



Kelly Vitale Raffol LLC
CERTIFIED PUBLIC ACCOUNTANTS



SAMARITANS, INC.

Financial Statements

For the Years Ended June 30, 2022 and 2021

4238 Washington Street, Suite 307, Boston, Massachusetts 02131

687 West 204th Street, New York, New York 10034

Member, American Institute of Certified Public Accountants

Member, Association of Fraud Examiners

SAMARITANS, INC.

Financial Statements

For the Years Ended June 30, 2022 and 2021

Table of Contents

Independent Auditors' Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Cash Flows	6
Statements of Functional Expenses	7-8
Notes to Financial Statements	9-18



Independent Auditors' Report

To the Board of Directors
Samaritans, Inc.
Boston, Massachusetts

Opinion

We have audited the accompanying financial statements of Samaritans, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Samaritans, Inc. as of June 30, 2022 and 2021, 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 audit 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 Samaritans Inc. 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 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 Samaritans, 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 Samaritans, 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.

Prior Period Financial Statements

The financial statements of Samaritans, Inc. as of June 30, 2021, were audited by other auditors, whose report, dated August 31, 2021, expressed an unmodified opinion on those statements.

KellyVitaleRaffol LLC

Boston, Massachusetts
November 15, 2022

SAMARITANS, INC.

Statement of Financial Position

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<i>Assets</i>		
Cash and cash equivalents	\$ 395,580	\$ 285,063
Marketable securities	3,422,970	2,375,671
Accounts receivable	139,156	66,274
Pledges receivable	518,339	358,970
Contracts receivable	143,070	80,071
Prepaid expenses	78,010	85,740
Property and equipment, net	63,775	36,371
<i>Total assets</i>	<u>\$ 4,760,900</u>	<u>\$ 3,288,160</u>
 <i>Liabilities and net assets</i>		
<i>Liabilities</i>		
Accounts payable and accrued expenses	\$ 223,157	\$ 174,587
Deferred revenue	4,168	6,824
<i>Total liabilities</i>	<u>227,325</u>	<u>181,411</u>
 <i>Net assets</i>		
Without donor restrictions	3,903,713	2,611,893
With donor restrictions	629,862	494,856
<i>Total net assets</i>	<u>4,533,575</u>	<u>3,106,749</u>
<i>Total liabilities and net assets</i>	<u>\$ 4,760,900</u>	<u>\$ 3,288,160</u>

SAMARITANS, INC.

Statement of Activities

For the Year Ended June 30, 2022

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Revenue and support</i>			
Contributions	\$ 2,816,321	\$ -	\$ 2,816,321
Grants	773,040	325,892	1,098,932
Contract revenue	995,357	-	995,357
Program fees	21,499	-	21,499
In-kind donations	1,474,904	-	1,474,904
Donated volunteer services	1,287,808	-	1,287,808
Gross special events revenue	159,287	-	159,287
Less cost of direct benefits to donors	(92,376)	-	(92,376)
Net special events revenue	66,911	-	66,911
Interest and dividend income	12,744	-	12,744
Realized gain on investments	1,579	-	1,579
Unrealized gain (loss) on securities	(102,906)	-	(102,906)
Net assets released from restrictions	190,886	(190,886)	-
<i>Total revenue</i>	7,538,143	135,006	7,673,149
<i>Expenses</i>			
Program services	5,311,661	-	5,311,661
Management and general	277,405	-	277,405
Fundraising	657,257	-	657,257
<i>Total expenses</i>	6,246,323	-	6,246,323
<i>Change in net assets</i>	1,291,820	135,006	1,426,826
<i>Net assets, beginning</i>	2,611,893	494,856	3,106,749
<i>Net assets, ending</i>	\$ 3,903,713	\$ 629,862	\$ 4,533,575

See accompanying notes to the financial statements

SAMARITANS, INC.

