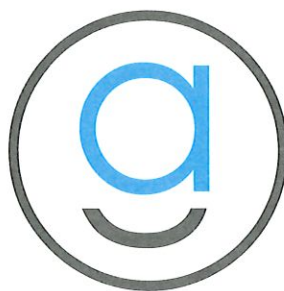


THE SAMARITAN CENTER-SIMI VALLEY

COMPILED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023



allison & gibb

CERTIFIED PUBLIC ACCOUNTANTS | [LLP](#)

THE SAMARITAN CENTER-SIMI VALLEY
COMPILED FINANCIAL STATEMENTS
JUNE 30, 2023

TABLE OF CONTENTS

	PAGE
Accountant's Compilation Report	1
Statement of Financial Position June 30, 2023	2
Statement of Activities and Changes in Net Assets Year Ended June 30, 2023	3
Statement of Functional Expenses Year Ended June 30, 2023	4
Statement of Cash Flows Year Ended June 30, 2023	5
Notes to Financial Statements	6 - 14



allison & gibb

CERTIFIED PUBLIC ACCOUNTANTS | LLP

31351 via colinas, ste. 202
westlake village, ca 91362
t 818.394.6680 f 818.322.3862

To the Board of Directors of
The Samaritan Center-Simi Valley
Simi Valley, California

Management is responsible for the accompanying financial statements of The Samaritan Center-Simi Valley (a California non-profit public benefit organization) which comprise the statement of financial position as of June 30, 2023, 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 in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 842, Leases, requires certain lease obligations to be capitalized on the statement of financial position, by reporting right of use assets along with lease liabilities. Management has elected not to adopt this accounting standard. Management has not determined the effect on the accompanying financial statements of this departure from U.S. GAAP.

Allison & Gibb LLP
ALLISON & GIBB, LLP
Westlake Village, California

October 18, 2023

THE SAMARITAN CENTER-SIMI VALLEY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

ASSETS:	
Cash and cash equivalents	\$ 137,684
Unbilled receivables	33,304
Other assets	4,450
Property and equipment, net	94,343
Beneficial interest in community foundation	<u>59,439</u>
Total Assets	<u><u>\$ 329,220</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES:	
Accrued payroll expenses	<u>\$ 16,871</u>
Total Liabilities	16,871
NET ASSETS:	
Without donor restrictions	256,606
With donor restrictions	<u>55,743</u>
Total Net Assets	<u>312,349</u>
Total Liabilities and Net Assets	<u><u>\$ 329,220</u></u>

*See Accompanying Accountant's Compilation Report
and Notes to Financial Statements*

THE SAMARITAN CENTER-SIMI VALLEY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Contributions:			
Individual	\$ 199,596	\$ -	\$ 199,596
Corporate	9,667	-	9,667
Religious organizations	35,656	-	35,656
Foundations	31,806	-	31,806
Fundraising	10,449	-	10,449
Government grants	-	241,468	241,468
Loss on disposal of assets	(7,001)	-	(7,001)
Other income	3,183	-	3,183
Net assets released from restrictions	241,468	(241,468)	-
Total Revenue and Support	524,824	-	524,824
EXPENSES:			
Programs services	355,560	-	355,560
Support services:			
General and administrative	58,804	-	58,804
Fundraising	27,325	-	27,325
Total Expenses	441,689	-	441,689
Change in Net Assets	83,135	-	83,135
NET ASSETS - Beginning of Year	173,471	55,743	229,214
NET ASSETS - End of Year	\$ 256,606	\$ 55,743	\$ 312,349

*See Accompanying Accountant's Compilation Report
and Notes to Financial Statements*

THE SAMARITAN CENTER-SIMI VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	PROGRAM SERVICES	SUPPORT SERVICES		TOTAL
		General & Administrative	Fundraising	
Salaries, wages, taxes and benefits	\$ 239,679	\$ 25,521	\$ 24,683	\$ 289,883
Professional services	-	6,575	-	6,575
Office expenses and supplies	6,311	3,415	1,452	11,178
Occupancy	20,110	2,234	-	22,344
Insurance	780	3,451	-	4,231
Equipment rental	1,882	-	-	1,882
Depreciation	8,597	-	-	8,597
Repairs and maintenance	15,181	4,426	-	19,607
Education and training	685	-	-	685
Auto expense	2,554	-	-	2,554
Client transportation assistance	8,763	-	-	8,763
Utilities	20,163	2,240	-	22,403
Food services	6,349	-	-	6,349
Fundraising expenses	-	-	631	631
Advertising and promotion	-	-	559	559
Bank fees	-	2,749	-	2,749
Other expenses	24,506	8,193	-	32,699
Total Expenses	<u>\$ 355,560</u>	<u>\$ 58,804</u>	<u>\$ 27,325</u>	<u>\$ 441,689</u>

