

MCKINNEY COMMUNITY DEVELOPMENT CORPORATION
Grant Application
Fiscal Year 2014

IMPORTANT:

- Please read the McKinney Community Development Corporation Grant Guidelines prior to completing this application.
- Application is available at www.mckinneycdc.org; by calling 214.544.0296 or by emailing cgibson@mckinneycdc.org
- Please call to discuss your plans for submitting an application in advance of completing the form provided. Completed application and all supporting documents are required to be submitted electronically or on a CD for consideration by the MCDC board. Please submit the application to:

McKinney Community Development Corporation
 5900 S. Lake Forest Blvd., Suite 110
 McKinney, TX 75070

- *If you are interested in a preliminary review of your project proposal or idea, please complete and submit the **Letter of Inquiry** form, available at www.mckinneycdc.org, by calling 214.544.0296 or emailing cgibson@mckinneycdc.org.*

Applications must be completed in full, using this form, and received by MCDC, electronically or on a CD, by 5:00 p.m. on the date indicated in schedule below.

Please indicate the type of funding you are requesting:

- | | |
|--|--|
| <p><input checked="" type="checkbox"/> Project Grant
 Quality of Life projects that advance the mission of MCDC and are eligible for funding in accordance with the Type B sales tax statute (refer to examples in Grant Guidelines).</p> | <p><input type="checkbox"/> Promotional or Community Event Grant (maximum \$15,000)
 Initiatives, activities and events that promote the City of McKinney for the purpose of developing new or expanded business opportunities and/or tourism – and enhance quality of life for McKinney residents.</p> |
|--|--|

Promotional and Community Event Grants:

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: January 3, 2014	January 2014	February 2014
Cycle II: June 30 2014	July 2014	August 2014

Project Grants:

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: January 31, 2014	February 2014	March 2014
Cycle II: April 30, 2014	May 2014	June 2014
Cycle III: July 31, 2014	August 2014	September 2014

APPLICATION

ORGANIZATION INFORMATION

Name: The Samaritan Inn, Inc.

Federal Tax I.D.: 75-1984285

Incorporation Date: July 1984

Mailing Address: 1725 Nth McDonald Street

City: McKinney

ST: TX

Zip: 75071

Phone: 972-632-1290

Fax: 972-632-1297

Email: jmalatich@thesamaritaninn.org

Website: www.thesamaritaninn.org

Check One:

- Nonprofit – 501(c) Attach a copy of IRS Determination Letter *Please see Attachment I*
 Governmental entity
 For profit corporation
 Other

Professional affiliations and organizations to which your organization belongs: The Collin County Homeless Coalition, Metro Dallas Homeless Alliance, Texas Homeless Alliance.

REPRESENTATIVE COMPLETING APPLICATION:

Name: Jim Malatich

Title: Director of Operations

Mailing Address: 1725 Nth McDonald Street

City: McKinney

ST: TX

Zip: 75071

Phone: 972-632-1290 x226

Fax: 972-632-1297

Email: jmalatich@thesamaritaninn.org

CONTACT FOR COMMUNICATIONS BETWEEN MCDC AND ORGANIZATION:

Name: Jim Malatich

Title: Director of Operations

Mailing Address: 1725 Nth McDonald Street

City: McKinney

ST: TX

Zip: 75071

Phone 972-632-1290 x226

Fax: 972-632-1297

Email: jmalatich@thesamaritaninn.org

FUNDING

Total amount requested: \$200,000

PROJECT/PROMOTION/COMMUNITY EVENT

Start Date: 6/1/2014
of 2015.

Completion Date: Anticipated to be completed by the end

BOARD OF DIRECTORS *(may be included as an attachment)*
See Attachment II

LEADERSHIP STAFF *(may be included as an attachment)*
See Attachment III

I. Applying Organization

Describe the mission, strategic goals and objectives, scope of services, day to day operations and number of paid staff and volunteers.

The Samaritan Inn's mission statement reads..."We are a comprehensive homeless program that helps willing people gain dignity and independence."

The Samaritan Inn was founded in 1984 by the Collin County Ministerial Alliance and has expanded from a ten bed overnight shelter to a fully comprehensive homeless program and a national model that serves over 600 unduplicated Collin County residents annually.

The Samaritan Inn is known on a state wide level as a "Best Practices" program that regularly provides the skills, counseling, and opportunities for people to regain their independence. Our continuum of services includes prevention, assessment, counseling, education, and vocational and professional training.

During the course of The Samaritan Inn's history, a variety of other homeless programs in the county have become available, but their scope is narrowly defined to youth, victims of domestic violence, and/or women only. The Samaritan Inn provides services to all of those groups and regularly house infants through senior citizens, single-parent families, and veterans.

The Samaritan Inn is more than just a shelter for the homeless; it is a "Transitional Residential Shelter Program" in which the average length of stay for residents is over six months. Prior to entry into the program each resident has a background check (for any charges involving aggressive behavior) and a drug screen. A complete bio-psycho-social is done within the first few days of their arrival, which is used to help develop an individualized treatment plan done by the resident and caseworker. The development of this plan includes the resident's participation in many of the following classes/services:

- **Money management** - The Inn has an eight-week program, developed by renowned personal money management expert Dave Ramsey.
- **Household Management**
- **Welfare and legal advocacy**
- **Parenting education** - This class is mandatory for all the parents who reside at the Inn.
- **Job readiness counseling** - This class is mandatory for all adult residents.
- **Job search assistance** - The Inn's computer lab provides computer resources for our residents to prepare resumes, search jobs online, and hone computer skills needed for employment
- **Enrollment on job training programs**
- **Enrollment in educational programs** - The Samaritan Inn has computer classes that teach our residents the fundamental skills for working with Word, Excel, and PowerPoint programs.
- **GED classes** - tutoring and materials to prepare our residents to take the GED exam. This is mandatory for all adults 26 years of age or younger. It is optional for those 27 and older.
- **Health care referrals and monitoring** - The Samaritan Inn and PrimaCare have an MOU to work together on meeting the medical needs of the residents. The Samaritan Inn also has an MOU with

Texas Star Pharmacy (TSP).

- **Mental health care referral and monitoring**
- **Intervention in an prevention of family violence**
- **Intervention in and prevention of substance abuse**
- **Adolescents** - Alcohol Awareness classes which are certified by the State of Texas.
- **Collin College** - to provide scholarships for those residents who qualify and have long range goals of a college education.

Each resident is assigned to a caseworker who together develops an individualized "program plan." It is during the development of this plan that any special needs by the resident are identified. If these needs cannot be met within The Samaritan Inn's program then referrals and links are put in place with other community service providers to meet these special needs.

The total number of staff employed by the Inn is 46, with 38 being full time and 8 being part time. Volunteers are an integral part of the Samaritan Inn's success. Currently, the Inn has over 80 volunteers who help in all aspects of the day to day operations. The Inn also receives a tremendous amount of Volunteer support for the Faith-based community and many other individual, community and cooperate organizations. Several Fortune 500 businesses located in the county have already pledged their support to the project with volunteer assistance. We also expect them to play a major role in our capital campaign.

Disclose and summarize any significant, planned organizational changes and describe their potential impact on the Project/Promotion/Community Event for which funds are requested.

This project will have little impact on The Samaritan Inn's organizational "management" structure. However, through this expansion the project will provide employment opportunities (non-administrative) to the local community such as cooks, caseworkers, program specialist (direct care staff) and more importantly, will provide services for those families that are currently homeless in our community. Upon completion, this part of the project (Phase I) will have an immediate impact on homeless families by allowing 100 families (avg. 300 people) to come into the Inn' services and off the streets.

II. Project or Promotion/Community Event (whichever is applicable)

Outline details of the Project/Promotion/Community Event for which funds are requested. Include information regarding scope, goals, objectives, target audience.

In 2013, the Collin County Homeless Coalition conducted their annual homeless count and found that homeless in Collin County had increased by 44% as compared to 2012. The Samaritan Inn has seen this first hand. In 2013, The Samaritan Inn turned away 3,754 (unduplicated and qualified) people because we were at constant capacity. The coalition also found that family homelessness accounted for a 50% increase. The Inn has also seen this same trend with families being the largest group in need of shelter care and, unfortunately, being the largest group to be turned away.

To meet the ever increasing need, The Samaritan Inn Board of Directors unanimously voted to purchase 15 acres of land a quarter of a mile from our current facility. The McKinney City Council unanimously approved the necessary re-zoning at their February, 2013 meeting and the purchase was completed on May 14, 2013.

The land will be used as the site for a state of the art family shelter. This will be achieved by construction of Phase I of the overall site plan. This phase will include the building of a central dining room and kitchen, computer lab, classrooms and staff office space. The second set of structures in Phase I will be strictly devoted to residential use and have 100 one and two bedroom apartments, with full baths and a small central living space. The average family size is three, so we expect to be serving an additional three hundred people. This shelter will be specifically designed for families with children, who have different needs than the single homeless population.

More specifically, the target population which would obtain benefit from this project would be those families that are homeless and of all races, ages, religions, sexes, and economical backgrounds. It is The Samaritan Inn's plan to not only meet the current need of those seeking shelter but to plan and implement those services needed as Collin County continues to expand and grow.

Specific to this project request, is funding for the infrastructure construction. These costs include the design and engineering services, sewer, surveying, and creek stabilization for a total of \$1,026,250.00. The Samaritan in requesting \$200,000.00 (19%) to be used specifically for infrastructure costs. Once accomplished, construction will begin on the residents "family" building, parking, landscaping, and staff offices. The total estimated cost of "Phase I" is about 7 million dollars.

- **For Promotional Grants/Community Events** – describe how this initiative will promote the City of McKinney for the purpose of business development and/or tourism.

Describe how the proposed Project/Promotion/Community Event fulfills strategic goals and objectives for the organization.

A grant from MCDC would secure our success and ensure that appropriate services are available for our citizens. We believe The Samaritan Inn offers the ultimate "return on investment" – as our program returns homeless people to the community so that they are once again contributing and self-sufficient members of society. A partnership with the MCDC would enhance our fundraising efforts and be a tangible symbol of our mutual commitment to those in need.

Please also include planned activities, time frame/schedule, and estimated attendance and admission fees if applicable.

Since this is "Building Project," a Capital Campaign officially began at the Inn's Gala this last February. During this event the Inn was able to raise just over 1 million dollars that will go directly to support this project. Presently, there are many marketing/awareness/fundraising projects underway as part of the campaign.

The next major planned activity will be the actual ground breaking ceremony. It is anticipated that many leaders within the community will be invited to attend this historical moment.

What is the venue/location for Project/Promotion/Community Event?

The location of the 15 acre Site Plan is currently listed as two addresses within the McKinney City Limits. They are 1512 and 1514 Nth McDonald Street, McKinney, TX. 75071.

Provide a timeline for the Project/Promotion/Community Event.

The Samaritan Inn and its Board of Directors are committed to raising the balance needed while maintaining our debt free history and opening the doors of this program in 2015. Towards this end:

- on September 10th the Board of Directors had three presentations by contractors who are bidding for this project.
- a contractor (Pogue) was selected in November.
- in December 2013, Collin County Housing Finance Corp. – Housing Finance Assistance Program granted The Samaritan Inn \$400,000 to be specifically used for infrastructure construction.
- a building design, city permit(s), and a review acquisition was completed in January, 2014.
- a Final Plat was presented to the Planning and Zoning (City of McKinney) on a "consent agenda" and approved on 4/22.
- a project manger/advocate will be selected by the end of June*
- groundbreaking for infrastructure will take place by the end of July, 2014.

* General oversight of this project will be under the guidance of the Executive Director and the Board of Directors of The Samaritan Inn. Specific oversight of the actual project will be conducted by a "project manager/advocate" that will be appointed by The Executive Director and the Board of Directors. The duties of this person will include the following but are not limited to:

1. Managing the activities of all construction of this project for The Samaritan Inn. 2. Acts as liaison between The Samaritan Inn, architects, planners, contractors, regulatory agencies, and consultants. 3. Management of the selected contractor to ensure a safe, efficient, and well-constructed facility. 4. Inspection of construction/renovation projects to assure that completed work complies with all regulatory/inspectional agency requirements. 5. Review all material bids by the contractor to assure they are within budgetary standards.

2. It is expected that The Samaritan Inn's construction/project "advocate" will have a working knowledge of OSHA regulations, building codes, 10 years experience in facilities management, and/or construction management. 2. Must have managed projects in the \$1 to \$5 million range. 3. Working knowledge of basic computer operations and program applications. 4. On call as appropriate. 5. Familiar with regulatory codes. 6. Knowledge of annual expense and capital budgets.

By having this advocate in place and working for the best interest of The Samaritan Inn, it will help assure that the Board of Directors are being good "stewards of the dollar" being invested into this project.

After completion of the project, the operations and maintenance will be under the direction of the Executive Director and the Management Team of The Samaritan Inn. Policies and procedures will be followed, as they are now, regarding the daily operation and maintenance of this project.

Detail goals for growth/expansion in future years.

Regarding the future, it is The Samaritan Inn's belief that this will be an ongoing project that will have many different phases to it in order to be adaptable to meet the ever changing need of the homeless in Collin County.

As can be seen by the Site Plan (**Attachment IV**), there are future plans for expansion which will be initiated by the construction of a "Day-Care" facility specifically for Inn residents. This will allow parents to seek employment on a daily basis, rather than the two half days that they currently are allowed. This current time restriction is due to the fact that there is limited funding available for contracted Day Care. Future plans also include the construction of separate accommodations for men and women.

The final part of the overall plan is to build a Thrift Store and a "Professional" building that would allow many of the community services (food stamps, HUD assistance, etc.) to be on site to provide more "convenient" access to their services.

Possible goals might include the selling of the current facility in order to help fund the final phases. Also, the current Admin building may be demolished to make way for another set of Gateway apartments. None of these listed plans have been finalized at this time.

Project Grants – please complete the section below:

- | | | |
|-----------------------------|------------------------------|-----------------------------|
| • An expansion/improvement? | <input type="checkbox"/> Yes | X No |
| • A replacement/repair? | <input type="checkbox"/> Yes | X No |
| • A multi-phase project? | X Yes | <input type="checkbox"/> No |
| • A new project? | X Yes | <input type="checkbox"/> No |

Has a feasibility study or market analysis been completed for this proposed project? *If so, please attach a copy of the Executive Summary.*

No "feasibility study" or "market analysis" has been done.

The Samaritan Inn has a comprehensive client database constructed specifically to track potential clients, client demographics, services provided, and follow-up needs. The data collected through this system is also used for outcome measures and for internal and external assessment of program effectiveness. This data along with the findings provided by the Collin County Homeless Count, The United Ways Needs Assessment and Collin Counties Criminal Justice Plan reported the following:

Collin County is one of the fastest growing counties in Texas as evidenced by population growth from 492,276 in the year 2000 to 791,470 in 2010. During the period from 2000 to 2010 there were several important facts that that are noteworthy:

- 1) While Collin County's population increased by 44%, the number of people who live in poverty increased by 100%.
- 2) The county experienced a 44% increase in the female head of households having children under 18.
- 3) From 2004 to 2006 there was a 65% increase in the number of seniors 65+ living in poverty
- 4) From 2004 to 2006 there was a 36% increase in the number of children under 18 years of age living in poverty.
- 5) From 2004 to 2006 there was a 67% increase in the number of African Americans living in poverty

- 6) The average number of homeless people denied shelter services in Collin County for the year 2000 was 2 per month as compared to 2009 which showed 60 people per month.
- 7) Family homelessness accounted for a 50% increase in the latest homeless count in the county.
- 8) Homeless in Collin County in 2013 had increased by 44% as compared to 2012.