Statement of Activities

For the Year Ended June 30, 2021

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Public support and revenue:</i>			
Contributions	\$ 1,959,550	\$ 95,886	\$ 2,055,436
Grants	608,489	128,125	736,614
PPP loan forgiveness	243,200	-	243,200
Contract revenue	600,544	-	600,544
Program fees	14,554	-	14,554
In-kind donations	1,498,111	-	1,498,111
Donated volunteer services	1,555,514	-	1,555,514
Gross special events revenue	56,760	-	56,760
Less cost of direct benefits to donors	(78,936)	-	(78,936)
Net special events revenue	(22,176)	-	(22,176)
Investment income	3,720	-	3,720
Realized gain (loss) on sale of investment	1,908	-	1,908
Unrealized gain (loss) on securities	(2,441)	-	(2,441)
Net assets released from restrictions	66,988	(66,988)	-
	<i>Total revenue</i>	<i>157,023</i>	<i>6,684,984</i>
<i>Expenses:</i>			
Program services	5,262,206	-	5,262,206
Management and general	247,026	-	247,026
Fundraising	445,021	-	445,021
	<i>Total expenses</i>	<i>-</i>	<i>5,954,253</i>
	<i>Change in net assets</i>	<i>157,023</i>	<i>730,731</i>
<i>Net assets, beginning</i>	<i>2,038,185</i>	<i>337,833</i>	<i>2,376,018</i>
<i>Net assets, ending</i>	<i>\$ 2,611,893</i>	<i>\$ 494,856</i>	<i>\$ 3,106,749</i>

See accompanying notes to the financial statements

SAMARITANS, INC.

Statements of Cash Flows

For the Years Ended June 30, 2022 and 2021

	2022	2021
<i>Cash flows from operating activities:</i>		
Change in net assets	\$ 1,426,826	\$ 730,731
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	12,791	5,855
Non-cash gain on Paycheck Protection Program loan	-	(243,200)
Contributed stock	(85,964)	(55,598)
Realized gain (loss) on sale of investment	(1,579)	(1,908)
Unrealized loss on investment	102,906	2,441
Change in assets		
Accounts receivable	(72,882)	23,052
Pledges receivable	(159,369)	(38,125)
Contracts receivable	(62,999)	(9,584)
Prepaid expenses	7,730	(17,448)
Accounts payable and accrued expenses	48,570	57,280
Deferred revenue	(2,657)	5,668
<i>Net cash provided by (used in) operating activities</i>	1,213,373	459,164
<i>Cash flows from investing activities:</i>		
Purchase of property and equipment	(40,195)	(23,885)
Purchases of investments	(1,150,205)	(2,378,111)
Proceeds from sale of investments	87,543	57,505
<i>Net cash (used in) investing activities</i>	(1,102,857)	(2,344,491)
<i>Net change in cash and cash equivalents</i>	110,516	(1,885,327)
<i>Cash and cash equivalents, beginning</i>	285,063	2,170,390
<i>Cash and cash equivalents, ending</i>	\$ 395,579	\$ 285,063

See accompanying notes to the financial statements

SAMARITANS, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2022

	<i>Crisis services</i>	<i>Community outreach and education</i>	<i>Grief support services</i>	<i>Total program services</i>	<i>Management and general</i>	<i>Fundraising</i>	<i>Cost of direct benefit to donors</i>	<i>Total supporting expense</i>	<i>Total expense</i>
Salaries and wages	\$ 871,980	\$ 279,834	\$ 271,815	\$ 1,423,629	\$ 53,419	\$ 213,957	\$ -	\$ 267,376	\$ 1,691,005
Employee benefits	76,939	21,254	20,259	118,452	9,639	17,834	-	27,473	145,925
Payroll taxes	67,404	19,591	20,826	107,821	4,626	16,270	-	20,896	128,717
Total salaries and related benefits	1,016,323	320,679	312,900	1,649,902	67,684	248,061	-	315,745	1,965,647
Donated volunteer services	1,456,230	-	18,674	1,474,904	-	-	-	-	1,474,904
In-kind donations	1,187,562	-	-	1,187,562	-	100,246	-	100,246	1,287,808
Occupancy costs	155,161	27,862	40,899	223,922	6,902	24,795	-	31,697	255,619
Professional fees and consultants	95,456	143,697	66,529	305,682	153,205	122,285	-	275,490	581,172
Telephone	53,391	3,324	5,244	61,959	828	2,497	-	3,325	65,284
Supplies	9,883	1,404	920	12,207	1,449	3,079	-	4,528	16,735
Postage and shipping	57	165	51	273	1,007	9,696	-	10,703	10,976
Conference and meetings	11,154	4,687	495	16,336	5,288	7,115	-	12,403	28,739
Membership and dues	2,400	-	-	2,400	1,285	1,175	-	2,460	4,860
Printing and publication	93	-	-	93	642	25,355	-	25,997	26,090
Rental and maintenance of equipment	9,221	2,206	1,510	12,937	756	814	-	1,570	14,507
Equipment purchases	29,737	-	1,725	31,462	6,977	1,591	-	8,568	40,030
Liability insurance	18,900	-	-	18,900	5,430	-	-	5,430	24,330
Special events	-	51,818	39,758	91,576	-	-	92,376	92,376	183,952
Program support	5,000	-	-	5,000	-	-	-	-	5,000
Technology	127,208	24,749	21,872	173,829	18,316	36,195	-	54,511	228,340
Volunteer support	2,376	-	-	2,376	-	-	-	-	2,376
Miscellaneous	26,250	1,261	1,164	28,675	7,355	73,509	-	80,864	109,539
Depreciation	8,762	1,126	1,778	11,666	281	844	-	1,125	12,791
Total expenses by function	4,215,164	582,978	513,519	5,311,661	277,405	657,257	92,376	1,027,038	6,338,699
Less: expenses included with revenues on the statement of activities									
Special events	-	-	-	-	-	-	(92,376)	(92,376)	(92,376)
Total expenses	\$ 4,215,164	\$ 582,978	\$ 513,519	\$ 5,311,661	\$ 277,405	\$ 657,257	\$ -	\$ 934,662	\$ 6,246,323

