



**Samaritan Inn, Inc. and Affiliates**

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**Combined Financial Statements  
September 30, 2017**

# Samaritan Inn, Inc. and Affiliates

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## **Independent Auditors' Report**

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

We have audited the accompanying combined financial statements of Samaritan Inn, Inc. and Affiliates (collectively, the Organization) (nonprofit organizations), which comprise the combined statement of financial position as of September 30, 2017, 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 U.S. generally accepted accounting principles; 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 U.S. generally accepted auditing standards. 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 Affiliates as of September 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

A handwritten signature in black ink that reads "Sutton Frost Cary". The signature is written in a cursive, flowing style.

A Limited Liability Partnership

Arlington, Texas  
January 23, 2018

**Samaritan Inn, Inc. and Affiliates**  
**Combined Statement of Financial Position**  
**September 30, 2017**

	<b>Samaritan Inn and Samaritan Inn Foundation</b>	<b>Thrift Store</b>	<b>Combined Total</b>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 930,372	\$ 166,996	\$ 1,097,368
Pledges receivable	209,000	-	209,000
Accounts receivable	12,226	5,047	17,273
Grants receivable	53,339	-	53,339
Prepaid expenses	73,919	-	73,919
Gift cards for program use	43,585	-	43,585
<b>Total current assets</b>	<b>1,322,441</b>	<b>172,043</b>	<b>1,494,484</b>
<b>Noncurrent assets:</b>			
Investments	5,104,744	-	5,104,744
Property and equipment, net	8,690,568	516,423	9,206,991
<b>Total noncurrent assets</b>	<b>13,795,312</b>	<b>516,423</b>	<b>14,311,735</b>
<b>Total assets</b>	<b>\$ 15,117,753</b>	<b>\$ 688,466</b>	<b>\$ 15,806,219</b>
<b>Liabilities and Net Assets</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 33,911	\$ 551	\$ 34,462
Accrued liabilities	402,365	10,828	413,193
Note payable	2,281,667	-	2,281,667
Other current liabilities	9,600	-	9,600
<b>Total current liabilities</b>	<b>2,727,543</b>	<b>11,379</b>	<b>2,738,922</b>
<b>Net assets:</b>			
Unrestricted	12,060,204	677,087	12,737,291
Temporarily restricted	330,006	-	330,006
<b>Total net assets</b>	<b>12,390,210</b>	<b>677,087</b>	<b>13,067,297</b>
<b>Total liabilities and net assets</b>	<b>\$ 15,117,753</b>	<b>\$ 688,466</b>	<b>\$ 15,806,219</b>

See notes to combined financial statements.

**Samaritan Inn, Inc. and Affiliates**  
**Combined Statement of Activities**  
**Year Ended September 30, 2017**

	Samaritan Inn and Samaritan Inn Foundation			Thrift Store	
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Combined Total
<b>Support and revenue:</b>					
Contributions	\$ 1,673,955	\$ 391,576	\$ 2,065,531	\$ -	\$ 2,065,531
Special events, net of direct donor benefits of \$238,667	827,837	-	827,837	-	827,837
In-kind donations	973,467	-	973,467	-	973,467
Thrift Store sales	-	-	-	520,035	520,035
Interest and dividends	155,290	-	155,290	-	155,290
Realized/unrealized gains on investments	137,832	-	137,832	-	137,832
Rent and utilities	129,901	-	129,901	-	129,901
Other income	9,579	-	9,579	-	9,579
Net assets released from restrictions	2,188,839	(2,188,839)	-	-	-
<b>Total support and revenue</b>	<b>6,096,700</b>	<b>(1,797,263)</b>	<b>4,299,437</b>	<b>520,035</b>	<b>4,819,472</b>
<b>Expenses:</b>					
Program	3,039,327	-	3,039,327	393,007	3,432,334
General and management	472,521	-	472,521	-	472,521
Fundraising	345,239	-	345,239	-	345,239
<b>Total expenses</b>	<b>3,857,087</b>	<b>-</b>	<b>3,857,087</b>	<b>393,007</b>	<b>4,250,094</b>
<b>Net operating income (loss)</b>	<b>2,239,613</b>	<b>(1,797,263)</b>	<b>442,350</b>	<b>127,028</b>	<b>569,378</b>
<b>Other income and expense:</b>					
Loss on involuntary conversion	(49,093)	-	(49,093)	-	(49,093)
Interorganizational transfers	44,414	-	44,414	(44,414)	-
<b>Net other income and expense</b>	<b>(4,679)</b>	<b>-</b>	<b>(4,679)</b>	<b>(44,414)</b>	<b>(49,093)</b>
<b>Change in net assets</b>	<b>2,234,934</b>	<b>(1,797,263)</b>	<b>437,671</b>	<b>82,614</b>	<b>520,285</b>
<b>Net assets at beginning of year</b>	<b>9,825,270</b>	<b>2,127,269</b>	<b>11,952,539</b>	<b>594,473</b>	<b>12,547,012</b>
<b>Net assets at end of year</b>	<b>\$ 12,060,204</b>	<b>\$ 330,006</b>	<b>\$ 12,390,210</b>	<b>\$ 677,087</b>	<b>\$ 13,067,297</b>