Source: CCCJP-2008, pgs 4-6. While note published in the CCCJP it appears that this same trends have continued from 2008-2012. (United Way-unpublished needs assessment)

Provide specific information to illustrate how this Project/Promotion/Event will enhance quality of life and further business and economic development in the City of McKinney, and support one or more of MCDC's goals:

- *Develop and strengthen community amenities to improve quality of life*
- *Support projects eligible for Type B support under state law*
- *Contribute to business and economic development within McKinney*
- *Strengthen relationships with our partners*
- *Maintain financial sustainability*
- *Educate the community about the impact of MCDC investments on quality of life in McKinney*

Currently The Samaritan Inn is able to assist over 500 homeless individuals in the community by providing an environment that allows them to work their way back to becoming contributing citizens within their local communities. Through this project, it is the hope that no one will be forced to live in less than adequate environment(s) that homelessness causes. Instead, they will have a viable option in attending a safe, caring, productive program/environment that will strengthen their self-esteem and allow them to pursue their individual/ family goals.

By providing an environment in which homeless individuals and families are able to find employment, and then financial independence, an expected outcome would be a decrease in the local poverty level, thus strengthening the local economy. The construction phase would provide work for many local people, business and volunteers. Once completed, the expansion would present opportunities for local citizens to become employed by The Samaritan Inn.

Through many partnerships that The Samaritan Inn has already established with businesses, City/County governments, faith based community, and private individuals, MCDC would be promoted as one of our core partners. This "awareness" would strengthen and help in the development of new relationships for the Inn and MCDC.

Has a request for funding, for this Project/Promotion/Community Event, been submitted to MCDC in the past?

Yes X No

III. Financial

Provide an overview of the organization's financial status including the impact of this grant request.

Attached (**Attachment V**) you will find a *Consolidated Balance Sheet* as of the end of March 2014. The impact of this grant would greatly assist with the building of the infrastructure. There are many organizations/donors that are willing to donate to the "above" ground construction which allows them to "showcase" their contribution. Very few are willing to help with the "below ground" construction. Thus the MCDC grant is of vital importance in assisting with the initial construction of this project.

Please attach your budget for the current year and audited financial statements for the preceding two years. If financials are not available, please indicate why.
(Please see Attachment VI)

What is the estimated total cost for this Project/Promotion/Community Event?
\$6,987,805.00 Million

(Please include a budget for the proposed Project/Promotion/Community Event.)
(Please see Attachment VII)

What percentage of Project/Promotion/Community Event funding will be provided by the Applicant? This is a Capital Campaign. To date, The Samaritan Inn has invested \$500,000 of its money, with another 1 million possibly being designated towards this project. The rest of the money is being raised through the individuals/community, corporations, foundations and grants.

Are Matching Funds available? Yes No

Cash: \$3.1 million	Source: Individual donors/grants	% of Total 44%
In-Kind: None confirmed	Source	% of Total

Are other sources of funding available? Grant applications are being submitted to many foundations such as; The Meadows Foundation, The Rees-Jones Foundation, etc. Cisco Meraki is working through the grant process to contribute the Wireless system for all of Phase I. Several Fortune 500 companies along with Capital One have verbally committed to financially assist with this project.

Have any other federal, state, or municipal entities or foundations been approached for funding? The Collin County Housing Finance Corp. – Housing Finance Assistance Program granted The Samaritan Inn \$400,000 for infrastructure.

IV. Marketing and Outreach

Describe marketing plans and outreach strategies for your organization and for the Project/Promotion/ Community Event for which you are requesting funding – and how they are designed to help you achieve current and future goals.

The Samaritan Inn has designated a sub-committee from its Board of Directors whose goal is to coordinate fund raising activities with the Inn's marketing specialists. This committee is currently reviewing all the internal data of donors over the last 5 years. It is also reviewing the option of hiring an external "marketing" group who specializes in Capital Campaigns. This group has planned several different community activities that will cover the next 6 months. Social media is playing a large role in community awareness regarding the current needs of the project and the all upcoming events.

V. Metrics to Evaluate Success

Outline the metrics that will be used to evaluate success of the proposed Project/Promotion/Community Event. If funding is awarded, a final report will be required summarizing success in achieving objectives outlined for the event.

A quarterly report would be submitted showing/stating the progress of this project. This status report would include construction progress of the infrastructure along with a financial report specific to this grant and to the overall project.

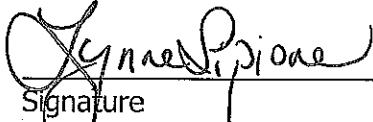
Acknowledgements

If funding is approved by the MCDC board of directors, Applicant will assure:

- The Project/Promotion/Community Event for which financial assistance is sought will be administered by or under the supervision of the applying organization;
- All funds awarded will be used exclusively for the purpose described in this application;
- MCDC will be recognized in all marketing, outreach, advertising and public relations as a funder of the Project/Promotion/Community Event. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement;
- Organization's officials who have signed the application are authorized by the organization to submit the application;
- Applicant will comply with the MCDC Grant Guidelines in executing the Project/Promotion/Community Event for which funds were received.
- A final report detailing the success of the Project/Promotion/Community Event, as measured against identified metrics, will be provided to MCDC no later than 30 days following the completion of the Project/Promotion/Community Event.
- Up to 80% of the approved grant may be provided, on a reimbursement basis, prior to conclusion of the Project/Promotion/Community Event with submission of invoices/receipts to MCDC. The final 20% will be paid following MCDC's receipt of unpaid invoices/receipts; documentation of fulfillment of obligations to MCDC; and final report on the Project/Promotion/Community Event.
- The required performance agreement will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120th day after the date the MCDC notifies the applicant of the violation.

We certify that all figures, facts and representations made in this application, including attachments, are true and correct to the best of our knowledge.

Chief Executive Officer



Signature

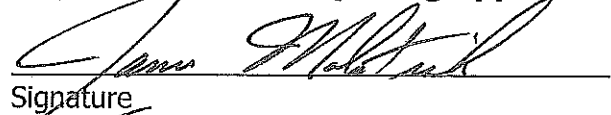
Lynne Pipione

Printed Name

4/25/14

Date

Representative Completing Application



Signature

JAMES MALATICH

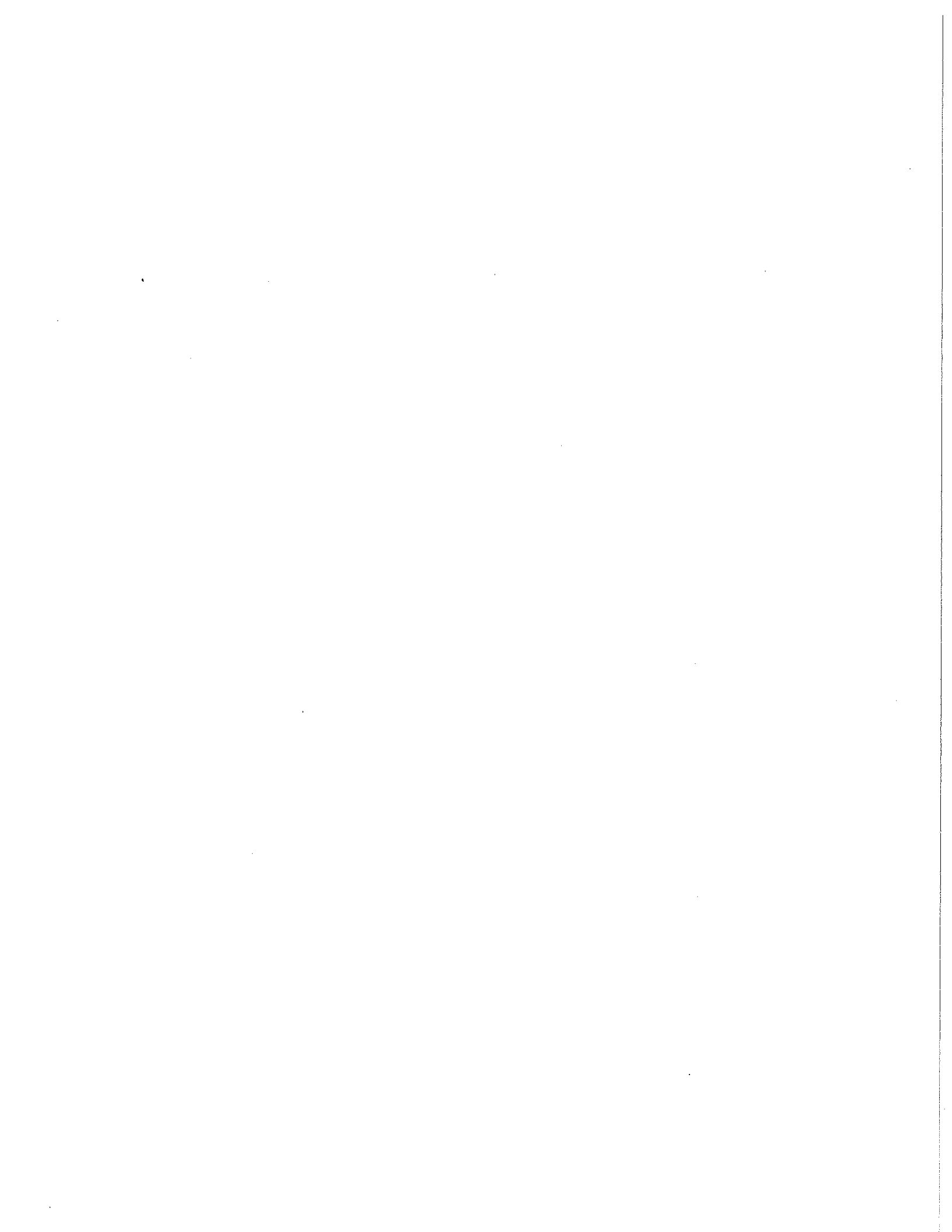
Printed Name

4/25/14

Date

INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.

Attachment I



Internal Revenue Service

Date: June 1, 2005

SAMARITAN INN INC
PO BOX 541
MCKINNEY TX 75070-8139

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Kathy Masters ID# 31-04015
Customer Service Representative
Toll Free Telephone Number:
8:30 a.m. to 5:30 p.m. ET
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
75-1984285

Dear Sir or Madam:

This is in response to the amendment to your organization's Articles of Incorporation filed with the state on May 27, 2004. We have updated our records to reflect the name change as indicated above.

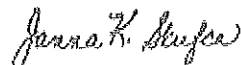
In August 1985 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

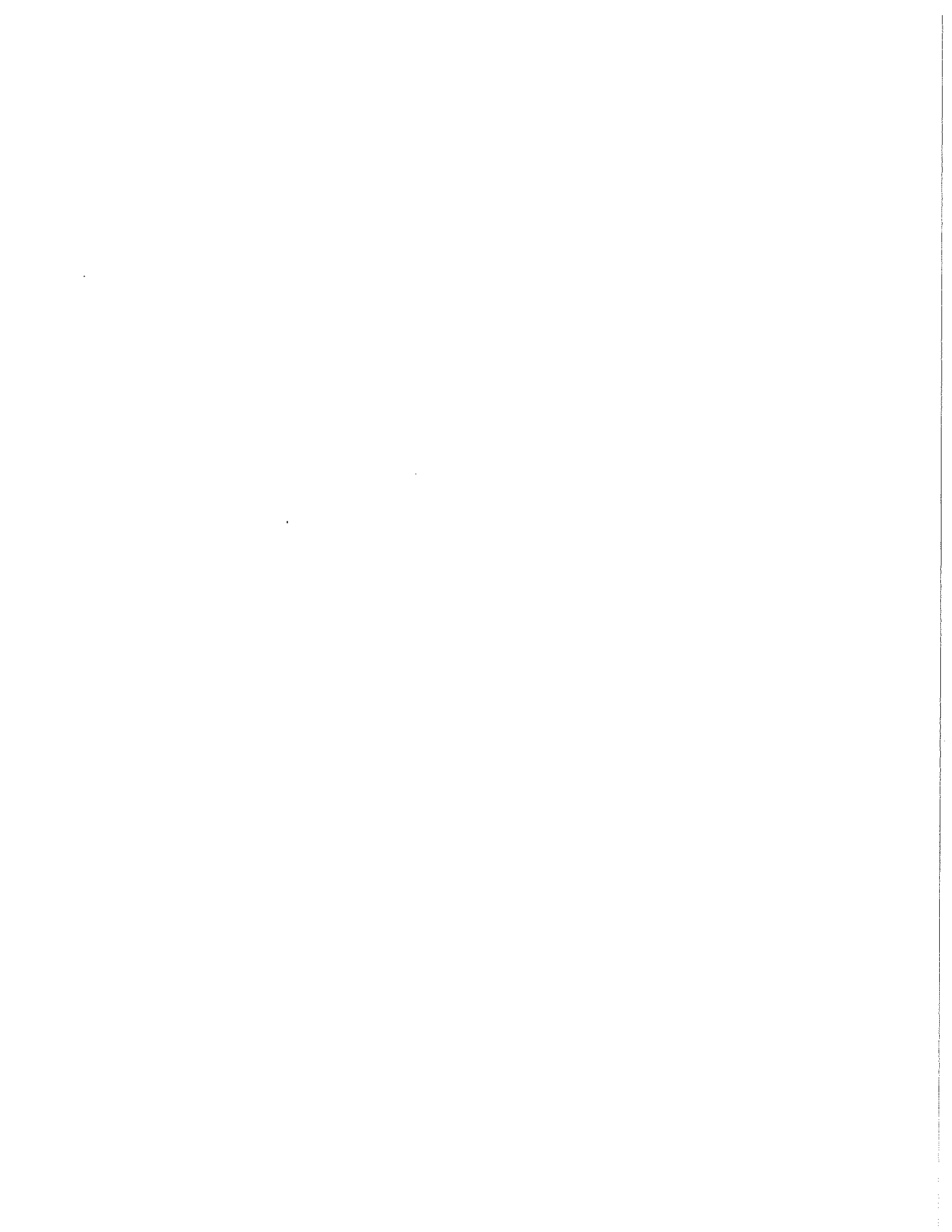
Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services