See accompanying notes to the financial statements

SAMARITANS, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2021

	<i>Crisis services</i>	<i>Community outreach and education</i>	<i>Grief support services</i>	<i>Total program services</i>	<i>Management and general</i>	<i>Fundraising</i>	<i>Cost of direct benefit to donors</i>	<i>Total supporting expense</i>	<i>Total expense</i>
Salaries and wages	\$ 798,668	\$ 349,986	\$ 370,285	\$ 1,518,939	\$ 52,806	\$ 200,658	\$ -	\$ 253,464	\$ 1,772,403
Employee benefits	68,026	36,553	26,664	131,243	9,934	17,662	-	27,596	158,839
Payroll taxes	71,311	31,249	33,062	135,622	4,765	17,916	-	22,681	158,303
Total salaries and related benefits	938,005	417,788	430,011	1,785,804	67,505	236,236	-	303,741	2,089,545
Donated volunteer services	1,458,802	-	35,844	1,494,646	-	3,465	-	3,465	1,498,111
In-kind donations	1,498,000	-	-	1,498,000	42,363	15,151	-	57,514	1,555,514
Occupancy costs	131,918	23,689	34,773	190,380	5,868	21,081	-	26,949	217,329
Professional fees and consultants	334	333	7,083	7,750	96,444	40,254	-	136,698	144,448
Telephone	41,330	4,195	6,626	52,151	1,065	3,146	-	4,211	56,362
Supplies	209	85	1,477	1,771	3,681	3,169	-	6,850	8,621
Postage and shipping	168	18	446	632	601	3,581	-	4,182	4,814
Conference and meetings	8,857	3,970	2,411	15,238	930	1,594	-	2,524	17,762
Membership and dues	1,901	266	133	2,300	995	790	-	1,785	4,085
Printing and publication	-	-	5,652	5,652	-	13,106	-	13,106	18,758
Rental and maintenance of equipment	8,453	2,028	1,393	11,874	696	755	-	1,451	13,325
Equipment purchases	1,425	-	1,425	2,850	-	2,851	-	2,851	5,701
Liability insurance	13,790	-	-	13,790	4,599	-	-	4,599	18,389
Special event direct costs	3,120	4,680	4,680	12,480	-	-	78,936	78,936	91,416
Program support	15,000	-	10,000	25,000	-	-	-	-	25,000
Technology	69,451	20,693	21,847	111,991	11,291	43,040	-	54,331	166,322
Volunteer support	5,963	-	-	5,963	-	-	-	-	5,963
Miscellaneous	10,407	3,886	4,226	18,519	10,878	56,472	-	67,350	85,869
Depreciation	4,280	440	695	5,415	110	330	-	440	5,855
Total expenses by function	4,211,413	482,071	568,722	5,262,206	247,026	445,021	78,936	770,983	6,033,189
Less: expenses included with revenues on the statement of activities									
Special events							(78,936)	(78,936)	(78,936)
Total expenses	\$ 4,211,413	\$ 482,071	\$ 568,722	\$ 5,262,206	\$ 247,026	\$ 445,021	\$ -	\$ 692,047	\$ 5,954,253

See accompanying notes to the financial statements

SAMARITANS, INC.