*See Accompanying Accountant's Compilation Report
and Notes to Financial Statements*

THE SAMARITAN CENTER-SIMI VALLEY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 83,135
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	8,597
Loss on disposal of assets	7,001
Increase (decrease) in operating assets and liabilities	
Unbilled receivables	(20,284)
Accounts payable	(413)
Accrued payroll expenses	6,386
Net Cash Provided by Operating Activities	<u>84,422</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	(68,091)
Change in value of beneficial interest in community foundation	3,488
Net Cash Used by Investing Activities	<u>(64,603)</u>
Net Increase in Cash and Cash Equivalents	19,819
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>117,865</u>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$ 137,684</u></u>

*See Accompanying Accountant's Compilation Report
and Notes to Financial Statements*

THE SAMARITAN CENTER-SIMI VALLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

**1. NATURE OF OPERATIONS AND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

The Samaritan Center-Simi Valley (the “Organization”) is a nonprofit public benefit corporation that is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (“IRC”). The mission of the Organization is to provide care for the homeless and needy, including food, housing assistance, counseling, and job placement.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred. The financial statements also reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- **Net assets without donor restrictions:** 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. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

- **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 action of the Board or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities and Changes in Net Assets.

*See Accompanying Accountant’s Compilation Report
and Notes to Financial Statements*

THE SAMARITAN CENTER-SIMI VALLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

**1. NATURE OF OPERATIONS AND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

The Organization maintains its cash and cash equivalents at one financial institution. The balances may at times exceed the Federal Deposit Insurance Corporation (“FDIC”) limits.

Cash and Cash Equivalents

Cash and cash equivalents include cash balances on deposit in a bank and highly liquid investments with original maturities of three months or less.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at estimated fair value on the date of donation. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of assets ranging from 5-7 years for furniture, fixtures, equipment and vehicles. Amortization of leasehold improvements is provided over estimated useful lives of 15 years based on the high expectation of the lease agreement being renewed.

Government Grants

The Organization receives funding through grants from local municipalities. Revenues earned from cost-reimbursement contracts are recognized when the allowable program expenditures have been incurred. Unbilled receivables of \$33,304 at June 30, 2023 represents amounts earned under cost reimbursement contracts that were not invoiced until after year end.

*See Accompanying Accountant’s Compilation Report
and Notes to Financial Statements*

THE SAMARITAN CENTER-SIMI VALLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Contributions

Contributed services that create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills are recognized as support. The value of contributed time that does not meet the criteria for recognition as support is not reflected in the financial statements.

Revenue Recognition

Contributions, including unconditional promises to give, are recorded when received. Contributions are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets and Functional Expenses. Certain costs have been expensed directly to each function while other costs have been allocated among the program and supporting services as determined by management on an equitable basis. Salaries and occupancy are the primary costs that are allocated based on the estimated time spent by each individual.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the IRC and Section 23701(d) of the Revenue and Taxation Code of California. Accordingly, no provision for income taxes is included in the accompanying financial statements.

U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (“IRS”) or other applicable taxing authorities. Management has analyzed the tax positions taken by the Organization and has determined that as of June 30, 2023 there were no material uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

*See Accompanying Accountant’s Compilation Report
and Notes to Financial Statements*

THE SAMARITAN CENTER-SIMI VALLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash and cash equivalents, unbilled receivables, beneficial interest in community foundation and accrued payroll expenses approximate fair value due to the current nature of such assets and liabilities or quoted market prices for those or similar instruments.

U.S. GAAP Departure

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, “Leases” (Topic 842). This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. For non-public entities, the standard was effective for fiscal years beginning after December 15, 2021. The new standard must be adopted using a modified retrospective transition and provides for certain practical expedients during the period of adoption. Transition requires application of the new guidance at the beginning of the earliest comparative period presented. Management has elected not to adopt this standard. Management has not determined the impact on the Organization’s financial statements of not adopting this standard.

2. BENEFICIAL INTEREST IN COMMUNITY FOUNDATION

The Organization’s endowment consists of one fund established for the purpose of supporting charitable purposes of the Samaritan Center-Simi Valley. The agency designated fund agreement stipulates that the funds are permanently restricted, and distributions of principal are not permitted. Distributions of allocated earnings are permitted. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Trustees of the Organization has interpreted the State of California’s UPMIFA (“Uniform Prudent Management of Institutional Funds Act”) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds. As a result of this interpretation, the Organization retains in perpetuity and classified as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

*See Accompanying Accountant’s Compilation Report
and Notes to Financial Statements*

THE SAMARITAN CENTER-SIMI VALLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

2. BENEFICIAL INTEREST IN COMMUNITY FOUNDATION (Continued)

The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The Organization has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchase power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities. The Organization expects its endowment assets, over time, to produce an average rate of return of approximately 3% annually. Actual returns in any given year may vary from this amount.

Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

The Organization has a policy of appropriating for distribution each year only what is needed for specific assistance when cash on-hand is determined to be insufficient for an approved program service. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at an average rate of 3% annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

*See Accompanying Accountant's Compilation Report
and Notes to Financial Statements*

THE SAMARITAN CENTER-SIMI VALLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

2. BENEFICIAL INTEREST IN COMMUNITY FOUNDATION (Continued)

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2023, the fair value including available earnings to be distributed, totaling \$59,439 were reported as beneficial interest in community foundation in the accompanying statement of financial position. Net assets with donor restrictions related to this fund total \$55,743 at June 30, 2023, due to earnings in prior years that were added to the restricted fund balance.

3. FAIR VALUE MEASUREMENTS

ASC 820, Fair Value Measurements and Disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs, which consist of unobservable inputs and have the lowest priority. Unobservable inputs reflect the assumptions about the factors that market participants would use in pricing an investment and would be based on the best information available. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available. Level 3 inputs are based upon adjusted fair market value. The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2023:

	Total Fair Value	Significant Other Unobservable Inputs Level 3
Beneficial interest in assets held at Ventura County Community Foundation	<u>\$ 59,439</u>	<u>\$ 59,439</u>
Total	<u>\$ 59,439</u>	<u>\$ 59,439</u>

The beneficial interest in assets held at the Ventura County Community Foundation (the "Foundation") has been valued, as a practical expedient, at the fair value of the Organization's share of the Foundation's investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The beneficial interest in assets held at the Foundation is redeemable by the Organization as described in Note 2.

*See Accompanying Accountant's Compilation Report
and Notes to Financial Statements*

THE SAMARITAN CENTER-SIMI VALLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

3. FAIR VALUE MEASUREMENTS (Continued)

The following table provides a reconciliation of the beginning and ending balances for assets measured at fair value using significant unobservable inputs (Level 3) as defined in ASC 820 as of June 30, 2023:

	<u>With Donor Restrictions</u>	<u>Total</u>
Beneficial interest in community foundation/endowment - June 30, 2022	<u>\$ 67,377</u>	<u>\$ 67,377</u>
Investment Income (Expense):		
Investment income	3,962	3,962
Investment expenses	<u>(900)</u>	<u>(900)</u>
Total Investment Income, Net	<u>3,062</u>	<u>3,062</u>
Distributions	<u>(11,000)</u>	<u>(11,000)</u>
Beneficial interest in community foundation/endowment - June 30, 2023	<u>\$ 59,439</u>	<u>\$ 59,439</u>

4. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for expenditure within one year of the statement of financial position date are comprised of the following at June 30, 2023:

Cash and cash equivalents	\$ 137,684
Unbilled receivables	33,304
Beneficial interest in community foundation	<u>59,439</u>
Total Financial Assets	230,427
Less amounts unavailable for general expenditures in one year due to:	
Restrictions on beneficial interest in community foundation	<u>(59,439)</u>
Total Financial Assets Available to Management for General Expenditures within One Year	<u>\$ 170,988</u>

As part of the Organization's liquidity management, financial assets are structured to be available as its general expenditures, liabilities, and other obligations become due.

*See Accompanying Accountant's Compilation Report
and Notes to Financial Statements*

THE SAMARITAN CENTER-SIMI VALLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

5. PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following:

Leasehold improvements	\$ 71,412
Vehicle	52,438
Furniture, fixtures and equipment	32,181
	156,031
Less: Accumulated depreciation and amortization	(61,688)
Property and Equipment, Net	\$ 94,343

Depreciation expense during the year ended June 30, 2023 totaled \$8,597.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30, 2023:

Permanent endowment fund with Ventura County Community Foundation	\$ 55,743
Total Net Assets with Donor Restrictions	\$ 55,743

7. COMMITMENTS AND CONTINGENCIES

The Organization leases its facilities in Simi Valley, California under terms of an operating lease. The lease agreement expires in February, 2024. Monthly rent payments total \$1,917. The lease requires payment of certain additional utility allocations until termination. Rent expense for the year ended June 30, 2023 totaled \$22,344.

Under this lease, the Organization is committed to future minimum lease payments of \$15,336 during the year ended June 30, 2024.

8. RETIREMENT PLAN

The Organization maintains a SIMPLE IRA plan which provides a matching provision from the Organization on employee contributions of 1% of the employees' compensation. An immaterial amount was paid as a matching contribution during the year ended June 30, 2023.

*See Accompanying Accountant's Compilation Report
and Notes to Financial Statements*

THE SAMARITAN CENTER-SIMI VALLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

9. SUBSEQUENT EVENTS

The Organization's management has reviewed the accompanying financial statements and evaluated subsequent events through October 18, 2023, which is the date the financial statements were available to be issued.

*See Accompanying Accountant's Compilation Report
and Notes to Financial Statements*