
SAMARITAN MINISTRIES

Financial Statements
Years Ended June 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Samaritan Ministries
Winston-Salem, North Carolina

Opinion

We have audited the accompanying financial statements of Samaritan Ministries. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024 and 2023 and the related statements of activities, functional expenses, and cash flows 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 Samaritan Ministries as of June 30, 2024 and 2023, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Samaritan Ministries 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 Samaritan Ministries' 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 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 Samaritan Ministries' 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 Samaritan Ministries' 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.

Gray, Callison & Jones, CPA, PC

Winston-Salem, NC
October 11, 2024

SAMARITAN MINISTRIES
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	2024	2023
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 954,066	\$ 1,193,322
Restricted cash and cash equivalents - NCHFA	74,660	65,439
Accounts receivable	4,427	9,846
Refundable sales tax	8,797	5,233
Prepaid expenses	4,622	21,676
TOTAL CURRENT ASSETS	1,046,572	1,295,516
NONCURRENT ASSETS		
Property and equipment, net	2,673,385	2,766,475
Investments	3,470,428	2,534,656
Beneficial interest in assets held by others	917,574	749,520
TOTAL NONCURRENT ASSETS	7,061,387	6,050,651
TOTAL ASSETS	\$ 8,107,959	\$ 7,346,167
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 24,541	\$ 2,632
Accrued payroll and pension	43,948	35,036
Deferred revenue	10,500	9,000
TOTAL CURRENT LIABILITIES	78,989	46,668
NON-CURRENT LIABILITIES		
Notes payable	845,722	845,722
TOTAL LIABILITIES	924,711	892,390
NET ASSETS		
Without donor restrictions:		
Net assets invested in property and equipment	1,827,663	1,920,753
Undesignated	4,704,526	4,023,052
With donor restrictions	651,059	509,972
TOTAL LIABILITIES AND NET ASSETS	\$ 8,107,959	\$ 7,346,167

See Independent Auditors' Report and Notes to the Financial Statements.

SAMARITAN MINISTRIES
STATEMENTS OF ACTIVITY
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	NET ASSETS WITHOUT DONOR RESTRICTIONS					
SUPPORT AND REVENUE						
Churches and individuals	\$ 969,824	\$ -	\$ 969,824	\$ 905,716	\$ -	\$ 905,716
Government grants	99,534	-	99,534	270,082	-	270,082
Businesses, foundations and other	305,788	-	305,788	310,966	-	310,966
Estate bequests	293,376	-	293,376	409,177	-	409,177
Fundraisers	395,227	-	395,227	378,967	-	378,967
Interest income	36,048	-	36,048	13,348	-	13,348
Myrtie Davis Endowment	-	100,685	100,685	-	-	-
Kurosky Cornerstone endowment	-	2,000	2,000	-	78,140	78,140
	<u>2,099,797</u>	<u>102,685</u>	<u>2,202,482</u>	<u>2,288,256</u>	<u>78,140</u>	<u>2,366,396</u>
Net assets released from restrictions	<u>9,916</u>	<u>(9,916)</u>	<u>-</u>	<u>5,720</u>	<u>(5,720)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>2,109,713</u>	<u>92,769</u>	<u>2,202,482</u>	<u>2,293,976</u>	<u>72,420</u>	<u>2,366,396</u>
EXPENSES						
Program:						
Shelter	1,053,489	-	1,053,489	935,073	-	935,073
Soup Kitchen	471,756	-	471,756	429,705	-	429,705
Project Cornerstone	<u>103,315</u>	<u>-</u>	<u>103,315</u>	<u>103,967</u>	<u>-</u>	<u>103,967</u>
TOTAL PROGRAM EXPENSES	<u>1,628,560</u>	<u>-</u>	<u>1,628,560</u>	<u>1,468,745</u>	<u>-</u>	<u>1,468,745</u>
Supporting services:						
Management and general	37,092	-	37,092	30,778	-	30,778
Fundraising	<u>244,783</u>	<u>-</u>	<u>244,783</u>	<u>213,735</u>	<u>-</u>	<u>213,735</u>
TOTAL EXPENSES	<u>1,910,435</u>	<u>-</u>	<u>1,910,435</u>	<u>1,713,258</u>	<u>-</u>	<u>1,713,258</u>
INCOME FROM OPERATIONS	<u>199,278</u>	<u>92,769</u>	<u>292,047</u>	<u>580,718</u>	<u>72,420</u>	<u>653,138</u>
OTHER INCOME						
Investment income	<u>389,106</u>	<u>48,318</u>	<u>437,424</u>	<u>208,155</u>	<u>31,701</u>	<u>239,856</u>
TOTAL OTHER INCOME	<u>389,106</u>	<u>48,318</u>	<u>437,424</u>	<u>208,155</u>	<u>31,701</u>	<u>239,856</u>
INCREASE IN NET ASSETS	<u>588,384</u>	<u>141,087</u>	<u>729,471</u>	<u>788,873</u>	<u>104,121</u>	<u>892,994</u>
NET ASSETS AT BEGINNING OF YEAR	<u>5,943,805</u>	<u>509,972</u>	<u>6,453,777</u>	<u>5,154,932</u>	<u>405,851</u>	<u>5,560,783</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,943,805</u>	<u>\$ 651,059</u>	<u>\$ 7,183,248</u>	<u>\$ 5,943,805</u>	<u>\$ 509,972</u>	<u>\$ 6,453,777</u>

