

**THE SAMARITAN WOMEN, INC. AND SUBSIDIARY**

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

**THE SAMARITAN WOMEN, INC. AND SUBSIDIARY**

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## Independent Auditors' Report

To the Board of Directors  
The Samaritan Women, Inc. and Subsidiary  
Baltimore, Maryland

### **Opinion**

We have audited the accompanying financial statements of The Samaritan Women, Inc. (a nonprofit organization) and wholly owned subsidiary of John 4 Management, LLC (the Organization), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Samaritan Women, Inc. and wholly owned subsidiary of John 4 Management, LLC as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 The Samaritan Women, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditors' Report (continued)

**Auditors' Responsibility for the Audit of the Financial Statements**

Our 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 our 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, we:

- 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 The Samaritan Women, Inc.'s 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Samaritan Women, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

*Weyrich, Cronin & Serra, LLC*

Hunt Valley, Maryland  
October 5, 2021

**THE SAMARITAN WOMEN, INC. AND SUBSIDIARY**Consolidated Statements of Financial Position  
December 31, 2020 and 2019ASSETS

|  | <u>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|
| <b>CURRENT ASSETS:</b>   |                     |                     |
| Cash   | \$ 464,657          | \$ 454,905          |
| Cash, restricted   | 65,088              | 157,196             |
| Investments  | 19,205              | 69,142              |
| Accounts receivable  | 21,000              | 29,218              |
| Grants and contributions receivable                                      | 668,874             | 550,500             |
| Mortgage receivable  | 69,004              | 69,004              |
| Prepaid expenses   | 2,200               | - 0 -               |
|  | <u>1,310,028</u>    | <u>1,329,965</u>    |
| <b>PROPERTY AND EQUIPMENT - AT COST:</b>                                 |                     |                     |
| Land   | 80,000              | 80,000              |
| Building   | 387,873             | 387,873             |
| Building improvements  | 402,751             | 402,751             |
| Automobiles  | 22,618              | 22,618              |
| Equipment  | 42,190              | 42,190              |
|  | <u>935,432</u>      | <u>935,432</u>      |
| Less: accumulated depreciation   | <u>171,016</u>      | <u>142,405</u>      |
|  | <u>764,416</u>      | <u>793,027</u>      |
| <b>OTHER ASSETS:</b>   |                     |                     |
| Grants and contributions receivable,<br>net of discount to present value | 299,400             | 722,000             |
| Mortgage receivable  | <u>207,013</u>      | <u>276,017</u>      |
|  | <u>506,413</u>      | <u>998,017</u>      |
| <b>TOTAL ASSETS</b>  | <u>\$ 2,580,857</u> | <u>\$ 3,121,009</u> |

See accompanying notes to financial statements

**THE SAMARITAN WOMEN, INC. AND SUBSIDIARY**

Consolidated Statements of Financial Position  
December 31, 2020 and 2019

LIABILITIES AND NET ASSETS

|                                       | <u>2020</u>         | <u>2019</u>         |
|---------------------------------------|---------------------|---------------------|
| CURRENT LIABILITIES:                  |                     |                     |
| Accounts payable and accrued expenses | \$ 28,666           | \$ 5,269            |
| Payroll liabilities                   | 39,805              | 36,149              |
| Deferred revenue                      | 30,000              | 18,799              |
| Refundable advance                    | 124,002             | - 0 -               |
| Current portion of mortgage payable   | 150,037             | 21,326              |
| Total Current Liabilities             | <u>372,510</u>      | <u>81,543</u>       |
| LONG TERM LIABILITIES:                |                     |                     |
| Mortgage payable                      | <u>- 0 -</u>        | <u>150,037</u>      |
| NET ASSETS:                           |                     |                     |
| Without donor restrictions            | 1,758,697           | 1,381,298           |
| With donor restrictions               | 449,650             | 1,508,131           |
| Total Net Assets                      | <u>2,208,347</u>    | <u>2,889,429</u>    |
| TOTAL LIABILITIES AND NET ASSETS      | <u>\$ 2,580,857</u> | <u>\$ 3,121,009</u> |

