

Consolidated Financial Statements

2021

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020



Consolidated Financial Statements

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December 31, 2021 and 2020

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## **Independent Auditors' Report**

To the Board of Directors  
The Samaritan Women, Inc. and Subsidiary  
Louisville, Kentucky

### **Opinion**

We have audited the accompanying consolidated financial statements of The Samaritan Women, Inc. and wholly-owned subsidiary of John 4 Management, LLC (the "Subsidiary") (collectively referred to as the "Organization") , which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the 2021 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Prior Period Consolidated Financial Statements**

The consolidated financial statements of the Organization as of December 31, 2020 were audited by other auditors, whose report dated October 5, 2021 expressed an unmodified opinion on those consolidated financial statements.

### **Responsibilities of Management for the Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

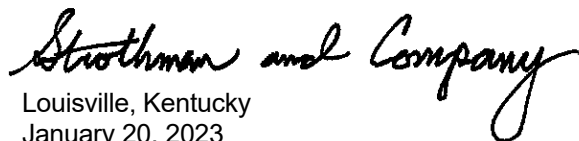
### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

  
Louisville, Kentucky  
January 20, 2023

Consolidated Statements of Financial Position

The Samaritan Women, Inc. and Subsidiary

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 356,363	\$ 464,657
Restricted cash	13,193	65,088
Investments	34,881	19,205
Accounts receivable	25,750	21,000
Contributions receivable	15,060	63,874
Grants receivable	653,650	605,000
Mortgage receivable	69,004	69,004
Prepaid expenses	12,042	2,200
<b>Total Current Assets</b>	<b>1,179,943</b>	<b>1,310,028</b>
<b>Property and Equipment, net</b>		
Land	80,000	80,000
Building	387,873	387,873
Building improvements	467,353	402,751
Vehicles	15,150	22,618
Equipment and software	90,732	42,190
	1,041,108	935,432
Less accumulated depreciation	(191,407)	(171,016)
<b>Total Property and Equipment, net</b>	<b>849,701</b>	<b>764,416</b>
<b>Other Assets</b>		
Grants receivable, less current portion		299,400
Mortgage receivable, less current portion	138,009	207,013
<b>Total Other Assets</b>	<b>138,009</b>	<b>506,413</b>
<b>Total Assets</b>	<b>\$ 2,167,653</b>	<b>\$ 2,580,857</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 78,321	\$ 28,666
Payroll liabilities	46,647	39,805
Deferred revenue	35,500	30,000
Refundable advance		124,002
Current portion of mortgage payable	129,626	150,037
<b>Total Current Liabilities</b>	<b>290,094</b>	<b>372,510</b>
<b>Net Assets</b>		
Without donor restrictions	1,641,910	1,758,697
With donor restrictions	235,649	449,650
<b>Total Net Assets</b>	<b>1,877,559</b>	<b>2,208,347</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,167,653</b>	<b>\$ 2,580,857</b>

See Notes to Consolidated Financial Statements

Consolidated Statements of Activities and Net Assets

**The Samaritan Women, Inc. and Subsidiary**

	<b>Year Ended December 31</b>					
	<b>2021</b>			<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenue</b>						
Grants	\$ 54,775	\$ 203,400	\$ 258,175	\$ 42,606	\$ 100,000	\$ 142,606
Contributions	464,060		464,060	480,853		480,853
In-kind contributions	15,844		15,844	15,640		15,640
Event income	3,194		3,194	32,657		32,657
Program income	76,968		76,968	23,024		23,024
Net investment return	664		664	1,510		1,510
Net assets released from restrictions	417,401	(417,401)		1,158,481	(1,158,481)	
<b>Total Support and Revenue</b>	1,032,906	(214,001)	818,905	1,754,771	(1,058,481)	696,290
<b>Expenses</b>						
Program services	871,104		871,104	869,380		869,380
Supporting services						
Management and general	289,429		289,429	287,053		287,053
Fundraising	120,106		120,106	220,939		220,939
<b>Total Expenses</b>	1,280,639		1,280,639	1,377,372		1,377,372
<b>Non-Operating Income</b>						
Gain on disposal of asset	6,944		6,944			
Paycheck Protection Program loan forgiveness	124,002		124,002			
<b>Total Non-Operating Income</b>	130,946		130,946			
<b>Change in Net Assets</b>	(116,787)	(214,001)	(330,788)	377,399	(1,058,481)	(681,082)
<b>Net Assets, Beginning of Year</b>	1,758,697	449,650	2,208,347	1,381,298	1,508,131	2,889,429
<b>Net Assets, End of Year</b>	<u>\$ 1,641,910</u>	<u>\$ 235,649</u>	<u>\$ 1,877,559</u>	<u>\$ 1,758,697</u>	<u>\$ 449,650</u>	<u>\$ 2,208,347</u>

