Samaritan Inn, Inc. and Affiliate

Combined Financial Statements
September 30, 2023

SFC
Certified Public Accountants

Samaritan Inn, Inc. and Affiliate
Contents

Independent Auditors' Report

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

Opinion

We have audited the accompanying combined financial statements of Samaritan Inn, Inc. and Affiliate (a nonprofit organization) (collectively, the Organization), which comprise the combined statement of financial position as of September 30, 2023, 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.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Organization as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 2 to the combined financial statements, the Organization changed its methods of accounting for its leases effective October 1, 2022 as required by the provisions of the Financial Accounting Standards Board Accounting Standard Update 2016-02, *Leases*. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with GAAP, and for 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.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
April 23, 2024

Samaritan Inn, Inc. and Affiliate
Combined Statement of Financial Position
September 30, 2023

Assets

Current assets:		
Cash and cash equivalents	$	1,577,900
Pledges receivable		54,000
Other receivables		41,864
Grants receivable		18,188
Prepaid expenses		40,223
Gift cards for residential use		21,315
Total current assets		1,753,490
Investments		3,786,614
Right-of-use assets - finance leases, net		13,134
Property and equipment, net		9,774,357
Total assets	$	15,327,595

Liabilities and Net Assets

Current liabilities:		
Accounts payable	$	38,720
Accrued liabilities		352,669
Notes payable, current		19,346
Deferred revenue		3,604
Other current liabilities		15,600
Right-of-use liabilities - finance leases, current		8,664
Total current liabilities		438,603
Notes payable, net		444,105
Right-of-use liabilities - finance leases, net		4,470
Total liabilities		887,178
Net assets:		
Without donor restrictions		14,330,718
With donor restrictions		109,699
Total net assets		14,440,417
Total liabilities and net assets	$	15,327,595

See notes to combined financial statements.

Samaritan Inn, Inc. and Affiliate
Combined Statement of Activities
Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions of cash and financial assets	$ 3,093,597	$ 127,189	$ 3,220,786
Contributions of nonfinancial assets	2,918,303	-	2,918,303
Thrift store sales	668,611	-	668,611
Investment income, net	348,516	-	348,516
Special events, net of direct donor benefit costs of $116,243	518,529	-	518,529
Rent and utilities	114,415	-	114,415
Net assets released from restrictions	204,030	(204,030)	-
Total support and revenue	7,866,001	(76,841)	7,789,160
Expenses:			
Program	6,787,653	-	6,787,653
General and management	753,761	-	753,761
Fundraising	766,540	-	766,540
Total expenses	8,307,954	-	8,307,954
Change in net assets from operations	(441,953)	(76,841)	(518,794)
Non-operating activity:			
Loss from involuntary conversion	(1,418)	-	(1,418)
Gain from disposal of property and equipment	270,881	-	270,881
Total non-operating activity	269,463	-	269,463
Change in net assets	(172,490)	(76,841)	(249,331)
Net assets at beginning of year	14,503,208	186,540	14,689,748
Net assets at end of year	$ 14,330,718	$ 109,699	$ 14,440,417

See notes to combined financial statements.

Samaritan Inn, Inc. and Affiliate
Combined Statement of Functional Expenses
Year Ended September 30, 2023

	Program				Support		
	Shelter	North Texas Gateway Apartments	Thrift Store	Total Program Services	General and Management	Fundraising	Total
Salaries and wages	$ 1,864,595	$ 74,669	$ 414,623	$ 2,353,887	$ 125,627	$ 529,397	$ 3,008,911
Employee benefits	217,471	8,709	48,358	274,538	14,652	61,744	350,934
Individual and family assistance	127,954	-	-	127,954	-	-	127,954
Insurance	103,908	45,991	11,924	161,823	6,814	1,703	170,340
Professional fees and contract labor	6,632	1,101	34,725	42,458	501,519	40,026	584,003
Occupancy and utilities	197,660	87,488	22,682	307,830	12,961	3,240	324,031
Office expenses and supplies	22,097	9,780	2,536	34,413	1,449	362	36,224
Program transportation	25,560	-	-	25,560	-	-	25,560
Computer hosting	93,574	3,747	20,808	118,129	6,305	26,568	151,002
Bank and merchant fees	83	333	14,220	14,636	6,872	11,861	33,369
Donated apartment maintenance and repairs	-	63,771	-	63,771	-	-	63,771
Donated professional services	46,168	-	861	47,029	5,134	2,500	54,663
Donated food and shelter supplies	2,765,441	-	-	2,765,441	-	-	2,765,441
Donated other	5,447	-	-	5,447	-	-	5,447
Miscellaneous and other expenses	26,543	69	4,533	31,145	55,671	35,055	121,871
Depreciation	255,547	113,111	29,325	397,983	16,757	4,189	418,929
Interest	15,609	-	-	15,609	-	-	15,609
Event activities and production	-	-	-	-	-	166,138	166,138
Total expenses by function	5,774,289	408,769	604,595	6,787,653	753,761	882,783	8,424,197
Less expenses included with revenues on the combined statement of activities -							
Direct costs of special events	-	-	-	-	-	(116,243)	(116,243)
Total expenses included in the expense section of the combined statement of activities	$ 5,774,289	$ 408,769	$ 604,595	$ 6,787,653	$ 753,761	$ 766,540	$ 8,307,954