Notes to the financial statements

For the Year Ended June 30, 2022

Note 1. Nature of Operations

Samaritans, Inc. (the Organization) is a nonprofit corporation created and operated to reduce the risk of suicide in the community by befriending individuals in despair and crisis and by providing outreach and education. The Organization was incorporated as a 501(c)(3) nonprofit corporation in 1978 in the state of Massachusetts.

Samaritans, Inc.'s base of operations and target population are located primarily in the greater Boston area and Metro west communities. To further its purposes and achieve its goals, the Organization engages in the following activities:

Crisis Services: Samaritans, Inc. provides telephone coverage on a twenty-four-hour basis, staffed by trained volunteers, and telephone, online chat, and text services geared towards the teen-aged population

Community Education and Outreach: Samaritans, Inc. provides workshops to the public on suicide and suicide prevention.

Grief Support Services: Samaritans, Inc. provides support to those who have lost a loved one to suicide.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). These standards require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets available that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

SAMARITANS, INC.

Notes to the financial statements

For the Year Ended June 30, 2022

Note 2. Summary of Significant Accounting Policies (continued)

Adopted Accounting Pronouncements

The Organization has adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. ASU 2014-09 eliminated the transaction and industry-specific revenue recognition guidance under previous U.S. GAAP and replaced it with a principle-based approach for determining revenue recognition. The core principle of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard improves the usefulness and understandability of the Organization's financial reporting.

The Organization has adopted ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, as amended. ASU 2018-08 was issued to make it easier for not-for-profit organizations to evaluate whether gifts, grants or contracts should be accounted for as contributions, or as reciprocal (exchange) transactions accounted for under ASU 2014-09. Under the new guidance, all organizations are required to evaluate whether the resource provider (i.e., federal agency, foundation, corporation, etc.) is receiving commensurate value in a transfer of resources (i.e., assets or reduction/settlement of liabilities) and whether contributions are conditional or unconditional. If commensurate value is received by the resource provider, the transaction is to be accounted for as an exchange transaction by applying ASU 2014-09. If commensurate value is not received by the resource provider (i.e., the transaction is nonexchange), the recipient organization would determine the transaction to be a contribution and determine whether the contribution is unconditional or conditional. The standard improves the usefulness and understandability of the Organization's financial reporting.

New Accounting Pronouncements

In July 2017, FASB issued ASU 2017-13, *Leases (Topic 842)*. The new standards will require organizations that lease assets to recognize on the balance sheet the assets and liabilities of for the right and obligations created by those leases. The Organization is assessing the impact of the new guidance that will be implemented for the year ending June 30, 2023.

Cash and Cash Equivalents

The Organization considers as cash equivalents all highly liquid investments that can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barriers and a right of return – are not recognized until the conditions on which they depend have been met.

SAMARITANS, INC.

Notes to the financial statements

For the Year Ended June 30, 2022

Note 2. Summary of Significant Accounting Policies (continued)

Contributions

The Organization follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, *Accounting for Contributions Received and Contributions Made*. This standard requires that contributions be recorded as receivables and revenues, and that the Organization distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items, or promises to give.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional (i.e., at the time when the conditions on which they depend are substantially met). Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved when such amounts are considered material. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction until restriction conditions are satisfied, at which time temporarily restricted net assets are reclassified to unrestricted net assets. However, if a restriction is fulfilled in the same accounting period in which the contribution is received, the Organization reports that support as unrestricted.

Donated Services

The Organization receives donated services for certain programs and special events in the form of volunteer hours. Contributed services are recognized in the financial statements if the services provided require specialized training and technical tools used with high proficiency generally not possessed by the general public. During the year ended December 31, 2021, the directors, officers and volunteers have made contributions of their time to develop the Organization and its programs. These donated services are not reflected in the financial statements because they do not meet the criteria for recognition as contributed services as stipulated under Financial Accounting Standards Board ("FASB") *Accounting Standards Codification ("ASC") 958-605, Not-for-Profit Entities, Revenue Recognition*.

