

# Good Samaritan Services

Financial Statements  
Year Ended June 30, 2023



1835 Market Street, 3rd Floor  
Philadelphia, PA 19103

215/567-7770 | [bbdcpa.com](http://bbdcpa.com)

# GOOD SAMARITAN SERVICES

## CONTENTS

---

INDEPENDENT AUDITOR'S REPORT	1
<b>FINANCIAL STATEMENTS</b>	
<i>Statement of Financial Position</i>	3
<i>Statement of Activities</i>	4
<i>Statement of Functional Expenses</i>	5
<i>Statement of Cash Flows</i>	6
<i>Notes to Financial Statements</i>	7
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	16

---



## INDEPENDENT AUDITOR'S REPORT

**The Board of Directors  
Good Samaritan Services  
Phoenixville, Pennsylvania**

### **Report on the Audit on the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Good Samaritan Services (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Good Samaritan Services as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S generally accepted accounting principles.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 Good Samaritan Services 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles, 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 Good Samaritan Services' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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 U.S. generally accepted auditing standards and *Government 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 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 U.S. generally accepted auditing standards and *Government 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 of the effectiveness of Good Samaritan Services' 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 Good Samaritan Services' 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.

#### ***Report on Summarized Comparative Information***

We have previously audited Good Samaritan Services' 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of Good Samaritan Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Good Samaritan Services' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Good Samaritan Services' internal control over financial reporting and compliance.

BBD, LLP

**Philadelphia, Pennsylvania**  
**September 29, 2023**

# GOOD SAMARITAN SERVICES

## STATEMENT OF FINANCIAL POSITION

June 30, 2023 with comparative totals for 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 287,726	\$ 778,104
Accounts receivable		
Contributions	28,456	4,638
Government grants	47,917	6,917
Client service income	1,325	-
Certificates of deposit	142,000	-
Investments	1,263,137	1,233,952
Prepaid expenses and other	10,824	10,894
Property and equipment, net	<u>2,916,276</u>	<u>2,816,030</u>
<b>Total assets</b>	<b><u>\$ 4,697,661</u></b>	<b><u>\$ 4,850,535</u></b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 122,527	\$ 276,483
Notes payable	<u>917,929</u>	<u>978,822</u>
<b>Total liabilities</b>	<b><u>1,040,456</u></b>	<b><u>1,255,305</u></b>
<b>NET ASSETS</b>		
Without donor restrictions	2,023,255	2,001,497
With donor restrictions	<u>1,633,950</u>	<u>1,593,733</u>
<b>Total net assets</b>	<b><u>3,657,205</u></b>	<b><u>3,595,230</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 4,697,661</u></b>	<b><u>\$ 4,850,535</u></b>

See accompanying notes

# GOOD SAMARITAN SERVICES

## STATEMENT OF ACTIVITIES

Year ended June 30, 2023 with comparative totals for 2022

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 1,553,201	\$ 324,602	\$ 1,877,803	\$ 1,939,325
Contributions in-kind	288,061	-	288,061	655,018
Government grants	179,000	-	179,000	68,000
Client service income	196,388	-	196,388	158,887
Special events, net of expenses of \$42,986 in 2023 and \$40,188 in 2022	181,069	-	181,069	150,885
Investment income (loss)	-	109,560	109,560	(212,375)
Other income	7,108	-	7,108	2,251
Net assets released from restrictions	393,945	(393,945)	-	-
<b>Total revenue and support</b>	<u>2,798,772</u>	<u>40,217</u>	<u>2,838,989</u>	<u>2,761,991</u>
<b>EXPENSES</b>				
<b>Program services</b>				
Housing	2,306,020	-	2,306,020	1,925,854
<b>Supporting services</b>				
General and administrative	159,581	-	159,581	163,395
Fundraising	311,413	-	311,413	282,964
<b>Total expenses</b>	<u>2,777,014</u>	<u>-</u>	<u>2,777,014</u>	<u>2,372,213</u>
<b>CHANGE IN NET ASSETS</b>	21,758	40,217	61,975	389,778
<b>NET ASSETS</b>				
Beginning of year	<u>2,001,497</u>	<u>1,593,733</u>	<u>3,595,230</u>	<u>3,205,452</u>
<b>End of year</b>	<u>\$ 2,023,255</u>	<u>\$ 1,633,950</u>	<u>\$ 3,657,205</u>	<u>\$ 3,595,230</u>

