



**Samaritan Inn, Inc. and Affiliate**

**Combined Financial Statements  
September 30, 2021**

# Samaritan Inn, Inc. and Affiliate

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## **Independent Auditors' Report**

To the Board of Directors of  
Samaritan Inn, Inc. and Affiliate

We have audited the accompanying combined financial statements of Samaritan Inn, Inc. and Affiliate (a nonprofit organization), which comprise the combined statement of financial position as of September 30, 2021, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

### ***Management's Responsibility for the Combined Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Samaritan Inn, Inc. and Affiliate as of September 30, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Sutton Frost Lang".

A Limited Liability Partnership

Arlington, Texas  
March 24, 2022

**Samaritan Inn, Inc. and Affiliate**  
**Combined Statement of Financial Position**  
**September 30, 2021**

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**Assets**

**Current assets:**

Cash and cash equivalents	\$ 1,170,785
Pledges receivable, net	5,000
Accounts receivable	38,642
Grants receivable	6,956
Prepaid expenses	28,184
Gift cards for residential use	18,612
Investments	3,534,472

<b>Total current assets</b>	4,802,651
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Property and equipment, net	10,507,304
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<b>Total assets</b>	\$ 15,309,955
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**Liabilities and Net Assets**

**Current liabilities:**

Accounts payable	\$ 40,238
Accrued liabilities	191,887
Current maturities of notes payable	117,032
Deferred revenue	4,424
Other current liabilities	10,324

<b>Total current liabilities</b>	363,905
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Notes payable, less current maturities	394,468
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<b>Total liabilities</b>	758,373
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**Net assets:**

Without donor restrictions	14,388,536
With donor restrictions	163,046

<b>Total net assets</b>	14,551,582
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<b>Total liabilities and net assets</b>	\$ 15,309,955
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**Samaritan Inn, Inc. and Affiliate**  
**Combined Statement of Activities**  
**Year Ended September 30, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and revenue:</b>			
Contributions	\$ 3,308,806	\$ 56,956	\$ 3,365,762
In-kind donations	3,480,751	-	3,480,751
Thrift store sales	580,715	-	580,715
Investment income, net	691,131	-	691,131
Rent and utilities	121,296	-	121,296
Other income	24,572	-	24,572
Net assets released from restrictions	<u>187,715</u>	<u>(187,715)</u>	<u>-</u>
<b>Total support and revenue</b>	<b>8,394,986</b>	<b>(130,759)</b>	<b>8,264,227</b>
<b>Expenses:</b>			
Program	6,155,503	-	6,155,503
General and management	645,363	-	645,363
Fundraising	<u>496,846</u>	<u>-</u>	<u>496,846</u>
<b>Total expenses</b>	<u>7,297,712</u>	<u>-</u>	<u>7,297,712</u>
<b>Change in net assets from operations</b>	<b>1,097,274</b>	<b>(130,759)</b>	<b>966,515</b>
<b>Non-operating activity:</b>			
Gain on forgiveness of Paycheck Protection Program loan	399,600	-	399,600
Proceeds from disposal of property and equipment	<u>276,103</u>	<u>-</u>	<u>276,103</u>
<b>Total non-operating gains</b>	<u>675,703</u>	<u>-</u>	<u>675,703</u>
<b>Change in net assets</b>	<b>1,772,977</b>	<b>(130,759)</b>	<b>1,642,218</b>
<b>Net assets at beginning of year</b>	<u>12,615,559</u>	<u>293,805</u>	<u>12,909,364</u>
<b>Net assets at end of year</b>	<u>\$ 14,388,536</u>	<u>\$ 163,046</u>	<u>\$ 14,551,582</u>

See notes to combined financial statements.

**Samaritan Inn, Inc. and Affiliate**  
**Combined Statement of Functional Expenses**  
**Year Ended September 30, 2021**