See notes to combined financial statements.

Samaritan Inn, Inc. and Affiliate
Combined Statement of Cash Flows
Year Ended September 30, 2023

Cash flows from operating activities:		
Change in net assets	$	(249,331)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		418,929
Donation of property and equipment		(2,840)
Amortization of right-of-use asset - finance leases		9,844
Net unrealized and realized gains on investments		(201,841)
Gain from disposal of property and equipment		(270,881)
Loss from involuntary conversion		1,418
Changes in assets and liabilities:		
Pledges receivable		(29,000)
Other receivables		(40,588)
Grants receivable		10,436
Government grant receivable		526,723
Prepaid expenses		28,395
Gift cards for residential use		(7,338)
Accounts payable		5,210
Accrued liabilities		97,212
Deferred revenue		(30,400)
Other current liabilities		1,301
Net cash provided by operating activities		267,249
Cash flows from investing activities:		
Purchases of investments		(182,350)
Proceeds from sales of investments		25,688
Purchases of property and equipment		(126,825)
Proceeds from disposal of property and equipment		290,000
Proceeds from involuntary conversion		143,930
Net cash provided by investing activities		150,443
Cash flows from financing activities:		
Payments on notes payable		(22,982)
Principal payments on finance leases		(9,845)
Net cash used by financing activities		(32,827)
Net change in cash and cash equivalents		384,865
Cash and cash equivalents at beginning of year		1,193,035
Cash and cash equivalents at end of year	$	1,577,900
Supplemental disclosure of cash flow information:		
Cash paid for interest	$	16,183
Right-of-use assets obtained in exchange for finance lease liabilities	$	22,897
Supplemental schedule of noncash investing activities:		
Donation of property and equipment	$	2,840

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 and Dallas counties, desire self-sufficiency and require temporary shelter.

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

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

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

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

2. Summary of Significant Accounting Policies

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

Combined Financial Statements

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

Basis of Accounting and Combined Financial Statement Presentation

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

> *Net assets without donor restrictions* - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.
>
> *Net assets with donor restrictions* - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy. As of September 30, 2023, no such net asset restrictions existed.

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

Financial Instruments and Credit Risk Concentrations

Financial instruments, which are potentially subject to concentrations of credit risk, consist principally of cash and cash equivalents, pledges receivable, accounts receivable, grants receivable and investments in marketable securities. Cash and cash equivalents are placed with high credit quality financial institutions to minimize risk. The cash balances maintained by the Organization at times may exceed federally insured limits. The Organization has not incurred any losses in these accounts and does not believe that they are exposed to any significant credit risk on cash and cash equivalents. At September 30, 2023, the Organization had uninsured bank balances totaling $944,992.

Pledges and grants receivable are unsecured and are due from donors, other nonprofit organizations, and government entities. Accounts receivable are unsecured and are primarily due from tenants in the North Texas Gateway Apartments. The Organization continually evaluates the collectability of pledges, accounts and grants receivable and maintains allowances for potential losses, if considered necessary. No allowance has been recorded for accounts, pledges or grants receivable as of September 30, 2023. Marketable securities are subject to various risks, such as interest rate, credit and overall market volatility risks.

Cash and Cash Equivalents

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

Inventory

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 housewares 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, 2023 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, 2023, the Organization’s investments in marketable securities consist of money market funds, mutual funds, exchange traded funds, certificates of deposit, corporate bonds 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 5 to 30 years for buildings and improvements and 5 to 10 years for vehicles, furniture and equipment.

Impairment of Long-Lived Assets

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

Revenue Recognition

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

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

Donated materials, food, supplies and property and equipment 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, 2023. 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, 2023.

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.

