Samaritan Inn, Inc. and Affiliate

Combined Financial Statements
September 30, 2020

Sutton Frost Cary LLP
Certified Public Accountants

Samaritan Inn, Inc. and Affiliate
Contents

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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 (collectively, the Organization) (nonprofit organizations), which comprise the combined statement of financial position as of September 30, 2020, 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 Affiliate as of September 30, 2020, and the changes in their net assets and their 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
March 23, 2021

Samaritan Inn, Inc. and Affiliate
Combined Statement of Financial Position
September 30, 2020

Assets

Current assets:		
Cash and cash equivalents	$	1,398,469
Pledges receivable		27,738
Accounts receivable		1,720
Grants receivable		71,256
Prepaid expenses		70,958
Gift cards for residential use		21,503
Investments		4,313,571
Total current assets		5,905,215
Property and equipment, net		10,889,121
Total assets	$	16,794,336

Liabilities and Net Assets

Current liabilities:		
Accounts payable	$	56,678
Accrued liabilities		167,068
Current maturities of notes payable		240,596
Paycheck Protection Program loan		399,600
Deferred revenue		82,063
Other current liabilities		10,800
Total current liabilities		956,805
Notes payable, less current maturities		2,928,167
Total liabilities		3,884,972
Net assets:		
Without donor restrictions		12,615,559
With donor restrictions		293,805
Total net assets		12,909,364
Total liabilities and net assets	$	16,794,336

See notes to combined financial statements.

Samaritan Inn, Inc. and Affiliate
Combined Statement of Activities
Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	$ 2,300,651	$ 138,994	$ 2,439,645
Special events, net of direct donor benefits of $129,300	684,498	-	684,498
In-kind donations	2,653,118	-	2,653,118
Thrift store sales	361,938	-	361,938
Investment income, net	121,601	-	121,601
Rent and utilities	91,474	-	91,474
Other income	13,232	-	13,232
Net assets released from restrictions	137,261	(137,261)	-
Total support and revenue	6,363,773	1,733	6,365,506
Expenses:			
Program	5,506,436	-	5,506,436
General and management	566,110	-	566,110
Fundraising	443,487	-	443,487
Total expenses	6,516,033	-	6,516,033
Change in net assets	(152,260)	1,733	(150,527)
Net assets at beginning of year	12,767,819	292,072	13,059,891
Net assets at end of year	$ 12,615,559	$ 293,805	$ 12,909,364

See notes to combined financial statements.

Samaritan Inn, Inc. and Affiliate
Combined Statement of Functional Expenses
Year Ended September 30, 2020

	Program				Support		
	Shelter	North Texas Gateway Apartments	Thrift Store	Total Program Services	General and Management	Fundraising	Total
Salaries and wages	$ 1,261,779	$ 53,791	$ 182,326	$ 1,497,896	$ 254,653	$ 262,107	$ 2,014,656
Employee benefits	133,796	5,704	19,333	158,833	27,003	27,793	213,629
Individual and family assistance	117,919	-	-	117,919	-	-	117,919
Insurance	49,146	21,753	5,640	76,539	3,223	806	80,568
Professional fees and contract labor	78,161	-	-	78,161	236,182	95,762	410,105
Occupancy and utilities	195,998	86,753	22,492	305,243	12,852	3,213	321,308
Office expenses and supplies	23,432	10,371	2,689	36,492	1,537	384	38,413
Program transportation	12,013	-	-	12,013	-	-	12,013
Computer hosting	42,187	18,673	4,841	65,701	2,766	692	69,159
Bank and merchant fees	192	1,567	7,261	9,020	6,379	15,175	30,574
Apartment maintenance and repairs	-	13,000	-	13,000	-	-	13,000
Donated professional services	74,820	-	-	74,820	1,061	4,179	80,060
Donated food and shelter supplies	2,529,217	-	-	2,529,217	-	-	2,529,217
Miscellaneous and other expenses	17,368	740	2,510	20,618	3,505	3,608	27,731
Depreciation	258,470	114,405	29,660	402,535	16,949	4,237	423,721
Interest	108,429	-	-	108,429	-	-	108,429
Event activities and production	-	-	-	-	-	154,831	154,831
Total expenses by function	4,902,927	326,757	276,752	5,506,436	566,110	572,787	6,645,333
Less: expenses included with revenues on the combined statement of activities - Special events - direct donor benefits	-	-	-	-	-	(129,300)	(129,300)
Total expenses included in the expense section of the combined statement of activities	$ 4,902,927	$ 326,757	$ 276,752	$ 5,506,436	$ 566,110	$ 443,487	$ 6,516,033

See notes to combined financial statements.