Property and Equipment

Property and equipment acquisitions are recorded at cost or fair market value when received. Expenditures for major renewals in excess of \$5,000 are capitalized. Depreciation is provided using the straight-line method over the estimated useful life of each class as follows:

Furniture and equipment	7 years
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SAMARITANS, INC.

Notes to the financial statements

For the Year Ended June 30, 2022

Note 2. Summary of Significant Accounting Policies (continued)

Contracts Receivable

Contracts receivable are based on contract agreements, primarily with Commonwealth of Massachusetts Social Service agencies. Billings are performed, typically on a monthly basis, as services are provided. Billings in any one year may be limited by maximum amounts as stated in some of the contracts. There are no bad debts associated with Commonwealth of Massachusetts contract revenues.

Other receivables consist primarily of checks and online fundraising amounts dated prior to the fiscal year-end, but received shortly after the year-end.

Investments

Investments are recorded at fair value. Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. 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, based on the markets' fluctuations, and that such changes could materially affect the amounts reported in the financial statements.

The Organization's investments consist of money market fund, mutual funds, and stocks. The Organization does not incur any management advisory fees on its investment accounts.

The costs and market values of investments for the years ended June 30, 2022 and 2021 are summarized as follows:

	<i>2022</i>		<i>2021</i>	
	Market Value	Cost	Market Value	Cost
<i>Marketable securities</i>	\$ 3,422,970	\$ 3,317,623	\$ 2,375,671	\$ 2,378,112

Realized and unrealized gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations, or by law. The realized gains for the years ended 2022 and 2021 are \$1,579 and \$1,908, respectively. The total unrealized losses recognized for the years ended 2022 and 2021 are \$102,906 and \$2,441, respectively.

SAMARITANS, INC.

Notes to the financial statements

For the Year Ended June 30, 2022

Note 2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements and Disclosures

Accounting Standards Codification (ASC) Section 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices and active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under Section 820 are described as follows:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

With respect to the Organization's valuation methodology used to measure the fair value of its investment assets, all fixed income and equity securities and mutual funds are valued at the closing price reported in the active market on which the individual securities are traded. There have been no changes in the methodologies used at June 30, 2022, as compared to those used at June 30, 2021.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

SAMARITANS, INC.

Notes to the financial statements

For the Year Ended June 30, 2022

Note 2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements and Disclosures (continued)

	<i>2022</i>		
<i>Assets</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Cash and money market funds	\$ 310,287	\$ -	\$ -
Equities	3,112,683	-	-
Total	\$ 3,422,970	\$ -	\$ -

	<i>2021</i>		
<i>Assets</i>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Cash and money market funds	\$ 1	\$ -	\$ -
Equities	2,375,670	-	-
Total	\$ 2,375,671	\$ -	\$ -

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural function or expense classification.

However, certain other costs are attributable to more than one program or supporting service, and therefore, these expenses must be allocated on a reasonable basis that is consistently applied. These specific costs are all being allocated among the various programs and supporting services in the same ratios as departmental program income in the current fiscal year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SAMARITANS, INC.

Notes to the financial statements

For the Year Ended June 30, 2022

Note 3. *Liquidity and Availability of Resources*

Samaritans, Inc. regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2022:

Financial assets at year-end:

Marketable securities	\$	3,422,970
Pledges receivable		518,339
Contracts receivable		143,070
Other receivable		<u>139,156</u>
<i>Total financial assets</i>		4,223,535
Less: Net assets with donor restrictions		<u>629,862</u>
<i>Financial assets available to meet general expenditures over the next 12 months</i>	\$	<u><u>3,593,673</u></u>

As part of Samaritans, Inc.'s liquidity management plan, cash in excess of daily requirements is invested in an interest-bearing money market account. The Organization typically maintains segregated financial assets on hand to meet a minimum of six months of normal operating expenses.

SAMARITANS, INC.

Notes to the financial statements

For the Year Ended June 30, 2022

Note 4. Pledges Receivable

Pledges receivable represent unconditional promises to give by donors. Receivables are classified as current and noncurrent. Current receivables are expected to be collected during the next year and are recorded at their net realizable value. Noncurrent contributions receivable has been discounted at 3.0% and are reflected in the financial statements at their net present value.