Accounting Pronouncement Adopted

The Organization adopted Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The guidance in the ASU supersedes the current leasing guidance. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the combined statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of recognition in the combined statement of activities. The ASU also required expanded disclosures related to the amount, timing and uncertainty of cash flows arising from leases. Samaritan Inn elected to adopt the transition relief provisions from ASU 2016-02 and recorded the impact of adoption as of October 1, 2022, using the modified retrospective method resulting in recording right-of-use (ROU) assets and ROU liabilities totaling $22,897. No changes were required to net assets as of October 1, 2022.

3. Investments

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

Level 1 — Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 — Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies;

Level 3 Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

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

Money Market Funds, Certificates of Deposit 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.

Corporate Bonds

Corporate bonds are valued at the closing price reported in the active market in which the bond was traded on the combined financial statement date.

Below are the Organization's financial instruments at fair value as of September 30, 2023:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds and cash equivalents	$ 12,560	$ -	$ -	$ 12,560
Exchange traded funds	840,864	-	-	840,864
Mutual funds	2,000,327	-	-	2,000,327
Corporate bonds	-	349,731	-	349,731
Certificates of Deposit	583,132	-	-	583,132
	$ 3,436,883	$ 349,731	$ -	$ 3,786,614

Net investment income for the year ended September 30, 2023 consists of the following:

Interest and dividends	$ 172,815
Unrealized gain on investments	201,841
Investment fees	(26,854)
	$ 347,802

4. Property and Equipment

Property and equipment consist of the following at September 30, 2023:

Land and improvements	$ 1,240,978
Buildings and improvements	11,208,369
Furniture and equipment	256,856
Vehicles	199,009
	12,905,212
Accumulated depreciation	(3,130,855)
	$ 9,774,357

Depreciation expense totaled $418,929 for the year ended September 30, 2023.

5. Leases

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as property tax and other maintenance costs, in calculating the ROU assets and lease liabilities for its equipment. The Organization has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of ROU assets and lease liabilities on the combined statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent and lease incentives. The Organization uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Organization uses the incremental borrowing rate or the risk-free rate derived from the interest paid on short-term government debt to determine the present value of lease payments.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Organization has elected not to record leases with an initial term of 12 months or less on the combined statement of financial position.

Nature of Leases

The Organization has entered into finance lease arrangements for equipment. The finance lease arrangements require the Organization to pay all executory costs (taxes, maintenance and insurance) and expire at various times through 2025. Termination of the leases is generally prohibited unless there is a violation under the lease agreements.

Future minimum lease payments and a reconciliation to the combined statement of financial position at September 30, 2023 are as follows for the years ending September 30:

2024	$	8,927
2025		4,663
Total future undiscounted lease payments		13,590
Less present value discount		(456)
Lease liabilities	$	13,134

The following is the lease cost and other required information for each lease for the year ended September 30, 2023:

Total lease cost	$	10,207
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from finance lease	$	(9,845)
Right-of-use asset obtained in exchange for new lease liabilities	$	22,897
Weighted-average remaining lease term		1.58 Years
Weighted-average discount rate		3.25%

6. Notes Payable

Effective March 20, 2019, the Samaritan Inn entered into a note payable with a bank for $3,500,000 to refinance the loan for construction of a new shelter. On April 24, 2021, the Samaritan Inn refinanced this note payable into another note payable in the amount of $3,020,598 with a different bank. This note is payable in monthly installments of $2,863 including interest at a rate of 3.25% and is due on May 21, 2032. The note is collateralized by the Samaritan Inn's new shelter. As of September 30, 2023, $463,451 was due under this note.

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

2024	$ 19,346
2025	20,035
2026	20,705
2027	21,398
2028	22,079
Thereafter	359,888
	$ 463,451

7. Net Assets with Donor Restrictions

As of September 30, 2023, net assets with donor restrictions consist of amounts restricted for the following:

Time restricted	$ 77,189
Camps and activities for children	17,510
Shelter facility construction	15,000
	$ 109,699

8. Contributions of Nonfinancial Assets

The Organization received the following contribution of nonfinancial assets during the year ended September 30, 2023:

	Program Services	Management and General	Fundraising	Assets	Total
Food granted to other organizations	$ 1,703,652	$ -	$ -	$ -	$ 1,703,652
Food utilized by Samaritan Inn	629,270	-	-	-	629,270
Shelter supplies utilized by Samaritan Inn	221,860	-	-	-	221,860
Shelter supplies granted to other organizations	210,659	-	-	-	210,659
Professional services	47,029	31,274	2,500	-	80,803
Apartment furnishings	63,771	-	-	-	63,771
Automobiles	-	-	-	2,840	2,840
Miscellaneous	5,448	-	-	-	5,448
	$ 2,881,689	$ 31,274	$ 2,500	$ 2,840	$ 2,918,303

For the year ended September 30, 2023, the Organization did not monetize, nor does there exist any donor-imposed restrictions, on the contributed nonfinancial assets referenced above.

