Samaritan Inn, Inc. and Affiliates

Combined Financial Statements
September 30, 2018

Sutton Frost Cary LLP
Certified Public Accountants

Samaritan Inn, Inc. and Affiliates

Contents

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, 2018, 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.

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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, 2018, 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.

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
February 4, 2019

Samaritan Inn, Inc. and Affiliates
Combined Statement of Financial Position
September 30, 2018

	Samaritan Inn and Samaritan Inn Foundation	Thrift Store	Combined Total
Assets			
Current assets:			
Cash and cash equivalents	$ 720,124	$ 154,368	$ 874,492
Pledges receivable	56,000	-	56,000
Accounts receivable	9,225	4,690	13,915
Grants receivable	97,606	-	97,606
Prepaid expenses	52,491	-	52,491
Gift cards for residential use	32,430	-	32,430
Total current assets	967,876	159,058	1,126,934
Noncurrent assets:			
Investments	5,577,155	-	5,577,155
Property and equipment, net	11,044,662	491,057	11,535,719
Total noncurrent assets	16,621,817	491,057	17,112,874
Total assets	$ 17,589,693	$ 650,115	$ 18,239,808
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	$ 131,982	$ 1,662	$ 133,644
Accrued liabilities	304,828	12,598	317,426
Notes payable	4,838,287	-	4,838,287
Other current liabilities	11,702	-	11,702
Total current liabilities	5,286,799	14,260	5,301,059
Net assets:			
Unrestricted	12,058,734	635,855	12,694,589
Temporarily restricted	244,160	-	244,160
Total net assets	12,302,894	635,855	12,938,749
Total liabilities and net assets	$ 17,589,693	$ 650,115	$ 18,239,808

See notes to combined financial statements.

Samaritan Inn, Inc. and Affiliates
Combined Statement of Activities
Year Ended September 30, 2018

	Samaritan Inn and Samaritan Inn Foundation			Thrift Store	
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Combined Total
Support and revenue:					
Contributions	$ 1,755,566	$ 173,917	$ 1,929,483	$ -	$ 1,929,483
Special events, net of direct donor benefits of $381,090	908,703	-	908,703	-	908,703
In-kind donations	1,193,244	-	1,193,244	-	1,193,244
Thrift Store sales	-	-	-	498,284	498,284
Interest and dividends	111,138	-	111,138	-	111,138
Realized/unrealized gains on investments	161,311	-	161,311	-	161,311
Rent and utilities	120,587	-	120,587	-	120,587
Other income	15,454	-	15,454	-	15,454
Net assets released from restrictions	259,763	(259,763)	-	-	-
Total support and revenue	4,525,766	(85,846)	4,439,920	498,284	4,938,204
Expenses:					
Program	3,801,509	-	3,801,509	366,452	4,167,961
General and management	526,683	-	526,683	-	526,683
Fundraising	372,108	-	372,108	-	372,108
Total expenses	4,700,300	-	4,700,300	366,452	5,066,752
Net operating income (expense)	(174,534)	(85,846)	(260,380)	131,832	(128,548)
Other income and expense:					
Interorganizational transfers	173,064	-	173,064	(173,064)	-
Net other income and expense	173,064	-	173,064	(173,064)	-
Change in net assets	(1,470)	(85,846)	(87,316)	(41,232)	(128,548)
Net assets at beginning of year	12,060,204	330,006	12,390,210	677,087	13,067,297
Net assets at end of year	$ 12,058,734	$ 244,160	$ 12,302,894	$ 635,855	$ 12,938,749

See notes to combined financial statements.