See accompanying notes to financial statements

**THE SAMARITAN WOMEN, INC. AND SUBSIDIARY**

Consolidated Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2020

|                                       | Without<br>Donor<br>Restrictions | With<br>Donor<br>Restrictions | Total                   |
|---------------------------------------|----------------------------------|-------------------------------|-------------------------|
| <b>SUPPORT AND REVENUE:</b>           |                                  |                               |                         |
| Grants and contributions              | \$ 537,563                       | \$ 100,000                    | \$ 637,563              |
| In-kind income                        | 1,536                            | - 0 -                         | 1,536                   |
| Event income                          | 32,657                           | - 0 -                         | 32,657                  |
| Program income                        | 23,024                           | - 0 -                         | 23,024                  |
| Investment return - net               | 1,510                            | - 0 -                         | 1,510                   |
| Net assets released from restrictions | <u>1,158,481</u>                 | <u>(1,158,481)</u>            | <u>- 0 -</u>            |
| <br>Total Support and Revenue         | <br><u>1,754,771</u>             | <br><u>(1,058,481)</u>        | <br><u>696,290</u>      |
| <br><b>EXPENSES:</b>                  |                                  |                               |                         |
| Program services:                     |                                  |                               |                         |
| Restorative                           | 241,144                          | - 0 -                         | 241,144                 |
| Mission (Assessment)                  | 5,824                            | - 0 -                         | 5,824                   |
| Impact Social Justice                 | 368,661                          | - 0 -                         | 368,661                 |
| Institute for Shelter Care            | 253,751                          | - 0 -                         | 253,751                 |
| <br>Supporting services:              |                                  |                               |                         |
| Management and general                | 287,053                          | - 0 -                         | 287,053                 |
| Fundraising                           | <u>220,939</u>                   | <u>- 0 -</u>                  | <u>220,939</u>          |
| <br>Total Expenses                    | <br><u>1,377,372</u>             | <br><u>- 0 -</u>              | <br><u>1,377,372</u>    |
| <br>CHANGE IN NET ASSETS              | <br><u>377,399</u>               | <br><u>(1,058,481)</u>        | <br><u>(681,082)</u>    |
| <br>NET ASSETS AT BEGINNING OF YEAR   | <br><u>1,381,298</u>             | <br><u>1,508,131</u>          | <br><u>2,889,429</u>    |
| <br>NET ASSETS AT END OF YEAR         | <br><u>\$ 1,758,697</u>          | <br><u>\$ 449,650</u>         | <br><u>\$ 2,208,347</u> |

See accompanying notes to financial statements

**THE SAMARITAN WOMEN, INC. AND SUBSIDIARY**

Consolidated Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2019

|  | Without<br>Donor<br>Restrictions | With<br>Donor<br>Restrictions | Total               |
|--|----------------------------------|-------------------------------|---------------------|
| <b>SUPPORT AND REVENUE:</b>            |                                  |                               |                     |
| Grants and contributions               | \$ 479,525                       | \$ 1,545,000                  | \$ 2,024,525        |
| In-kind income                         | 3,527                            | - 0 -                         | 3,527               |
| Event income                           | 26,345                           | - 0 -                         | 26,345              |
| Program income                         | 90,972                           | - 0 -                         | 90,972              |
| Investment return - net                | (135)                            | - 0 -                         | (135)               |
| Net assets released from restrictions  | 716,146                          | (716,146)                     | - 0 -               |
|  | <u>1,316,380</u>                 | <u>828,854</u>                | <u>2,145,234</u>    |
| <b>Total Support and Revenue</b>       |                                  |                               |                     |
| <b>EXPENSES:</b>                       |                                  |                               |                     |
| Program services:                      |                                  |                               |                     |
| Restorative                            | 339,965                          | - 0 -                         | 339,965             |
| Mission (Assessment)                   | 24,664                           | - 0 -                         | 24,664              |
| Graduate                               | 15,419                           | - 0 -                         | 15,419              |
| Impact Social Justice                  | 135,156                          | - 0 -                         | 135,156             |
| Institute for Shelter Care             | 266,099                          | - 0 -                         | 266,099             |
| Supporting services:                   |                                  |                               |                     |
| Management and general                 | 183,475                          | - 0 -                         | 183,475             |
| Fundraising                            | 132,139                          | - 0 -                         | 132,139             |
|  | <u>1,096,917</u>                 | <u>- 0 -</u>                  | <u>1,096,917</u>    |
| <b>Total Expenses</b>                  |                                  |                               |                     |
| <b>CHANGE IN NET ASSETS</b>            | <u>219,463</u>                   | <u>828,854</u>                | <u>1,048,317</u>    |
| <b>NET ASSETS AT BEGINNING OF YEAR</b> | 1,161,835                        | 679,277                       | 1,841,112           |
| <b>NET ASSETS AT END OF YEAR</b>       | <u>\$ 1,381,298</u>              | <u>\$ 1,508,131</u>           | <u>\$ 2,889,429</u> |

See accompanying notes to financial statements



**THE SAMARITAN WOMEN, INC. AND SUBSIDIARY**

Consolidated Statement of Functional Expenses  
For the Year ended December 31, 2020