Donated Samaritan Inn Shelter and Other Organizations Food

The Organization networks with North Texas Food Bank to receive large shipments of contributed food. The donated food supports the Organization's Mass Food Program. The food is initially separated and weighed by usable versus non-usable (trash) food. These donations are later allocated between food utilized by the Organization versus food granted to other organizations. The total monthly weight is recorded and valued at $1.57 per pound. This figure is provided by the Feeding America Product Valuation Methodology Survey.

Donated Samaritan Inn Shelter and Other Organizations Supplies

The Organization receives large shipments of contributed shelter supplies. These supplies support the programmatic needs of the Organization. In addition, the Organization grants surplus supplies to other organizations. The donated supplies are allocated between supplies utilized by the Organization versus supplies granted to other organizations. The valuation methodology for these supplies includes calculating the estimate fair value based upon an average cost comparison of three suppliers. This valuation methodology is updated on an as needed basis to reflect material changes in inflation.

Professional Services

The Organization receives donated services including shredding, extermination, chiropractic, haircutting, bicycle repair, dental, veterinary, landscaping, and investment management fees. These services support the overall programmatic needs of the Organization. The professional services valuation methodology is recorded at an estimated fair-market-value.

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. These amounts are not reflected in the figure above as these types of services do not meet the criteria for recognition.

Apartment Furnishings

These donations support the Organization's Gateway Apartments program. The Gateway Apartments vary between 1 or 2 bedrooms in size. The apartment furnishings are gifted to every new resident at time of move-in and are available to remain in the resident's possession at move-out. When a new resident occupies a unit, The Organization assigns a donor to furnish the bedroom(s), living room, kitchen, and bathroom. An adopter checklist is provided which includes the apartment number and date of move-in along with suggestions for furniture items and bathroom, kitchen, cleaning/hygiene, décor, and food starter kits. A value is assigned to each item on the adopter checklist. The value of items on the checklist is created by calculating an average cost comparison between three suppliers. The adopter checklist also provides blank lines should donors decide to provide items in addition to the checklist suggestions. At the time of move-in, the Organization's staff performs a walk-through of the unit recording the donated apartment furnishings on the adopter checklist. The checklist is then signed and dated by the Organization's employee and saved internally for accounting purposes.

Automobiles

During year end September 30, 2023, the Organization received a donated 2007 Honda Odyssey which supports all programmatic needs of the Organization. Utilization of the automobile includes, but is not limited to, food and shelter supplies pick up and hauling of heavy equipment, furniture, and event supplies providing essential functions of the Organization. Valuation methodology includes an online quote comparison averaging the MSRP provided by Kelly Blue Book for three different used 2007 Honda Odysseys.

The estimated fair market value of these donations is reflected as contributions of nonfinancial assets in the accompanying combined statement of activities.

9. Rent and Utilities Revenue

The Organization owns the North Texas Gateway Apartments that provide housing for a certain number of its clients in transitional housing. Tenants in the North Texas Gateway Apartments are responsible for rent payments that equal 30% of the tenant's income and utilities payments, and tenants may stay in the apartment for a maximum of 18 months from the move-in date. Tenants are evaluated every 6 months to ensure they are in compliance with program requirements. Rental revenue for the year ended September 30, 2023 totaled $84,909. Utilities revenue for the year ended September 30, 2023 totaled $28,218.

10. Related Party Transactions

During the year ended September 30, 2023, the Organization received donations from board members and related companies totaling $559,005.

11. Involuntary Conversion

In March 2023, the Organization's buildings suffered extensive hail damage. Insurance covered the damage that resulted in a loss on involuntary conversion of assets totaling $1,418 reported in the accompanying combined statement of activities.

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	$ 1,577,900
Pledges receivable	54,000
Other receivables	41,864
Grants receivable	18,188
Investments	3,786,614
Total financial assets	5,478,566
Less amounts not available for general expenditures within one year:	
Donor restricted for camps and activities for children	17,510
Donor restricted for shelter facility construction	15,000
Total financial assets not available for general expenditures within one year	32,510
Total financial assets available to meet cash needs for general expenditures within one year	$ 5,446,056

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, 2023, the level of liquidity was managed within the Organization's expectations.

13. Subsequent Events

The Organization evaluated subsequent events through April 23, 2024, the date the combined financial statements were available to be issued, and concluded that no additional disclosures are required.