At June 30, 2022 and 2021 pledges receivable consisted of the following:

	<u>2022</u>	<u>2021</u>
Amounts due in:		
Less than one year	\$ 332,500	\$ 97,500
One to five year	200,000	282,500
More than five years	-	-
	<hr/>	<hr/>
Gross pledges receivable	532,500	380,000
Less:		
Discounts to pledges value	(14,161)	(21,030)
	<hr/>	<hr/>
Net pledges receivable	<u>\$ 518,339</u>	<u>\$ 358,970</u>

Note 5. Property and Equipment

Property and equipment are summarized by major classification as follows:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 81,106	\$ 55,191
Leasehold improvements	56,931	42,651
Less: Accumulated depreciation	(74,262)	(61,471)
	<hr/>	<hr/>
	<u>\$ 63,775</u>	<u>\$ 36,371</u>

Depreciation expense amounted to \$12,791 and \$5,855 for years ended June 30, 2022 and 2021, respectively.

SAMARITANS, INC.

Notes to the financial statements

For the Year Ended June 30, 2022

Note 6. Net Assets with Donor Restrictions

Grants and contributions with temporary restrictions assigned by donors at June 30, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Unrestricted purposes after the passage of time	\$ 629,862	\$ 494,856

During the years ended June 30, 2022 and 2021, net assets released from restrictions due to time amounted to \$92,588 and \$66,988, respectively.

Note 7. Defined Contribution Retirement Plan

Samaritans, Inc. adopted a 401(k) savings plan, effective January 1, 2004, covering all benefit-eligible employees. After six months' employment, employees can defer a portion of their compensation subject to annual limits as defined in the Internal Revenue Code. Samaritans, Inc. matches employee contributions at a rate of 50% of the first 6% of salary the employee contributes. The match is discretionary on the part of the employer.

The Organization contributed \$24,922 and \$27,282 to the plan during fiscal years ending June 30, 2022 and 2021, respectively.

Note 8. Commitments

Samaritans, Inc. leases office space in Boston under a non-cancelable operating lease, which was renewed and expanded for additional space as of June 30, 2021. The expanded space term commenced on November 1, 2020. The updated lease provides for one month of free rent for November of 2020 and continues for a ten-year term until October 31, 2030. The lease is subject to property tax and operating cost escalation clauses. Fixed rental payments under this lease for each of the next five years and in the aggregate are:

Fiscal year ending June 30:

2023	253,572
2024	260,940
2025	268,308
2026	275,688
2027	283,068
Thereafter	995,140
	<u>2,336,716</u>

Rent expense (including common area maintenance charges and real estate taxes) relating to this lease totaled \$255,619 and \$217,329 for fiscal years ending June 30, 2022 and 2021, respectively.

SAMARITANS, INC.

Notes to the financial statements

For the Year Ended June 30, 2022

Note 9. Concentration of Credit Risk

The Organization maintains its cash in accounts with high credit quality financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures cash balances up to \$250,000 for covered financial institutions. Balances in these accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts. There were no uninsured amounts as of June 30, 2022, and 2021.

Note 10. Donated Services, Materials, and Fixed Assets

During the years ended June 30, 2022, and 2021, donated services for the Crisis Services volunteers were recorded based upon comparable compensation, which would be paid to individuals if they were to occupy these positions. Other donated items were valued at fair market value at date of donation.

	<u>2022</u>	<u>2021</u>
Donated good and services - special events	\$ 61,106	\$ 14,559
Donated good and services - other	1,226,702	1,540,955
<i>Other in-kind donations</i>	<u>1,287,808</u>	<u>1,555,514</u>
<i>Donated volunteer services</i>	<u>\$ 1,474,904</u>	<u>\$ 1,498,111</u>

Note 11. Reclassifications

Certain reclassifications of prior year amounts have been made to conform to the current year presentation. Specifically, Cost of direct benefits to donors was moved to a separate line item, Special events, on the statement of functional expenses and added as a line item on the Statement of Activities Revenue section. Such reclassifications did not change total assets, liabilities or changes in net assets as reflected in the 2021 financial statements.

Note 12. Subsequent Events

The Organization's management has evaluated events after June 30, 2022, through November 15, 2022, which is the date the financial statements were available to be issued. There were no material subsequent events as of that date which would require disclosure in or adjustment to these financial statements.