|                             | PROGRAM SERVICES |                      |                       |                            | SUPPORTING SERVICES |                        |              |            | Grand Total  |
|-----------------------------|------------------|----------------------|-----------------------|----------------------------|---------------------|------------------------|--------------|------------|--------------|
|                             | Restorative      | Mission (Assessment) | Impact Social Justice | Institute For Shelter Care | Total               | Management and General | Fund-Raising | Total      |              |
| Salaries                    | \$ 3,953         | \$ 481               | \$ 239,153            | \$ 187,080                 | \$ 430,667          | \$ 176,699             | \$ 152,142   | \$ 328,841 | \$ 759,508   |
| Payroll taxes               | 332              | 48                   | 20,004                | 14,110                     | 34,494              | 14,843                 | 5,492        | 20,335     | 54,829       |
| Other payroll benefits      | 94               | 11                   | 5,675                 | 4,439                      | 10,219              | 4,193                  | 3,610        | 7,803      | 18,022       |
|                             | 4,379            | 540                  | 264,832               | 205,629                    | 475,380             | 195,735                | 161,244      | 356,979    | 832,359      |
| Bank fees                   | - 0 -            | - 0 -                | 13                    | - 0 -                      | 13                  | 1,733                  | 3,971        | 5,704      | 5,717        |
| Conferences and meetings    | - 0 -            | - 0 -                | 556                   | - 0 -                      | 556                 | 792                    | 57           | 849        | 1,405        |
| Contribution                | 174,243          | - 0 -                | - 0 -                 | - 0 -                      | 174,243             | - 0 -                  | - 0 -        | - 0 -      | 174,243      |
| Dues and subscriptions      | 21,578           | - 0 -                | 11,749                | - 0 -                      | 33,327              | 4,119                  | - 0 -        | 4,119      | 37,446       |
| Equipment and vehicles      | 1,795            | - 0 -                | - 0 -                 | - 0 -                      | 1,795               | 244                    | 300          | 544        | 2,339        |
| Events                      | - 0 -            | - 0 -                | 15,991                | 8,134                      | 24,125              | - 0 -                  | - 0 -        | - 0 -      | 24,125       |
| Food                        | - 0 -            | - 0 -                | 2,509                 | - 0 -                      | 2,509               | - 0 -                  | - 0 -        | - 0 -      | 2,509        |
| Furnishings and repairs     | 2,251            | - 0 -                | - 0 -                 | 7,142                      | 9,393               | 8,140                  | 1,000        | 9,140      | 18,533       |
| Insurance                   | 8,095            | - 0 -                | - 0 -                 | 2,624                      | 10,719              | 20,417                 | - 0 -        | 20,417     | 31,136       |
| Marketing                   | 1,114            | - 0 -                | - 0 -                 | - 0 -                      | 1,114               | 216                    | 48,389       | 48,605     | 49,719       |
| Miscellaneous               | 2,839            | - 0 -                | 18,306                | - 0 -                      | 21,145              | 1,067                  | - 0 -        | 1,067      | 22,212       |
| Professional fees           | - 0 -            | - 0 -                | 2,000                 | 1,111                      | 3,111               | 18,481                 | - 0 -        | 18,481     | 21,592       |
| Rent                        | 467              | - 0 -                | 24,578                | 21,431                     | 46,476              | 18,236                 | 4,292        | 22,528     | 69,004       |
| Supplies - office and other | 26               | - 0 -                | 1,540                 | 793                        | 2,359               | 2,098                  | 380          | 2,478      | 4,837        |
| Taxes - other               | - 0 -            | - 0 -                | - 0 -                 | - 0 -                      | - 0 -               | 3,622                  | - 0 -        | 3,622      | 3,622        |
| Technology                  | 80               | - 0 -                | - 0 -                 | - 0 -                      | 80                  | 26                     | - 0 -        | 26         | 106          |
| Trainings                   | 44               | - 0 -                | 208                   | 200                        | 452                 | 100                    | 100          | 200        | 652          |
| Travel                      | - 0 -            | - 0 -                | 4,080                 | - 0 -                      | 4,080               | 1,019                  | 303          | 1,322      | 5,402        |
| Utilities                   | 10,443           | - 0 -                | 5,937                 | 6,687                      | 23,067              | 8,617                  | 903          | 9,520      | 32,587       |
| Volunteer                   | - 0 -            | - 0 -                | 2,000                 | - 0 -                      | 2,000               | - 0 -                  | - 0 -        | - 0 -      | 2,000        |
|                             | 227,354          | 540                  | 354,299               | 253,751                    | 835,944             | 284,662                | 220,939      | 505,601    | 1,341,545    |
| Interest                    | - 0 -            | - 0 -                | 7,216                 | - 0 -                      | 7,216               | - 0 -                  | - 0 -        | - 0 -      | 7,216        |
| Depreciation                | 13,790           | 5,284                | 7,146                 | - 0 -                      | 26,220              | 2,391                  | - 0 -        | 2,391      | 28,611       |
| Total Expenses              | \$ 241,144       | \$ 5,824             | \$ 368,661            | \$ 253,751                 | \$ 869,380          | \$ 287,053             | \$ 220,939   | \$ 507,992 | \$ 1,377,372 |

See accompanying notes to financial statements

**THE SAMARITAN WOMEN, INC. AND SUBSIDIARY**

Consolidated Statement of Functional Expenses  
For the Year ended December 31, 2019

