

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

**Combined Financial Statements  
September 30, 2024**



# Samaritan Inn, Inc. and Affiliate

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## **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 (nonprofit organizations) (collectively, the Organization), which comprise the combined statement of financial position as of September 30, 2024, 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, 2024, 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.

### ***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.



A Limited Liability Partnership

Arlington, Texas  
February 25, 2025

**Samaritan Inn, Inc. and Affiliate**  
**Combined Statement of Financial Position**  
**September 30, 2024**

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**Assets**

**Current assets:**

Cash and cash equivalents	\$ 1,425,732
Short-term investments	3,884,935
Pledges receivable	186,245
Grants receivable	37,676
Prepaid expenses	39,522
Gift cards for residential use	11,945
Other assets	6,491

**Total current assets** 5,592,546

Investments	596,850
Right-of-use assets - operating leases, net	25,344
Property and equipment, net	9,664,765

**Total assets** \$ 15,879,505

**Liabilities and Net Assets**

**Current liabilities:**

Accounts payable	\$ 154,066
Accrued liabilities	422,621
Note payable, current	20,035
Deferred revenue	10,997
Deposits	22,778
Right-of-use liabilities - operating leases, current	12,061

**Total current liabilities** 642,558

Note payable, net	424,070
Right-of-use liabilities - operating leases, net	13,283

**Total liabilities** 1,079,911

**Net assets:**

Without donor restrictions	14,585,725
With donor restrictions	213,869

**Total net assets** 14,799,594

**Total liabilities and net assets** \$ 15,879,505

**Samaritan Inn, Inc. and Affiliate**  
**Combined Statement of Activities**  
**Year Ended September 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
Contributions of cash and financial assets	\$ 2,560,924	\$ 293,493	\$ 2,854,417
Contributions of nonfinancial assets	2,392,801	-	2,392,801
Thrift store sales	797,313	-	797,313
Grants	930,662	-	930,662
Investment income, net	691,452	-	691,452
Special events, net of direct donor benefit costs of \$99,025	759,214	-	759,214
Rent and utilities	128,563	-	128,563
Net assets released from restrictions	<u>189,323</u>	<u>(189,323)</u>	<u>-</u>
<b>Total support and revenue</b>	<b>8,450,252</b>	<b>104,170</b>	<b>8,554,422</b>
<b>Expenses:</b>			
Program	6,370,778	-	6,370,778
General and management	803,721	-	803,721
Fundraising	<u>1,020,746</u>	<u>-</u>	<u>1,020,746</u>
<b>Total expenses</b>	<b>8,195,245</b>	<b>-</b>	<b>8,195,245</b>
<b>Change in net assets</b>	<b>255,007</b>	<b>104,170</b>	<b>359,177</b>
<b>Net assets at beginning of year</b>	<u>14,330,718</u>	<u>109,699</u>	<u>14,440,417</u>
<b>Net assets at end of year</b>	<u><u>\$ 14,585,725</u></u>	<u><u>\$ 213,869</u></u>	<u><u>\$ 14,799,594</u></u>

See notes to combined financial statements.

**Samaritan Inn, Inc. and Affiliate**  
**Combined Statement of Functional Expenses**  
**Year Ended September 30, 2024**

	Program				Support		Total
	North Texas			Total Program Services	General and Management	Fundraising	
	Shelter	Gateway Apartments	Thrift Store				
Salaries and wages	\$ 2,118,113	\$ 100,896	\$ 500,581	\$ 2,719,590	\$ 305,315	\$ 588,527	\$ 3,613,432
Employee benefits	129,779	6,182	30,671	166,632	18,707	36,060	221,399
Individual and family assistance	130,646	-	-	130,646	-	-	130,646
Insurance	102,528	16,119	18,074	136,721	15,677	4,353	156,751
Professional fees and contract labor	19,293	194	12,268	31,755	169,672	130,132	331,559
Occupancy and utilities	192,130	48,033	26,685	266,848	14,283	4,050	285,181
Office expenses and supplies	4,332	42	6,194	10,568	8,170	10,747	29,485
Transportation	11,218	-	11,767	22,985	-	425	23,410
Donated apartment maintenance and repairs	-	17,682	-	17,682	-	-	17,682
Donated food and shelter supplies	2,217,080	-	-	2,217,080	-	-	2,217,080
Donated professional services	20,199	18,881	13,322	52,402	77,405	897	130,704
Donated other	8,187	-	13,563	21,750	-	9,147	30,897
Miscellaneous and other expenses	5,652	614	18,000	24,266	42,072	41,247	107,585
Staff support	23,965	683	9,052	33,700	112,089	32,100	177,889
Computer hosting	81,309	3,890	23,372	108,571	23,718	18,222	150,511
Depreciation	253,357	112,142	29,074	394,573	16,613	4,153	415,339
Interest	15,009	-	-	15,009	-	-	15,009
Event activities and production	-	-	-	-	-	239,711	239,711
<b>Total expenses by function</b>	<b>5,332,797</b>	<b>325,358</b>	<b>712,623</b>	<b>6,370,778</b>	<b>803,721</b>	<b>1,119,771</b>	<b>8,294,270</b>
<b>Less expenses included with revenues on the combined statement of activities - Direct costs of special events</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(99,025)</b>	<b>(99,025)</b>
<b>Total expenses included in the expense section of the combined statement of activities</b>	<b>\$ 5,332,797</b>	<b>\$ 325,358</b>	<b>\$ 712,623</b>	<b>\$ 6,370,778</b>	<b>\$ 803,721</b>	<b>\$ 1,020,746</b>	<b>\$ 8,195,245</b>