See notes to combined financial statements.

**Samaritan Inn, Inc. and Affiliates**  
**Combined Statement of Functional Expenses**  
**Year Ended September 30, 2017**

	Program				Support			Combined total
	Shelter	North Texas Gateway Apartments		Thrift Store	Total	General and Fundraising Management		
		Total	Total			Total	Total	
Salaries and wages	\$ 1,209,659	\$ 73,313	\$ 274,922	\$ 1,557,894	\$ 164,953	\$ 109,969	\$ 1,832,816	
Employee benefits	176,316	10,686	40,072	227,074	24,043	16,029	267,146	
Individual and family assistance	122,587	-	-	122,587	-	-	122,587	
Insurance	26,147	19,610	4,902	50,659	2,724	1,089	54,472	
Professional fees and contract labor	30,000	-	-	30,000	131,723	32,524	194,247	
Occupancy and utilities	97,465	75,442	21,984	194,891	10,478	4,191	209,560	
Office expenses and supplies	29,604	21,247	4,037	54,888	2,951	1,180	59,019	
Program transportation	7,372	-	6,053	13,425	-	-	13,425	
Computer hosting	36,133	27,100	6,775	70,008	3,764	1,506	75,278	
Bank and merchant fees	16,573	12,437	8,805	37,815	1,560	624	39,999	
Travel and entertainment	1,090	689	-	1,779	96	38	1,913	
Apartment maintenance and repairs	-	12,424	-	12,424	-	-	12,424	
Donated services	30,452	-	-	30,452	90,645	-	121,097	
Donated food and shelter supplies	812,986	-	-	812,986	-	-	812,986	
Miscellaneous and other expenses	25,508	1,264	90	26,862	2,845	1,897	31,604	
Depreciation	83,656	68,856	25,367	177,879	9,563	3,825	191,267	
Interest	-	-	-	-	27,176	-	27,176	
Capital campaign	10,711	-	-	10,711	-	-	10,711	
Event expenses	-	-	-	-	-	411,034	411,034	
<b>Total expenses by function</b>	<b>2,716,259</b>	<b>323,068</b>	<b>393,007</b>	<b>3,432,334</b>	<b>472,521</b>	<b>583,906</b>	<b>4,488,761</b>	
Less: expenses included with revenues on the statement of activities-								
Special events - direct donor benefits	-	-	-	-	-	(238,667)	(238,667)	
<b>Total expenses included in the expense section of the statement of activities -</b>	<b>\$ 2,716,259</b>	<b>\$ 323,068</b>	<b>\$ 393,007</b>	<b>\$ 3,432,334</b>	<b>\$ 472,521</b>	<b>\$ 345,239</b>	<b>\$ 4,250,094</b>	

See notes to combined financial statements.