	Program				Support			Total
	Shelter	North Texas Gateway Apartments	Thrift Store	Total Program Services	General and Management	Fundraising		
Salaries and wages	\$ 1,183,102	\$ 114,799	\$ 235,000	\$ 1,532,901	\$ 334,492	\$ 383,563	\$ 2,250,956	
Employee benefits	134,661	13,066	26,748	174,475	38,072	43,657	256,204	
Individual and family assistance	84,364	-	-	84,364	-	-	84,364	
Insurance	71,425	31,614	8,196	111,235	4,684	1,171	117,090	
Professional fees and contract labor	840	395	-	1,235	225,169	10,500	236,904	
Occupancy and utilities	176,121	77,955	20,211	274,287	11,549	2,887	288,723	
Office expenses and supplies	15,558	6,886	1,785	24,229	1,019	255	25,503	
Program transportation	20,995	-	-	20,995	-	-	20,995	
Computer hosting	41,192	3,196	6,223	50,611	4,713	10,040	65,364	
Bank and merchant fees	27	1,779	11,294	13,100	3,783	16,997	33,880	
Apartment maintenance and repairs	-	47,802	-	47,802	-	-	47,802	
Donated professional services	74,127	-	-	74,127	228	-	74,355	
Donated food and shelter supplies	3,244,766	-	-	3,244,766	-	-	3,244,766	
Miscellaneous and other expenses	19,529	1,895	3,879	25,303	5,521	6,331	37,155	
Depreciation	246,024	108,896	28,232	383,152	16,133	4,033	403,318	
Interest	92,921	-	-	92,921	-	-	92,921	
Event activities and production	-	-	-	-	-	17,412	17,412	
<b>Total expenses by function</b>	<b>\$ 5,405,652</b>	<b>\$ 408,283</b>	<b>\$ 341,568</b>	<b>\$ 6,155,503</b>	<b>\$ 645,363</b>	<b>\$ 496,846</b>	<b>\$ 7,297,712</b>	

See notes to combined financial statements.

**Samaritan Inn, Inc. and Affiliate**  
**Combined Statement of Cash Flows**  
**Year Ended September 30, 2021**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 1,642,218
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	403,318
Allowance for doubtful accounts	5,000
Donation of property and equipment	(12,500)
Donation of investments	(71,556)
Unrealized gains on investments	(561,079)
Gain on forgiveness of Paycheck Protection Program loan	(399,600)
Proceeds from disposal of property and equipment	(276,103)
Changes in assets and liabilities:	
Pledges receivable	17,738
Accounts receivable	(36,922)
Grants receivable	64,300
Prepaid expenses	42,774
Gift cards for residential use	2,891
Accounts payable	(16,440)
Accrued liabilities	24,819
Deferred revenue	(77,639)
Other current liabilities	(476)
	<hr/>
<b>Net cash provided by operating activities</b>	<b>750,743</b>
<b>Cash flows from investing activities:</b>	
Purchases of investments	(410,656)
Proceeds from sales of investments	1,822,390
Purchases of property and equipment	(9,001)
Proceeds from disposal of property and equipment	276,103
	<hr/>
<b>Net cash provided by investing activities</b>	<b>1,678,836</b>
<b>Cash flows from financing activities:</b>	
Proceeds from notes payable	3,020,598
Payments on notes payable	(5,677,861)
	<hr/>
<b>Net cash used by financing activities</b>	<b>(2,657,263)</b>
	<hr/>
<b>Net change in cash and cash equivalents</b>	<b>(227,684)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,398,469</b>
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<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,170,785</b>
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<b>Supplemental disclosure of cash flow information:</b>	
Cash paid for interest	\$ 92,921
	<hr/> <hr/>
<b>Supplemental schedule of noncash investing and financing activities:</b>	
Donation of property and equipment	\$ 12,500
	<hr/> <hr/>
Donation of investments	\$ 71,556
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Forgiveness of Paycheck Protection Program loan	\$ 399,600
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# **Samaritan Inn, Inc. and Affiliate**

## **Notes to Combined Financial Statements**

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### **1. Organization**

Samaritan Inn, Inc. (Samaritan Inn) is located in McKinney, Texas and is a nonprofit organization that is classified by the Internal Revenue Service (IRS) as tax-exempt under Section 501(c)(3) of the Internal Revenue Code (Code). Samaritan Inn was chartered on July 23, 1984 to provide transitional refuge for individuals and families experiencing homelessness. These people, who are in a crisis, are primarily from Collin and Dallas counties, desire self-sufficiency and require temporary shelter.

The Samaritan Inn Foundation Inc. (Foundation) is a nonprofit organization that is classified by the IRS as tax-exempt under Section 501(c)(3) of the Code and was established to provide resources for Samaritan Inn.

The North Texas Gateway Apartments was officially opened on May 1, 2008 to graduates of Samaritan Inn. The apartments were established to allow formerly homeless people reduced-rent housing while they transition into mainstream housing. The North Texas Gateway Apartments are part of the operations of Samaritan Inn and reported as a separate program in the accompanying combined financial statements.

The board of directors for Samaritan Inn and the Foundation are under common control.