See Independent Auditors' Report and Notes to the Financial Statements.

SAMARITAN MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	<u>Program Services</u>				Management and General	Fundraising	Total
	<u>Shelter</u>	<u>Soup Kitchen</u>	<u>Project Cornerstone</u>	<u>Total Programs</u>			
Salaries, wages and benefits	\$ 723,022	\$ 321,705	\$ 86,829	\$ 1,131,556	\$ 30,534	\$ 148,363	\$ 1,310,453
Food, supplies, linen, laundry and client services	66,932	29,781	8,038	104,751	2,827	13,734	121,312
Services and professional fees	31,009	13,797	3,724	48,530	1,310	6,363	56,203
Office, printing and postage	17,567	7,816	2,110	27,493	742	3,605	31,840
Occupancy	125,370	57,578	2,068	185,016	887	887	186,790
Depreciation	85,038	39,056	-	124,094	601	601	125,296
Fundraising	-	-	-	-	-	70,296	70,296
Miscellaneous	4,551	2,023	546	7,120	191	934	8,245
	<u>\$ 1,053,489</u>	<u>\$ 471,756</u>	<u>\$ 103,315</u>	<u>\$ 1,628,560</u>	<u>\$ 37,092</u>	<u>\$ 244,783</u>	<u>\$ 1,910,435</u>

See Independent Auditors' Report and Notes to the Financial Statements.

SAMARITAN MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Program Services				Management and General	Fundraising	Total
	Shelter	Soup Kitchen	Project Cornerstone	Total Programs			
Salaries, wages and benefits	\$ 637,284	\$ 292,905	\$ 87,725	\$ 1,017,914	\$ 25,265	\$ 118,577	\$ 1,161,756
Food, supplies, linen, laundry and client services	64,964	29,858	8,943	103,765	2,575	12,088	118,428
Services and professional fees	21,183	9,736	2,916	33,835	840	3,942	38,617
Office, printing and postage	15,558	7,151	2,142	24,851	617	2,895	28,363
Occupancy	110,008	50,523	1,843	162,374	778	778	163,930
Depreciation	83,176	38,199	-	121,375	588	588	122,551
Fundraising	-	-	-	-	-	74,328	74,328
Miscellaneous	2,900	1,333	398	4,631	115	539	5,285
	\$ 935,073	\$ 429,705	\$ 103,967	\$ 1,468,745	\$ 30,778	\$ 213,735	\$ 1,713,258

See Independent Auditors' Report and Notes to the Financial Statements.

SAMARITAN MINISTRIES
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2024 and 2023

	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 729,471	\$ 892,994
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	125,296	122,551
Realized (gain) loss on sale of investments	(10,012)	26,391
Unrealized (gain) loss on investments	(376,411)	(170,547)
Changes in:		
Accounts receivable	5,419	13,858
Sales tax receivable	(3,564)	5
Prepaid expenses	17,054	260
Accounts payable	21,909	(11,321)
Accrued payroll and pension	8,912	5,380
Deferred income	1,500	4,500
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 519,574	 884,071
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(32,207)	(23,794)
Purchase of investments	(2,482,985)	(1,352,167)
Proceeds from sales of investments	1,868,269	222,369
Grants received from beneficial interest in assets held by others	11,194	10,822
Decrease (increase) in beneficial interest in assets held by others	(113,880)	869
 NET CASH USED BY INVESTING ACTIVITIES	 (749,609)	 (1,141,901)
 NET DECREASE IN CASH	 (230,035)	 (257,830)
 CASH, BEGINNING OF YEAR	 1,258,761	 1,516,591
 CASH, END OF YEAR	 \$ 1,028,726	 \$ 1,258,761
Cash and cash equivalents without restrictions	\$ 954,066	\$ 1,193,322
Cash and cash equivalents with restrictions	74,660	65,439
 Total cash and cash equivalents	 \$ 1,028,726	 \$ 1,258,761

See Independent Auditors' Report and Notes to the Financial Statements.