See accompanying notes

## GOOD SAMARITAN SERVICES

### STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2023 with comparative totals for 2022

	<u>Housing</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Totals</u>	
				<u>2023</u>	<u>2022</u>
Salaries	\$ 1,047,065	\$ 84,495	\$ 168,489	\$ 1,300,049	\$ 1,020,196
Employee benefits	129,056	10,837	21,609	161,502	126,807
Payroll taxes	86,594	7,271	14,500	108,365	86,241
Bank fees	298	53	-	351	6,118
Depreciation	130,840	1,328	665	132,833	109,604
Dues and subscriptions	-	1,979	1,978	3,957	3,926
Insurance	61,243	2,032	3,031	66,306	64,602
Interest expense	42,998	-	-	42,998	42,679
Miscellaneous	37,382	23,620	28,340	89,342	78,590
Postage and shipping	-	1,604	3,744	5,348	6,346
Printing	-	-	20,113	20,113	37,725
Professional fees	21,965	9,434	40,839	72,238	59,342
Program expense	485,209	-	-	485,209	455,012
Real estate taxes	-	-	-	-	2,968
Repairs and maintenance	72,901	7,211	1,803	81,915	92,476
Supplies	7,249	5,608	823	13,680	17,514
Telephone	52,160	1,086	1,088	54,334	49,468
Travel	22,940	1,926	3,842	28,708	18,283
Utilities	108,120	1,097	549	109,766	94,316
<b>Total expenses</b>	<u>\$ 2,306,020</u>	<u>\$ 159,581</u>	<u>\$ 311,413</u>	<u>\$ 2,777,014</u>	<u>\$ 2,372,213</u>

See accompanying notes

# GOOD SAMARITAN SERVICES

## STATEMENT OF CASH FLOWS

Year ended June 30, 2023 with comparative totals for 2022

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Change in net assets</i>	\$ 61,975	\$ 389,778
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	132,833	109,604
Contribution of property and equipment	-	(366,368)
Net realized and unrealized (gain) loss on investments	(70,774)	283,282
(Increase) decrease in assets		
Accounts receivable	(66,143)	5,698
Prepaid expenses and other	70	(4,519)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(153,956)	186,610
<b>Net cash provided by (used for) operating activities</b>	<u>(95,995)</u>	<u>604,085</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of certificates of deposit	(142,000)	-
Purchases of investments	(987,895)	(303,601)
Proceeds from sale of investments	1,029,484	309,095
Purchase of property and equipment	(233,079)	(121,668)
<b>Net cash used for investing activities</b>	<u>(333,490)</u>	<u>(116,174)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of notes payable	(60,893)	(53,015)
<b>Net change in cash</b>	(490,378)	434,896
<b>CASH</b>		
Beginning of year	<u>778,104</u>	<u>343,208</u>
<b>End of year</b>	<u>\$ 287,726</u>	<u>\$ 778,104</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest expense	<u>\$ 42,998</u>	<u>\$ 42,679</u>
<b>NONCASH INVESTING ACTIVITY</b>		
Contribution of property and equipment	<u>\$ -</u>	<u>\$ 366,368</u>

See accompanying notes



# GOOD SAMARITAN SERVICES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023

---

### (1) NATURE OF OPERATIONS

Good Samaritan Services ("**Good Sam**") is a Pennsylvania nonprofit organization created in 1999. Good Sam provides a full continuum of care to individuals and families experiencing homelessness or are at-risk of becoming homeless in Lancaster and Chester Counties. Responding with compassion to the challenges of poverty-related needs across Lancaster and Chester Counties, Good Sam takes a customized approach to helping men, women, and children overcome homelessness and hardships. Good Sam serves over 600 people every year; providing a flexible spectrum of services ranging from emergency housing to eviction prevention, along with financial empowerment programs, professional mental health counseling, and compassionate case management support to help people get back on their feet in a sustainable way. Good Sam owns 15 properties, totaling over 100 beds and over 35,000 square feet, which are used to provide emergency housing, transitional housing, affordable housing, and case management services to our participants. We strive to create homes and work environments that make our participants feel valued and dignified.