See Consolidated Notes to Financial Statements

Consolidated Statement of Functional Expenses

The Samaritan Women, Inc. and Subsidiary

Year Ended December 31, 2021

	Program Services					Supporting Services			Grand Total
	Community Engagement	National Leaders	Institute for Shelter Care	Survivor Services	Total	Management and General	Fundraising	Total	
Salaries	\$ 250,260	\$ 6,950	\$ 310,501	\$ 1,609	\$ 569,320	\$ 150,930	\$ 33,109	\$ 184,039	\$ 753,359
Payroll tax	22,410	596	27,841	139	50,986	13,465	2,922	16,387	67,373
Employee benefits	3,130	11	12,240		15,381	2,066	465	2,531	17,912
	275,800	7,557	350,582	1,748	635,687	166,461	36,496	202,957	838,644
Adjuncts for Intensives	9,250		6,837		16,087				16,087
Advertising and promotion expenses	747		262		1,009		14,756	14,756	15,765
Conferences and meetings						1,766		1,766	1,766
Contractors	1,604		15,918		17,522	20,016	48,675	68,691	86,213
Depreciation	2,684		12,383	6,698	21,765	6,094		6,094	27,859
Events							165	165	165
Furnishings and repairs	48		5,218		5,266	14,372		14,372	19,638
Insurance			5,235		5,235	25,296		25,296	30,531
Miscellaneous	3,323	24	1,039	1,083	5,469	6,086	220	6,306	11,775
Office expense	709		1,991	4	2,704	436	30	466	3,170
Interest			4,077	1,504	5,581				5,581
Taxes			15,270		15,270	3,106		3,106	18,376
Occupancy									
Rent	22,923	637	28,440	147	52,147	13,824	3,033	16,857	69,004
Utilities	4,643		9,987	1,975	16,605	5,448	1,350	6,798	23,403
Payroll/401(k) services						2,120		2,120	2,120
Professional services			12,000		12,000	10,035	15,000	25,035	37,035
Recruitment and volunteer						923		923	923
Technology	120		120		240	1,076	381	1,457	1,697
Travel	11,940	12,375	30,193	316	54,824	10,666		10,666	65,490
Vehicles			3,693		3,693	1,704		1,704	5,397
<b>Total Expenses</b>	<b>\$ 333,791</b>	<b>\$ 20,593</b>	<b>\$ 503,245</b>	<b>\$ 13,475</b>	<b>\$ 871,104</b>	<b>\$ 289,429</b>	<b>\$ 120,106</b>	<b>\$ 409,535</b>	<b>\$ 1,280,639</b>

See Notes to Consolidated Financial Statements

Consolidated Statement of Functional Expenses

The Samaritan Women, Inc. and Subsidiary

	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	Fundraising	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			13		13	1,733	3,971	5,704	5,717
Conference and meetings			556		556	792	57	849	1,405
Contribution	174,243				174,243				174,243
Depreciation	13,790	5,284	7,146		26,220	2,391		2,391	28,611
Dues and subscriptions	21,578		11,749		33,327	4,119		4,119	37,446
Equipment and vehicles	1,795				1,795	244	300	544	2,339
Events			15,991	8,134	24,125				24,125
Food			2,509		2,509				2,509
Furnishings and repairs	2,251			7,142	9,393	8,140	1,000	9,140	18,533
Insurance	8,095			2,624	10,719	20,417		20,417	31,136
Interest			7,216		7,216				7,216
Marketing	1,114				1,114	216	48,389	48,605	49,719
Miscellaneous	2,839		18,306		21,145	1,067		1,067	22,212
Professional fees			2,000	1,111	3,111	18,481		18,481	21,592
Rent	467		24,578	21,431	46,476	18,236	4,292	22,528	69,004
Supplies - office and other	26		1,540	793	2,359	2,098	380	2,478	4,837
Taxes - other						3,622		3,622	3,622
Technology	80				80	26		26	106
Trainings	44		208	200	452	100	100	200	652
Travel			4,080		4,080	1,019	303	1,322	5,402
Utilities	10,443		5,937	6,687	23,067	8,617	903	9,520	32,587
Volunteer			2,000		2,000				2,000
<b>Total Expenses</b>	<b>\$ 241,144</b>	<b>\$ 5,824</b>	<b>\$ 368,661</b>	<b>\$ 253,751</b>	<b>\$ 869,380</b>	<b>\$ 287,053</b>	<b>\$ 220,939</b>	<b>\$ 507,992</b>	<b>\$ 1,377,372</b>