See notes to combined financial statements.

**Samaritan Inn, Inc. and Affiliate**  
**Combined Statement of Cash Flows**  
**Year Ended September 30, 2024**

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<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 359,177
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	415,339
Amortization of right-of-use asset - operating leases	(12,210)
Net unrealized and realized gains on investments	(500,256)
Changes in assets and liabilities:	
Pledges receivable	(132,245)
Other receivables	41,864
Grants receivable	(19,488)
Prepaid expenses	701
Gift cards for residential use	9,370
Other assets	(6,491)
Accounts payable	(4,213)
Accrued liabilities	69,952
Deferred revenue	7,393
Deposits	7,178
Right-of-use-liability - operating leases	12,210
<b>Net cash provided by operating activities</b>	<b>248,281</b>
<b>Cash flows from investing activities:</b>	
Purchases of investments	(231,371)
Proceeds from sales of investments	36,456
Purchases of property and equipment	(186,188)
<b>Net cash used by investing activities</b>	<b>(381,103)</b>
<b>Cash flows from financing activities:</b>	
Payments on note payable	(19,346)
<b>Net change in cash and cash equivalents</b>	<b>(152,168)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,577,900</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,425,732</b>
<b>Supplemental disclosure of cash flow information:</b>	
Cash paid for interest	\$ 15,009
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 27,034
Capitalized construction costs included in accounts payable	\$ 119,559

See notes to combined financial statements.



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

## **Notes to Combined Financial Statements**

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### **1. Organization**

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

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

The North Texas Gateway Apartments 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.

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

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

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

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

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

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

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy. As of September 30, 2024, 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, 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, 2024, the Organization had uninsured bank balances totaling \$1,109,944.

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

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

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Pledges and grants receivable are unsecured and are due from donors, other nonprofit organizations, and government entities. The Organization continually evaluates the collectability of pledges and grants receivable and maintains allowances for potential losses, if considered necessary. No allowance has been recorded for pledges or grants receivable as of September 30, 2024. Marketable securities are subject to various risks, such as interest rate, credit and overall market volatility risks.

At September 30, 2024, 54% of pledges receivable was due from two donors.

At September 30, 2024, 93% of grants receivable was due from one organization.

For the year ended September 30, 2024, one organization accounted for 25% of total grant revenue.

#### ***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, 2024 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, 2024, the Organization's investments in marketable securities consist of money market funds, mutual funds, exchange traded funds, equities, 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.

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

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

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

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

# Samaritan Inn, Inc. and Affiliate

## Notes to Combined Financial Statements

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

Samaritan Inn and the Foundation are recognized by the IRS as exempt from federal income tax under section 501(c)(3) of the Code and are not private foundations as defined in the Code. Income generated from activities unrelated to the Organization's exempt purpose is subject to tax under Code Section 511. The Organization did not have a material unrelated business income tax liability as of September 30, 2024. 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, 2024.

### ***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.

## **3. Investments**

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

- |         |                                                                                                                                                                                                                                                              |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1 | Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;                                                                                                                        |
| Level 2 | Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies |

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

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Level 3      Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

***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/Equities***

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, 2024:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds and cash equivalents	\$ 17,355	\$ -	\$ -	\$ 17,355
Exchange traded funds	1,093,150	-	-	1,093,150
Mutual funds	2,121,789	-	-	2,121,789
Corporate bonds	-	534,703	-	534,703
Certificates of deposit	709,624	-	-	709,624
Equities	5,164	-	-	5,164
	<u>\$ 3,947,082</u>	<u>\$ 534,703</u>	<u>\$ -</u>	<u>\$ 4,481,785</u>

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

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Net investment income for the year ended September 30, 2024 consists of the following:

Interest and dividends	\$ 191,196
Unrealized gain on investments	<u>500,256</u>
	<u>\$ 691,452</u>

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

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

Land and improvements	\$ 1,240,978
Buildings and improvements	11,317,545
Furniture and equipment	333,868
Vehicles	199,009
Construction in progress	<u>119,559</u>
Total property and equipment	13,210,959
Accumulated depreciation	<u>(3,546,194)</u>
	<u>\$ 9,664,765</u>

Depreciation expense totaled \$415,339 for the year ended September 30, 2024.