|                             | PROGRAM SERVICES |                      |           |                       |                            | SUPPORTING SERVICES |                        |              |            |              |
|-----------------------------|------------------|----------------------|-----------|-----------------------|----------------------------|---------------------|------------------------|--------------|------------|--------------|
|                             | Restorative      | Mission (Assessment) | Graduate  | Impact Social Justice | Institute For Shelter Care | Total               | Management and General | Fund-Raising | Total      | Grand Total  |
| Salaries                    | \$ 217,051       | \$ 17,245            | \$ -      | \$ 53,511             | \$ 189,916                 | \$ 477,723          | \$ 65,949              | \$ 86,057    | \$ 152,006 | \$ 629,729   |
| Payroll taxes               | 20,920           | 1,662                | -         | 5,157                 | 18,304                     | 46,043              | 6,356                  | 8,295        | 14,651     | 60,694       |
| Other payroll benefits      | 3,214            | 255                  | -         | 792                   | 2,813                      | 7,074               | 977                    | 1,275        | 2,252      | 9,326        |
|                             | 241,185          | 19,162               | -         | 59,460                | 211,033                    | 530,840             | 73,282                 | 95,627       | 168,909    | 699,749      |
| Bank fees                   | 124              | -                    | -         | 2,708                 | 85                         | 2,917               | 2,926                  | 1,386        | 4,312      | 7,229        |
| Conferences and meetings    | 56               | -                    | -         | 104                   | 969                        | 1,129               | 176                    | 33           | 209        | 1,338        |
| Contribution                | -                | -                    | -         | -                     | -                          | -                   | -                      | 1,958        | 1,958      | 1,958        |
| Dues and subscriptions      | -                | -                    | -         | 758                   | 384                        | 1,142               | 5,522                  | -            | 5,522      | 6,664        |
| Enrichment                  | 100              | -                    | -         | -                     | -                          | 100                 | -                      | -            | -          | 100          |
| Equipment and vehicles      | 1,019            | -                    | -         | -                     | -                          | 1,019               | 466                    | -            | 466        | 1,485        |
| Events                      | -                | -                    | -         | 27,567                | 13,354                     | 40,921              | -                      | 2,286        | 2,286      | 43,207       |
| Food                        | 5,264            | -                    | -         | -                     | -                          | 5,264               | -                      | -            | -          | 5,264        |
| Furnishings and repairs     | 2,494            | 17                   | -         | -                     | 1,360                      | 3,871               | 3,174                  | -            | 3,174      | 7,045        |
| Insurance                   | 5,830            | -                    | -         | -                     | 11,520                     | 17,350              | 16,837                 | 4,146        | 20,983     | 38,333       |
| Marketing                   | 341              | -                    | -         | 1,304                 | 1,377                      | 3,022               | 117                    | 6,483        | 6,600      | 9,622        |
| Miscellaneous               | 12,688           | -                    | -         | 281                   | 209                        | 13,178              | 3,360                  | -            | 3,360      | 16,538       |
| Professional fees           | -                | -                    | -         | 370                   | 389                        | 759                 | 13,172                 | 7,750        | 20,922     | 21,681       |
| Rent                        | 23,784           | -                    | -         | -                     | -                          | 23,784              | 35,790                 | 9,430        | 45,220     | 69,004       |
| Supplies - office and other | 2,448            | -                    | -         | 1,338                 | 1,407                      | 5,193               | 4,345                  | 1,138        | 5,483      | 10,676       |
| Taxes - other               | 5,977            | -                    | -         | -                     | 3,030                      | 9,007               | 909                    | -            | 909        | 9,916        |
| Technology                  | 2,265            | -                    | -         | 32,096                | 3,231                      | 37,592              | -                      | -            | -          | 37,592       |
| Trainings                   | 261              | -                    | -         | 1,407                 | 1,285                      | 2,953               | 833                    | 235          | 1,068      | 4,021        |
| Travel                      | 2,449            | -                    | -         | 7,058                 | 8,553                      | 18,060              | 5,547                  | 120          | 5,667      | 23,727       |
| Utilities                   | 19,663           | 201                  | 151       | -                     | 5,413                      | 25,428              | 12,492                 | 797          | 13,289     | 38,717       |
| Volunteer                   | 218              | -                    | -         | 705                   | 2,500                      | 3,423               | 655                    | 750          | 1,405      | 4,828        |
|                             | 326,166          | 19,380               | 151       | 135,156               | 266,099                    | 746,952             | 179,603                | 132,139      | 311,742    | 1,058,694    |
| Interest                    | -                | -                    | 8,122     | -                     | -                          | 8,122               | -                      | -            | -          | 8,122        |
| Depreciation                | 13,799           | 5,284                | 7,146     | -                     | -                          | 26,229              | 3,872                  | -            | 3,872      | 30,101       |
| Total Expenses              | \$ 339,965       | \$ 24,664            | \$ 15,419 | \$ 135,156            | \$ 266,099                 | \$ 781,303          | \$ 183,475             | \$ 132,139   | \$ 315,614 | \$ 1,096,917 |

See accompanying notes to financial statements

**THE SAMARITAN WOMEN, INC. AND SUBSIDIARY**

Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2020 and 2019

|  | <u>2020</u>              | <u>2019</u>              |
|--|--------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                          |                          |
| Change in net assets   | \$ (681,082)             | \$ 1,048,317             |
| Adjustments to reconcile change in net assets<br>to net cash provided by operating activities: |                          |                          |
| Depreciation   | 28,611                   | 30,101                   |
| (Gain) loss on investment  | (1,047)                  | 135                      |
| Donated marketable securities  | (14,104)                 | - 0 -                    |
| Increase (decrease) in net present value   | (27,400)                 | 28,000                   |
| (Increase) decrease in assets:   |                          |                          |
| Accounts receivable  | 8,218                    | (1,243)                  |
| Grants and contributions receivable  | 331,626                  | (942,126)                |
| Prepaid expenses   | (2,200)                  | - 0 -                    |
| Increase (decrease) in liabilities:  |                          |                          |
| Accounts payable and accrued expenses  | 23,397                   | (9,348)                  |
| Payroll liabilities  | 3,656                    | 20,745                   |
| Deferred revenue   | 11,201                   | 18,799                   |
| Net cash provided by (used in) operating activities  | <u>(319,124)</u>         | <u>193,380</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                          |                          |
| Purchase of property and equipment   | - 0 -                    | (10,762)                 |
| Sale of investments  | 65,088                   | - 0 -                    |
| Collection on mortgage receivable  | 69,004                   | 69,004                   |
| Net cash provided by investing activities  | <u>134,092</u>           | <u>58,242</u>            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>   |                          |                          |
| Principal payments on mortgage   | (21,326)                 | (20,419)                 |
| Refundable advance   | 124,002                  | - 0 -                    |
| Net cash provided by (used in) financing activities  | <u>102,676</u>           | <u>(20,419)</u>          |
| <b>NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH</b>                                     | <b>(82,356)</b>          | <b>231,203</b>           |
| <b>CASH AND RESTRICTED CASH AT BEGINNING OF YEAR</b>   | <b><u>612,101</u></b>    | <b><u>380,898</u></b>    |
| <b>CASH AND RESTRICTED CASH END OF YEAR</b>  | <b><u>\$ 529,745</u></b> | <b><u>\$ 612,101</u></b> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>                                       |                          |                          |
| Cash paid during the year for interest   | \$ 7,216                 | \$ 8,122                 |
| <b>SUPPLEMENTAL DISCLOSURE OF NON-CASH OPERATING ACTIVITIES:</b>                               |                          |                          |
| Non-cash in-kind income and expenses   | \$ 1,536                 | \$ 3,527                 |
| Gifts received in stock contributions  | \$ 14,104                | \$ - 0 -                 |