See Notes to Consolidated Financial Statements



Consolidated Statements of Cash Flows

**The Samaritan Women, Inc. and Subsidiary**

	<b>Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (330,788)	\$ (681,082)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	27,859	28,611
Net investment return	(664)	(1,047)
Gain on disposal of asset	(6,944)	
Donated marketable securities	(15,764)	(14,104)
Decrease in discount on contribution receivable		(27,400)
Paycheck Protection Program loan forgiveness	(124,002)	
Changes in operating assets and liabilities		
Accounts receivable	(4,750)	8,218
Contributions receivable	48,814	
Grants receivable	250,750	331,626
Prepaid expenses	(9,842)	(2,200)
Accounts payable and accrued expenses	49,655	23,397
Payroll liabilities	6,842	3,656
Deferred revenue	5,500	11,201
<b>Net Cash Used In Operating Activities</b>	<b>(103,334)</b>	<b>(319,124)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(113,144)	
Proceeds from sale of vehicle	6,944	
Purchase of investments	(15,173)	
Proceeds from sale of investments	15,925	65,088
Collection on mortgage receivable	69,004	69,004
<b>Net Cash (Used In) Provided By Investing Activities</b>	<b>(36,444)</b>	<b>134,092</b>
<b>Cash Flows From Financing Activities</b>		
Principal payments on mortgage	(20,411)	(21,326)
Paycheck Protection Program loan (refundable advance)		124,002
<b>Net Cash (Used In) Provided By Financing Activities</b>	<b>(20,411)</b>	<b>102,676</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(160,189)</b>	<b>(82,356)</b>
<b>Cash and Restricted Cash, Beginning of Year</b>	<b>529,745</b>	<b>612,101</b>
<b>Cash and Restricted Cash, End of Year</b>	<b>\$ 369,556</b>	<b>\$ 529,745</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the year for interest	\$ 5,752	\$ 7,216
<b>Supplemental Disclosure of Non-Cash Operating Activities</b>		
Non-cash in-kind contributions	\$ 80	\$ 1,536
Gifts received in stock contributions	\$ 15,764	\$ 14,104

See Notes to Consolidated Financial Statements

## Notes to Consolidated Financial Statements

### The Samaritan Women, Inc. and Subsidiary

December 31, 2021 and 2020

#### Note A--Description of Organization

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.

In 2022, the Organization has rebranded as The Institute for Shelter Care and moved its headquarters from Maryland to Kentucky. The Institute for Shelter Care continues to focus on equipping shelter programs, serving victims of sexual exploitation and conducting national research to improve our nation's response to victim care.

Principles of Consolidation--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. 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 land and a building with a net book value of \$385,224 and consolidated liabilities consist of a mortgage payable of \$129,626 as of December 31, 2021. Consolidated assets consist of land and a building with a net book value of \$394,400 and consolidated liabilities consist of a mortgage payable of \$150,037 as of December 31, 2020.

Program Services--The following major program services included in the accompanying consolidated financial statements:

**Community Engagement:** The Organization's anti-trafficking efforts focus on Education, awareness, advocacy, and prevention. We have reached over 150,000 people with the message of anti-human trafficking, victimology and victim services, ranging from youth to retirees, churches, civic groups, schools, professionals, and from Grassroots activists to federal government officials.

**Institute for Shelter Care:** A 5-year initiative to address the national deficit of shelter options for victims of sexual exploitation. The Organization provides training and mentoring to support the creation of new shelter programs across the county and conducts research to improve program operations and the quality of care for survivors.

**Assessment (Survivor Services):** Supports the graduates of the program, including temporary housing.

**National Leaders:** This program supports executive directors of trafficking shelters. This includes hosting an annual retreat, providing them with information, webinars and resources, fielding their questions, facilitating networking among leaders and providing ongoing prayer support.

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note B--Summary of Significant Accounting Policies**

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.

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.

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."

Continued

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note B--Summary of Significant Accounting Policies--Continued**

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 G 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.

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, 2021 and 2020, no allowance was deemed necessary.

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

Continued

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note B--Summary of Significant Accounting Policies--Continued**

Deferred Revenue--The Organization receives the fees for its mentorship program in advance from the mentees. The funds are deferred and recognized in the period in which the course is completed. As of December 31, 2021 and 2020, the balance of deferred revenue was \$35,500 and \$30,000, respectively.