In addition to the properties we own, which are used for shelter and housing, Good Sam assists up to 50 individuals and families every day by helping them avoid eviction or stabilize in their own housing.

An individual or family can enter a Good Sam program at any point in the continuum we offer: emergency shelter, transitional housing, affordable housing, or receipt of additional support to remain in their own housing. Good Sam's 10 full-time case workers are equipped to meet people wherever they are on their journey towards stability.

Good Sam provides the following housing programs:

#### **Emergency Housing**

Good Sam maintains emergency housing in Phoenixville, Kennett Square, and Ephrata, which serves people coming from anywhere within Lancaster and Chester Counties. The facilities in Phoenixville provide emergency housing to 14 men experiencing homelessness. The facilities in Ephrata offer over 30 beds for single women and women with children experiencing homelessness. The facilities in Kennett Square provide emergency housing to 8 men experiencing homelessness. Participants are provided with 60 day stays and the services at all facilities include three meals a day, clothing, toiletries, linens and towels. While in the program, the participants receive compassionate case management, professional mental health counseling, and referrals to other agencies.

#### **Transitional Housing**

Good Sam has transitional housing programs in Ephrata, Phoenixville, Kennett Square, and Coatesville. This program can house a maximum of 11 men in Phoenixville, 10 women and children in Ephrata, 4 men in Kennett Square, and a single mom and her children in Coatesville. Participants may reside in the home for up to 12 months. This longer-term residency allows the participants to continue to improve their circumstances and prepare for the move into permanent housing. While in the transitional housing program, participants continue to receive case management, mental health counseling, and referrals to other agencies.

#### **Affordable Housing**

Our Breitegam House property, located in Phoenixville, is a 12-room home that provides affordable housing to men exiting our emergency housing or transitional housing program. Our affordable housing program in Ephrata serves single men and single women. Monthly fees for this program are approximately 1/3 of what market rents are in Phoenixville and Ephrata. Participants of the Affordable Housing program receive all the services afforded to other Good Sam participants.

# GOOD SAMARITAN SERVICES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023

---

### **Housing Stabilization and Homelessness Prevention**

When a participant is ready to move on from one of our housing programs, we continue to offer rental support and case management services to help them stabilize in their own housing. In addition, individuals and families that are at-risk of becoming homeless (doubled-up, in the eviction process, living in housing that is too expensive) are also helped by Good Sam. We have the capacity to serve up to 50 individuals and families a day across Lancaster and Chester Counties in this capacity. Good Sam provides over \$150,000 a year in rental support to help people stabilize in their own housing.

## (2) SIGNIFICANT ACCOUNTING POLICIES

### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

### **Basis of Presentation**

Good Sam reports information regarding its financial position and activities according to the following classes of net assets:

#### ***Without donor restrictions***

Net assets that are not subject to donor-imposed restrictions.

#### ***With donor restrictions***

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of Good Sam and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

This category also includes net assets subject to donor-imposed restrictions that neither expire by passage of time nor can be satisfied by actions of Good Sam.

### **Accounting Estimates**

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

### **Fair Value Measurements of Assets and Liabilities**

Accounting principles generally accepted in the United States of America ("**GAAP**") define fair value as 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. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of Good Sam. Unobservable inputs reflect Good Sam's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1** – Valuations based on quoted prices in active markets for identical assets or liabilities that Good Sam has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

# GOOD SAMARITAN SERVICES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023

---

**Level 2** – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

**Level 3** – Valuations based on inputs that are unobservable, that is, inputs that reflect Good Sam's own assumptions.

### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no valuation allowance necessary at June 30, 2023 and 2022. Good Sam does not charge interest on outstanding balances.

### **Certificates of Deposit**

Certificates of deposit are reported at fair value, using Level 2 inputs, with interest included in the statements of activities. Interest income is recorded as earned.

### **Investments and Investment Income**

Investments in debt and equity securities with readily determinable fair values are reported at fair value as determined by quoted market prices with gains and losses included in the statement of activities. Dividend and interest income is recorded as earned. Restricted investment income whose restrictions are satisfied in the same period are reported as without donor restrictions.

Donated investments are recorded at fair value at the date of receipt.

Good Sam invests in a professionally-managed portfolio that contains various types of securities (**See Note 3**). Such investments are exposed to market and credit risks. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near term would materially affect investment balances and the amounts reported in the financial statements.