See accompanying notes to the financial statements

# THE SAMARITAN WOMEN, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements December 31, 2020 and 2019

### 1. Organization and Summary of Significant Accounting Policies

Nature of Organization - The Samaritan Women, Inc. (the Organization) is a nonstock, nonprofit organization formed in 2007 in Baltimore, Maryland. The Organization is a national Christian organization providing restorative care to survivors and bringing about an end to domestic human trafficking through awareness, prevention, and advocacy.

The Organization operates transitional and restorative shelter programs for women recovering from domestic human trafficking. The program's emphasis is on life-rebuilding, personal accomplishments, social re-entry, and spiritual reconciliation. The Organization also seeks to inspire people inside and outside of the Church to engage in combatting domestic human trafficking through awareness, prevention, service, and advocacy.

During the year ended December 31, 2016, John 4 Management, LLC was established to purchase real property. The Organization is the sole member of John 4 Management, LLC.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of The Samaritan Women, Inc. and its wholly owned subsidiary, John 4 Management, LLC. Intercompany transactions and balances have been eliminated in consolidation. Consolidated assets consist of \$318,688 for land and a building and consolidated liabilities consist of a mortgage payable of \$150,037 as of December 31, 2020. Consolidated assets consist of \$318,688 for land and a building and consolidated liabilities consist of a mortgage payable of \$171,363 as of December 31, 2019.

Basis of Accounting - The Organization's policy is to prepare its consolidated financial statements on the accrual basis of accounting and, accordingly, reflect receivables, payables, and other assets and liabilities. The Organization recognizes revenues when earned and expenses when incurred.

Financial Statement Presentation - The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represent the portion of net assets that is not subject to donor-imposed restrictions. Such net assets are available for use at the discretion of management and/or the Board of Directors for general operating purposes. The Board of Directors may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net assets with donor restrictions represent the portion of net assets that is subject to donor-imposed restrictions. Such restrictions may specify a purpose for which, or time in which, resources can be used. Some net assets with donor restrictions include stipulations that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board-approved spending policy.

## THE SAMARITAN WOMEN, INC. AND SUBSIDIARY

### Notes to Consolidated Financial Statements December 31, 2020 and 2019

#### 1. Organization and Summary of Significant Accounting Policies (continued)

**Restricted Cash** - Restricted cash includes contributions received during the year which are designated to be used towards payment of certain expenses of the Ministry Foundation training program.

**Use of Estimates** - The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosures at the date of the consolidated financial statements and certain reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Donated Services** - The Organization receives various types of in-kind support including contributed professional services. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value or cost when received. Additionally, the Organization receives a significant amount of skilled, contributed time which does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying consolidated financial statements.

**Contribution of Long-Lived Assets** - The Organization receives contributions of long-lived assets in the form of tangible property. The Organization recognizes all tangible property received as income in the period received. Tangible property is reported as with or without donor restriction depending on the existence of donor stipulations that limit the use of the property. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities and changes in net assets as "net assets released from restrictions."

**Investments** - Investments are reported at their fair value in the consolidated statements of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for a discussion of fair value measurements. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Accounts Receivable** - Accounts receivable are uncollateralized obligations and generally require payment within thirty days from the invoice date. Accounts receivable are stated at the invoice amount. Payments of accounts receivable are applied to the specific invoices identified on the grantor's remittance advice or, if unspecified, to the earliest unpaid invoices. The allowance for doubtful accounts is based on management's assessment of the collectability of specific accounts and the aging of the accounts receivable. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. No allowance for uncollectible accounts is provided for the accounts receivable because management does not deem it necessary based on historical collection experience.

# THE SAMARITAN WOMEN, INC. AND SUBSIDIARY

## Notes to Consolidated Financial Statements December 31, 2020 and 2019

### 1. Organization and Summary of Significant Accounting Policies (continued)

Grants and Contributions Receivable - Grants and contributions receivable represent amounts due from unrelated third parties and are recorded at their net realizable value. The Organization provides an allowance for doubtful accounts, as needed, for amounts deemed uncollectible. The allowance is based on historical experience and management's analysis of accounts receivable. As of December 31, 2020 and 2019, no allowance was deemed necessary. The grants and contributions receivable balance has been discounted for a multi-year discount with rates between 0.10% - 1.59% for the years-ended December 31, 2020 and 2019.