Attachment II



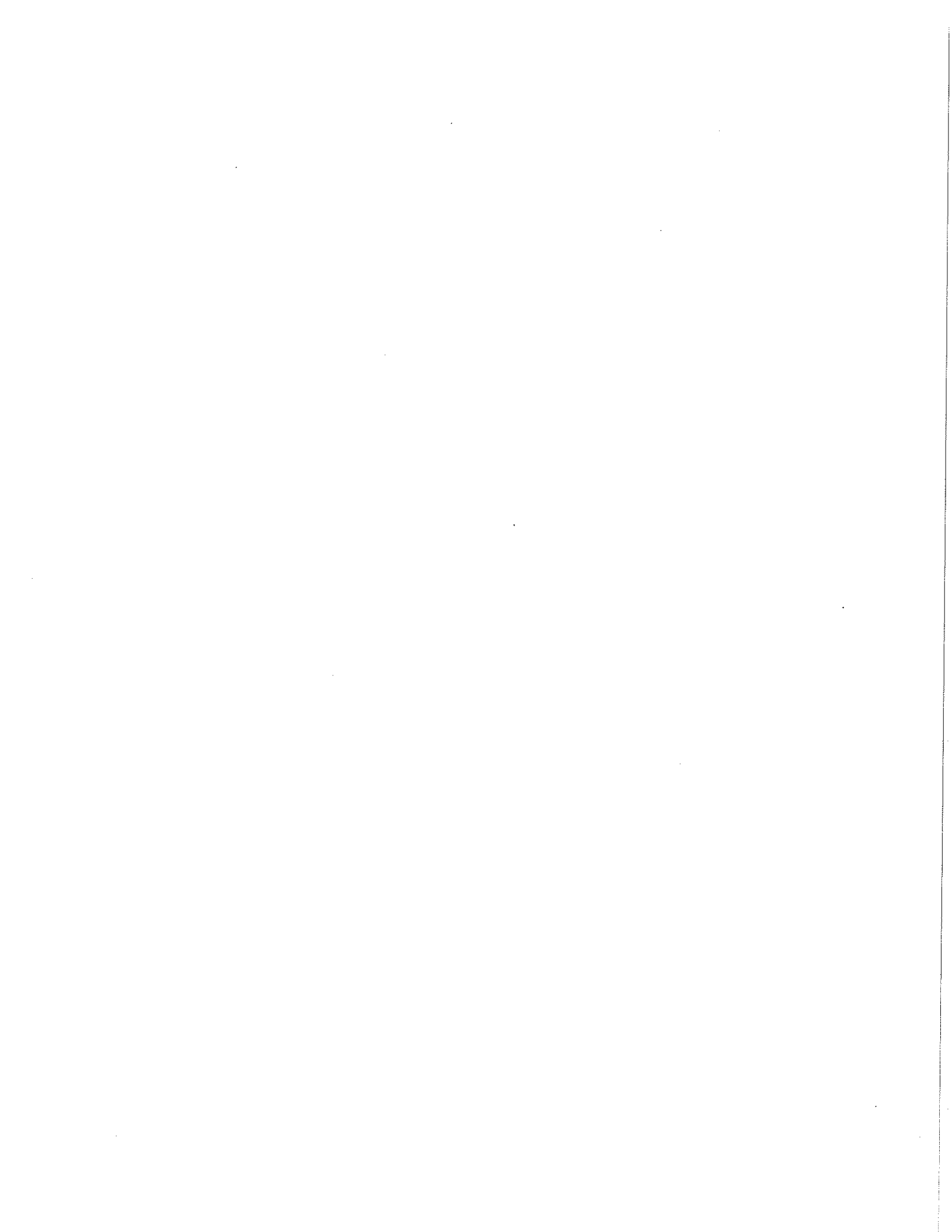


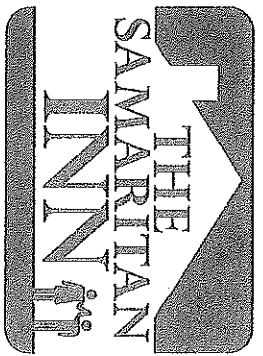
The Samaritan Inn
2014 Board of Directors

President			
Mark McAndrew - 2011 Non-Hispanic	1401 Chancellor Ln. McKinney, TX 75070	msmcandrew@torchmarkcorp.com CEO - Torchmark Corp.	(w) (972) 569-3221 (c) (214) 551-2360
Treasurer - Finance Committee			
Phil Maternowski - 2013 NH	4055 Heritage Trl. Celina, TX 75009	philmaternowski@gmail.com	(972) 347 2787 (469) 644-1075
Vice President - IT/Facilities			
John Festa - 2010 NH	3205 Saint Germain Dr. McKinney, TX 75070	john.festa@psi-corp.com Director - PSI Semicon Services	(h) (972) 548-0158 (c) (972) 922-8829
Vice President - Fundraising			
David Haufler - 2013 NH	8000 Dominion Parkway Plano, TX 75024	david.haufler@capitalone.com Capital One	(w) (972) 372-7204 (c) (302) 897-4618 (f) (972) 372-3060
Vice President - Programs			
Kathryn Jasper - 2011 NH	3045 Preston Hillis Cir. Prosper, TX 75078	kathrynjasper@sbcglobal.net Retired	(h) (972) 347-3711
Members At Large			
Ben Whisenant - 2010 NH	6908 Shoreview Dr. McKinney, TX 75070	bwhiz@tx.rr.com Retired - Texas State Bank President	(c) (214) 802-1211
Rick Wells - 2011 NH	670 Wendy Lane Lucas, TX 75002	rick@wellshospitalitygroup.com Owner - Rick's Chop House Sauce	(c) (214) 676-8445 (h) (214) 495-9523 (w) (214) 726-9251
Gavan Goodrich - 2013 NH	2350 Estates Parkway Lucas, TX 75002	gavangoodrich@gmail.com Lovejoy ISD	(w) (469) 742-8700
Marilyn Hinton - 2013 NH	7247 Moss Ridge Rd. Parker, TX 75002	mhinton114@aol.com Plano ISD School Board Trustee	(h) (972) 442-4523 (w) (469) 752-8382 (c) (972) 841-0301
Scott Johnson - 2012 NH	6072 Dripping Springs Dr. Frisco, TX 75034	sjohnson@wheethouseventures.com City Council Frisco	(c) (214) 929-1189
Mari McGowan - 2013 NH		mmcgowan@abernathy-law.com Abernathy, Roeder Law Firm	(w) (214) 544-4000
Pam Little - 2014 NH	632 Merlot Ct. McKinney, TX 75069	pam@acefences.com	(w) (972) 341-6697
Travis Ussery - 2011 NH	302 Brooklane McKinney, TX 75069	travisussery@att.net City Council McKinney	(c) (214) 213-6674 (w) (972) 542-0342
Lynne Williams - 2013 NH	15700 Custer Trail Frisco, TX 75035	mixer22@me.com Retired Registered Pharmacist	(c) (469) 223-3947