SAMARITAN MINISTRIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE A: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Samaritan Ministries (the "Organization") is a not-for-profit charitable organization established to provide physical nourishment, temporary shelter, and other basic necessities to the poor, and to increase public awareness of the needs of the poor. The Organization maintains a soup kitchen and a homeless shelter in Winston-Salem, North Carolina. The Organization is supported primarily by contributions from churches, individuals, businesses, foundations and government grants. Approximately 5% of the Organization's total support is provided by government grants for its emergency shelter and other programs. If these grants were reduced or eliminated, the Organization's finances could be materially affected.

A summary of Samaritan Ministries' significant accounting policies are as follows:

Financial Statement Presentation

The Organization reports financial information regarding its financial position and activities according to the following two classes of net assets:

Net assets without donor restrictions are not restricted by donors, or the donor-imposed restrictions have expired

Net assets with donor restrictions contain donor-imposed restrictions as follows:

- Contain donor-imposed restrictions that permit the Organization to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Organization.
- Contain donor-imposed restrictions that stipulate the resources be maintained permanently, but permit the Organization to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Revenue Recognition

In May, 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services. The AUS replaced most existing revenue recognition guidance in the U.S. generally accepted accounting principles when it became effective for the Organization on July 1, 2021.

The adoption of this standard did not have a material effect on the Organization's financial position and results from operations for the years ended June 30, 2024 and 2023.

SAMARITAN MINISTRIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE A: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Organization considers all cash investments with a purchased maturity of three months or less to be cash equivalents.

Investments

Investments consist of publicly traded marketable securities and two agency endowment funds administered by the Winston-Salem Foundation. The Organization carries investments with readily determinable fair values at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Investment securities, in general, are subject to various risks such as interest rate, credit and overall market volatility. It is reasonably possible that changes in the value of investments will occur in the near term which could materially affect the amounts reported in the financial statements. The Organization attempts to limit risk through diversification of its investments.

Grants Receivable

Grants receivable, consisting of amounts due from government and other non-government organizations and reimbursements under grant contracts, are considered by management to be fully collectible.

Property and Equipment

The Organization capitalizes expenditures for property and equipment greater than \$500. Property and equipment are recorded at cost if purchased or, if donated, at the estimated fair value on the date of donation. Such donations are reported as support 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 support 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 as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets.

Functional Allocation of Expenses

The costs of providing programs have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of personnel resources devoted to the functional activities of the Organization. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

SAMARITAN MINISTRIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE A: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The programs of the Organization include:

Soup Kitchen provides anyone in need with free, nutritionally-balanced lunches, seven days a week.

Shelter provides homeless men with a safe, supportive environment to rest 24 hours a day, seven days and nights a week.

Project Cornerstone provides a long-term recovery program for homeless men.

Concentrations of Credit Risk

The Organization has concentrated its credit risk for cash by maintaining certain deposits in First Horizon Bank. At June 30, 2024, the excess of deposit liabilities reported by First Horizon Bank over the amounts that would have been covered by federal deposit insurance totaled \$762,452. The federal deposit insurance coverage is \$250,000 per institution.

Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with its programs, solicitations, and various committee assignments.

Income Taxes

Samaritan Ministries is an exempt organization under Section 501(c)(3) of the United States Internal Revenue Code. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they were filed.

NOTE B – CASH AND CASH EQUIVALENTS

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash or cash equivalents. At June 30, 2023, the Organization had bank deposits which exceeded federally-insured limits by \$762,452.

The NCHFA savings account is restricted as a replacement reserve based on square footage of the facility with a 4% increase each year to assure the availability of funds for extraordinary repairs and replacement of capital equipment and structural systems used at Samaritan Ministries' shelter.