Property and Equipment - Property and equipment are stated at cost, if purchased, or at fair value at the date of the gift, if donated. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Expenditures for maintenance and repairs are charged against operations as expended. Renewals and betterments that materially extend the life of the assets are capitalized. The Organization's policy is to capitalize all property expenditures and renewals and betterments greater than \$2,500 with a useful life of a year or more. The cost or fair value of property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method. The following represents the estimated useful lives:

| <u>Category</u>                    | <u>Years</u> |
|------------------------------------|--------------|
| Building and building improvements | 7 - 39       |
| Automobiles                        | 5            |
| Equipment                          | 7            |

Deferred Revenue - Occasionally, the Organization receives grant and contributions that are due to be returned in the event the funds are not expended within the duration of the grant period or committed for the purpose authorized. The funds are deferred and recognized in the period in which they are expended. As of December 31, 2020 and 2019, the balance of deferred revenue was \$30,000 and \$18,799, respectively.

Refundable advance – Refundable advances consist of government funds received under the Paycheck Protection Program.

## THE SAMARITAN WOMEN, INC. AND SUBSIDIARY

### Notes to Consolidated Financial Statements December 31, 2020 and 2019

#### 1. Organization and Summary of Significant Accounting Policies (continued)

Support and Revenue - Grants and contributions are recorded as revenue with or without donor restrictions depending on the existence and nature of any restrictions. Contribution support is reported as revenue without donor restrictions if the restrictions are met in the reporting period in which the contribution is recognized or as with donor restrictions depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. The Organization recognizes all contributions and support as income in the period received. These amounts are recorded at fair value at the date of the contributions.

Program income consists of registration fees and culinary sales revenue which consists of a single performance obligation that is recorded at a point in time. Registration fees for events are recorded at the time of ticket purchase with income deferred for events which have not yet taken place as of year-end. Membership dues consist of amounts individuals and businesses pay in order to participate in educational and social activities hosted by the Organization. Dues are recognized when received as support without donor restrictions.

Event income has a single performance obligation which is satisfied over time. The Organization recognizes revenue from fixed-priced contracts for each event. The contract specifies the date the event is to be held. Contract modifications or refunds are completed prior to the beginning of the event date. Revenue is recognized as the completion of each event. Amounts are billed once the contract is signed. Accounts receivable (contract assets) are amounts that have been billed and not collected. Deferred revenue represents deposits (contract liabilities) that are collected prior to the completion of the event date. These deposits are satisfied when revenue is recognized.

| Revenue Type             | Timing of Revenue Recognition | 2020       | 2019         |
|--------------------------|-------------------------------|------------|--------------|
| Grants and contributions | Upon receipt                  | \$ 627,563 | \$ 2,024,525 |
| In-kind income           | Point in time                 | 1,536      | 3,527        |
| Event income             | Point in time                 | 32,657     | 26,345       |
| Program income           | Period earned                 | 23,024     | 90,972       |
| Investment return - net  | Period earned                 | 1,510      | (135)        |
| Federal funds            | Upon receipt                  | 10,000     | - 0 -        |
|                          |                               | \$ 696,290 | \$ 2,145,234 |

Functional Allocation of Expenses - Expenses are presented by both function and natural classification in the statement of functional expenses. Expenses that are directly identifiable with a particular function are charged to the program or supporting service benefited. Other expenses may benefit more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and occupancy, which are allocated on a square footage basis.

## THE SAMARITAN WOMEN, INC. AND SUBSIDIARY

### Notes to Consolidated Financial Statements December 31, 2020 and 2019

#### 1. Organization and Summary of Significant Accounting Policies (continued)

Income Taxes - The Samaritan Women, Inc. is exempt from federal and state income taxes under Internal Revenue Code Section 501(a) as a public charity described in Section 501(c)(3) and has not been classified as a private foundation. The activity of John 4 Management, LLC is reported with the Samaritan Women as it is wholly owned. The Samaritan Women, Inc. is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2017.

Reclassification - Certain amounts in the prior period financial statements have been reclassified for comparative purposes to conform to the current year presentation.

Advertising Costs - Costs to promote the Organization's programs are expensed as they are incurred and are reflected in these financial statements as marketing expense. Marketing expense was \$49,719 and \$9,622 for the years ended December 31, 2020 and 2019, respectively.