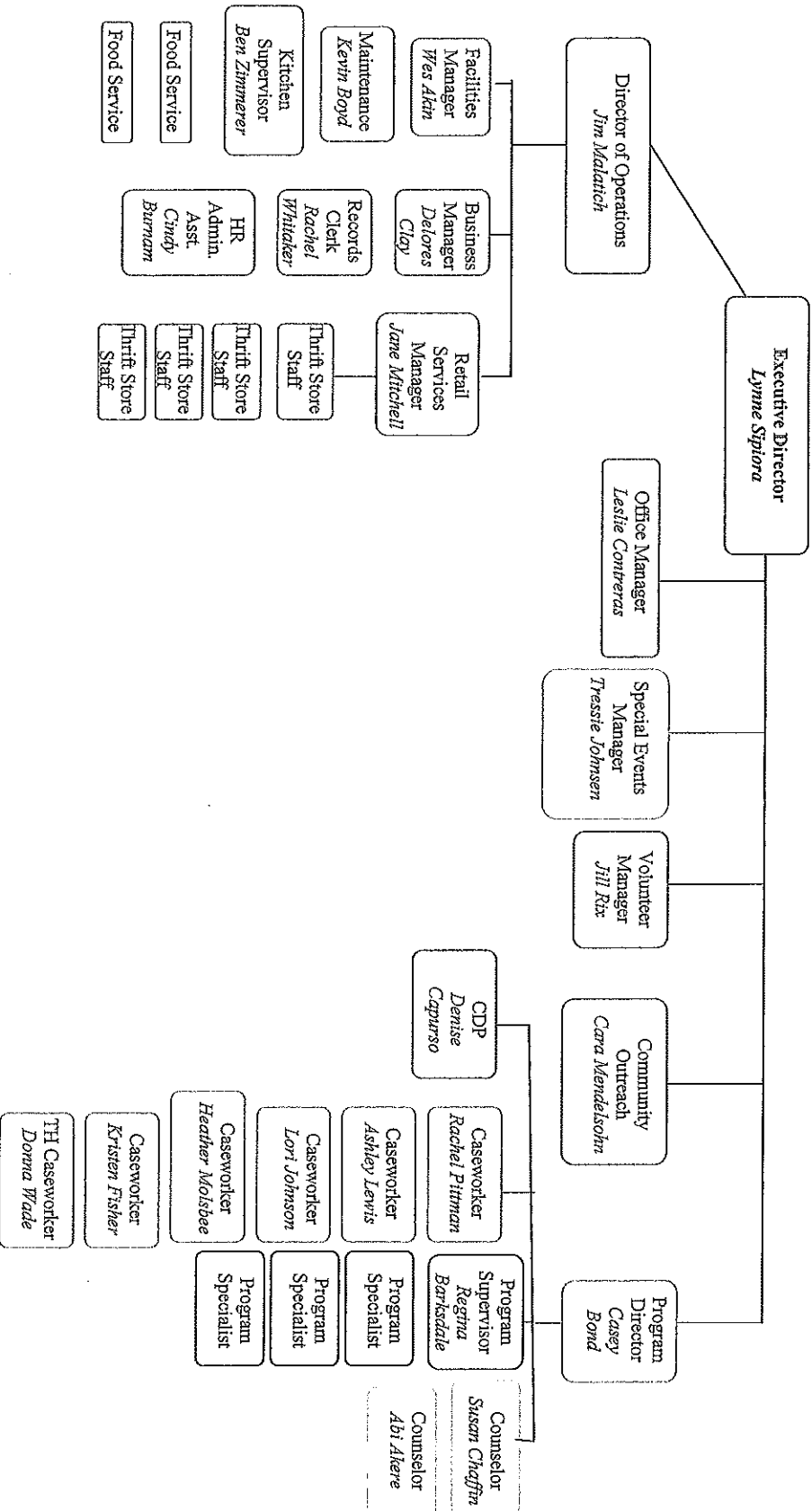


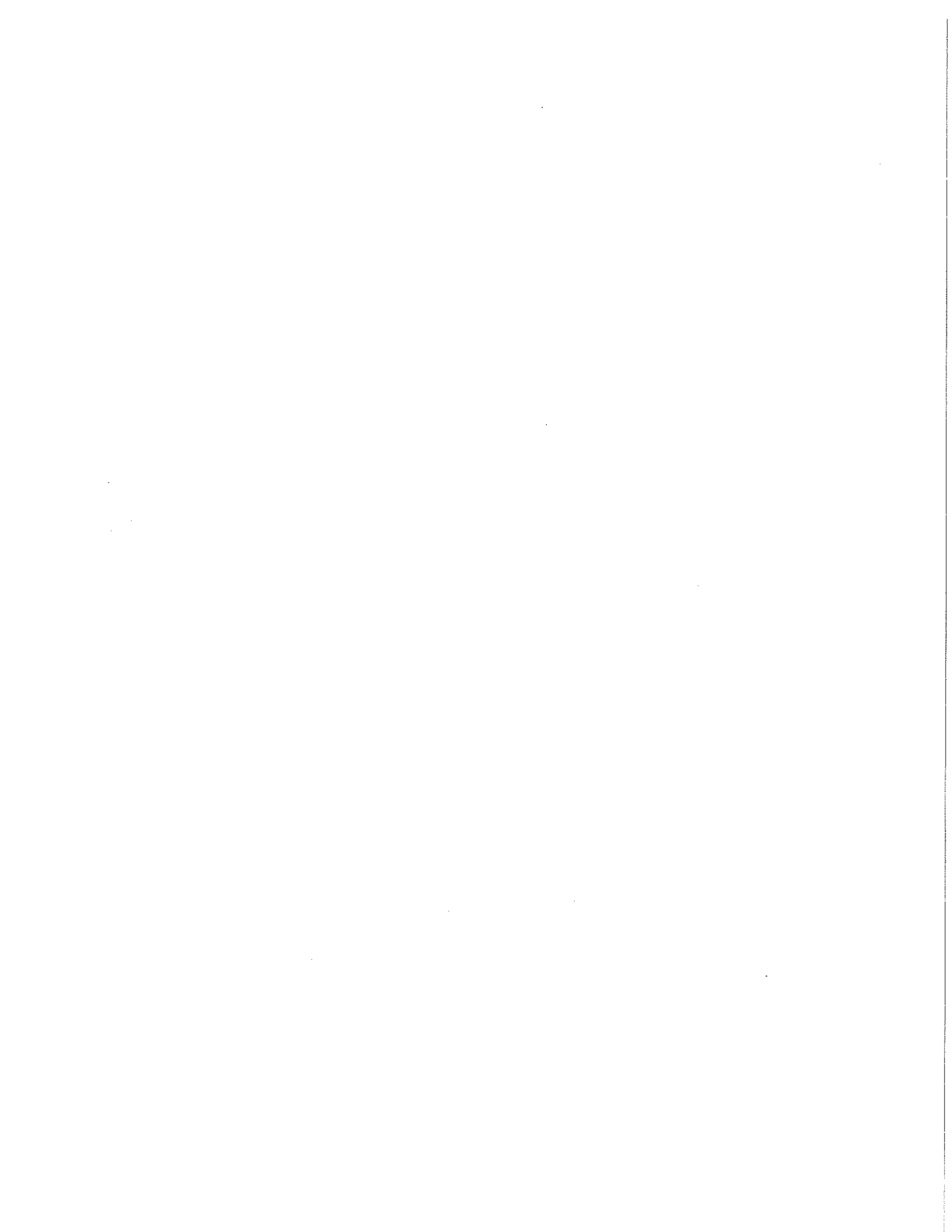
Attachment III



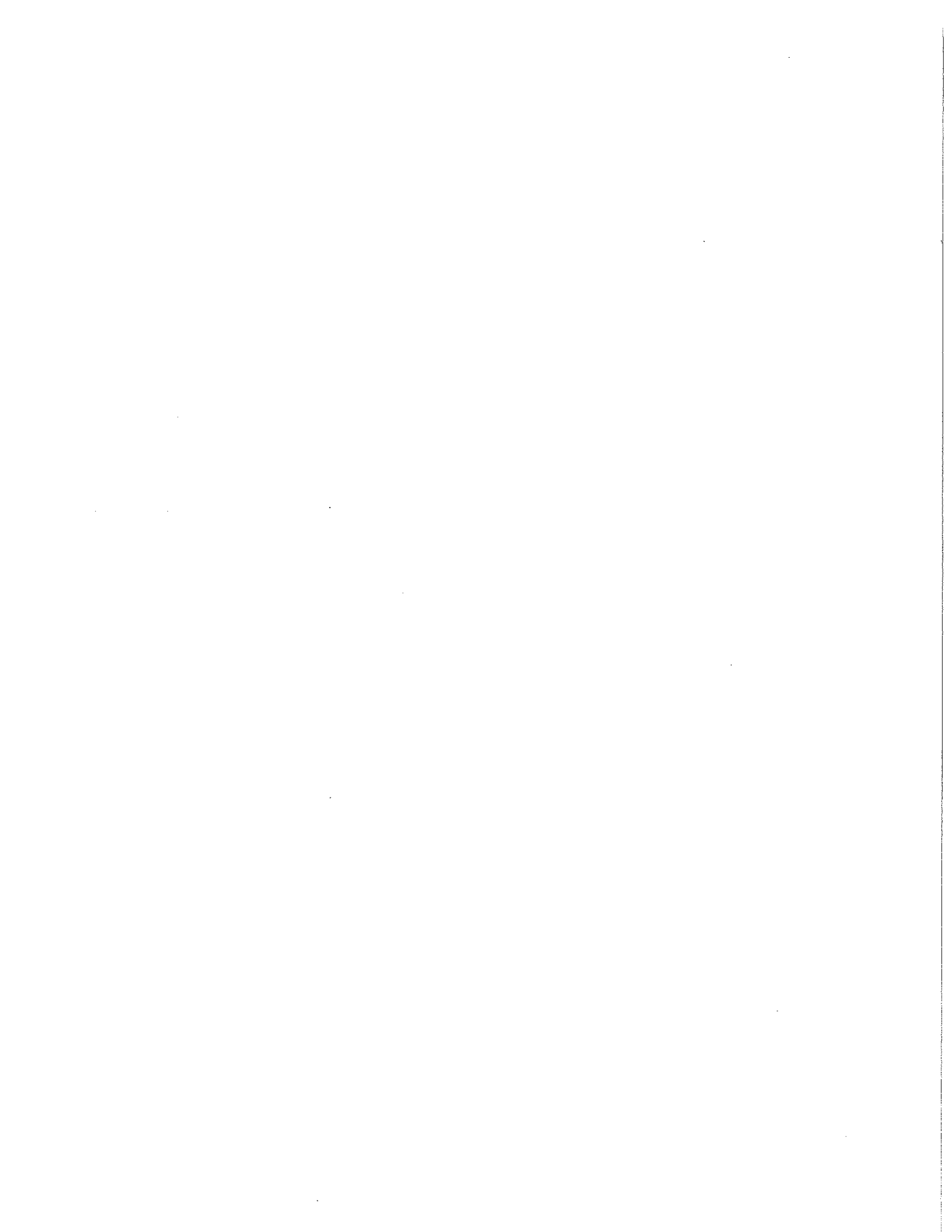


2014 ALL-STAFF ORGANIZATION CHART





Attachment IV



NO.	DATE	REVISION / ASSIGNED TO
1	04-01-2014	13200-1-003
2	04-01-2014	13200-1-003

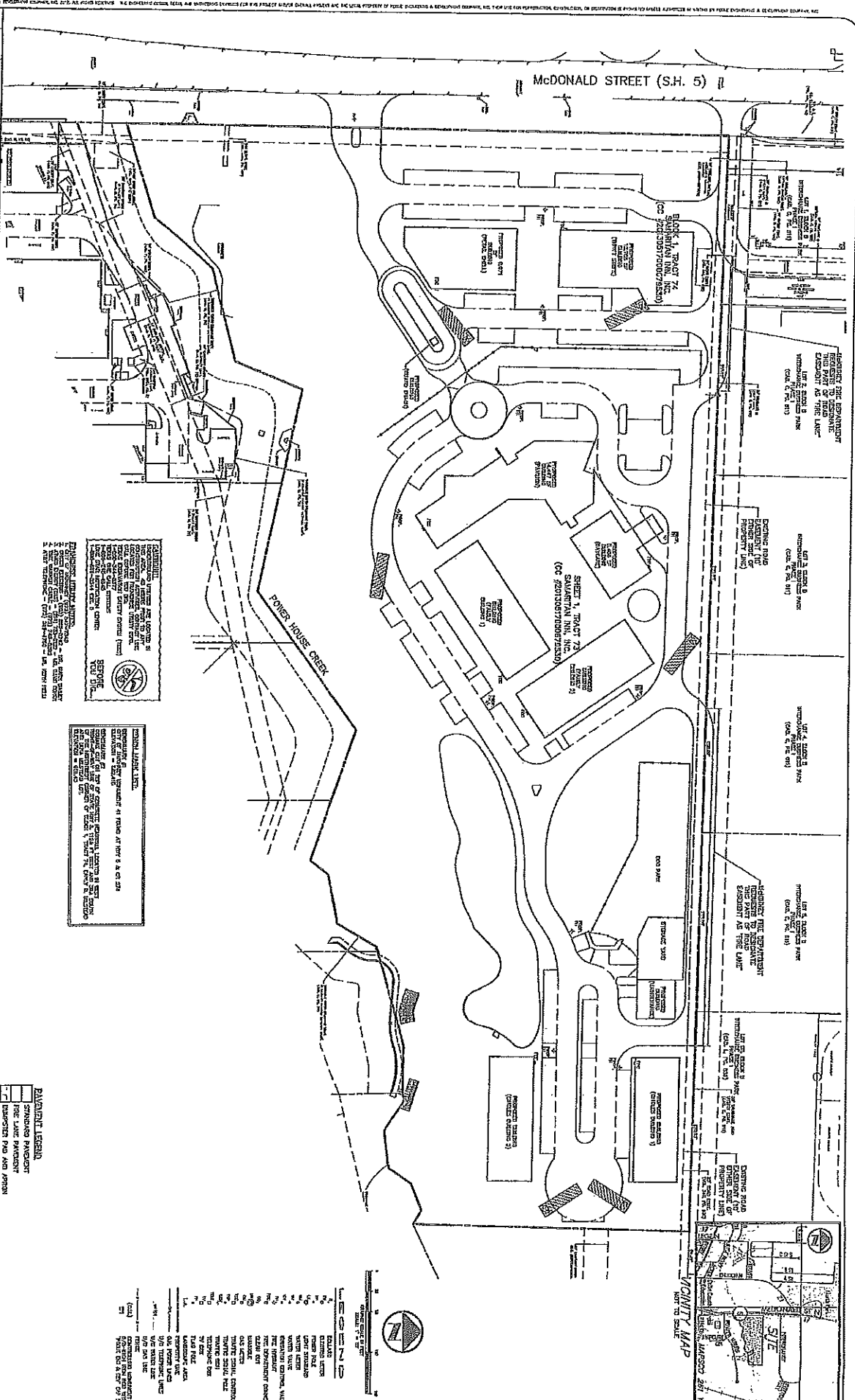
ENGINEER'S CERTIFICATION
 THE 56 ACRES
 WILLIAM DAVIS SURVEY, ABSTRACT NO. 248
 ZONING: R-1C

OWNER'S ADDRESS
 1725 THE SAMARITAN INN
 1524 ADDRESS
 THE SAMARITAN INN
 1725 THE SAMARITAN INN
 1524 ADDRESS
 THE SAMARITAN INN
 1725 THE SAMARITAN INN
 1524 ADDRESS

THE ASSURANCE OF ACCURACY FOR THE PURPOSES OF THIS SURVEY IS LIMITED TO THE ACCURACY OF THE DATA PROVIDED BY THE CLIENT. THE ENGINEER'S LIABILITY IS LIMITED TO THE PROFESSIONAL SERVICES PROVIDED BY THE ENGINEER.



SITE PLAN
 THE SAMARITAN INN
 1524 ADDRESS
 WILLIAM DAVIS SURVEY, ABSTRACT NO. 248
 CITY OF MCKINNEY, TEXAS

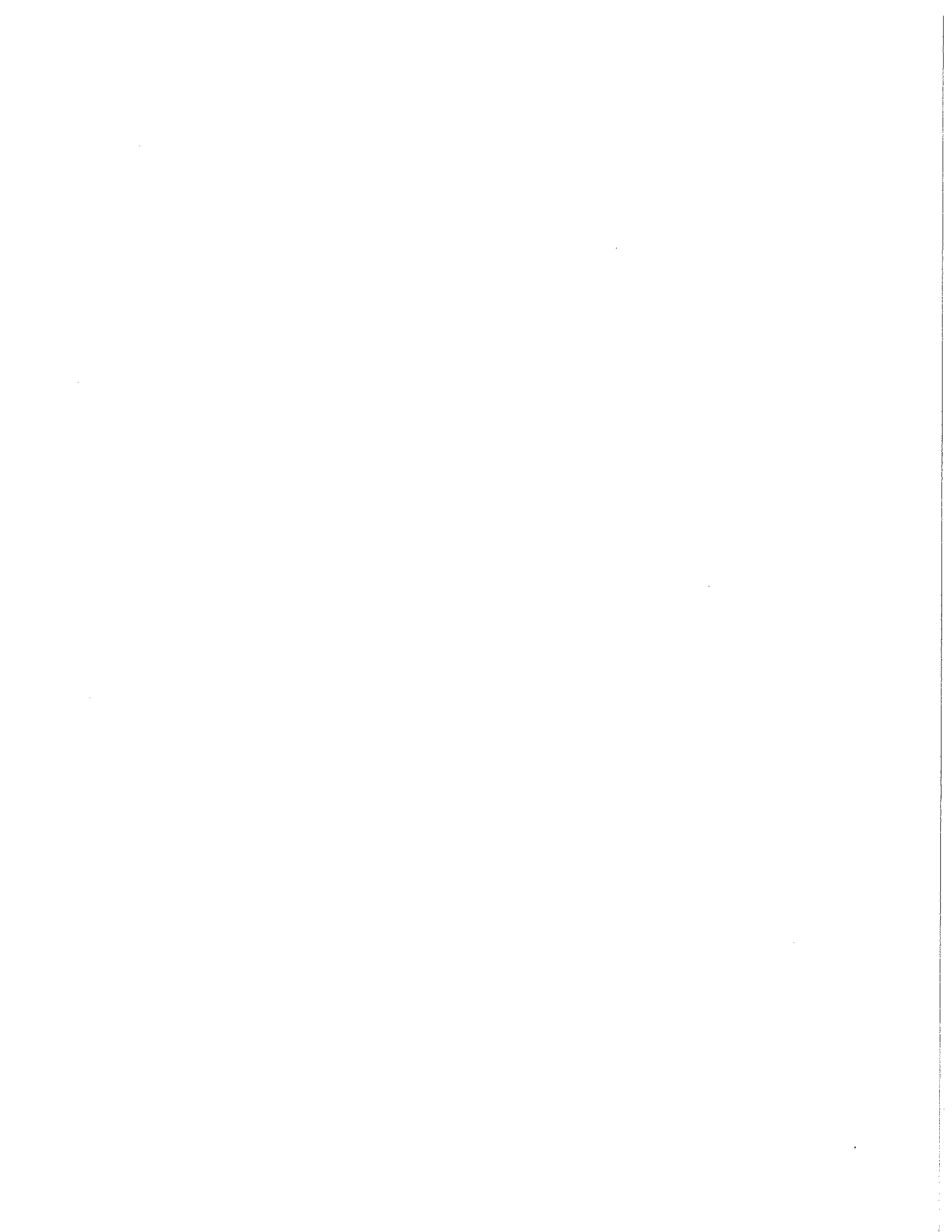


GENERAL NOTES:
 1. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 2. THE CLIENT SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS FROM THE LOCAL JURISDICTIONS.
 3. THE ENGINEER'S LIABILITY IS LIMITED TO THE PROFESSIONAL SERVICES PROVIDED BY THE ENGINEER.

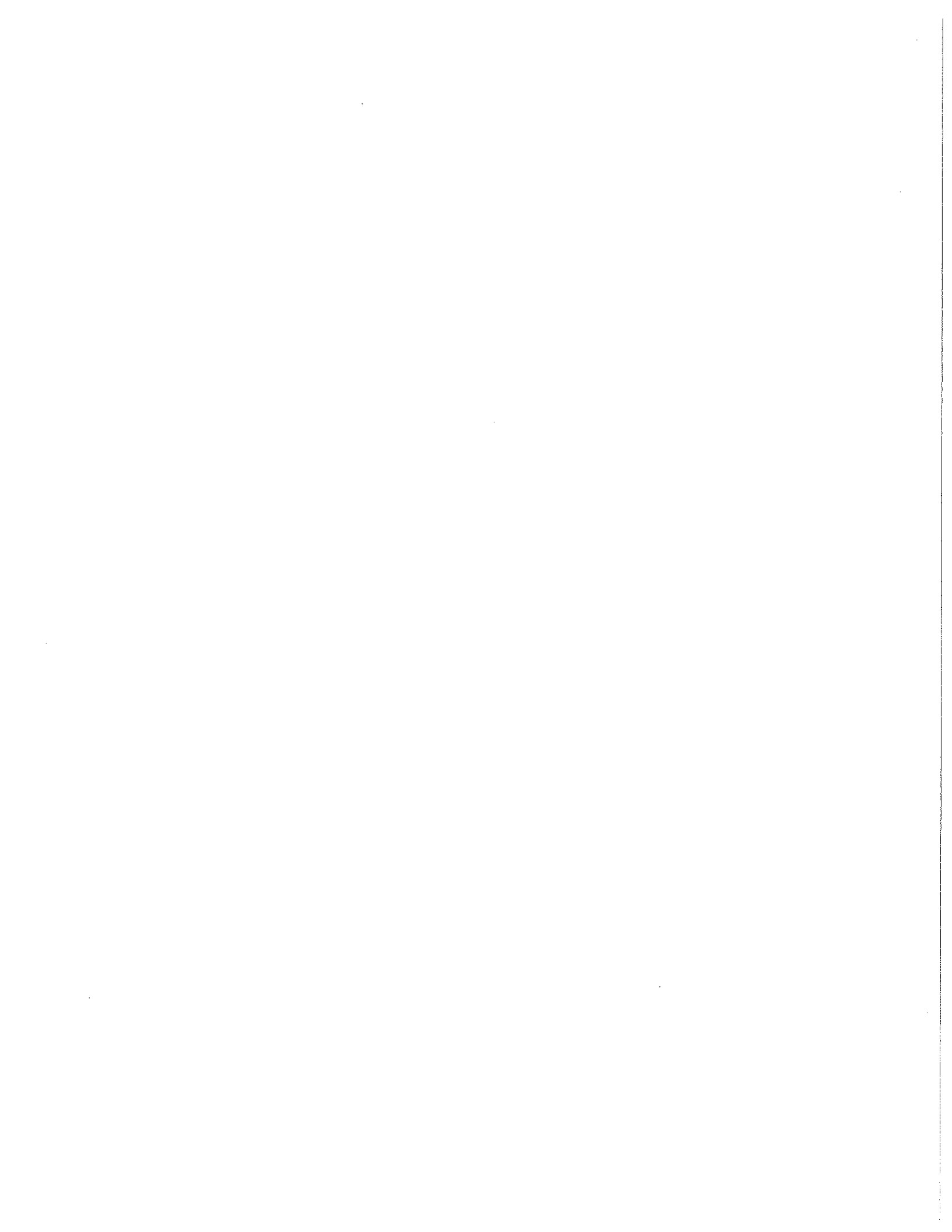
LEGEND:
 [Symbol] EXISTING ROAD
 [Symbol] EXISTING PARKING
 [Symbol] EXISTING UTILITY LINES

