410,585
Donated facilities					252,336			36,480		288,816				288,816	279,249
Employee training	7,808	1,899	61	65	4,574	170	4,904	852	2,980	23,313	2,906	6,053	8,959	32,272	12,858
Equipment rental	6,628	817	263	1,869	3,935	778	3,651	1,658	3,396	22,995	10,931	6,194	17,125	40,120	45,020
Client food, clothing, education and shelter	1,009	26,456	11,225		27,555	35,596	458	6,208	189	108,696	934	170	1,104	109,800	82,146
Client housing and emergency assistance				1,812,582					171,230	1,983,812				1,983,812	945,147
Client assistance of in-kind food, bus passes, medication and clothing		3,076,401	258,538		11,550		416,012			3,762,501				3,762,501	3,388,500
Insurance and taxes	7,225	14,595	3,352		5,285	419	27,620	815	1,155	60,466	17,064	2,330	19,394	79,860	78,319
Interest	200				410		5,824			6,434	1,123		1,123	7,557	8,589
Medical clinic supplies							126,496			126,496				126,496	161,752
Outreach and marketing	5,389	5,059	2,292		924	2,923	7,885	340	12,211	37,023	9,734	76,004	85,738	122,761	51,512
Outside services	39,654	26,413	3,664	20,114	59,514	5,680	59,365	6,749	37,893	259,046	82,700	149,212	231,912	490,958	542,629
Postage	284	171	39		88	52	276	20	34	964	1,343	30,649	31,992	32,956	6,335
Printing and mailing services				705						705	1,510	58,851	60,361	61,066	47,384
Professional fees	1,500			4,000			224		1,500	7,224	47,290		47,290	54,514	55,150
Supplies	16,597	39,047	2,689	635	20,509	1,017	13,720	1,782	4,984	100,980	23,352	4,258	27,610	128,590	190,879
Rent	22,752	23,976			5,964	9,301	118,248	280		180,521				180,521	169,102
Repairs and maintenance	34,304	36,593	18,804		31,090	600	86,328	847	4,817	213,383	13,369	5,799	19,168	232,551	288,736
Travel, meetings and conferences	13,737	11,823	110	692	13,716	403	3,208	1,336	3,265	48,290	14,768	4,179	18,947	67,237	62,428
Utilities and telephone	48,277	60,588	12,939	2,938	23,090	2,017	59,683	11,870	15,694	237,096	22,951	12,419	35,370	272,466	232,425
Total expenses before depreciation	1,157,091	3,845,204	342,867	1,941,494	1,703,939	109,784	3,426,949	292,665	910,122	13,730,115	1,049,462	1,154,084	2,203,546	15,933,661	13,895,667
Depreciation and interest	54,866	54,301	22,449		26,135	1,436	71,737	1,592	13,493	246,009	21,387	16,043	37,430	283,439	267,405
Total expenses	$ 1,211,957	$ 3,899,505	$ 365,316	$ 1,941,494	$ 1,730,074	$ 111,220	$ 3,498,686	$ 294,257	$ 923,615	$ 13,976,124	$ 1,070,849	$ 1,170,127	$ 2,240,976	$ 16,217,100	$ 14,163,072

The accompanying notes are an integral part of this statement.

Samaritan House

Statement of Cash Flows

June 30, 2020 (With comparative totals for 2019)	2020	2019
Cash Flows from Operating Activities:		
Change in net assets	$ 8,717,488	$ 1,705,116
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	283,439	267,405
Net realized and unrealized loss (gain) on investments	14,737	(157,693)
Changes in operating assets and liabilities:		
Bequests receivable	25,425	71,035
Grants receivable	(811,421)	(142,602)
Prepaid expenses and other assets	115,793	(112,200)
Accounts payable and accrued expenses	(95,535)	172,032
Accrued payroll and paid time off	198,423	86,961
Funds held in trust	(1,500)	
Net cash provided by operating activities	8,446,849	1,890,054
Cash Flows from Investing Activities:		
Proceeds from sales of investments	1,837,974	68,530
Purchases of investments	(650,365)	(1,660,015)
Purchases of property and equipment	(1,234,145)	(170,837)
Net cash used by investing activities	(46,536)	(1,762,322)
Cash Flows from Financing Activities:		
Proceeds from Paycheck Protection Program loan	757,700	
Payments of principal on notes payable	(34,973)	(33,941)
Net cash provided (used) by financing activities	722,727	(33,941)
Net Increase in Cash and Cash Equivalents	9,123,040	93,791
Cash and Cash Equivalents, Beginning of Year	2,403,226	2,309,435
Cash and Cash Equivalents, End of Year	$ 11,526,266	$ 2,403,226
Supplemental Cash Flow Information:		
Interest paid	$ 7,557	$ 5,588

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 COVID19 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 last quarter of the fiscal year, the community responded to the COVID19 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 Activity 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 quarter of this fiscal year due to impacts of the COVID-19 pandemic to the Organization's clients.

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.