### **Property and Equipment**

Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets 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 increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, Good Sam reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 years to 35 years.

Good Sam reviews and evaluates its property and equipment for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. An impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the assets. If the carrying value exceeds the cash flows, then recorded amounts of the assets are reduced to their fair value.

# GOOD SAMARITAN SERVICES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023

---

### **Contributions and Government Grants**

Contributions and government grants received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions and government grants whose restrictions are satisfied in the same period are reported as without donor restrictions.

Unconditional contributions and government grants are recognized as revenue when the related promise to give is received. Conditional contributions and government grants are recognized as revenue when the conditions are satisfied.

### **Donated Services and Materials**

Donated materials are recorded as support and expenses at their estimated value on the date of receipt.

Donated services are recorded as support and expenses at their estimated value on the date of receipt if such services require specialized skills which would need to be purchased if they were not donated.

Good Sam also receives a significant amount of donated time from a substantial number of volunteers without compensation for its program and supporting services. The financial statements do not reflect the value of these contributed services since they do not meet the criteria for recognition.

### **Special Event Revenue and Expenses**

Special event revenue and expenses are recognized during the period in which the related event occurs. Accordingly, revenue received in advance for special events that are held subsequent to year-end is deferred and expenses paid in advance for special events that are held subsequent to year-end are included in prepaid expenses.

### **Functional Allocation of Expenses**

The costs of providing the various program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated based upon estimates of time and effort or relative square footage.

### **Concentration of Credit Risk**

Financial instruments that potentially subject Good Sam to concentration of credit risk are cash and accounts receivable. Good Sam maintains cash accounts at several financial institutions. At times, these accounts may exceed federally-insured limits. Good Sam has not experienced any losses on these accounts. Accounts receivable consist of contributions, which were valued using Level 2 inputs, and amounts due from clients. Substantially all of the accounts receivable at June 30, 2023 are expected to be collected in 2024.

### **Income Tax Status**

Good Sam qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and no provision or liability for income taxes is included in the accompanying financial statements.

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain tax positions. GAAP prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. Good Sam believes that it had no uncertain tax positions as defined in GAAP.

### **Summarized Prior-Year Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2022, from which the summarized information was derived.

---

# GOOD SAMARITAN SERVICES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023

---

### Reclassifications

Certain items in the 2022 summarized comparative totals have been reclassified to conform to the 2023 presentation.

### (3) INVESTMENTS

Investments consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Money market funds	\$ 153,084	\$ 66,878
Mutual funds		
Fixed income	184,796	115,850
Equity	817,011	887,446
Other	<u>108,246</u>	<u>163,778</u>
	<u>\$1,263,137</u>	<u>\$1,233,952</u>

Investments were measured at fair value using Level 1 inputs.

Investment income (loss) consisted of the following for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 47,179	\$ 80,876
Net realized gain (loss)	(61,121)	24,970
Net unrealized gain (loss)	131,895	(308,252)
Investment management fees	<u>(8,393)</u>	<u>(9,969)</u>
	<u>\$ 109,560</u>	<u>\$ (212,375)</u>

### (4) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 237,008	\$ 237,008
Buildings and improvements	3,392,380	3,181,907
Vehicles	44,065	44,065
Furniture and equipment	<u>113,017</u>	<u>90,411</u>
	3,786,470	3,553,391
Less accumulated depreciation	<u>(870,194)</u>	<u>(737,361)</u>
	<u>\$2,916,276</u>	<u>\$2,816,030</u>

In August 2021, Good Sam's property at 118 East Locust Street in Ephrata sustained a fire. Good Sam received insurance proceeds of \$435,800, which were sufficient to cover the restoration costs such that Good Sam did not record an impairment loss during 2022.

In April 2022, Good Sam received a contribution of real estate located in Kennett Square, Pennsylvania from another nonprofit organization valued at \$350,000.

### (5) LINE OF CREDIT

Good Sam has a \$150,000 bank line of credit that expires March 2024. Advances under the credit line are payable on demand, bear interest at the Wall Street Journal's prime rate plus 2% and are secured by a mortgage on one of Good Sam's properties. There were no advances outstanding at June 30, 2023 and 2022.