PROJECT INFORMATION:
 PROJECT NO. 13200-1-003
 SHEET NO. SP1.0

DATE: 04-01-2014
SCALE: AS SHOWN



Attachment V





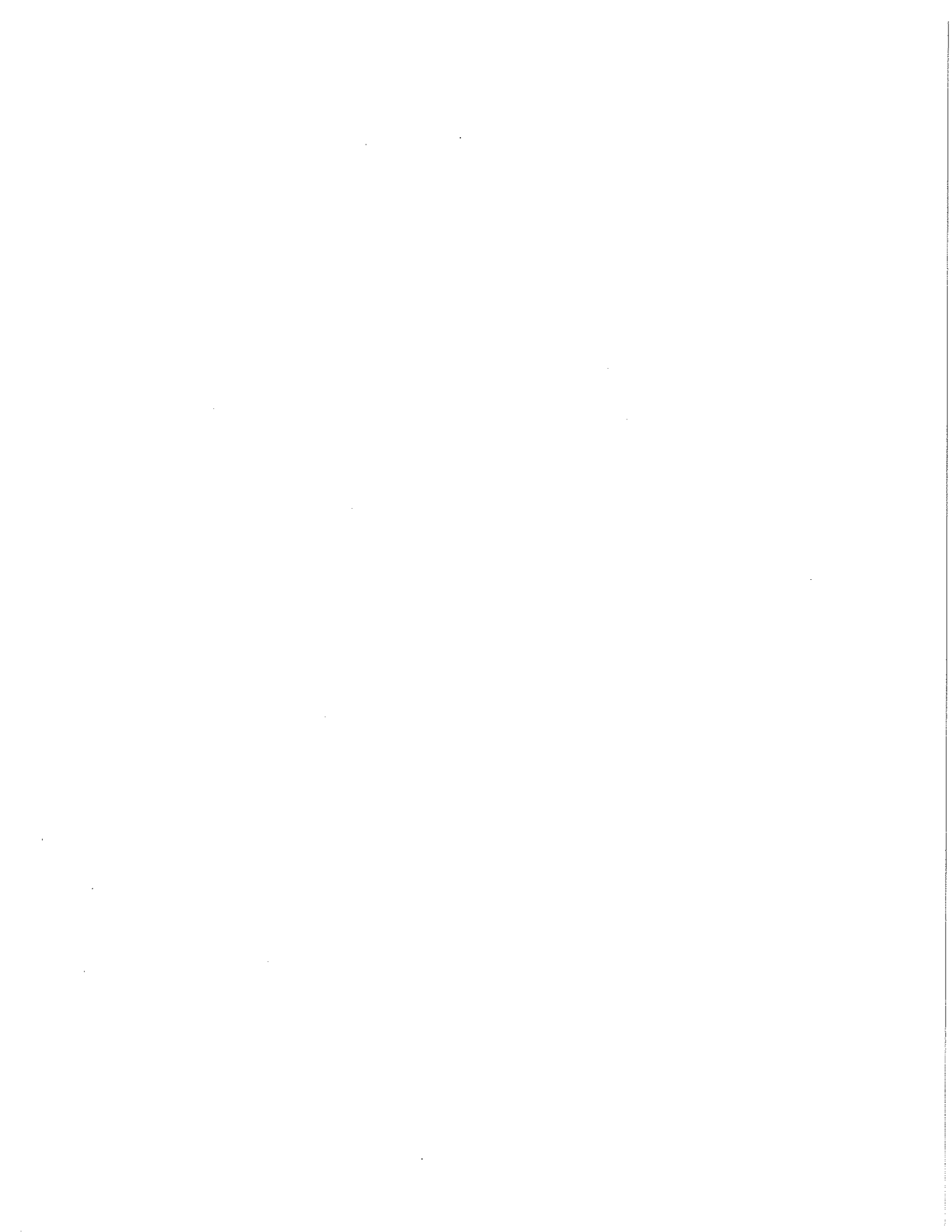
**THE SAMARITAN INN AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF Oct 31th, 2013 and Sept 30th 2014**

	Sep-13		Mar-14			
	Consolidated	Thrift Store	Gateway Apts	Samaritan Inn	Foundation	Consolidated
ASSETS						
Cash & cash equivalents	\$ 584,074				582,629	\$ 582,629
Foundation fund	375,886	\$ 123,970	\$ 35,243	\$ 534,443		\$ 693,656
Operating accounts	374,808			2,067,901		2,025,133
Capital Campaign	1,334,768	123,970	35,243	2,602,344	582,629	3,344,186
Total Cash & Cash Equivalents	2,847,972			1,000,000	2,029,232	3,029,232
Investments						
Fixed assets, net of accumulated depreciation	4,556,215	621,537	1,375,126	2,220,639		4,217,302
Total Assets	\$ 8,738,955	\$ 745,507	\$ 1,410,369	\$ 5,822,983	\$ 2,611,861	\$ 10,590,720
LIABILITIES & NET ASSETS						
Accounts payable			\$ -	\$ -	\$ -	\$ -
Deferred Income-- (2014 Gala)	48,500					
Payroll liabilities						
Accrued wages	21,335			30,090		30,090
Accrued compensated absences						
Total Liabilities	69,835	-	-	30,090	-	30,090
Board Restricted Net Assets (Foundation)	2,432,046				2,611,861	2,611,861
Board Restricted Net Assets (Land)	1,000,000			1,000,000		1,000,000
Board Restricted Net Assets (Capital Campaign)	374,808			2,067,901		2,067,901
Net Equity	4,862,266	745,507	1,410,369	2,694,902		4,850,778
Total Net Assets	8,669,120	745,507	1,410,369	5,792,893	2,611,861	10,560,630
Total Liabilities & Net Assets	\$ 8,738,955	\$ 745,507	\$ 1,410,369	\$ 5,822,983	\$ 2,611,861	\$ 10,590,720

Samaritan Inn Confidential: This document is for internal use and the use of the Board of Directors only and may not be distributed to any other third party.



Attachment VI





VAIL & KNAUTH, LLP
CERTIFIED PUBLIC ACCOUNTANTS
AUDIT, TAX AND ADVISORY SERVICES

10300 N. Central Expressway, Suite 460
Dallas, TX 75231

phone 214 660 2000
fax 214 276 7555

January 17, 2014

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

In planning and performing our audit of the financial statements of Samaritan Inn, Inc. as of and for the year ended September 30, 2013 in accordance with auditing standards generally accepted in the United States of America, we considered Samaritan Inn Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any significant deficiencies in internal control.

This communication is intended solely for the information and use of management, the Audit Committee and Board of Directors, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

Vail & Knauth, LLP

Dallas, TX

Telephone	18,000	18,000
Postage	5,000	5,000
Rent or Lease Expenses	15,000	14,000
Office Furnishing	3,000	1,000
Books & Chronicles	2,000	7,500
Leased Equipment	11,000	11,000
Meals & Entertainment	8,000	8,500
Office Supplies	14,000	12,000
Web & Internet	15,000	15,000
Transportation	24,300	22,200
Gasoline	12,000	12,000
License	500	500
Mileage	6,000	5,000
Parking & Toll	800	700
Repairs & Maintenance	5,000	4,000
Contract Services	60,000	67,000
Other Operating Exepnses	20,500	24,800
Meals (per diem)	500	500
Travel Expnses	2,500	2,000
Bank & Credit Card Fees	3,000	7,500
Conference Meetings	5,000	6,000
Criminal & Background Checks	3,000	3,000
Dues & Subscriptions	5,500	5,000
Penalties & Interest	-	-
Volunteer Recognition	1,000	800
Reserve	-	-
Total Expenses	2,138,500	2,070,400
Total Revenue	2,138,500	2,096,400
Net	-	26,000

EXPENSE	20013-14 PROPOSED BUDGET	Actual/Projected 2012 13 Budgeted
Special Event Expenses	43,800	42,900
Mass Food Program	31,000	31,000
Shelter Program	400	400
Special Events - Printing	3,000	2,500
Special Events - Supplies	400	500
Special Events - Other Expenses	9,000	8,500
Individual & Family Assistance	131,400	129,100
Adult Program	11,000	11,000
Children's Program	9,000	8,000
Childcare	29,000	28,000
Fuel & Transportation	4,000	4,000
Homeless Prevention-Plano	49,000	43,000
Homeless Prevention-Frisco	11,000	10,000
Homeless Prevention-McKinney	-	7,000
Naturalization & Immigration	300	400
Copay-Rx/Vision/Medical	15,000	15,000
Summer Camp	3,000	2,600
Other	100	100
Gala Event Expenses	159,500	152,800
Hotel	65,000	65,000
Printing	10,000	10,000
Program	30,000	25,000
Supplies	4,500	2,800
Other Expenses	50,000	50,000
Salaries	1,225,000	1,177,000
Programs	825,000	800,000
Facility Support	100,000	97,000
Admin	300,000	280,000
Payroll Tax	107,000	100,000
FICA/Mdcr	95,000	90,000
Suta Tax	6,000	5,000
APD Processing	6,000	5,000
Employee Benefits	75,500	70,000
Dental & Vision	500	500
Health Insurance	70,000	65,000
Group Life	5,000	4,500
Insurance	52,500	52,000
Comercial Portion	32,000	32,000
Professional Liability	5,000	5,000
Directors & Officers	3,000	3,000
Workers Comp	9,000	8,500
Vehicle	3,500	3,500
Professional Fees	10,500	9,000
Outsourced Professional	2,500	2,000
Legal & Accounting Fees	8,000	7,000
Occupancy - Facilites	122,500	116,600
Electric	43,000	42,000
Garbage	9,500	9,000
Gas	8,500	8,000
Water	25,000	24,000
Other	500	600
Office Supplies	7,000	6,000
Maint. & Repair	28,000	26,000
Storage Rental/City Dump	1,000	1,000
Office Expenses	106,000	107,000
Printing & Reproduction	15,000	15,000

Income	20013-14 PROPOSED BUDGET	Actual/Projected 2012- 13 Budgeted
Inter Company Labor Allocation	86,000	80,000
Accounting Labor	12,000	12,000
Admin Labor	27,000	26,000
Salary & Tax Allocation	32,000	31,000
Maint & Repair	15,000	11,000
Special Events	364,000	365,000
Other Community Special Events	34,000	32,000
Gala	330,000	333,000
Community Support	1,478,500	1,433,400
Children's Program	24,000	13,000
Homeless Prevention	77,000	90,000
Grants	190,000	180,000
Mail Campaign	12,000	10,000
Individual & Family Assistance	40,000	35,000
Mass Food Program	93,000	85,000
Shelter Program	1,500	1,400
Individuals - non pledge	13,000	12,000
Corporate Support	120,000	111,000
Holiday Donations	384,000	384,000
Community Support	370,000	360,000
Newsletter	42,000	38,000
Faith Based	64,000	62,000
Gift Cards	40,000	46,000
Inn-stitute	4,000	3,000
Other Community Support	4,000	3,000
United Way	210,000	218,000
United Way - Grant Award	70,000	80,000
United Way - SECC & CFC	-	3,000
United Way Community Designation	140,000	135,000
Total Revenue	2,138,500	2,096,400

Samaritan Inn, Inc.
 Consolidated Statement of Activities and Changes in net Assets
 Year Ended September 30, 2013

<u>Samaritan Inn & Samaritan Foundation</u>						
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Friends of the Inn Thrift Store</u>	<u>North Texas Gateway Apartments</u>	<u>Consolidated Total</u>
Support & Revenue						
Contributions	\$ 824,827	\$ 35,000	\$ 859,827	\$ 3,575	\$ -	\$ 863,402
Fundraisers	781,393	355,831	1,137,224	-	-	1,137,224
Service contributions	386,595	-	386,595	-	-	386,595
Thrft store sales	-	-	-	458,333	-	458,333
Grants	-	162,162	162,162	-	-	162,162
United Way	-	211,742	211,742	-	-	211,742
Interest & dividends	623	58,570	59,193	243	-	59,436
Rent and utilities	-	-	-	-	212,921	212,921
Other income	1,918	-	1,918	-	-	1,918
Gain (loss) on investments	-	114,239	114,239	-	-	114,239
Transfers in (out)	80,236	-	80,236	(35,000)	(45,236)	-
Total support and revenue	2,075,592	937,544	3,013,136	427,151	167,685	3,607,972
Release from restrictions	1,440,411	(1,230,795)	209,616	(120,164)	(87,010)	2,442
Expenses						
Program	2,091,418	-	2,091,418	329,611	160,245	2,581,275
General & Management	311,590	-	311,590	-	-	311,590
Fundraising	234,014	-	234,014	-	-	234,014
Total expenses	2,637,022	-	2,637,022	329,611	160,245	3,126,879
Change in net assets	878,981	(293,251)	585,730	(22,624)	(79,570)	483,535
Net assets - beginning	1,736,619	2,774,061	4,510,680	674,554	1,459,520	6,644,754
Net assets - ending	\$ 2,615,600	\$ 2,480,810	\$ 5,096,410	\$ 651,930	\$ 1,379,950	\$ 7,128,289

Samaritan Inn, Inc.
Consolidated Statement of Financial Position
September 30, 2013

	Samaritan Inn & Samaritan Inn Foundation				Friends of the Inn Thrift Store	North Texas Gateway Apartments	Consolidated Total
	Unrestricted	Temporarily Restricted	Total				
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 660,047	-	\$ 660,047	\$ 35,690	\$ 118	\$ 695,855	
Prepaid Expenses	18,485	-	18,485	-	-	18,485	
Gift Cards for Resident Use	68,926	-	68,926	-	-	68,926	
Due from Others	6,733	-	6,733	-	-	6,733	
Total Current Assets	754,191	-	754,191	35,690	118	789,959	
INVESTMENTS							
Endowment Fund Cash and Cash Equivalents	-	210,543	210,543	-	-	210,543	
Endowment Fund Investments	-	2,270,267	2,270,267	-	-	2,270,267	
Total Investments	-	2,480,810	2,480,810	-	-	2,480,810	
PROPERTY, PLANT and EQUIPMENT							
Property, Plant and Equipment	3,216,539	-	3,216,539	881,780	1,725,246	5,823,565	
Accumulated Depreciation	(776,038)	-	(776,038)	(250,156)	(333,041)	(1,359,235)	
Total Property & Equipment	2,440,501	-	2,440,501	631,624	1,392,205	4,464,331	
Total Assets	\$ 9,194,692	\$ 2,480,810	\$ 5,675,502	\$ 667,315	\$ 1,392,323	\$ 7,735,140	
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts and Credit Card Payables	\$ 28,138	\$ -	\$ 28,138	\$ 694	\$ -	\$ 37,832	
Current Portion of Note Payable	43,013	-	43,013	-	-	43,013	
Deferred Income	2,500	-	2,500	-	-	2,500	
Accrued Liabilities	1,701	-	1,701	5,891	-	7,392	
Other Current Liabilities	30,091	-	30,091	-	-	30,091	
Total Current Liabilities	105,443	-	105,443	15,385	12,373	12,373	
NON-CURRENT LIABILITIES							
Note Payable	473,649	-	473,649	-	-	473,649	
Total Liabilities	\$ 579,092	\$ -	\$ 579,092	\$ 15,385	\$ 12,373	\$ 606,850	
NET ASSETS							
Unrestricted	2,615,600	-	2,615,600	651,930	1,379,950	4,647,479	
Temporarily Restricted Funds	-	2,480,810	2,480,810	-	-	2,480,810	
Total Net Assets	2,615,600	2,480,810	5,096,410	651,930	1,379,950	7,128,289	
Total Liabilities and Net Assets	\$ 3,194,692	\$ 2,480,810	\$ 5,675,502	\$ 667,315	\$ 1,392,323	\$ 7,735,140	

The accompanying notes are an integral part of these financial statements.