**Samaritan Inn, Inc. and Affiliates**  
**Combined Statement of Cash Flows**  
**Year Ended September 30, 2017**

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<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 520,285
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	191,267
Contributions restricted for long-term purposes	(261,697)
Reinvested dividends	(147,723)
Realized and unrealized gains on investments	(137,832)
Loss on involuntary conversion	49,093
Changes in assets and liabilities:	
Pledges receivable	8,000
Accounts receivable	3,680
Grants receivable	(53,339)
Prepaid expenses	18,380
Gift cards for program use	(3,391)
Accounts payable	(43,875)
Deferred revenue	(19,400)
Accrued liabilities	(3,046)
Other current liabilities	(15,453)
	104,949
<b>Net cash provided by operating activities</b>	
<b>Cash flows from investing activities:</b>	
Purchases of investments	(639,693)
Proceeds from sales of investments	639,693
Purchases of property and equipment	(418,420)
Proceeds from involuntary conversion	38,489
	(379,931)
<b>Net cash used by investing activities</b>	
<b>Cash flows from financing activities:</b>	
Collections of contributions restricted for long-term purposes	261,697
	(13,285)
<b>Net decrease in cash and cash equivalents</b>	
<b>Cash and cash equivalents beginning of year</b>	1,110,653
<b>Cash and cash equivalents end of year</b>	\$ 1,097,368
Supplemental cash flow information:	
Interest paid	\$ 27,176
Noncash investing and financing activity:	
During the year ended September 31, 2017, the Organization financed construction purchases through draws on its line of credit totaling \$2,281,667.	

See notes to combined financial statements.

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

## **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 County, desire self-sufficiency and require temporary emergency shelter.

The Samaritan Inn Thrift Store Inc. (Thrift Store) is also located in McKinney, Texas and is a nonprofit organization that is classified by the IRS as tax-exempt under Section 501(c)(3) of the Code. The Thrift Store's profits are transferred to Samaritan Inn to support Samaritan Inn's mission of providing emergency 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, the Thrift Store and the Foundation are under common control. Samaritan Inn and the Foundation are presented as a single consolidated operation, and the Thrift Store is presented separately as part of the combined group.

Samaritan Inn, the Foundation and the Thrift Store 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 from the Thrift Store.

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

The accounting policies of the Organization conform to U.S. generally accepted accounting principles (GAAP). The more significant accounting policies of the Organization are described below.

# Samaritan Inn, Inc. and Affiliates

## Notes to Combined Financial Statements

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### ***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, the Foundation and the Thrift Store have been combined and all inter-organization transactions and accounts have been eliminated.

### ***Basis of Accounting***

The Organization prepares the combined financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recorded as incurred.

### ***Financial Statement Presentation***

The Organization's financial statements are presented in accordance with GAAP, which requires the Organization to report its financial position and activities using three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Accordingly, net assets and changes therein are classified as follows:

*Unrestricted net assets* - Net assets not subject to donor-imposed stipulations.

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

*Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that will never lapse, thus requiring the funds to be maintained permanently by the Organization. The Organization had no permanently restricted net assets as of September 30, 2017.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (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. The Organization chooses to show restricted contributions whose restrictions are met in the same reporting period as unrestricted contributions.

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

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

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#### ***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. Pledges and grants receivable are unsecured and are due from donors. Accounts receivable are unsecured and are 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 pledges, accounts or grants receivable as of September 30, 2017. Marketable securities are subject to various risks, such as interest rate, credit and overall market volatility risks.

The balance due on one pledge receivable accounts for 72% of the total pledges receivable. Total grants receivable is due from four donors.

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.

#### ***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. Inventory of the Thrift Store consists of 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, 2017 is immaterial and not recorded on the combined statement of financial position. Due to the nature of the Thrift Store's donated inventory, the value is uncertain and, therefore, is not recognized in the combined financial statements until sold.

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

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

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#### ***Investments***

At September 30, 2017, the Organization's investments in marketable securities consist of money market funds, certificates of deposit, 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 unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

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

Property and equipment purchased by the Organization is 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.

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 Affiliates

## Notes to Combined Financial Statements

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

Samaritan Inn, the Foundation and the Thrift Store 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, 2017. 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, 2017.