Samaritan Inn and the Foundation are collectively referred to herein as the Organization. The Organization is supported primarily by contributions from individuals, corporations, granting agencies, local churches, service clubs, newsletter recipients, donated goods and services, and fundraising events. Major revenue sources include rents collected from the operation of the North Texas Gateway Apartments and sales of recycled clothing and house wares in a thrift store.

### **2. Summary of Significant Accounting Policies**

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America (GAAP). The more significant accounting policies of the Organization are described below.

#### ***Combined Financial Statements***

In accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-810 Not-for-Profit Entities/Consolidations, the financial statements of Samaritan Inn and the Foundation have been combined and all inter-organization transactions and accounts have been eliminated.

## **Samaritan Inn, Inc. and Affiliate**

### **Notes to Combined Financial Statements**

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#### ***Basis of Accounting and Combined Financial Statement Presentation***

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Net assets without donor restrictions* - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

*Net assets with donor restrictions* - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy. As of September 30, 2021, no such net asset restrictions existed.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions with donor-imposed restrictions that are met in the same year as the contributions were received are reported as net assets without donor restrictions. Donor restrictions on contributions of property and equipment or contributions restricted for the purchase or construction of property expire when the assets are placed in service unless the donor stipulated otherwise.

#### ***Financial Instruments and Credit Risk Concentrations***

Financial instruments, which are potentially subject to concentrations of credit risk, consist principally of cash and cash equivalents, pledges receivable, accounts receivable, grants receivable and investments in marketable securities. Cash and cash equivalents are placed with high credit quality financial institutions to minimize risk. The cash balances maintained by the Organization at times may exceed federally insured limits. The Organization has not incurred any losses in these accounts and does not believe that they are exposed to any significant credit risk on cash and cash equivalents. At September 30, 2021, the Organization had uninsured bank balances totaling \$608,586.

## **Samaritan Inn, Inc. and Affiliate**

### **Notes to Combined Financial Statements**

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Pledges and grants receivable are unsecured and are due from donors, other nonprofit organizations, and government entities. Accounts receivable are unsecured and are primarily due from tenants in the North Texas Gateway Apartments. The Organization continually evaluates the collectability of pledges, accounts and grants receivable and maintains allowances for potential losses, if considered necessary. No allowance has been recorded for accounts or grants receivable as of September 30, 2021. The Organization has an allowance of \$5,000 for pledges receivable as of September 30, 2021. Marketable securities are subject to various risks, such as interest rate, credit and overall market volatility risks.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash and highly liquid investments with a maturity of three months or less when purchased. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents for purposes of the combined statement of cash flows. The Organization classifies cash and money market accounts held by external investment managers as investments as these funds are not readily available for operations.

#### ***Inventory***

The Samaritan Inn's inventory consists of purchased and donated perishable and non-perishable food items, toiletries, linens and other supplies required for the operation of a homeless shelter and recycled clothing and house wares obtained through charitable donations. These items are distributed to clients free of charge or are sold at bargain prices. Samaritan Inn's inventory balance at September 30, 2021 is immaterial and not recorded on the combined statement of financial position. Due to the nature of the recycled clothing and house wares donated inventory, the value is uncertain and, therefore, is not recognized in the combined financial statements until sold.

#### ***Investments***

At September 30, 2021, the Organization's investments in marketable securities consist of money market funds, mutual funds, exchange traded funds and cash equivalents and are stated at fair value in the combined statement of financial position. Interest, dividends and realized and unrealized gains and losses are reported in the combined statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

## **Samaritan Inn, Inc. and Affiliate**

### **Notes to Combined Financial Statements**

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#### ***Property and Equipment***

Property and equipment purchased by the Organization are recorded at cost or if acquired by gift, fair market value at the date of the gift. The fair value of donated fixed assets is capitalized. Depreciation is calculated using the straight-line method based upon the estimated useful lives of 10 to 30 years for buildings and improvements and 5 to 10 years for vehicles, furniture and equipment.

#### ***Impairment of Long-Lived Assets***

Management of the Organization periodically reviews the carrying value of its long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized to the extent fair value of a long-lived asset is less than the carrying amount. Fair value is determined based on the estimated future cash inflows attributable to the asset less estimated future cash outflows.

#### ***Revenue Recognition***

Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give has been received. Unconditional promises to give (pledges receivable) that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to meeting measurable performance or other barriers are reported as refundable advances.