Samaritan Inn, Inc.
Consolidated Statement of Cash Flows
Year Ended September 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 483,535
Adjustments to Reconcile Net Assets to Net cash Provided by Operations:	
Depreciation and Amortization	196,934
Gain on Investments	293,251
Add:	
Decrease in Prepaid Expenses	(3,843)
Decrease in Resident Gift Cards	(25,781)
Less:	
Increase in Other Receivables	(559)
Decrease in Accounts Payable	33,970
Decrease in Deferred Revenue	(7,500)
Decrease in Payroll Liabilities	(49,758)
Decrease in Other Payables	6,716
Decrease in Accrued Compensated Absences	1,303
Net Cash Provided by (Used) Operating Activities	<u>928,268</u>
 Cash Flows From Investing Activities	
Purchase of property and equipment	(1,037,109)
Net Cash Provided (Used) Investing Activities	<u>(1,037,109)</u>
 Cash Flows from Financing Activities	
Payments on long term debt	516,662
Net Cash Provided (Used) by Financing Activities	<u>516,662</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	407,821
 Cash and Cash Equivalents, September 30, 2012	<u>288,034</u>
 Cash and Cash Equivalents, September 30, 2013	<u>\$ 695,855</u>
 Supplemental cash flow information	
Interest paid	<u>\$ 10,979</u>

Samaritan Inn, Inc.
 Consolidated Statement of Functional Expenses
 Year Ended September 30, 2013

	Programs				Total	General & Management	Fundraising	Consolidated Total
	Friends of the Inn Thrift Store	North Texas Gateway Apartments	Samaritan Inn Operations	Total				
Salaries and Wages	\$ 220,538	\$ -	969,479	\$ 1,190,017	202,882.64	\$ -	\$ 1,392,900	
Donated Services	-	-	256,555	256,555	-	-	256,555	
Donated Food/Items	-	-	131,040	131,040	-	-	131,040	
Depreciation	30,886	51,237	94,145	176,268	20,666	-	196,934	
Individual and Family Assistance	-	-	150,943	150,943	-	33,479	184,422	
Utility	15,942	32,062	57,592	105,596	12,642	-	118,238	
Payroll Taxes	17,452	-	76,193	93,645	17,737	-	111,382	
Insurance	-	-	42,373	42,373	9,301	-	51,674	
Office and Other Supplies	6,694	771	21,131	28,596	4,639	2,246	35,481	
Contract Labor	6,396	-	46,894	53,290	10,294	-	63,584	
Employee Benefits	6,690	-	60,211	66,901	13,217	-	80,118	
Repair/Maintenance & Storage	8,087	18,263	13,550	39,900	2,974	-	42,874	
Professional Fees	(3,121)	-	17,994	14,873	3,179	-	18,823	
Telephone	3,344	-	14,480	17,824	3,179	-	21,003	
Transportation & Travel	4,534	-	19,886	24,420	4,365	-	28,785	
Hotel and Venue Expenses	-	-	-	-	-	77,057	77,057	
Advertising & Printing	410	-	19,518	19,928	-	15,202	35,130	
Meals & Entertainment	19	-	9,690	9,709	2,127	-	11,836	
Postage and Shipping	-	-	5,345	5,345	-	-	5,345	
Dues and Subscriptions	-	-	5,252	5,252	-	-	5,252	
Credit Card & Permit Fees	8,021	-	9,961	17,982	-	-	17,982	
Payroll Processing Fees	1,338	-	4,609	5,947	-	-	5,947	
Conference Fees & Related Expenses	-	-	5,073	5,073	1,114	-	6,187	
Criminal and Background Checks	344	-	3,410	3,754	-	-	3,754	
Rent & Lease Expenses	-	57,718	11,402	69,120	2,503	106,030	171,653	
Miscellaneous & Other Expenses	630	194	5,499	6,323	-	-	71,623	
Interest & Other Expenses	1,407	-	24,751	26,158	-	-	26,158	
Internet & Website Expenses	-	-	15,442	15,442	-	-	15,442	
Total Expenses	\$ 329,611	\$ 160,245	\$ 2,091,478	\$ 2,581,275	\$ 311,590	\$ 234,014	\$ 3,126,879	

The accompanying notes are an integral part of these financial statements.

Samaritan Inn, Inc.

Notes To Consolidated Financial Statements

September 30, 2013

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Samaritan Inn, Inc. (Organization) is located in McKinney, Texas and is a Texas nonprofit corporation that is classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization 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.

Friends of the Inn, Inc. operates as a thrift store. Thrift store profits are transferred to Samaritan Inn to support the organization's mission of providing emergency shelter.

Samaritan Inn Foundation, also known as the Endowment Fund, was established as a separate legal entity on July 24, 2004. The Endowment Fund was established to provide resources for Samaritan Inn.

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 a reduced-rent housing while they transitioned into mainstream housing. Tenants in North Texas Gateway Apartments are responsible for rent payments that equal 30% of the tenants' income; tenants may stay in the apartment for a maximum of 18 months from the move-in date.

The Board of Directors for Samaritan Inn, Friends of the Inn, North Texas Gateway Apartments and Samaritan Inn Foundation are under common control. Organizations with identical board members are required to consolidate financial statements, but may elect to report on a single entity as a component unit. Samaritan Inn and Samaritan Inn Foundation are presented as combined operations; Friends of the Inn and North Texas Gateway Apartments are presented as component units.

Summary of Significant Accounting Policies

The summary of significant accounting policies of the Organization is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The

Samaritan Inn, Inc.

Notes to Consolidated Financial Statements (continued)

Summary of Significant Accounting Policies (continued)

financial statements of the organization have been prepared on the accrual basis of accounting as a voluntary not for profit organization.

Financial Statement Presentation

The Organization's financial statements are presented in accordance with FASB ASC 958 which requires the Organization to report its financial position and activities using three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Accordingly, net assets and changes therein are classified as follows:

Unrestricted Funds – Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Funds – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. Temporarily restricted net assets are donations received from individuals, foundations, churches, and private groups, which are designated by the donor for specific expenditures.

Permanently Restricted Funds – The Organization has no permanently restricted net assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporarily restricted net assets (*i.e.*, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions are recognized as revenues in the period unconditional promises to give are received.

Basis of Accounting

The financial statements of the organization are reported on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Budgetary Control

Annual budgets are adopted by the organization and approved by the Board of Directors. The adopted budgets are prepared on a basis consistent with generally accepted accounting principles.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Accordingly, actual results could differ from those estimates. Significant estimates used in the preparation of these financial statements include the assumption in recording depreciation.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and demand and time deposit accounts at financial institutions.

For purposes of the statement of cash flow, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Endowment Fund and Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets.

On July 24, 2004, the Board of Directors established limited funds with endowment funds. Withdrawals from the fund are approved by the Board of the Executive Committee, who is appointed by the Board of Directors. An investment policy has been approved and the funds are held in an account with investment advisors. Investment earnings are reinvested in the fund.

Inventory

The Samaritan Inn's inventory consists of purchased and donated perishable and non-perishable food items, toiletries, linens and other supplies required for the operation of a homeless shelter. Inventory of the Friends of the Inn Thrift Stores consist of recycled clothing and house wares obtained through charitable donations. The inventory balance at fiscal year-end September 30, 2013 is immaterial and not recorded on the consolidated statement of financial position.

Accrued Compensated Absences

The organization has adopted a policy that allows employees to accrue compensated absences caused on the length of employment. Sick leave is forfeited upon separation of employment. Accrued vacation, capped at 40 hours, is payable to the employee upon separation, provided the employee meets the criteria based on company policy. Estimated accrued liabilities resulting from this policy are reflected in the financial statements.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

The Statement of Financial Position, Statement of Activities, Statement of Functional Expense and Statement of Cash Flows for the organization are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the Statement of Financial Position. Under the accrual basis of accounting, revenues are recognized when earned; expenses are recognized at the time the liability is incurred.

Capital Assets

Capital assets, which include property, vehicles, furniture, and equipment, are reported in the applicable financial statements. All capital assets are valued at historical costs or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date of donation. Repairs and maintenance are recorded as expenses.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings & Improvements	30 Years
Apartments	27.5 Years
Shelter Equipment	5 to 10 Years
Office Equipment	5 to 10 Years
Office Furniture	5 to 10 Years
Shelter Furniture	3 to 10 Years

Source of Support and Revenues

Major sources for the support of Samaritan Inn include: rents collected from the operation of North Texas Gateway Apartments, sales of recycled clothing and house wares from Friends of the Inn thrift store, and sales of Greater Goodies products. Other major support sources include contributions from the United Way, local churches, service clubs, newsletter recipients, pledged donations, private foundation support, governmental assistance, donated services, and fundraising events.

Donated Services and Materials

The Samaritan Inn records the value of donated materials, which consists primarily of food pantry items, at the cost per the donor. Samaritan Inn records the value of donated services based on volunteer hours, level of expertise and department served. Departments include administration, arts and crafts, direct service, donations, kitchen, maintenance, counseling, public relations, Samaritan Inn-dustires, and Friends of the Inn.

Friends of the Inn

Revenues from the sale of recycled clothing, furniture and house wares are received from the public at the thrift stores. Sales tax is recorded net at the time of final sale and is remitted to the State on a monthly basis. Sales tax remitted for the year ended September 30, 2013 was approximately \$36,000.

North Texas Gateway Apartments

Revenues from the collection of rent from tenants of the apartments are collected.

Functional Allocation of Expenses

The cost of providing programs and supporting services have been summarized on a functional basis in the Consolidated Statement of Functional Expenses. Costs are directly charged to the various programs and support services with certain costs being allocated to General & Management support services based on estimates made by management.

Income Taxes

The Organization is a not-for-profit corporation that is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code as per I.R.S. letter dated June 1, 2005. For the year ended September 30, 2013, the Samaritan Inn did not conduct any activities that would be subject to federal income taxes.

Note 2 – Cash

As of September 30, 2013, the Samaritan Inn maintains all bank accounts and certificates of deposit in financial institutions that are members of the FDIC. At fiscal year end, the organization's deposits in its depository banks totaled \$694,713.

Note 3 – Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

The mutual fund advisory program for Samaritan Inn was initiated on July 7, 2005. The investment summary of this fund for the year ended September 30, 2013 is as follows:

Beginning Value at 09/30/12	\$2,774,061
Contributions/ Withdrawals (net)	(466,060)
Net Investment	2,308,001
Interest	12,905
Dividends	45,665
Account Appreciation	114,239
Ending Value at 9/30/13	\$2,480,810

Note 4 - Fair Value of Measurements

The “Fair Value Measurements and Disclosures” Topic of the FASB ASC (Topic 820) defines fair value as exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. These three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices for in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level I, such as quote prices for similar assets and liabilities in active markets; Quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Fair Value of Measurements (continued)

The carrying value of cash and cash equivalents, receivables, gift cards, accounts payable and accrued expenses approximates fair value due to the relatively short-term nature of the financial instruments. Investments in marketable securities debt securities are reported at their fair values in the statement of financial position.

Note 5 – Pension Plan

As of July 5, 2007, employees are eligible to participate in an optional 403(b) retirement plan. The plan is not governed by ERISA. Employees may contribute up to \$16,500 per year. Contributions to the optional plan may be made via payroll deduction.

Note 6 – Subsequent Events

Subsequent events have been evaluated through January 17, 2014, the report issuance date.



VAIL & KNAUTH, LLP
CERTIFIED PUBLIC ACCOUNTANTS
AUDIT, TAX AND ADVISORY SERVICES

10300 N. Central Expressway, Suite 460
Dallas, TX 75231

main: 214 660 2000
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November 30, 2012

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

In planning and performing our audit of the financial statements of Samaritan Inn, Inc. as of and for the year ended September 30, 2012 in accordance with auditing standards generally accepted in the United States of America, we considered Samaritan Inn Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any significant deficiencies in internal control.

This communication is intended solely for the information and use of management, the Audit Committee and Board of Directors, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

Vail + Knauth, LLP

Vail & Knauth, LLP
Dallas, TX

SAMARITAN INN, INC.
Annual Financial Report
Year Ended September 30, 2012

Samaritan Inn, Inc.
Annual Financial Report

Year Ended September 30, 2012

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Report of Independent Auditors

To the Board of Directors
Samaritan Inn, Inc.

We have audited the accompanying combined statement of financial position of Samaritan Inn, Inc. (a nonprofit organization) as of September 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year ended September 30, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Samaritan Inn, Inc. as of September 30, 2012, and the changes in its net assets and its cash flows for the year ended September 30, 2012 in conformity with accounting principles generally accepted in the United States of America.

Vail + Knauth, LLP

Dallas, Texas
November 30, 2012

Samaritan Inn, Inc.
Consolidated Statement of Financial Position
September 30, 2012

	Samaritan Inn & Samaritan Inn Foundation				North Texas Gateway Apartments	Consolidated Total
	Unrestricted	Temporarily Restricted	Total	Friends of the Inn Thrift Store		
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 222,243	\$ -	\$ 222,243	\$ 41,297	\$ 24,494	\$ 288,034
Prepaid Expenses	14,642	-	14,642	-	-	14,642
Gift Cards for Resident Use	43,145	-	43,145	-	-	43,145
Due from Others	6,174	-	6,174	-	-	6,174
Total Current Assets	286,204	-	286,204	41,297	24,494	351,995
INVESTMENTS						
Endowment Fund Cash and Cash Equivalents	-	1,244,037	1,244,037	-	-	1,244,037
Endowment Fund Investments	-	1,530,024	1,530,024	-	-	1,530,024
Total Investments	-	2,774,061	2,774,061	-	-	2,774,061
PROPERTY, PLANT and EQUIPMENT						
Property, Plant and Equipment	2,192,670	-	2,192,670	868,540	1,725,246	4,786,456
Accumulated Depreciation	(661,227)	-	(661,227)	(219,270)	(281,804)	(1,162,301)
Total Property & Equipment	1,531,443	-	1,531,443	649,270	1,443,442	3,624,155
Total Assets	\$ 1,817,647	\$ 2,774,061	\$ 4,591,708	\$ 690,567	\$ 1,467,936	\$ 6,750,211
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts and Credit Card Payables	297	-	297	3,565	-	3,862
Deferred Income	10,000	-	10,000	-	-	10,000
Accrued Liabilities	2,365	-	2,365	2,268	-	4,633
Payroll Liabilities	47,011	-	47,011	2,747	-	49,758
Accrued Compensation Absences	21,355	-	21,355	7,433	-	28,788
Other Current Liabilities	-	-	-	-	-	-
Total Current Liabilities	81,028	-	81,028	16,013	8,416	105,457
NET ASSETS						
Unrestricted	1,736,619	-	1,736,619	674,554	1,459,520	3,870,693
Temporarily Restricted Funds	-	2,774,061	2,774,061	-	-	2,774,061
Total Net Assets	1,736,619	2,774,061	4,510,680	674,554	1,459,520	6,844,754
Total Liabilities and Net Assets	\$ 1,817,647	\$ 2,774,061	\$ 4,591,708	\$ 690,567	\$ 1,467,936	\$ 6,750,211

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The accompanying notes are an integral part of these financial statements.

