

SAMARITAN HOUSE, INC.

Financial Statements

June 30, 2022

With Independent Auditor's Report

SAMARITAN HOUSE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Samaritan House, Inc.

Opinion

I have audited the accompanying financial statements of Samaritan House, Inc. (a nonprofit organization), which are comprised of the statement of assets, liabilities, and net assets- modified cash basis as of June 30, 2022, and the related statements of support, revenue, and expenses- modified cash basis, and functional expenses- modified cash basis for the year then ended, and the related notes to the financial statements- modified cash basis.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Samaritan House, Inc., as of June 30, 2022, and its support, revenue, and expenses and functional expenses and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America using the modified cash basis of accounting described in Note 1.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Samaritan House, Inc., and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Samaritan House, Inc.'s, ability to continue as a going concern within one year after the date that the financial statements are available to be issued

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

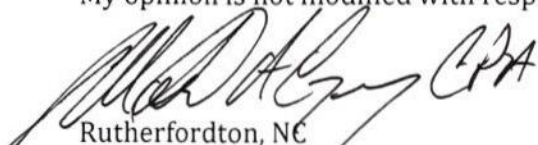
In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Samaritan House, Inc., internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Samaritan House, Inc., ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than the accounting principles general accepted in the United States of America. My opinion is not modified with respect to that matter.



Rutherfordton, NC
November 17, 2022

SAMARITAN HOUSE, INC.**Statement of Assets, Liabilities and Net Assets- Modified Cash Basis****June 30, 2022**

Assets

Cash	\$ 122,421
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Property and Equipment

Land	121,268
Building	131,305
Vehicle	24,613
Equipment	7,758
	<hr/> 284,944
Accumulated Depreciation	<hr/> (75,540)
	<hr/> 209,404

Other Assets	<hr/> 52
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Total Assets	<hr/> <hr/> \$ 331,877
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Liabilities and Net Assets**Liabilities**

Payroll Taxes	201
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Net Assets

Without donor restrictions	\$ 331,676
With donor restrictions	<hr/> -

Total Net Assets	<hr/> <hr/> \$ 331,877
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The notes to the financial statements are an integral part of this statement.

SAMARITAN HOUSE, INC.**Statement of Support, Revenue, and Expenses- Modified Cash Basis****June 30,2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions	\$ 289,256	\$ -	\$ 289,256
Other	1,980	-	1,980
Total Revenues	291,236	-	291,236
Expenses			
Program	254,503	-	254,503
Management and General	32,411	-	32,411
Fundraising	16,971	-	16,971
Total Expenses	303,885	-	303,885
Excess Revenue Over Expenses	(12,649)	-	(12,649)
Net Assets- Beginning of Year	344,325	-	344,325
Net Assets-End of Year	\$ 331,676	\$ -	\$ 331,676

The notes to the financial statements are an integral part of this statement.

SAMARITAN HOUSE, INC.**Statement of Functional Expenses - Modified Cash Basis****June 30, 2022**

	Programs	Management and General	Fundraising	Total
	<hr/>	<hr/>	<hr/>	<hr/>
Compensation and Benefits	\$ 145,455	\$ 19,477	\$ 9,505	\$ 174,437
Payroll Taxes	11,287	1,183	592	13,062
Office	4,010	1,334	385	5,729
Supplies	9,467	-	-	9,467
Repairs and Maintenance	37,795	-	-	37,795
Insurance	11,809	-	-	11,809
Utilities	18,530	-	-	18,530
Depreciation	10,175	-	-	10,175
Fundraising	-	-	6,466	6,466
Professional Fees	-	8,250	-	8,250
Other	5,975	2,167	23	8,165
Total Expenses	<hr/> <u>\$ 254,503</u>	<hr/> <u>\$ 32,411</u>	<hr/> <u>\$ 16,971</u>	<hr/> <u>\$ 303,885</u>

The notes to the financial statements are an integral part of this statement.

SAMARITAN HOUSE, INC.**Statement of Cash Flows - Modified Cash Basis****June 30, 2022**

Cash Flows Provided By Operating Activities

Increase in net assets	\$ (12,649)
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Depreciation	10,175
(Increase) in Other Assets	(52)
Increase in Payroll Liabilities	201
Net Cash provided by operating activities	<u>(2,325)</u>

Cash Flows Used in Investing Activities

Net cash provided by investing activities	<u>-</u>
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Cash Flows Used in Financing Activities

Net cash used in investing activities	<u>-</u>
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Decrease in Cash	(2,325)
Cash, Beginning of Year	124,746
Cash, End of Year	<u>\$ 122,421</u>

The notes to the financial statements are an integral part of this statement.

SAMARITAN HOUSE, INC.

Notes to the Financial Statements- Modified Cash Basis

June 30, 2022

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Samaritan House, Inc. (Samaritan) is a North Carolina nonprofit corporation which was organized on November 18, 2003, to provide a recuperative home for homeless people who have been discharged from a hospital and have no place to go for recovery.

The Organization solicits contributions from individuals and other organizations to fund its operations.

Samaritan House, Inc. currently operates one recuperative home in Charlotte, North Carolina.

Basis of Accounting

The financial statements of Samaritan are prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this method of accounting, revenues are recorded when received and expenses when paid, and property and equipment are capitalized.

Estimates

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

Financial Presentation

Samaritan has presented its financial statements in accordance with accounting principles for not-for-profit organizations. Under this guidance, Samaritan House, Inc. is required to report information regarding its net assets, revenues and expenses according to two classes of net assets: without donor restrictions, with donor restrictions. In addition, Samaritan House, Inc. is required to present a statement of functional expenses.

Income Taxes

Samaritan is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization's tax returns for the years ended June 30, 2020 through 2022 are subject to examination by the Internal Revenue Service.

SAMARITAN HOUSE, INC.

Notes to the Financial Statements- Modified Cash Basis

June 30, 2022

Property and Equipment

Samaritan capitalizes all expenditures for property and equipment in excess of \$1,000. Repairs and maintenance are charged to expense when incurred and major improvements are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives as follows-

Building	25 years
Vehicles	5 years
Furniture and Fixtures	5 years

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of assets, liabilities, and net assets is comprised of the following at June 30:

Cash in checking	\$	89,077
Savings		33,344
Total current financial assets	\$	<u>122,421</u>

3. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the auditor's report, the date which the financial statements were available to be distributed.