Donated materials, food and supplies are reflected as contributions at their estimated fair values at date of receipt. The Organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Special event revenue is recognized at the time of the event. Income from rent and utilities is recognized in the period to which they relate. Thrift store revenue is recognized at the time of sale.

## **Samaritan Inn, Inc. and Affiliate**

### **Notes to Combined Financial Statements**

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#### ***Federal Income Taxes***

Samaritan Inn and the Foundation are recognized by the IRS as exempt from federal income tax under section 501(c)(3) of the Code and are not private foundations as defined in the Code. Income generated from activities unrelated to the Organization's exempt purpose is subject to tax under Code Section 511. The Organization did not have a material unrelated business income tax liability as of September 30, 2021. Therefore, no tax provision or liability has been reported in the accompanying combined financial statements. The Organization had no significant uncertain tax positions for the year ended September 30, 2021.

#### ***Allocation of Functional Expenses***

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the combined statement of activities. Costs are allocated between program services and support services based on management's judgment considering space used, time spent or direct relation to the program or support service benefited.

#### ***Estimates and Assumptions***

The preparation of combined financial statements in conformity with GAAP 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

#### ***New Accounting Pronouncements***

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification. The Organization considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Organization's financial position and changes in net assets.

In 2016, the FASB issued its leasing standard in ASU 2016-02, *Leases* for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities will depend on a lease's classification. The standard takes effect for fiscal years beginning after December 15, 2021.

## **Samaritan Inn, Inc. and Affiliate**

### **Notes to Combined Financial Statements**

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In 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Organization will be required to present contributed nonfinancial assets as separate line items in the statement of activities, apart from contributions of cash or other financial assets, and additional quantitative and qualitative disclosures will be required. The standard takes effect for annual reporting periods beginning after June 15, 2021.

The Organization is currently assessing the impact that adopting this new guidance will have on the financial statements.

### **3. Investments**

Under the Fair Value Measurements and Disclosures topic of the Codification, ASC 820, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

- |         |   |
|---------|---|
| Level 1 | Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;   |
| Level 2 | Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies;                                   |
| Level 3 | Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk. |

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

#### ***Money Market Funds and Cash Equivalents***

These investments are valued using \$1 for the net asset value (NAV).

**Samaritan Inn, Inc. and Affiliate**  
**Notes to Combined Financial Statements**

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***Mutual Funds/Exchange Traded Funds***

These investments are public investment vehicles valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities and then divided by the number of shares outstanding. The NAV is a quoted price in an active market.

Below are the Organization's financial instruments at fair value as of September 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market funds and cash equivalents	\$ 19,068	\$ -	\$ -	\$ 19,068
Exchange traded funds	797,148	-	-	797,148
Mutual funds	<u>2,718,256</u>	<u>-</u>	<u>-</u>	<u>2,718,256</u>
	<u>\$ 3,534,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,534,472</u>

Net investment income for the year ended September 30, 2021 consists of the following:

Interest and dividends	\$ 159,823
Unrealized gains on investments	561,079
Investment fees	<u>(29,771)</u>
	<u>\$ 691,131</u>

**4. Property and Equipment**

Property and equipment consist of the following at September 30, 2021:

Land and improvements	\$ 1,260,097
Buildings and improvements	11,307,201
Furniture and equipment	218,936
Vehicles	<u>139,549</u>
	12,925,783
Accumulated depreciation	<u>(2,418,479)</u>
	<u>\$ 10,507,304</u>

**Samaritan Inn, Inc. and Affiliate**  
**Notes to Combined Financial Statements**

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**5. Notes Payable**

Effective April 26, 2018, the Samaritan Inn entered into a note payable with an equipment financing company for \$36,315. The note is payable in monthly installments of \$605 including interest at a rate of 0.375% and is due on April 26, 2023. The loan is collateralized by equipment. As of September 30, 2021, \$11,500 was due under this note payable.

Effective March 20, 2019, the Samaritan Inn entered into a note payable with a bank for \$3,500,000 to refinance the loan for construction of a new shelter. On April 24, 2021, the Samaritan Inn refinanced this note payable into another note payable in the amount of \$3,020,598 with a different bank. This note is payable in monthly installments of \$17,206 including interest at a rate of 3.25% and is due on May 24, 2031. The note is collateralized by the Samaritan Inn's new shelter. As of September 30, 2021, \$500,000 was due under this note.