#### **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.

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

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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 operating lease arrangements for equipment. The operating lease arrangements require the Organization to pay all executory costs (taxes, maintenance and insurance) and expire at various times through 2027. 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, 2024 are as follows for the years ending September 30:

2025		\$	12,061
2026			7,398
2027			<u>7,398</u>
Total future undiscounted lease payments			26,857
Less present value discount			<u>(1,513)</u>
Lease liabilities		\$	<u><u>25,344</u></u>

The following is the lease cost and other required information for the year ended September 30, 2024:

Total lease cost		\$	<u><u>12,485</u></u>
Other information:			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases		\$	<u><u>(12,210)</u></u>
Right-of-use asset obtained in exchange for new lease liability		\$	<u><u>27,034</u></u>
Weighted-average remaining lease term			<u><u>2.62 years</u></u>
Weighted-average discount rate			<u><u>4.45%</u></u>



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

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**6. Note Payable**

Effective March 20, 2019, the Samaritan Inn entered into a note payable with a bank for \$3,500,000 to refinance the loan for construction of a new shelter. On April 24, 2021, the Samaritan Inn refinanced this note payable into another note payable in the amount of \$3,020,598 with a different bank. This note is payable in monthly installments of \$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, 2024, \$444,105 was due under this note.

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

2025	\$ 20,035
2026	20,705
2027	21,398
2028	22,079
2029	22,942
Thereafter	<u>336,946</u>
	<u>\$ 444,105</u>

**7. Net Assets with Donor Restrictions**

As of September 30, 2024, net assets with donor restrictions consist of amounts restricted for the following:

Kitchen	\$ 4,287
Sustainability project	<u>209,582</u>
	<u>\$ 213,869</u>

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

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**8. Contributions of Nonfinancial Assets**

The Organization received the following contributions of nonfinancial assets during the year ended September 30, 2024:

	Program Services	Management and General	Fundraising	Total
Food granted to other organizations	\$ 1,243,479	\$ -	\$ -	\$ 1,243,479
Food utilized by Samaritan Inn	635,977	-	-	635,977
Shelter supplies utilized by Samaritan Inn	256,113	-	-	256,113
Shelter supplies granted to other organizations	81,511	-	-	81,511
Professional services	62,403	77,405	897	140,705
Apartment furnishings	11,830	-	-	11,830
Utilities	7,000	-	-	7,000
Technology	11,750	1,250	2,000	15,000
Miscellaneous	1,186	-	-	1,186
	<u>\$ 2,311,249</u>	<u>\$ 78,655</u>	<u>\$ 2,897</u>	<u>\$ 2,392,801</u>

For the year ended September 30, 2024, 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 \$1.97 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.

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

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

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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.

#### ***Utilities***

Utilities are valued and reported at the estimated fair values based on current rates for similar services.

#### ***Technology***

Technology is valued at the estimated fair values based on similar goods.

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, 2024 totaled \$100,126. Utilities revenue for the year ended September 30, 2024 totaled \$28,437

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## 10. Related Party Transactions

During the year ended September 30, 2024, the Organization received donations from board members and related companies totaling \$288,079.

## 11. 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	\$ 1,425,732
Short-term investments	3,884,935
Pledges receivable	186,245
Grants receivable	<u>37,676</u>
Total financial assets	5,534,588
Less amounts not available for general expenditures within one year:	
Donor restricted for kitchen	4,287
Donor restricted for sustainability project	<u>209,582</u>
Total financial assets not available for general expenditures within one year	<u>213,869</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 5,320,719</u></u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To achieve this, the Organization forecasts its future cash flows and monitors its liquidity monthly. In addition, the Organization invests cash in excess of daily requirements in short-term investments. During the year ended September 30, 2024, the level of liquidity was managed within the Organization's expectations.

## 12. Subsequent Events

The Organization evaluated subsequent events through February 25, 2025, the date the combined financial statements were available to be issued, and concluded that no additional disclosures are required.