#### 2. Cash and Restricted Cash

The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sum to the totals of the same such amounts in the statements of cash flows. Restricted cash includes cash reserved for payment of specific program expenses including the Alliance program and scholarships relating to the Ministry Foundation training program.

|   | 2020       | 2019       |
|---|------------|------------|
| Cash  | \$ 464,657 | \$ 454,905 |
| Restricted cash reserved for<br>designated program expenses | 65,088     | 157,196    |
| Totals  | \$ 529,745 | \$ 612,101 |

#### 3. Grants and Contributions Receivable

Grants and contributions receivable of \$968,274 and \$1,272,500 as of December 31, 2020 and 2019, respectively, represents amount due from unrelated third parties under grant agreements and are deemed to be fully collectible by management.

|  | 2020       | 2019         |
|--|------------|--------------|
| Receivable in less than one year         | \$ 668,874 | \$ 550,500   |
| Receivable in one to five years          | 300,000    | 750,000      |
| Total receivables                        | 968,874    | 1,300,500    |
| Less: discount on pledges at 0.10%-1.59% | (600)      | (28,000)     |
| Receivables, net                         | \$ 968,274 | \$ 1,272,500 |



## THE SAMARITAN WOMEN, INC. AND SUBSIDIARY

### Notes to Consolidated Financial Statements December 31, 2020 and 2019

#### 4. Mortgage Receivable

The Organization accepted a mortgage receivable on one of its operating properties (see Note 7) from a donor in 2018. The Board of Directors agreed on a 6 year amortization at a rate of \$5,750 per month substantiated by local residential and commercial market rates.

The annual maturities of the mortgage receivable are as follows:

|                          |       |                   |
|--------------------------|-------|-------------------|
| Year ending December 31, | 2021  | 69,004            |
|                          | 2022  | 69,004            |
|                          | 2023  | 69,004            |
|                          | 2024  | <u>69,005</u>     |
|                          | Total | <u>\$ 276,017</u> |

#### 5. Investments

The Organization has a donor advised fund with the National Christian Foundation. The following is a summary of investments at fair value as of December 31:

|                    |                  |                  |
|--------------------|------------------|------------------|
|                    | 2020             | 2019             |
| Money market funds | <u>\$ 19,205</u> | <u>\$ 69,142</u> |

The following schedule summarizes the investment return in the statements of activities for the years ended 2020 and 2019:

|                           |                 |                 |
|---------------------------|-----------------|-----------------|
|                           | 2020            | 2019            |
| Interest and dividends    | \$ 1,973        | \$ 552          |
| Less: investment expenses | 463             | 687             |
|                           | <u>\$ 1,510</u> | <u>\$ (135)</u> |

#### 6. Fair Value Measurements

The Organization's investments are reported at fair value in the accompanying statements of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**THE SAMARITAN WOMEN, INC. AND SUBSIDIARY**

Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

6. Fair Value Measurements (continued)

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2020 and 2019 is as follows:

|                            | Fair Value Measurements at Reporting Date Using: |   |                    |
|----------------------------|--|---|--------------------|
|                            | Cost   | Quoted Prices in<br>Active Markets for<br>Similar Assets<br>(Level 2) | Unrealized<br>Gain |
| <u>December 31, 2020</u>   |  |   |                    |
| Money market funds         | \$ 19,205  | \$ 19,205   | \$ - 0 -           |
| Total assets at fair value | \$ 19,205  | \$ 19,205   | \$ - 0 -           |

|                            | Fair Value Measurements at Reporting Date Using: |   |                    |
|----------------------------|--|---|--------------------|
|                            | Cost   | Quoted Prices in<br>Active Markets for<br>Similar Assets<br>(Level 2) | Unrealized<br>Gain |
| <u>December 31, 2019</u>   |  |   |                    |
| Money market funds         | \$ 69,142  | \$ 69,142   | \$ - 0 -           |
| Total assets at fair value | \$ 69,142  | \$ 69,142   | \$ - 0 -           |

The fair value measurement accounting literature 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 are based primarily on quoted prices for similar assets or liabilities in active or inactive markets, and Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. The Organization's investments were measured using Level 2 inputs. No Level 1 or Level 3 inputs were used.

*Level 2 Fair Value Measurements*

The underlying money market funds held by the National Christian Foundation are listed or traded on a national market or exchange and are value at the last sales price, or if there is no sale and the market is still considered active, the last bid and asked price on such exchange. Such investments are classified within Level 2 on the valuation hierarchy.

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended December 31, 2020 and 2019.

**THE SAMARITAN WOMEN, INC. AND SUBSIDIARY**

Notes to Consolidated Financial Statements  
December 31, 2020 and 2019

7. Mortgage Payable

Property purchased for the Organization's use in December 2016 is subject to a mortgage payable of \$230,000. Principal and interest payments of \$2,378 are due monthly with a balloon payment of \$130,104 due on December 28, 2021. The mortgage bears fixed interest of 4.39% and the balance outstanding as of December 31, 2020 and 2019 is \$150,037 and \$171,363.

Annual maturities of long-term debt are as follows:

|                               |                   |
|-------------------------------|-------------------|
| Year ending December 31, 2021 | <u>\$ 150,037</u> |
|-------------------------------|-------------------|

8. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31:

|   | <u>2020</u>       | <u>2019</u>         |
|---|-------------------|---------------------|
| Purpose restrictions, available for spending: |                   |                     |
| Alliance program                              | \$ - 0 -          | \$ 81,438           |
| Board development                             | 11,571            | 21,617              |
| Director of spiritual care                    | 72,388            | 106,401             |
| Graduate program                              | 9,124             | 55,821              |
| Institute                                     | 249,656           | 450,000             |
| Program budget                                | - 0 -             | 160,000             |
| Restorative program                           | 6,911             | 492,854             |
| Shelter program                               | 100,000           | 140,000             |
|   | <u>\$ 449,650</u> | <u>\$ 1,508,131</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows at December 31:

|  | <u>2020</u>         | <u>2019</u>       |
|--|---------------------|-------------------|
| Alliance program                                 | \$ 81,438           | \$ 188,625        |
| Board development                                | 10,046              | 3,383             |
| Contractual services of a trauma care specialist | - 0 -               | 1,000             |
| Director of spiritual care                       | 34,013              | 5,531             |
| Graduate program                                 | 46,697              | 65,948            |
| Institute  | 200,344             | - 0 -             |
| Program budget                                   | 160,000             | 80,000            |
| Restorative program                              | 485,943             | 301,659           |
| Shelter program                                  | 140,000             | 70,000            |
|  | <u>\$ 1,158,481</u> | <u>\$ 716,146</u> |