Samaritan Inn, Inc. and Affiliates
Combined Statement of Functional Expenses
Year Ended September 30, 2018

	Program				Support		
	Shelter	North Texas Gateway Apartments	Thrift Store	Total	General and Management	Fundraising	Combined total
Salaries and wages	$ 1,232,077	$ 77,005	$ 250,266	$ 1,559,348	$ 154,010	$ 211,763	$ 1,925,121
Employee benefits	181,495	11,344	36,866	229,705	22,687	31,195	283,587
Individual and family assistance	145,117	-	-	145,117	-	-	145,117
Insurance	47,995	17,567	4,392	69,954	2,440	976	73,370
Professional fees and contract labor	38,375	-	-	38,375	178,073	38,120	254,568
Occupancy and utilities	107,025	80,268	20,067	207,360	11,148	4,459	222,967
Office expenses and supplies	30,360	22,770	5,693	58,823	3,163	1,265	63,251
Program transportation	12,422	-	5,262	17,684	-	-	17,684
Computer hosting	31,943	23,958	5,989	61,890	3,327	1,331	66,548
Bank and merchant fees	21,332	16,008	7,126	44,466	2,008	803	47,277
Travel and entertainment	484	363	91	938	50	20	1,008
Apartment maintenance and repairs	-	9,500	-	9,500	-	-	9,500
Donated professional services	50,278	-	-	50,278	137,281	12,073	199,632
Donated food and shelter supplies	935,518	-	-	935,518	-	-	935,518
Miscellaneous and other expenses	26,417	1,641	5,333	33,391	3,282	4,512	41,185
Depreciation	79,671	66,340	25,367	171,378	9,214	3,686	184,278
Furniture and equipment	534,236	-	-	534,236	-	-	534,236
Event expenses	-	-	-	-	-	442,995	442,995
Total expenses by function	3,474,745	326,764	366,452	4,167,961	526,683	753,198	5,447,842
Less: expenses included with revenues on the combined statement of activities - Special events - direct donor benefits	-	-	-	-	-	(381,090)	(381,090)
Total expenses included in the expense section of the combined statement of activities -	$ 3,474,745	$ 326,764	$ 366,452	$ 4,167,961	$ 526,683	$ 372,108	$ 5,066,752

See notes to combined financial statements.

Samaritan Inn, Inc. and Affiliates
Combined Statement of Cash Flows
Year Ended September 30, 2018

Cash flows from operating activities:		
Change in net assets	$	(128,548)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		184,278
Contributions restricted for long-term purposes		(24,239)
Reinvested dividends		(111,138)
Realized and unrealized gains on investments		(161,311)
Changes in assets and liabilities:		
Pledges receivable		153,000
Accounts receivable		3,358
Grants receivable		(44,267)
Prepaid expenses		21,428
Gift cards for residential use		11,155
Accounts payable		99,182
Accrued liabilities		59,705
Other current liabilities		2,102
Net cash provided by operating activities		64,705
Cash flows from investing activities:		
Purchases of investments		(2,694,379)
Proceeds from sales of investments		2,494,417
Purchases of property and equipment		(161,359)
Net cash used by investing activities		(361,321)
Cash flows from financing activities:		
Payments on notes payable		(3,026)
Proceeds from issuance of notes payable		52,527
Collections of contributions restricted for long-term purposes		24,239
Net cash provided by financing activities		73,740
Net change in cash and cash equivalents		(222,876)
Cash and cash equivalents at beginning of year		1,097,368
Cash and cash equivalents at end of year	$	874,492
Supplemental schedule of noncash investing and financing activities:		
Construction financed through the issuance of debt	$	2,300,657
Capitalized interest and construction included in accrued liabilities	$	155,472
Purchase of equipment through issuance of debt	$	36,315

See notes to combined financial statements.

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.

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, 2018.

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.

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, 2018. Marketable securities are subject to various risks, such as interest rate, credit and overall market volatility risks.

Total pledges receivable is due from four donors. 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, 2018 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.

Investments

At September 30, 2018, 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.

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, 2018. 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, 2018.

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.

New Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASU's) to the FASB's Accounting Standards Codification.

The Organization considers the applicability and impact of all ASU's. ASU's 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 ASU 2016-14 *Presentation of Financial Statements of Not-For-Profit Entities* to improve the presentation of financial statements of not-for-profit entities. The key qualitative and quantitative changes in the ASU address the following: net asset classification, information presented about a not-for-profit entity's liquidity and availability of resources, investment return presentation, expense allocation methodology, disclosure and presentation in the financial statements, and the presentation of the statement of cash flows. The standard is effective for fiscal years beginning after December 15, 2017. The changes in this standard should generally be applied on a retrospective basis in the year that it is first applied.