SAMARITAN MINISTRIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE C – INVESTMENTS AND BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Investments and beneficial interest in assets held by others are stated at fair value and consist of the following at June 30:

	2024	2023
Cost of securities	\$ 4,055,001	\$ 3,211,327
Unrealized gain	333,001	72,849
Fair value	\$ 4,388,002	\$ 3,284,176

The fair value is stated on the balance sheet as follows for the years ending June 30:

	2024	2023
Investments	\$ 3,470,428	\$ 2,534,656
Beneficial interest in assets held by others	917,574	749,520
Fair value	\$ 4,388,002	\$ 3,284,176

Investment return is summarized as follows:

	2024		
	Not Donor Restricted	Donor Restricted	Total
INVESTMENTS			
Investment income	\$ 95,836	\$ -	\$ 95,836
Investment fees	(23,496)	-	(23,496)
Realized gains	10,012	-	10,012
Net unrealized gains	247,284	-	247,284
	\$ 329,636	\$ -	\$ 329,636
 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS			
Investment income	\$ 7,606	\$ 12,927	\$ 20,533
Investment fees	(2,865)	(4,864)	(7,729)
Net unrealized gains	23,504	40,255	63,759
	\$ 28,245	\$ 48,318	\$ 76,563
 COMBINED			
Investment income	\$ 103,442	\$ 12,927	\$ 116,369
Investment fees	(26,361)	(4,864)	(31,225)
Realized losses	10,012	-	10,012
Net unrealized gains	270,788	40,255	311,043
	\$ 357,881	\$ 48,318	\$ 406,199

SAMARITAN MINISTRIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE C – INVESTMENTS AND BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (CONTINUED)

	2023		
	Not Donor Restricted	Donor Restricted	Total
INVESTMENTS			
Investment income	\$ 66,588	\$ -	\$ 66,588
Investment fees	(14,305)	-	(14,305)
Realized losses	(26,391)	-	(26,391)
Net unrealized gains	141,182	-	141,182
	<u>\$ 167,074</u>	<u>\$ -</u>	<u>\$ 167,074</u>
BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS			
Investment income	\$ 11,277	\$ 17,835	\$ 29,112
Investment fees	(2,687)	(4,103)	(6,790)
Net unrealized gains	11,396	17,969	29,365
	<u>\$ 19,986</u>	<u>\$ 31,701</u>	<u>\$ 51,687</u>
COMBINED			
Investment income	\$ 77,865	\$ 17,835	\$ 95,700
Investment fees	(16,992)	(4,103)	(21,095)
Realized gains	(26,391)	-	(26,391)
Net unrealized losses	152,578	17,969	170,547
	<u>\$ 187,060</u>	<u>\$ 31,701</u>	<u>\$ 218,761</u>

NOTE D – FAIR VALUE MEASUREMENTS

The Organization’s investments, reported at fair value, have been categorized based upon a fair value hierarchy as described below.

FASB ASC 820, Fair Value Measurements and Disclosures, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

The fair value of financial assets and liabilities is measured according to the Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification. Fair value is required to be evaluated and adjusted according to the following valuation techniques.

Level 1 – Fair value is determined using quoted market prices in active markets for identical assets and liabilities.

Level 2 – Fair value is determined using quoted market prices in active markets for similar assets and liabilities.

Level 3 – Fair value is determined using unobservable market prices in a market that is typically inactive.

SAMARITAN MINISTRIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE D – FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value assets measured on a recurring basis at June 30, 2024 were as follows:

	Fair Value	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
INVESTMENTS				
Stocks	\$ 7,966	\$ 7,966	\$ -	\$ -
Exchange traded funds	2,858,251	2,858,251	-	-
Mutual funds	604,211	604,211	-	-
Beneficial interest in assets held by others	917,574	-	-	917,574
	<u>\$ 4,388,002</u>	<u>\$ 3,470,428</u>	<u>\$ -</u>	<u>\$ 917,574</u>

Fair value assets measured on a recurring basis at June 30, 2023 were as follows:

	Fair Value	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
INVESTMENTS				
Stocks	\$ 15,379	\$ 15,379	\$ -	\$ -
Exchange traded funds	1,277,696	1,277,696	-	-
Mutual funds	424,650	424,650	-	-
US Treasury Bills	816,931	816,931	-	-
Beneficial interest in assets held by others	749,520	-	-	749,520
	<u>\$ 3,284,176</u>	<u>\$ 2,534,656</u>	<u>\$ -</u>	<u>\$ 749,520</u>

The following table sets forth a summary of the changes in the fair value of the Organization's Level 3 assets for the years ended June 30, 2024 and 2023:

	2024	2023
Beneficial Interest in Assets Held by Others		
Balance, beginning of year	\$ 749,520	\$ 630,515
Contributions	102,685	78,140
Investment return earned by trustee	84,292	58,477
Distribution to Organization	(11,194)	(10,822)
Administrative fee	(7,729)	(6,790)
	<u>\$ 917,574</u>	<u>\$ 749,520</u>

SAMARITAN MINISTRIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	2024	2023
Land	\$ 101,459	\$ 101,459
Building	3,292,279	3,279,320
Office furniture and equipment	570,495	569,830
Automobile	24,315	24,315
	3,988,548	3,974,924
Accumulated depreciation	(1,315,163)	(1,208,449)
	\$ 2,673,385	\$ 2,766,475

Depreciation expense for the periods ended June 30, 2024 and 2023, were \$125,296 and \$122,551, respectively.