---

# GOOD SAMARITAN SERVICES

## NOTES TO FINANCIAL STATEMENTS

June 30, 2023

### (6) NOTES PAYABLE

Notes payable at June 30, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Mortgage note payable, bank (a)	\$ 95,619	\$101,782
Mortgage note payable, bank (b)	117,598	127,828
Mortgage note payable, bank (c)	137,877	147,510
Loan payable, foundation (d)	22,000	26,000
Term note payable, bank (e)	33,939	37,919
Term note payable, bank (f)	251,594	267,527
Mortgage note payable, bank (g)	<u>259,302</u>	<u>270,256</u>
	<u>\$917,929</u>	<u>\$978,822</u>

- (a) The mortgage note payable to the bank is due in monthly installments of \$856, including interest at 4.25%, through April 2025 plus a final payment of \$83,019 in May 2025. The note is secured by a mortgage on the property located at 104-106 High Street in Phoenixville.
- (b) The mortgage note payable to the bank is due in monthly installments of \$852 plus interest at the Wall Street Journal prime rate plus .75% through December 2034. The note is secured by a mortgage on the property located at 25 West Locust Street in Ephrata.
- (c) The mortgage note payable to the bank is in due monthly installments of \$1,191, including interest at 3.875%, through November 2026. In December 2026, monthly payments become \$997 plus interest at the Wall Street Journal prime rate plus .75% through October 2035. The note is secured by a mortgage on the property located at 21 West Locust Street in Ephrata.
- (d) The loan payable to the foundation is due in four annual installments of \$4,000 plus interest at 4.00% through December 2026 and a final payment of \$6,000 in December 2027. The loan is unsecured.
- (e) The term note payable to the bank is due in monthly installments of \$473, including interest at 4.25%, through April 2025 plus a final payment of \$25,944 in May 2025. The note is secured by a mortgage on the property located at 318 Main Street in Phoenixville.
- (f) The term note payable to the bank is due in monthly installments of \$1,862, including interest at 3.875%, through November 2026. In December 2026 monthly payments become \$1,472 plus interest at the Wall Street Journal prime rate plus .75% through November 2038. The note is secured by a mortgage on the property located at 616 N Lime Street in Lancaster.
- (g) The mortgage note payable to the bank is due in monthly installments of \$1,688.62, including interest at 3.875%, through June 2026. In July 2026, monthly payments become \$1,282 plus interest at the Wall Street Journal prime rate plus .75% through June 2041. The note is secured by a mortgage on the property located at 118 East Locust Street in Ephrata.

Scheduled principal payments on the notes payable at June 30, 2023 are as follows:

#### Year ending June 30,

2024	\$ 57,953
2025	167,532
2026	49,956
2027	51,332
2028	54,763
Thereafter	<u>536,393</u>
	<u>\$917,929</u>

**GOOD SAMARITAN SERVICES**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2023

**(7) NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at June 30, 2023 consisted of contributions and investment income restricted for the following purposes:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>June 30, 2023</u>
<b>Purpose restrictions</b>				
Matched savings program	\$ 9,231	\$ -	\$ (7,200)	\$ 2,031
Property renovations	10,189	-	(10,189)	-
Property and equipment	3,925	-	(3,925)	-
Counseling programs	107,262	-	(81,191)	26,071
Ephrata shelter expansion	182,300	34,152	(91,680)	124,772
Kennett Square shelter expansion and start up	40,000	284,000	(111,000)	213,000
Other programs	<u>6,874</u>	<u>6,450</u>	<u>(8,385)</u>	<u>4,939</u>
	<u>359,781</u>	<u>324,602</u>	<u>(313,570)</u>	<u>370,813</u>
<b>Time restrictions</b>				
Unrealized appreciation on endowment	<u>149,539</u>	<u>109,560</u>	<u>(80,375)</u>	<u>178,724</u>
<b>To be maintained indefinitely</b>				
Endowments (historical cost is \$1,084,413)	<u>1,084,413</u>	<u>-</u>	<u>-</u>	<u>1,084,413</u>
	<u>\$1,593,733</u>	<u>\$434,162</u>	<u>\$(393,945)</u>	<u>\$1,633,950</u>

**(8) ENDOWMENT**

Net assets with donor restrictions to be maintained indefinitely at June 30, 2023 consisted of two endowments, the income from both of which is without donor restrictions.