In 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity should recognize revenue when (or as) the entity satisfies a performance obligation. Not-for-profit entities must consider whether certain arrangements are fully or partially subject to Topic 606. Examples include, but are not limited to memberships, sponsorships, grants and contracts. Further, judgment is required to bifurcate transactions between contribution and exchange components. The effective date of ASU 2014-09 is for annual periods beginning after December 15, 2018 for the majority of not-for-profit organizations.

In 2018, the FASB issued ASU 2018-08 *Clarifying the Scope and Accounting Guidance for Contributions Received and Made* to address difficulty and diversity in practice among not-for-profit entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) Subject to Topic 958, Not-for-Profit Entities or as exchanges (reciprocal transactions) subject to Topic 606 and (2) determining between conditional and unconditional contributions. This ASU applies to all entities that receive or make contributions. The term used in the presentation of financial statements to label revenue (for example, contribution, grant, donation) that is accounted for within Topic 958 is *not a factor* for determining whether an agreement is within the scope of that guidance. The standard is effective for annual periods beginning after December 15, 2018 for the majority of not-for-profit entities. The changes in this standard should generally be applied on a retrospective basis in the year that it is first applied.

In 2016, the FASB issued its leasing standard in ASU 2016-02*, Leases (ASC Topic 842)* for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use (ROU) 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. For the majority of not-for-profit organizations, the standard takes effect for fiscal years beginning after December 15, 2019.

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:

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, 2018:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds and cash equivalents	$ 165,457	$ -	$ -	$ 165,457
Certificates of deposit	1,289,418	-	-	1,289,418
Exchange traded funds	543,813	-	-	543,813
Mutual funds	3,578,467	-	-	3,578,467
	$ 5,577,155	$ -	$ -	$ 5,577,155

Investment income for the year ended September 30, 2018 consists of the following:

Interest and dividends	$ 111,138
Realized gains on investments	88,595
Unrealized gains on investments	72,716
	$ 272,449

4. Property and Equipment

Property and equipment consist of the following at September 30, 2018:

Land and improvements	$ 1,280,097
Buildings and improvements	4,040,049
Furniture and equipment	338,056
Vehicles	119,111
Construction in progress	7,891,062
	13,668,375
Accumulated depreciation	(2,132,656)
	$ 11,535,719

5. Notes 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 to fund construction of a new shelter. 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 February 28, 2019. 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, 2018, $4,804,998 was due under this note.

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, 2018, $33,289 was due under this note payable.

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

2019	$ 4,812,261
2020	7,263
2021	7,263
2022	7,263
2023	4,237

6. Temporarily Restricted Net Assets

As of September 30, 2018, temporarily restricted net assets were restricted for the following purposes:

Time restricted for doctor and office visits	$	11,190
Time restricted for shelter program		16,667
Time restricted for per diem meals and shelter		19,750
Time restricted for workforce development		50,000
Time restricted for naming opportunities related to construction		50,000
Time restricted for Rock the Inn		6,000
Children's program		90,553
	$	244,160

7. Leases

The Organization leases equipment under the terms of operating lease agreements expiring at various times through 2022. Rent expense of $23,059 is reported in the combined statement of functional expenses for the year ended September 30, 2018. Future minimum lease payments under these lease agreements are as follows for the years ending September 30:

2019	$ 21,214
2020	19,704
2021	15,613
2022	1,702

8. In-Kind Contributions

The Organization received donations of food and shelter supplies during the year ended September 30, 2018. The estimated fair market value of these donations of $993,612 is reflected as in-kind donations 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 $199,632 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, 2018 totaled $99,760. Utilities revenue for the year ended September 30, 2018 totaled $20,827.

10. Related Party Transactions

During the year ended September 30, 2018, the Organization received donations from board members totaling approximately $263,982.

11. Construction Commitments

As of September 30, 2018, the Organization signed contracts totaling $6,635,589 for the construction of a new shelter facility of which approximately $6,270,485 has been paid or accrued as of September 30, 2018.

12. Subsequent Events

As of February 4, 2019, the Organization has signed contracts totaling $6,729,999 for construction of a new shelter facility of which $6,645,899 has been billed.

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