Samaritan Inn, Inc. and Affiliate
Combined Statement of Cash Flows
Year Ended September 30, 2020

Cash flows from operating activities:		
Change in net assets	$	(150,527)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		423,721
Unrealized losses on investments		13,722
Changes in assets and liabilities:		
Pledges receivable		26,195
Accounts receivable		473
Grants receivable		(45,627)
Prepaid expenses		7,694
Gift cards for residential use		5,152
Accounts payable		(15,680)
Accrued liabilities		22,688
Deferred revenue		82,063
Other current liabilities		4,268
Net cash provided by operating activities		374,142
Cash flows from investing activities:		
Purchases of investments		(1,741,311)
Proceeds from sales of investments		1,577,000
Purchases of property and equipment		(9,223)
Net cash used by investing activities		(173,534)
Cash flows from financing activities:		
Payments on notes payable		(240,596)
Proceeds from Paycheck Protection Program loan		399,600
Net cash provided by financing activities		159,004
Net change in cash and cash equivalents		359,612
Cash and cash equivalents at beginning of year		1,038,857
Cash and cash equivalents at end of year	$	1,398,469
Supplemental disclosure of cash flow information:		
Cash paid for interest	$	108,429

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 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 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 and the Foundation have been combined and all inter-organization transactions and accounts have been eliminated.

Basis of Accounting and Combined Financial Statement Presentation

The accompanying combined financial statements are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

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, 2020, 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. Pledges and grants receivable are unsecured and are due from donors and government entities. 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, 2020. Marketable securities are subject to various risks, such as interest rate, credit and overall market volatility risks.

At September 30, 2020, the balance due on a pledge from one donor totaled 52% of total pledges receivable, and the balance due on four grants receivable totaled 93% of total grants receivable.

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, 2020, the Organization had uninsured bank balances totaling $850,575.

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, 2020 is immaterial and not recorded on the combined statement of financial position. Due to the nature of the recycling 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, 2020, 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 net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

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. As of September 30, 2020, the Organization has $191,397 of conditional promises to give that have not been recognized as revenue as the conditions had not been met.

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 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, 2020. 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, 2020.

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. For not-for-profit organizations, the standard takes effect for fiscal years beginning after December 15, 2021.

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

Accounting Pronouncements Adopted

The Organization adopted FASB ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) as of and for the year ended September 30, 2020 with retrospective application for the 2019 financial statements. Topic 606 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 Organization adopted FASB ASU 2018-08 *Clarifying the Scope and Accounting Guidance for Contributions Received and Made,* as of and for the year ended September 30, 2020 with retrospective application for the 2019 financial statements. ASU 2018-08 was issued 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.

Analysis of various provisions of these standards resulted in no significant changes in the way the Organization recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the ASUs.

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, 2020:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds and cash equivalents	$ 71,111	$ -	$ -	$ 71,111
Certificates of deposit	380,322	-	-	380,322
Exchange traded funds	792,460	-	-	792,460
Mutual funds	3,069,678	-	-	3,069,678
	$ 4,313,571	$ -	$ -	$ 4,313,571

Net investment income for the year ended September 30, 2020 consists of the following:

Interest and dividends	$ 164,310
Unrealized losses on investments	(13,722)
Investment fees	(28,987)
	$ 121,601

4. Property and Equipment

Property and equipment consist of the following at September 30, 2020:

Land and improvements	$ 1,260,097
Buildings and improvements	11,307,201
Furniture and equipment	218,936
Vehicles	135,255
	12,921,489
Accumulated depreciation	(2,032,368)
	$ 10,889,121

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, 2020, $18,763 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. The note is payable in monthly installments of $19,444 including interest at a rate of 3.375% and is due on March 20, 2028. The note is collateralized by the Samaritan Inn's new shelter. As of September 30, 2020, $3,150,000 was due under this note.