Samaritan Inn, Inc.
Consolidated Statement of Activities and Changes in net Assets
Year Ended September 30, 2012

	Samaritan Inn & Samaritan Foundation					
	Unrestricted	Temporarily Restricted	Total	Friends of the Inn Thrift Store	North Texas Gateway Apartments	Consolidated Total
Support & Revenue						
Contributions	\$ 1,077,365	-	\$ 1,077,365	\$ 20	-	\$ 1,077,385
Fundraisers	325,351	-	325,351	1,147	-	326,498
Service contributions	522,935	-	522,935	-	-	522,935
Thrift store sales	-	-	-	446,691	-	446,691
Grants	-	-	-	-	-	-
United Way	-	181,865	181,865	-	-	181,865
Interest & dividends	-	220,883	220,883	-	-	220,883
Rent and utilities	855	60,783	61,638	737	-	62,375
Gain (loss) on investments	-	212,483	212,483	-	151,481	151,481
Transfers in (out)	90,967	-	90,967	(51,168)	(39,799)	212,483
Total support and revenue	<u>2,017,473</u>	<u>676,014</u>	<u>2,693,487</u>	<u>397,427</u>	<u>111,682</u>	<u>3,202,596</u>
Release from restrictions	723,815	(402,748)	321,067	(236,000)	(12,199)	72,868
Expenses						
Program	2,182,327	-	2,182,327	376,388	193,077	2,751,792
General & Management	317,906	-	317,906	-	-	317,906
Fundraising	150,958	-	150,958	-	-	150,958
Total expenses	<u>2,651,191</u>	<u>-</u>	<u>2,651,191</u>	<u>376,388</u>	<u>193,077</u>	<u>3,220,656</u>
Change in net assets	90,097	273,266	363,363	(214,961)	(93,594)	54,808
Net assets - beginning	1,646,522	2,500,795	4,147,317	889,515	1,553,114	6,589,946
Net assets - ending	<u>\$ 1,736,619</u>	<u>\$ 2,774,061</u>	<u>\$ 4,510,680</u>	<u>\$ 674,554</u>	<u>\$ 1,459,520</u>	<u>\$ 6,644,754</u>

Samaritan Inn, Inc.
 Consolidated Statement of Cash Flows
 Year Ended September 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 54,808
Adjustments to Reconcile Net Assets to Net cash Provided by Operations:	
Depreciation and Amortization	186,375
Gain on Investments	(273,266)
Add:	
Decrease in Prepaid Expenses	(7,506)
Decrease in Resident Gift Cards	(27,734)
Less:	
Increase in Other Receivables	4,236
Decrease in Accounts Payable	(2,598)
Decrease in Deferred Revenue	(86,801)
Decrease in Payroll Liabilities	15,347
Decrease in Other Payables	5,590
Decrease in Accrued Compensated Absences	15,134
Net Cash Provided by (Used) Operating Activities	<u>(116,415)</u>
Cash Flows From Investing Activities	
Purchase of property and equipment	<u>(31,890)</u>
Net Cash Provided (Used) Investing Activities	<u>(31,890)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(148,305)
Cash and Cash Equivalents, September 30, 2011	<u>436,339</u>
Cash and Cash Equivalents, September 30, 2012	<u>\$ 288,034</u>

Samaritan Inn, Inc.
 Consolidated Statement of Functional Expenses
 Year Ended September 30, 2012

	Programs				Total	General & Management	Fundraising	Consolidated Total
	Friends of the Inn Thrift Store	North Texas Gateway Apartments	Samaritan Inn Operations					
Salaries and Wages	\$ 165,680	-	\$ 938,854	\$ 1,104,534	\$ 206,090	\$ -	\$ 1,310,624	
Donated Services	-	-	289,335	289,335	-	-	289,335	
Donated Food/Items	-	-	233,600	233,600	-	-	233,600	
Depreciation	25,069	51,237	95,789	172,095	21,027	-	193,122	
Individual and Family Assistance	-	-	169,724	169,724	-	29,752	199,476	
Utility	19,643	37,111	62,986	119,740	13,826	-	133,566	
Payroll Taxes	18,264	-	84,449	102,713	19,889	-	122,602	
Insurance	1,075	-	37,589	38,664	8,251	-	46,915	
Office and Other Supplies	5,672	2,122	25,964	33,758	5,699	-	42,552	
Contract Labor	23,383	150	55,714	79,247	12,230	3,095	91,477	
Employee Benefits	11,555	-	49,375	60,930	10,838	-	71,768	
Repair/Maintenance & Storage	1,905	31,661	17,366	50,932	3,812	-	54,744	
Professional Fees	3,256	-	5,807	9,063	1,275	-	10,338	
Telephone	5,868	-	15,637	21,505	3,433	-	24,938	
Transportation & Travel	7,435	-	20,365	27,800	4,470	-	32,270	
Hotel and Venue Expenses	-	-	-	-	-	59,674	59,674	
Advertising & Printing	-	-	12,247	12,247	-	7,458	19,705	
Meals & Entertainment	-	-	11,797	11,797	2,590	-	14,387	
Postage and Shipping	-	-	6,088	6,088	-	-	6,088	
Credit Card & Permit Fees	6,213	-	4,238	10,451	-	-	10,451	
Payroll Processing Fees	2,531	-	6,157	8,688	-	-	8,688	
Conference Fees & Related Expenses	-	-	5,508	5,508	1,209	-	6,717	
Criminal and Background Checks	260	-	3,096	3,356	-	-	3,356	
Rent & Lease Expenses	57,780	70,715	11,040	139,535	2,424	-	141,959	
Miscellaneous & Other Expenses	20,799	81	3,842	24,722	843	50,979	76,544	
Internet & Website Expenses	-	-	15,760	15,760	-	-	15,760	
Total Expenses	\$ 376,388	\$ 193,077	\$ 2,182,327	\$ 2,751,792	\$ 317,906	\$ 150,958	\$ 3,220,656	

Samaritan Inn, Inc.

Notes To Consolidated Financial Statements

September 30, 2012

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Samaritan Inn, Inc. (Organization) is located in McKinney, Texas and is a Texas nonprofit corporation that is classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization 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.

Friends of the Inn, Inc. operates as a thrift store. Thrift store profits are transferred to Samaritan Inn to support the organization's mission of providing emergency shelter.

Samaritan Inn Foundation, also known as the Endowment Fund, was established as a separate legal entity on July 24, 2004. The Endowment Fund was established to provide resources for Samaritan Inn.

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 a reduced-rent housing while they transitioned into mainstream housing. Tenants in North Texas Gateway Apartments are responsible for rent payments that equal 30% of the tenants' income; tenants may stay in the apartment for a maximum of 18 months from the move-in date.

The Board of Directors for Samaritan Inn, Friends of the Inn, North Texas Gateway Apartments and Samaritan Inn Foundation are under common control. Organizations with identical board members are required to consolidate financial statements, but may elect to report on a single entity as a component unit. Samaritan Inn and Samaritan Inn Foundation are presented as combined operations; Friends of the Inn and North Texas Gateway Apartments are presented as component units.

Summary of Significant Accounting Policies

The summary of significant accounting policies of the Organization is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The

Samaritan Inn, Inc.

Notes to Consolidated Financial Statements (continued)

Summary of Significant Accounting Policies (continued)

financial statements of the organization have been prepared on the accrual basis of accounting as a voluntary not for profit organization.

Financial Statement Presentation

The Organization's financial statements are presented in accordance with FASB ASC 958 (formerly SFAS No. 117) which requires the Organization to report its financial position and activities using three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Accordingly, net assets and changes therein are classified as follows:

Unrestricted Funds – Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Funds – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. Temporarily restricted net assets are donations received from individuals, foundations, churches, and private groups, which are designated by the donor for specific expenditures.

Permanently Restricted Funds – The Organization has no permanently restricted net assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporarily restricted net assets (*i.e.*, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions are recognized as revenues in the period unconditional promises to give are received.

Basis of Accounting

The financial statements of the organization are reported on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Budgetary Control

Annual budgets are adopted by the organization and approved by the Board of Directors. The adopted budgets are prepared on a basis consistent with generally accepted accounting principles.

Samaritan Inn, Inc.

Notes to Consolidated Financial Statements (continued)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Accordingly, actual results could differ from those estimates. Significant estimates used in the preparation of these financial statements include the assumption in recording depreciation.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and demand and time deposit accounts at financial institutions.

For purposes of the statement of cash flow, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Endowment Fund and Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets.

On July 24, 2004, the Board of Directors established limited funds with endowment funds. Withdrawals from the fund are approved by the Board of the Executive Committee, who is appointed by the Board of Directors. An investment policy has been approved and the funds are held in an account with investment advisors. Investment earnings are reinvested in the fund.

Inventory

The Samaritan Inn's inventory consists of purchased and donated perishable and non-perishable food items, toiletries, linens and other supplies required for the operation of a homeless shelter. Inventory of the Friends of the Inn Thrift Stores consist of recycled clothing and house wares obtained through charitable donations. The inventory balance at fiscal year-end September 30, 2012 is immaterial and not recorded on the consolidated statement of financial position.

Accrued Compensated Absences

The organization has adopted a policy that allows employees to accrue compensated absences caused on the length of employment. Sick leave is forfeited upon separation of employment. Accrued vacation, capped at 40 hours, is payable to the employee upon separation, provided the employee meets the criteria based on company policy. Estimated accrued liabilities resulting from this policy are reflected in the financial statements.

Samaritan Inn, Inc.

Notes to Consolidated Financial Statements (continued)

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

The Statement of Financial Position, Statement of Activities, Statement of Functional Expense and Statement of Cash Flows for the organization are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the Statement of Financial Position. Under the accrual basis of accounting, revenues are recognized when earned; expenses are recognized at the time the liability is incurred.

Capital Assets

Capital assets, which include property, vehicles, furniture, and equipment, are reported in the applicable financial statements. All capital assets are valued at historical costs or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date of donation. Repairs and maintenance are recorded as expenses.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings & Improvements	30 Years
Apartments	27.5 Years
Shelter Equipment	5 to 10 Years
Office Equipment	5 to 10 Years
Office Furniture	5 to 10 Years
Shelter Furniture	3 to 10 Years

Source of Support and Revenues

Major sources for the support of Samaritan Inn include: rents collected from the operation of North Texas Gateway Apartments, sales of recycled clothing and house wares from Friends of the Inn thrift store, and sales of Greater Goodies products. Other major support sources include contributions from the United Way, local churches, service clubs, newsletter recipients, pledged donations, private foundation support, governmental assistance, donated services, and fundraising events.

Samaritan Inn, Inc.

Notes to Consolidated Financial Statements (continued)

Donated Services and Materials

The Samaritan Inn records the value of donated materials, which consists primarily of food pantry items, at the cost per the donor. Samaritan Inn records the value of donated services based on volunteer hours, level of expertise and department served. Departments include administration, arts and crafts, direct service, donations, kitchen, maintenance, counseling, public relations, Samaritan Inn-dustires, and Friends of the Inn.

Friends of the Inn

Revenues from the sale of recycled clothing, furniture and house wares are received from the public at the thrift stores. Sales tax is recorded net at the time of final sale and is remitted to the State on a monthly basis. Sales tax remitted for the year ended September 30, 2012 was \$35,093.

North Texas Gateway Apartments

Revenues from the collection of rent from tenants of the apartments are collected.

Functional Allocation of Expenses

The cost of providing programs and supporting services have been summarized on a functional basis in the Consolidated Statement of Functional Expenses. Costs are directly charged to the various programs and support services with certain costs being allocated to General & Management support services based on estimates made by management.

Income Taxes

The Organization is a not-for-profit corporation that is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code as per I.R.S. letter dated June 1, 2005. For the year ended September 30, 2012, the Samaritan Inn did not conduct any activities that would be subject to federal income taxes.

Note 2 -- Cash

As of September 30, 2012, the Samaritan Inn maintains all bank accounts and certificates of deposit in financial institutions that are members of the FDIC. At fiscal year end, the organization's deposits in its depository banks totaled \$286,841.

Samaritan Inn, Inc.

Notes to Consolidated Financial Statements (continued)

Note 3 – Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

The mutual fund advisory program for Samaritan Inn was initiated on July 7, 2005. The investment summary of this fund for the year ended September 30, 2012 is as follows:

Beginning Value at 09/30/11	\$2,500,795
Contributions/ Withdrawals (net)	-
Net Investment	2,500,795
Interest	15,877
Dividends	44,906
Account Appreciation	212,483
Ending Value at 9/30/12	\$2,774,061

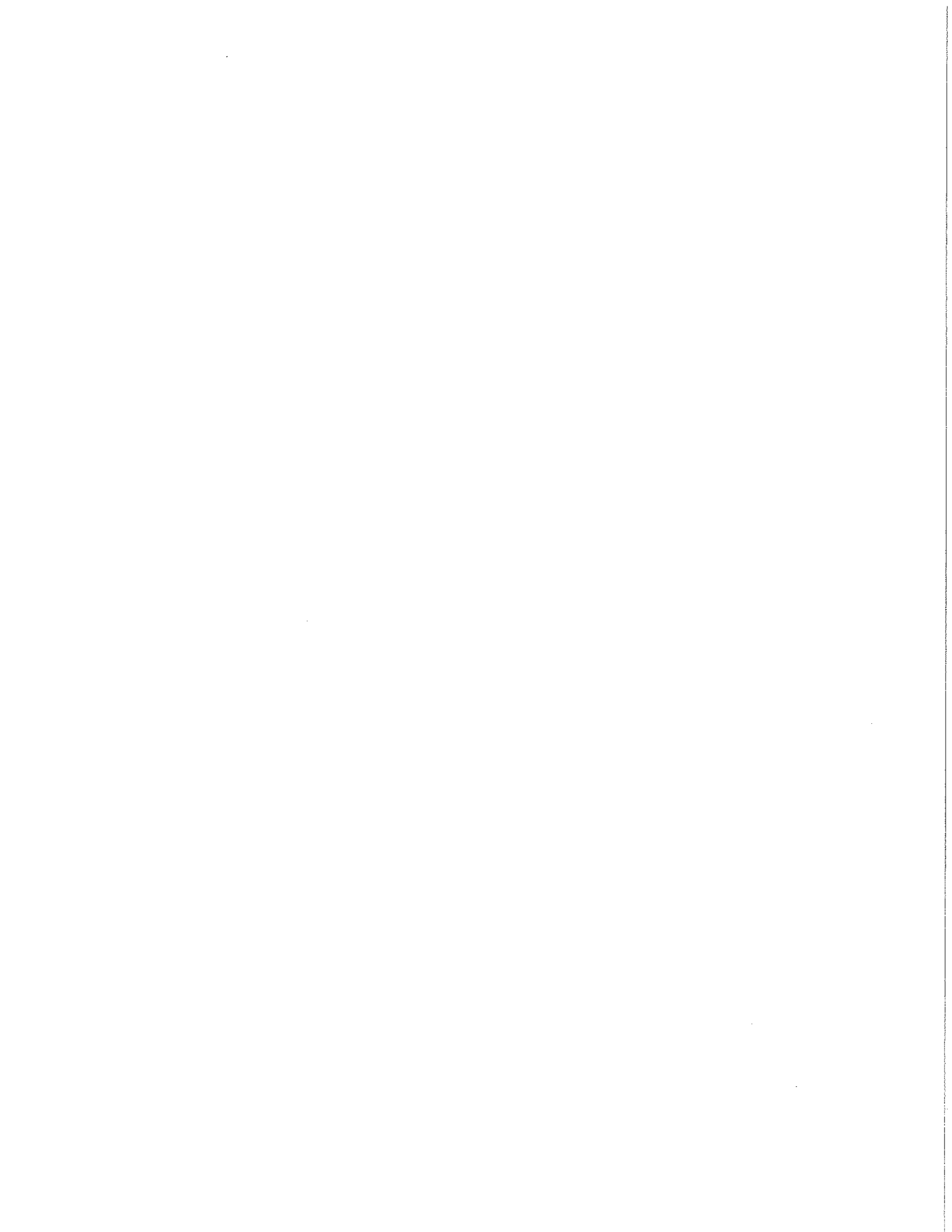
Note 4 - Fair Value of Measurements

The "Fair Value Measurements and Disclosures" Topic of the FASB ASC (Topic 820) defines fair value as exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. These three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices for in active markets for identical assets or liabilities.