Maturities of long-term debt are as follows for the years ending September 30:

2022	\$ 117,032
2023	117,678
2024	116,987
2025	121,149
2026	<u>38,654</u>
	<u>\$ 511,500</u>

**6. Paycheck Protection Program Loan**

On April 29, 2020, the Organization entered into an unsecured loan (PPP Loan) in the aggregate amount of \$399,600 with a bank pursuant to the Paycheck Protection Program, which is sponsored by the Small Business Administration and is part of the Coronavirus Aid, Relief and Economic Security Act, as amended by the Paycheck Protection Program Flexibility Act of 2020. On April 5, 2021, the Organization received forgiveness of the entire amount of the PPP Loan. Accordingly, the benefit of the debt forgiveness is reported as gain on forgiveness in the accompanying combined statement of activities.



**Samaritan Inn, Inc. and Affiliate**  
**Notes to Combined Financial Statements**

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**7. Net Assets with Donor Restrictions**

As of September 30, 2021, net assets with donor restrictions consist of amounts restricted for the following:

Time restricted	\$	16,956
Camps and activities for children		81,090
Workforce development		50,000
Shelter facility construction		15,000
		<u>15,000</u>
	<u>\$</u>	<u>163,046</u>

**8. Leases**

The Organization leases equipment under the terms of operating lease agreements expiring at various times through 2025. Future minimum lease payments under these lease agreements are as follows for the years ending September 30:

2022	\$	10,207
2023		10,207
2024		8,927
2025		5,087

Expenses related to these agreements totaled \$26,737 for the year ended September 30, 2021.

**9. In-Kind Contributions**

The Organization received the following in-kind donations during the year ended September 30, 2021:

Food and shelter supplies utilized by Samaritan Inn	\$	1,386,927
Food and shelter supplies granted to other organizations		1,857,840
Investments		71,556
Professional services		74,355
Apartment maintenance and repairs		47,802
Property and equipment		12,500
Investment fees		29,771
		<u>29,771</u>
	<u>\$</u>	<u>3,480,751</u>

The estimated fair market value of these donations is reflected as in-kind donations in the accompanying combined statement of activities.

## **Samaritan Inn, Inc. and Affiliate**

### **Notes to Combined Financial Statements**

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The organization networks with North Texas Food Bank to receive large shipments of in-kind food and shelter supplies. The value of the in-kind food and shelter supplies is calculated using the weight of each donation. The total in-kind food and shelter supplies above is separated by the amount utilized by the organization versus the amount donated to other shelters.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations and various committee assignments. No amounts have been reflected for these types of donated services as they do not meet the criteria for recognition.

#### **10. Rent and Utilities Revenue**

The Organization owns the North Texas Gateway Apartments that provide housing for a certain number of its clients in transitional housing. Tenants in the North Texas Gateway Apartments are responsible for rent payments that equal 30% of the tenant's income and utilities payments, and tenants may stay in the apartment for a maximum of 18 months from the move-in date. Tenants are evaluated every 6 months to ensure they are in compliance with program requirements. Rental revenue for the year ended September 30, 2021 totaled \$91,818. Utilities revenue for the year ended September 30, 2021 totaled \$29,478.

#### **11. Related Party Transactions**

During the year ended September 30, 2021, the Organization received donations from board members and related companies totaling \$271,735.

#### **12. Insurance Settlement**

During the year ended September 30, 2021, the Organization settled a dispute related to an insurance roof claim. The details of that settlement are protected by mutual agreement. Legal and other expenses were also incurred during the settlement and were netted against the proceeds received from the insurance company.

**Samaritan Inn, Inc. and Affiliate**  
**Notes to Combined Financial Statements**

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### **13. Liquidity and Availability of Resources**

The Organization's financial assets available within one year of the combined statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 1,170,785
Pledges receivable, net	5,000
Accounts receivable	38,642
Grants receivable	6,956
Investments	<u>3,534,472</u>
Total financial assets	4,755,855
Less amounts not available for general expenditures within one year:	
Donor restricted for camps and activities for children	81,090
Donor restricted for workforce development	50,000
Donor restricted for shelter facility construction	<u>15,000</u>
Total financial assets not available for general expenditures within one year	<u>146,090</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 4,609,765</u></u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To achieve this, the Organization forecasts its future cash flows and monitors its liquidity monthly. In addition, the Organization invests cash in excess of daily requirements in short-term investments. During the year ended September 30, 2021, the level of liquidity was managed within the Organization's expectations.

### **14. Subsequent Events**

The Organization evaluated subsequent events after the combined statement of financial position date through the date the combined financial statements were available to be issued, and concluded that no additional disclosures are required.