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 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 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.

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 at 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	Year Ended December 31	
		2021	2020
Grants and contributions	Upon receipt	\$ 722,235	\$ 613,459
In-kind income	Point in time	15,844	15,640
Event income	Point in time	3,194	32,657
Program income	Period earned	76,968	23,024
Net investment return	Period earned	664	1,510
Federal funds	Upon receipt		10,000
		<u>\$ 818,905</u>	<u>\$ 696,290</u>

Continued

Notes to Consolidated Financial Statements--Continued

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note B--Summary of Significant Accounting Policies--Continued**

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 occupancy, which are allocated on the basis of salaries.

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 Organization as it is wholly owned. The Organization is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2017.

Advertising Costs--Costs to promote the Organization's programs are expensed as they are incurred and are reflected in these consolidated financial statements as marketing expense. Marketing expense was \$15,765 and \$49,719 for the years ended December 31, 2021 and 2020, respectively.

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.

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

**Note C--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 scholarships relating to the Ministry Foundation training program.

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Cash	\$ 356,363	\$ 464,657
Restricted cash for designated program expenses	13,193	65,088
<b>Totals</b>	<b>\$ 369,556</b>	<b>\$ 529,745</b>

Notes to Consolidated Financial Statements--Continued

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note D--Grants Receivable**

Grants receivable of \$653,650 and \$904,400 as of December 31, 2021 and 2020, respectively, represents amount due from unrelated third parties under grant agreements and are deemed to be fully collectible by management.

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Grants receivable in less than one year	\$ 653,650	\$ 605,000
Grants receivable in one to five years		299,400
<b>Grants receivables, Net</b>	<b>\$ 653,650</b>	<b>\$ 904,400</b>

**Note E--Mortgage Receivable**

The Organization accepted a mortgage receivable on one of its operating properties (see Note H) 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:

<b><u>Year Ending December 31</u></b>	
2022	\$ 69,004
2023	69,004
2024	69,005
<b>Total</b>	<b>\$ 207,013</b>

Notes to Consolidated Financial Statements--Continued

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note F--Investments**

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

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Money market funds	\$ 34,881	\$ 19,205

The following schedule summarizes the net investment return in the statements of activities:

	<b>Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Interest and dividends	\$ 913	\$ 1,973
Less investment expenses	(249)	(463)
	<u>\$ 664</u>	<u>\$ 1,510</u>



**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note G--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 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, 2021 and 2020 is as follows:

<b>December 31, 2021</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Quoted Prices in Active Markets for Similar Assets (Level 2)</b>	<b>Unobservable Inputs (Level 3)</b>
Money market funds	\$ 34,881		\$ 34,881	
<b>Total Assets at Fair Value</b>	<b>\$ 34,881</b>	<b>\$</b>	<b>\$ 34,881</b>	<b>\$</b>
<b>December 31, 2020</b>				
Money market funds	\$ 19,205		\$ 19,205	
<b>Total Assets at Fair Value</b>	<b>\$ 19,205</b>	<b>\$</b>	<b>\$ 19,205</b>	<b>\$</b>

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.

Continued

Notes to Consolidated Financial Statements—Continued

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note G--Fair Value Measurements--Continued**

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, 2021 and 2020.

**Note H--Mortgage Payable**

Land and buildings purchased for the Organization's use in December 2016 are 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, 2021 and 2020 is \$129,626 and \$150,037. In January 2022, the Organization has sold land and buildings for \$369,900 and repaid the mortgage from the proceeds of sale.

**Note I--Net Assets with Donor Restrictions**

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

	<u>December 31 2020</u>	<u>Additions</u>	<u>Releases from Restrictions</u>	<u>December 31 2021</u>
Purpose restrictions, available for spending				
Board development	\$ 11,571		\$ 11,571	
Director for spiritual care	72,388		40,139	\$ 32,249
Graduate program	9,124		9,124	
Institute for shelter care	249,656		249,656	
Restorative program	6,911		6,911	
Shelter program	100,000		100,000	
Client management software		\$ 203,400		203,400
	<u>\$ 449,650</u>	<u>\$ 203,400</u>	<u>\$ 417,401</u>	<u>\$ 235,649</u>

Continued

Notes to Consolidated Financial Statements--Continued

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note I--Net Assets with Donor Restrictions--Continued**