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. During this fiscal year, the Organization partnered with the County of San Mateo and operated a homeless shelter operation at a local hotel facility 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 over 200 professional and administrative volunteers who provided more than 8,000 volunteer hours during the fiscal year ended June 30, 2020.

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 $4,889,373.

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, 2020.

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, 2020, are included in grants receivable and are expected to be collected in fiscal year 2021. 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 $1,030,091 services were recorded for the year ended June 30, 2020. 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.

For the year ended June 30, 2020, gifts-in-kind of food, bus passes, equipment, medication and clothing totaling $3,762,501 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 $2,418,171. 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, 2020, total donated facilities of $288,816 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 38,000 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.

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 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.

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, 2019, from which the summarized information was derived.

k. Recent Accounting Pronouncements

Pronouncements:

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. The Organization adopted this ASU on a modified prospective basis as of July 1, 2019 as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. The impact of adopting this guidance is reflected in the financial statements and did not have a significant impact on the financial statements or disclosures.

The Organization adopted ASU 2014-09, *Revenue from Contract with Customers* (Topic 606), as amended, as of July 1, 2019. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a modified retrospective basis.

l. Subsequent Events

The Organization evaluated subsequent events through October 16, 2020, 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, except as noted in Note 12.

Note 3 - Investments and Fair Value Measurement:

Investments consist of the following as of June 30, 2020:

Money market funds	$	188,771
Certificate of deposits		509,338
Mutual funds and ETFs		4,137,920
Total investments	$	4,836,029

Investment income consists of the following at June 30, 2020:

Interest and dividends	$	156,732
Net realized and unrealized gain		(14,737)
Investment expenses		(31,537)
Total investment income	$	110,458

All investments are measured at Level One.

Note 4 - Property and Equipment:

Property and equipment at June 30, 2020 were as follows:

Land	$ 2,692,459
Building and building improvements	8,193,189
Furniture and equipment	560,889
Computer hardware and software	347,334
Vehicles	140,036
	11,933,907
Less: accumulated depreciation	(3,463,471)
Total	$ 8,470,436

Depreciation expense for the year ended June 30, 2020 was $283,439.

Note 5 - Notes Payable:

Notes payable as of June 30, 2020 consist of the following:

	Amount
Note payable to the California Health Facilitates 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.	$ 132,835
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
Note payable to the SBA CARES Paycheck Protection Plan (PPP). As allowed by the PPP program the Organization will apply for forgiveness for the full amount in fiscal year ending June 30, 2021.	757,700
Total	$ 990,535

Future principal maturities of notes payable are as follows:

June 30,	Amount
2021	$ 793,737
2022	37,133
2023	138,262
2024	21,403
Total	$ 990,535

During the fiscal year ending 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 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.

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 ending February 2021 for parking lot space adjacent to their existing property. The future minimum lease payments are as follows:

June 30,	Amount
2021	$ 136,200
2022	104,236
Total	$ 240,436

Total rent expense for June 30, 2020 was $118,248

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

June 30,	Amount
2021	$ 17,011
2022	4,050
2023	4,050
2024	1,162
Total	$ 26,273

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 $122,498 for the year ended June 30, 2020.

Note 8 - Net Assets with Donor Restrictions:

As of June 30, 2020, net assets with donor restrictions are available for the following purposes:

Medical services	$ 609,018
Medical clinic facility repairs	100,000
General operating	821,165
Client services	640,508
Homelessness Prevention	2,450,482
Kids Closet	21,191
Total	$ 4,642,364

During the year ended June 30, 2020, net assets were released from donor restrictions by incurring expenses satisfying the purpose restriction specified by donors as follows:

Kids Closet	$ 24,151
Food services	405,458
Client services	300,887
Homelessness Prevention	1,097,003
Holiday program	26,036
Safe Harbor Shelter	63,727
Medical clinics	1,773,791
General operating	812,663
Total restrictions released	$ 4,503,716

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, 2020, the Organization received $1,124,589 and expended a total of $828,316. 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, 2020 for the above programs are as follows:

San Francisco Chronicle's Season of Sharing Fund	$	546,054
Safe Harbor Shelter		55,423
Total	$	601,477

Note 10 - Availability and Liquidity:

As of June 30, 2020, the Organization's financial assets available within one year for general expenditures are as follows:

Cash and cash equivalents	$ 11,526,266
Receivables	1,922,535
Investments	4,836,029
	18,284,830
Less:	
Long term receivables	9,000
Board designated reserves:	
Emergency reserve	3,899,851
Facility reserve	432,400
Operations	557,122
Funds with donor restrictions	4,642,364
Total available for general expenditures	$ 8,744,093

During the last quarter of this 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. 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 its services 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, 2020 is $86,359 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, 2020 is $61,359.

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 significantly impacted the Organization's operations in many ways, The Organization shifted 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. Additionally, the community has risen 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). 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. The amount of loan forgiveness will be reduced if certain requirements are not met. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization has used the proceeds for purposes consistent with the PPP and expects to apply and receive forgiveness of the loan during the 2021 fiscal year.

In addition, financial market volatility has significantly increased which may negatively impact investment values and net investment income in the future. Other related financial impacts that could occur are unknown at this time.