NOTE F – LIQUIDITY

The Organization regularly monitors liquidity to meet operating needs and general expenditures within one year. The Organization has various sources of liquid resources at its disposal, which includes cash and cash equivalents and investments.

The Organization's financial assets available within one year of the date of the statement of assets, liabilities, and net assets for general expenditures are as follows for the year ended June 30:

	2024	2023
Total assets at year end	\$ 8,107,959	\$ 7,346,167
Less:		
Prepaid expenses	(4,622)	(21,676)
Property and equipment, net	(2,673,385)	(2,766,475)
Donor restricted net assets	(651,059)	(509,972)
Financial assets available at year end for general expenditures	\$ 4,778,893	\$ 4,048,044

NOTE G – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Winston-Salem Foundation holds and manages funds under an unrestricted trust agreement for the benefit of the Organization. The transfer is reflected as a beneficial interest in assets held by others. The Foundation provides the Organization, in December of each year, the amount of income that will be available based upon the spending policy. If the Organization does not use the entire amount, the remaining balance shall be reinvested as principal. The principal of this trust may not be granted, loaned or distributed except pursuant to the provisions of the Master Trust of the Foundation; provided, however, that upon written request by the Organization, any part of the principal may be distributed to the Organization. Investment policies for the fund are determined by the Foundation.

The Winston-Salem Foundation also manages funds under a restricted trust agreement for the Organization's benefit. The Kurosky Cornerstone Endowment is a permanent fund, with income used to support Project Cornerstone, a long-term care recovery program for former substance abusers. If Project Cornerstone ceases or if the income is needed for other programs or operations, the Board of Directors may allocate the income. The principal is maintained in perpetuity and cannot be distributed except under the Master Trust provisions.

The Myrtie Davis Endowment is also a permanent fund, with income supporting general operations of the Organization. The principal is maintained in perpetuity and may only be distributed with approval from The Winston-Salem Foundation Committee.

SAMARITAN MINISTRIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes and periods as of June 30:

	2024	2023
Kurosky Cornerstone Endowment – Principal maintained in perpetuity; investment income supports Cornerstone Project	\$ 518,772	\$ 468,518
Myrtie Davis Endowment – Principal maintained in perpetuity; investment income supports general operations	100,749	-
Donor-restricted grant for certain capital improvements	31,538	41,454
Total net assets with donor restrictions	\$ 651,059	\$ 509,972

NOTE I: CONTINGENCIES

Certain grantors reserve the right to review expenditures and request refunds of amounts determined to be disallowed under the grant agreement. These financial statements do not reflect a liability for amounts which may be determined to be refundable, as such amounts, if any, are not readily determinable.

NOTE J: PENSION PLAN

Effective March 1, 2010, the Organization adopted a 403(b) plan to provide retirement benefits to its employees. Under the 403(b) plan, qualified employees may contribute a percentage of their salaries up to \$17,000. In addition, the Organization may make discretionary contributions. Pension expense totaled \$36,137 and \$33,871 for the years ended June 30, 2024 and 2023, respectively.

NOTE K: INTEREST FREE DEFERRED LOANS

During the year ended June 30, 2015, the Organization obtained a non-amortizing, deferred, interest-free loan from the City of Winston-Salem for \$249,000 for use in the construction of its new facility. At the end of the twenty-year term, the loan will be forgiven as long as the Organization maintains its ministry and non-profit status. The loan is secured by a deed of trust on the Organization’s property

In November of 2015, \$596,722 was received from another government agency in the form of a non-amortizing deferred, interest-free loan. The proceeds of this loan were used to pay off bank lines of credit obtained for the construction of the current operations facility. This loan has a term of thirty years at which time the unpaid principal shall be due in one balloon payment. The loan is secured by a deed of trust on the Organization’s property.

As of June 30, 2024 and 2023, the Organization had an outstanding balance of \$845,722 in notes payable.

NOTE L: SUBSEQUENT EVENTS

Management assessed possible subsequent events as October 11, 2024, which was the date these financial statements were available for issuance.