## THE SAMARITAN WOMEN, INC. AND SUBSIDIARY

### Notes to Consolidated Financial Statements December 31, 2020 and 2019

#### 9. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

|   | <u>2020</u>       | <u>2019</u>         |
|---|-------------------|---------------------|
| Financial assets at year end  | \$ 1,814,241      | \$ 2,327,982        |
| Less those unavailable for general expenditures<br>within one year, due to:               |                   |                     |
| Long-term mortgage receivable   | 207,013           | 276,017             |
| Long-term grants and contributions receivable   | 299,400           | 722,000             |
| Restricted cash   | 65,088            | 157,196             |
| Restricted by donors with purpose or<br>time restrictions                                 | <u>449,650</u>    | <u>1,508,131</u>    |
| Financial assets available to meet cash needs<br>for general expenditures within one year | <u>\$ 793,090</u> | <u>\$ (335,362)</u> |

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

#### 10. Related Party

The Organization leases its facilities from Chapel Grace, LLC, which was formed to purchase the property in 2007 (see Note 11). Chapel Grace, LLC is owned by the executive director of the Organization. The executive director is the guarantor on the mortgage on the property. The Organization renovated and currently operates the property. As discussed in Note 4, the third-party holder of the mortgage on the property donated the remaining value of the mortgage to the Organization during the year ended December 31, 2018.

#### 11. Lease Commitment

In January 2013, the Organization entered into an amended lease agreement for housing and office space with Chapel Grace, LLC (see Note 10). The lease agreement was extended for an additional four (4) years, through December 31, 2016. In 2019, the Organization signed a retroactive lease effective beginning January 1, 2018, for a term of seven years ending December 31, 2024. Total rent expense under the lease was \$69,004 for the years ended December 31, 2020 and 2019.

## THE SAMARITAN WOMEN, INC. AND SUBSIDIARY

### Notes to Consolidated Financial Statements December 31, 2020 and 2019

#### 12. Contingencies

Most grants specify the types of expenditures for which the grant's funds may be used. The expenditures made by the Organization under some of these grants are subject to audit. To date, the Organization has not been notified of any significant unallowable costs relating to its grants or contracts. In the opinion of management, adjustments for unallowable costs, if any, resulting from such audits will not have a material effect on the accompanying consolidated financial statements.

In March 2020, significant mitigation efforts began taking effect in the United States in an attempt to curtail the spread of the coronavirus (COVID-19) pandemic. Such efforts have included travel restrictions, business closures, and event cancellations. Capital markets have seen significant volatility in the wake of the pandemic and significant economic disruptions are likely to occur. In response, the Organization has altered its operations by reducing personnel on-site and by working remotely where possible. Management determined that even though there has not been a major financial impact on the Organization at this time, it is still uncertain how the situation may change in the future. The Organization believes it has sufficient cash and investment reserves to sustain operations in the event of continued disruption. Management monitors the situation on an ongoing basis and to continue efforts to reduce its impact on the Organization's operations and financial resources.

#### 13. Concentrations and Credit Risk

During the year ended December 31, 2020 and 2019, the Organization received a donation from one party that comprised 0% and 42% of its total support and revenue for the year and comprised 0% and 66% of its grants receivable as of December 31, 2020 and 2019.

In the ordinary course of business, the Organization's cash and investments balances may exceed the FDIC and SIPC insurance limits. The Organization continually review credit concentrations as part of its asset and liability management.

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

#### 14. Refundable Advance

To mitigate the effect of the COVID-19 pandemic, in April 2020, the Organization applied for and received a \$124,002 loan under the Paycheck Protection Program (PPP). The PPP loan is for a term of two years and bears interest at a fixed rate of 1% per annum. Payments on this loan are deferred for a period of ten months after the expiration of the covered period. This loan qualifies for forgiveness after 24 weeks, if all criteria are met.

## **THE SAMARITAN WOMEN, INC. AND SUBSIDIARY**

### Notes to Consolidated Financial Statements December 31, 2020 and 2019

#### 15. Alliance Program Split-Off

On January 1, 2020, the Alliance program, which was included in the Restorative program service on the consolidated statement of functional expenses, became its own entity, separate from The Samaritan Women, Inc. As of that date, all financial activity associated with the Alliance program is no longer included on the consolidated financial statements of the Organization. A \$75,000 grant receivable on the books at December 31, 2019 was donated to the newly formed Organization on January 1, 2020 as the grant receivable was on behalf of the Alliance program.

#### 16. Subsequent Events

Management has evaluated subsequent events through October 5, 2021, the date which the financial statements were available to be issued.

In March 2021, the Organization received full forgiveness of the PPP loan from the Small Business Administration.