An accounting standard exists which provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act ("**UPMIFA**"). Good Sam is not subject to this guidance since Pennsylvania has not enacted a version of UPMIFA. The standard also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

In accordance with Pennsylvania statutes, Good Sam has adopted investment and spending policies for its endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of these endowment assets over the long-term. Good Sam's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The spending policy distributes an amount equal to a specified percentage of a moving three-year average of the fair value of the endowment funds.

Changes in the endowment assets for the year ended June 30, 2023 and 2022 were as follows:

	<u>Time</u> <u>Restricted</u>	<u>To be</u> <u>Maintained</u> <u>Indefinitely</u>	<u>Total</u>
Balance at July 1, 2022	\$ 149,539	\$1,084,413	\$1,233,952
Investment income	109,560	-	109,560
Less: endowment spending policy	<u>(80,375)</u>	<u>-</u>	<u>(80,375)</u>
Balance at June 30, 2023	<u>\$ 178,724</u>	<u>\$1,084,413</u>	<u>\$1,263,137</u>

## GOOD SAMARITAN SERVICES

### NOTES TO FINANCIAL STATEMENTS

June 30, 2023

---

	<u>Time Restricted</u>	<u>To be Maintained Indefinitely</u>	<u>Total</u>
Balance at July 1, 2021	\$ 438,315	\$1,084,413	\$1,522,728
Investment loss	(212,375)	-	(212,735)
Less: endowment spending policy	<u>(76,401)</u>	<u>-</u>	<u>(76,401)</u>
Balance at June 30, 2022	<u>\$ 149,539</u>	<u>\$1,084,413</u>	<u>\$1,233,952</u>

#### (9) DONATED SERVICES AND MATERIALS

Donated services and materials received are included in contributions and property and equipment or programs expenses in the accompanying financial statements and consisted of the following:

	<u>2023</u>	<u>2022</u>
Property and equipment	\$ -	\$366,368
Food	243,745	237,832
Program supplies	44,316	47,358
Other	<u>-</u>	<u>3,460</u>
Total	<u>\$288,061</u>	<u>\$655,018</u>

#### (10) RETIREMENT PLAN

Good Sam offers a Simple IRA plan for employees. The plan provides for Good Sam to make matching contributions up to 3% of employees' compensation. Good Sam's contributions to the plan were \$23,997 for 2023 and \$20,475 for 2022.

#### (11) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects Good Sam's financial assets as of June 30, 2023 and 2022 and the amounts available for general expenditures during the year after the date of the statement of financial position. Good Sam considers all expenditures related to its ongoing activities of providing the established programs as general expenditures.

	<u>2023</u>	<u>2022</u>
Cash	\$ 287,726	\$ 778,104
Accounts receivable	77,698	11,555
Certificates of deposit	142,000	-
Investments	<u>1,263,137</u>	<u>1,233,952</u>
Total financial assets	1,770,561	2,023,611
Less: financial assets not available for general operations within one year		
Restricted by donor for specific purposes	(73,031)	(236,414)
Restricted by donor to be maintained indefinitely	<u>(1,263,137)</u>	<u>(1,233,952)</u>
Financial assets available within one year	<u>\$ 434,393</u>	<u>\$ 633,620</u>

As part of Good Sam's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. Good Sam invests cash in excess of its requirements in a money market fund. In order to manage any liquidity deficiencies or unanticipated liquidity needs, Good Sam has a committed line of credit of \$150,000.



## **GOOD SAMARITAN SERVICES**

### ***NOTES TO FINANCIAL STATEMENTS***

**June 30, 2023**

---

#### **(12) CONTINGENCY**

Good Sam has a program through which it has guaranteed repayment of loans payable of several of its tenants. The balance of loans payable at June 30, 2023 and 2022 under the program that Good Sam has guaranteed is \$4,928 and \$1,849, respectively.

#### **(13) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 29, 2023, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2023 that require recognition or disclosure in the financial statements.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**The Board of Directors  
Good Samaritan Services  
Phoenixville, Pennsylvania**

We have audited, in accordance with the U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Good Samaritan Services (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Good Samaritan Services' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Good Samaritan Services' internal control. Accordingly, we do not express an opinion on the effectiveness of Good Samaritan Services' internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Good Samaritan Services' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BBD, LLP

**Philadelphia, Pennsylvania**  
**September 29, 2023**