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

2021	$ 240,596
2022	240,596
2023	237,570
2024	233,333
2025	233,333
Thereafter	1,983,335
	$ 3,168,763

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 (PPP), which is sponsored by the Small Business Administration (SBA), and is part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), as amended by the Paycheck Protection Program Flexibility Act of 2020 (Flexibility Act). The PPP provides for loans to qualifying businesses, the proceeds of which may only be used for payroll costs, rent, utilities, mortgage interest, and interest on other pre-existing indebtedness (Permissible Expenses). The PPP Loan matures on April 29, 2022, bears interest at a fixed rate of 1% percent per annum and is payable in monthly installments commencing on the earlier of the date on which the amount of loan forgiveness is determined or December 29, 2020. The PPP Loan may be prepaid at any time prior to maturity with no prepayment penalties. The PPP Loan, and accrued interest, may be forgiven partially or in full, if certain conditions are met. The most significant of the conditions are:

- Only amounts expended for Permissible Expenses during the eight-week or 24-week period, as elected by the Organization, following April 29, 2020 (Covered Period) are eligible for loan forgiveness. The Organization has elected a 24-week Covered Period;

- Of the total amount of Permissible Expenses for which forgiveness can be granted, at least 60% must be for payroll costs, or a proportionate reduction of the maximum loan forgiveness amount will occur; and

- If employee headcount is reduced, or employee compensation is reduced by more than 25%, during the Covered Period, a further reduction of the maximum loan forgiveness amount will occur, subject to certain safe harbors added by the Flexibility Act.

In order to obtain forgiveness of the PPP Loan, in whole or in part, the Organization must request forgiveness and provide satisfactory documentation in accordance with applicable SBA guidelines. Any portion of the PPP Loan that is not forgiven, together with accrued interest, will be repaid based on the terms and conditions of the PPP Loan and in accordance with the PPP as amended by the Flexibility Act. The Organization has recorded the full amount of the PPP Loan as debt at September 30, 2020 and intends to reflect the benefit of any loan forgiveness when the loan forgiveness application is submitted to, and approved by, the SBA and it has reasonable assurance from the SBA that it has met the eligibility and loan forgiveness requirements of the PPP.

7. Net Assets with Donor Restrictions

As of September 30, 2020, net assets with donor restrictions consist of amounts restricted for the following:

Time restricted	$	93,994
Camps and activities for children		99,811
Workforce development		55,000
Shelter facility construction		45,000
	$	293,805

8. Leases

The Organization leases equipment under the terms of operating lease agreements expiring at various times through 2024. Future minimum lease payments under these lease agreements are as follows for the years ending September 30:

2021	$	20,737
2022		6,826
2023		5,124
2024		3,843

Expenses related to these agreements totaled $32,147 for the year ended September 30, 2020.

9. In-Kind Contributions

The Organization received the following in-kind donations during the year ended September 30, 2020:

Food and shelter supplies	$	2,529,217
Professional services		80,060
Apartment maintenance and repairs		13,000
Investment fees		28,987
Occupancy and utilities		1,854
	$	2,653,118

The estimated fair market value of these donations 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.

10. 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, 2020 totaled $73,134. Utilities revenue for the year ended September 30, 2020 totaled $18,340.

11. Related Party Transactions

During the year ended September 30, 2020, the Organization received donations from board members and related companies totaling $319,550.

12. 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	$ 1,398,469
Pledges receivable	27,738
Accounts receivable	1,720
Grants receivable	71,256
Investments	4,313,571
Total financial assets	5,812,754
Less amounts not available for general expenditures within one year:	
Donor restricted for camps and activities for children	99,811
Donor restricted for workforce development	55,000
Donor restricted for shelter facility construction	45,000
Total financial assets not available for general expenditures within one year	199,811
Total financial assets available to meet cash needs for general expenditures within one year	$ 5,612,943

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, 2020, the level of liquidity was managed within the Organization's expectations.

13. Uncertainty

In March 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. The coronavirus outbreak has severely restricted the level of economic activity around the world. Given the uncertainty of the spread of the coronavirus, the related financial impact to the Organization, if any, cannot be determined at this time.

14. Subsequent Events

In March 2021, the Organization applied for and received forgiveness of the entire amount of the PPP Loan.

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.