### ***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. Accordingly, certain costs have been allocated among the various functions.

### ***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.

## **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; |

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

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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:

***Certificates of Deposit, Money Market Funds and Cash Equivalents***

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

***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, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market funds and cash equivalents	\$ 386,105	\$ -	\$ -	\$ 386,105
Certificates of deposit	1,200,102	-	-	1,200,102
Exchange traded funds	212,768	-	-	212,768
Mutual funds	<u>3,305,769</u>	<u>-</u>	<u>-</u>	<u>3,305,769</u>
	<u>\$ 5,104,744</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,104,744</u>

Investment income for the year ended September 30, 2017 consists of the following:

Interest and dividends	\$ 155,290
Realized losses on investments	(19,991)
Unrealized gains on investments	<u>157,823</u>
	<u>\$ 293,122</u>

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

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#### **4. Property and Equipment**

Property and equipment consist of the following at September 30, 2017:

Land and improvements	\$ 1,280,097
Buildings and improvements	3,979,385
Furniture and equipment	301,740
Vehicles	119,111
Construction in progress	<u>5,475,037</u>
	11,155,370
Accumulated depreciation	<u>(1,948,379)</u>
	<u>\$ 9,206,991</u>

During the year ended September 30, 2017, the roof was damaged by a storm on two of the Organization's buildings. The Organization received \$38,489 in insurance proceeds resulting in a loss on involuntary conversion of \$49,093.

#### **5. Note Payable**

Effective May 24, 2016, the Samaritan Inn entered into a note payable agreement with a bank, which allows for draws up to \$5,500,000. The note bears interest at a rate of 2.875%, requires monthly interest payments and is due in one payment of principal and unpaid interest on May 24, 2018. The loan is guaranteed by the Foundation and is collateralized by one of the Foundation's investment accounts and a security interest in the Organization's capital campaign funds pledged and received. As of September 30, 2017, \$2,281,667 was due under this note payable.

#### **6. Temporarily Restricted Net Assets**

As of September 30, 2017, temporarily restricted net assets were restricted for the following purposes:

Time restricted for doctor and office visits	\$ 5,839
Time restricted for mass food program	15,000
Time restricted for counseling	15,000
Time restricted for per diem meals	17,500
Time restricted for naming opportunities related to construction	209,000
Children's program	<u>67,667</u>
	<u>\$ 330,006</u>

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

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**7. Leases**

The Organization leases equipment under the terms of operating leases expiring at various times through 2022. Rent expense of \$18,289 is reported in the combined statement of functional expenses for the year ended September 30, 2017. Future minimum lease payments under these lease agreements are as follows for the years ending September 30:

2018	\$ 11,969
2019	10,641
2020	10,641
2021	10,641
2022	845

**8. In-Kind Contributions**

The Organization received donations of food and shelter supplies during the year ended September 30, 2017. The estimated fair market value of these donations of \$829,369 is reflected in the accompanying combined statement of activities. Additionally, the Organization received donations of professional services for operations. The estimated fair market value of these donated professional services of \$144,098 is reflected as in-kind donations in the accompanying combined statement of activities.

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.

**9. Rent and Utilities Revenue**

The Organization owns the North Texas Gateway Apartments, which provide housing for certain 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, 2017 totaled \$96,922. Utilities revenue for the year ended September 30, 2017 totaled \$32,979.

**10. Related Party Transactions**

During the year ended September 30, 2017, the Organization received donations from board members totaling approximately \$307,210.

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

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**11. Construction Commitments**

As of September 30, 2017, the Organization signed contracts totaling \$6,116,705 for the construction of a new shelter facility of which approximately \$4,275,396 has been billed as of September 30, 2017.

**12. Subsequent Events**

As of January 23, 2018, the Organization has signed contracts totaling \$6,116,705 for construction of a new shelter facility of which \$5,470,703 has been billed.

The Organization evaluated subsequent events after the combined statement of financial position date of September 30, 2017 through January 23, 2018, which was the date the combined financial statements were available to be issued, and concluded that no additional disclosures are required.