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

	<u>December 31</u> <u>2019</u>	<u>Additions</u>	<u>Releases from</u> <u>Restrictions</u>	<u>December 31</u> <u>2020</u>
Purpose restrictions, available for spending				
Alliance program	\$ 81,438		\$ 81,438	
Board development	21,617		10,046	\$ 11,571
Director for spiritual care	106,401		34,013	72,388
Graduate program	55,821		46,697	9,124
Institute for shelter care	450,000		200,344	249,656
Program budget	160,000		160,000	
Restorative program	492,854		485,943	6,911
Shelter program	140,000	\$ 100,000	140,000	100,000
	<u>\$ 1,508,131</u>	<u>\$ 100,000</u>	<u>\$ 1,158,481</u>	<u>\$ 449,650</u>

**Note J--Conditional Grants**

In 2021, the Organization received a grant of \$654,000, of which \$450,600 is conditional upon the implementation of software in a certain number of shelters within specified timelines. As these amounts are subject to these conditions, the grant revenues will be recognized as the conditions have been met.

Notes to Consolidated Financial Statements--Continued

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note K--Liquidity and Availability of Financial Assets**

The following reflects the Organization's financial assets as of December 31, 2021 and 2020, 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:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Cash	\$ 356,363	\$ 464,657
Restricted cash	13,193	65,088
Investments	34,881	19,205
Accounts receivable	25,750	21,000
Contribution receivable	15,060	63,874
Grants receivable	653,650	904,400
Mortgage receivable	207,013	276,017
	<u>1,305,910</u>	<u>1,814,241</u>
Less those unavailable for general expenditures within one year, due to:		
Long-term mortgage receivable	138,009	207,013
Long-term grants and contributions receivable		299,400
Restricted cash	13,193	65,088
Restricted by donors with purpose or time restrictions	235,649	449,650
	<u>235,649</u>	<u>449,650</u>
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b>\$ 919,059</b>	<b>\$ 793,090</b>

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

**Note L--Related Party Transactions**

The Organization leases its facilities from Chapel Grace, LLC, which was formed to purchase the property in 2007. 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 E, 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.

Continued

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note L--Related Party Transactions--Continued**

In January 2013, the Organization entered into an amended lease agreement for housing and office space with Chapel Grace, LLC. The lease agreement was extended for an additional four 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 each of the years ended December 31, 2021 and 2020.

**Note M--Contingencies**

In March 2020, the World Health Organization declared the spread of Coronavirus Disease ("COVID-19") a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its fiscal years 2020 and 2021 operations and financial results. In addition, both domestic and international equity markets have experienced significant fluctuations/declines. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown, cannot be reasonably estimated, and is still developing.

**Note N--Concentrations and Credit Risk**

During the years ended December 31, 2021 and 2020, the Organization received a donation from one grantor that comprised 52% and 0% of its total support and revenue for the year and comprised 58% and 0% of its grants receivable as of December 31, 2021 and 2020.

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.

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note O--Paycheck Protection Program**

In April 2020, the Organization obtained a United States Small Business Administration ("SBA") Paycheck Protection Program ("PPP") loan of \$124,002. PPP loans, when used for certain expenses (payroll, retirement contributions, health insurance costs, rent and utilities), can be forgiven.

In June 2020, the American Institute of Certified Public Accountants and the Financial Accounting Standards Board provided technical guidance which stated that the proceeds from SBA PPP loans could be accounted for as either debt or a government grant. Management elected to account for this unique lending vehicle as debt. Under this method, the proceeds of these loans will remain recorded as a liability until either the loans are, in part or wholly, forgiven and Organization has been legally released or the loans are paid off. The PPP Loan of \$124,002 from the SBA was forgiven in full on March 5, 2021.

**Note P--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 Organization. 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.

**Note Q--Subsequent Events**

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date require disclosure in the accompanying notes to consolidated financial statements. Management evaluated the activity of the Organization through January 20, 2023, and concluded to disclose within the notes to the consolidated financial statements.

**The Samaritan Women, Inc. and Subsidiary**

December 31, 2021 and 2020

**Note R--Future Accounting Pronouncements**

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This new standard, which the Organization is not required to adopt until its year ending December 31, 2022, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their statements of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's statement of financial position.

On September 17, 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities* (Topic 958). This new standard, which the Organization is required to adopt in the year ending December 31, 2022, is intended to increase transparency for contributed nonfinancial assets through enhancements to presentation and disclosure. Nonfinancial assets include property and equipment, use of property and equipment or utilities, materials and supplies, services and unconditional promises of those assets.

The Organization is presently evaluating the effects that these ASUs will have on its future consolidated financial statements, including related disclosures.