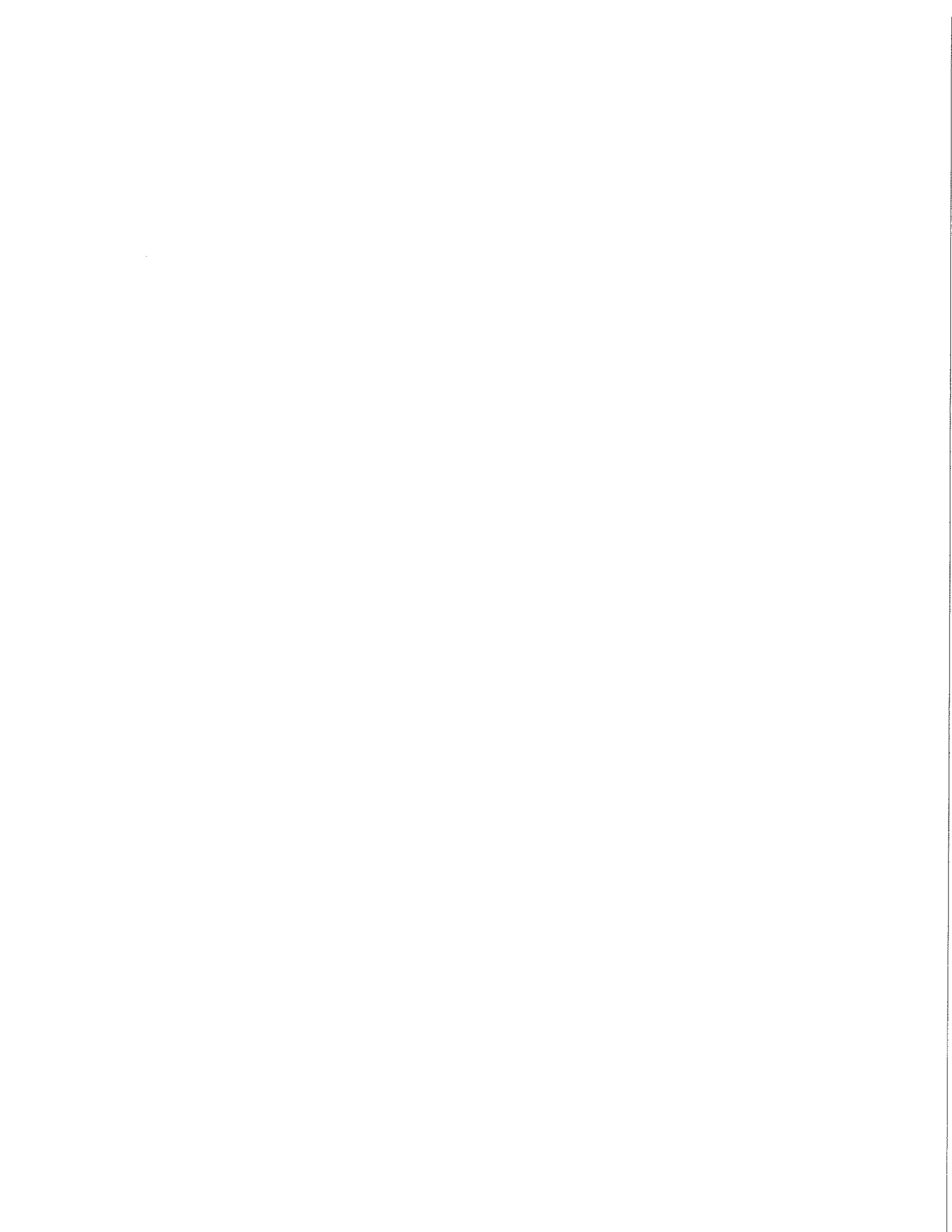
Level 2 – Observable inputs other than quoted prices included in Level I, such as quote prices for similar assets and liabilities in active markets; Quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.



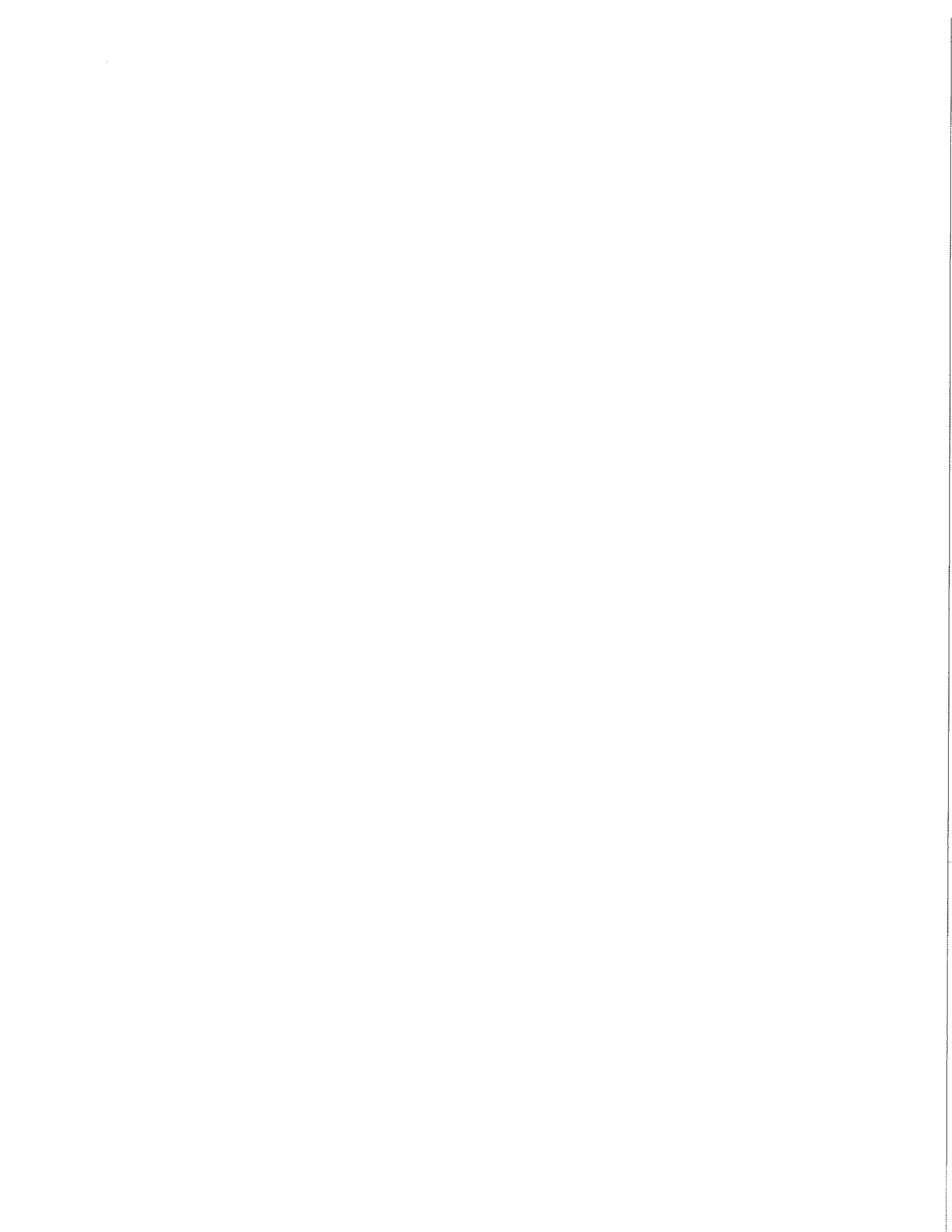
Samaritan Inn, Inc.
Consolidated Statement of Financial Position
September 30, 2012

	Samaritan Inn & Samaritan Inn Foundation				North Texas Gateway Apartments	Consolidated Total
	Unrestricted	Temporarily Restricted	Total	Friends of the Inn Thrift Store		
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 222,243	-	\$ 222,243	\$ 41,297	\$ 24,494	\$ 288,034
Prepaid Expenses	14,642	-	14,642	-	-	14,642
Gift Cards for Resident Use	43,145	-	43,145	-	-	43,145
Due from Others	6,174	-	6,174	-	-	6,174
Total Current Assets	286,204	-	286,204	41,297	24,494	351,995
INVESTMENTS						
Endowment Fund Cash and Cash Equivalents	-	1,244,037	1,244,037	-	-	1,244,037
Endowment Fund Investments	-	1,530,024	1,530,024	-	-	1,530,024
Total Investments	-	2,774,061	2,774,061	-	-	2,774,061
PROPERTY, PLANT and EQUIPMENT						
Property, Plant and Equipment	2,192,670	-	2,192,670	868,540	1,725,246	4,786,456
Accumulated Depreciation	(661,227)	-	(661,227)	(219,270)	(281,804)	(1,162,301)
Total Property & Equipment	1,531,443	-	1,531,443	649,270	1,443,442	3,624,155
Total Assets	\$ 1,817,647	\$ 2,774,061	\$ 4,591,708	\$ 690,567	\$ 1,467,936	\$ 6,750,211
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts and Credit Card Payables	297	-	\$ 297	\$ 3,565	-	\$ 3,862
Deferred Income	10,000	-	10,000	-	-	10,000
Accrued Liabilities	2,365	-	2,365	2,268	-	4,633
Payroll Liabilities	47,011	-	47,011	2,747	-	49,758
Accrued Compensation Absences	21,355	-	21,355	7,433	-	28,788
Other Current Liabilities	-	-	-	-	-	-
Total Current Liabilities	81,028	-	81,028	16,013	8,416	105,457
NET ASSETS						
Unrestricted	1,736,619	-	1,736,619	674,554	1,459,520	3,870,693
Temporarily Restricted Funds	-	2,774,061	2,774,061	-	-	2,774,061
Total Net Assets	1,736,619	2,774,061	4,510,680	674,554	1,459,520	6,644,754
Total Liabilities and Net Assets	\$ 1,817,647	\$ 2,774,061	\$ 4,591,708	\$ 690,567	\$ 1,467,936	\$ 6,750,211



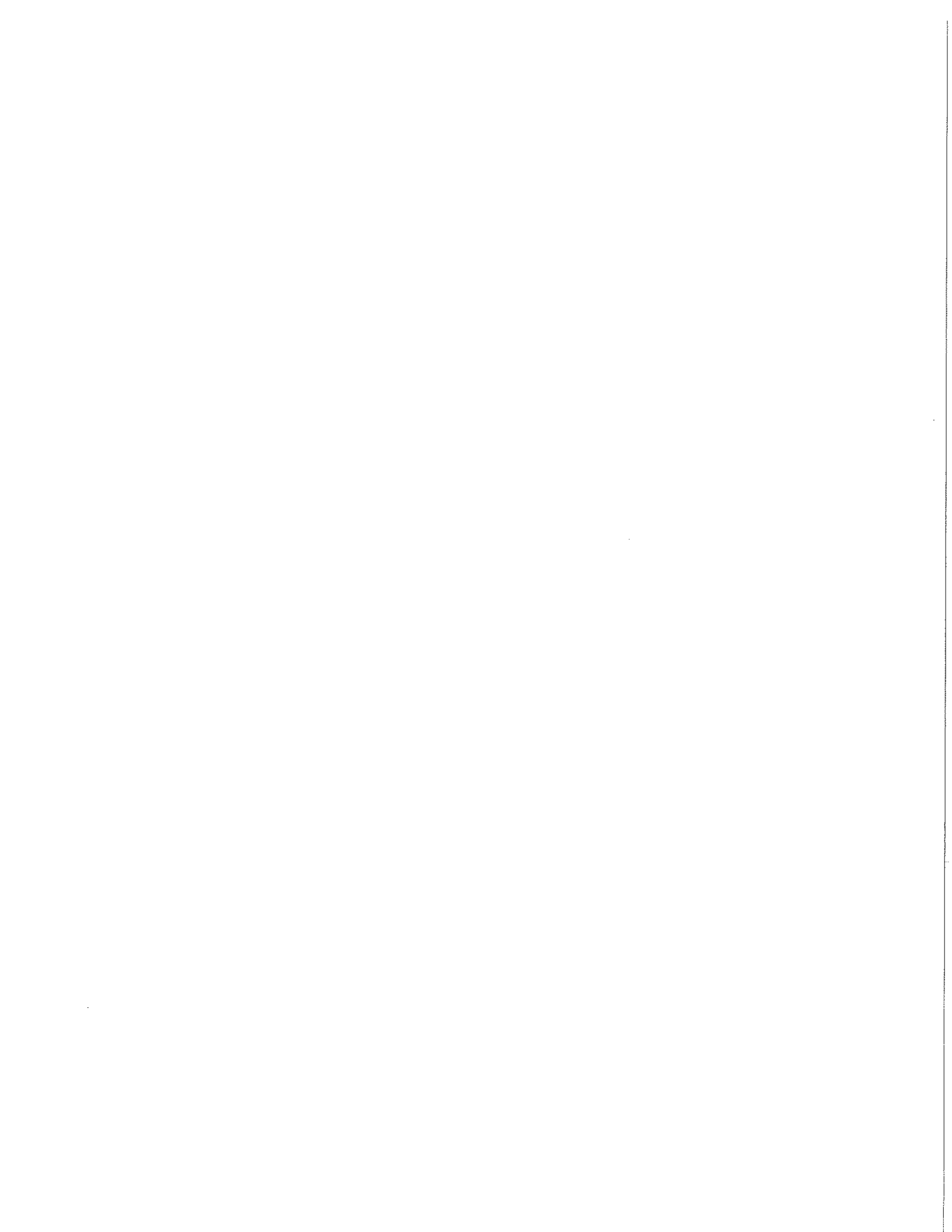
Samaritan Inn, Inc.
 Consolidated Statement of Activities and Changes in net Assets
 Year Ended September 30, 2012

	Samaritan Inn & Samaritan Foundation					Consolidated Total
	Unrestricted	Temporarily Restricted	Total	Friends of the Inn Thrift Store	North Texas Gateway Apartments	
Support & Revenue						
Contributions	\$ 1,077,365	-	\$ 1,077,365	\$ 20	-	\$ 1,077,385
Fundraisers	325,351	-	325,351	1,147	-	326,498
Service contributions	522,935	-	522,935	-	-	522,935
Thrift store sales	-	-	-	446,691	-	446,691
Grants	-	181,865	181,865	-	-	181,865
United Way	-	220,883	220,883	-	-	220,883
Interest & dividends	855	60,783	61,638	737	-	62,375
Rent and utilities	-	-	-	-	151,481	151,481
Gain (loss) on investments	-	212,483	212,483	-	-	212,483
Transfers in (out)	90,967	-	90,967	(51,168)	(39,799)	-
Total support and revenue	2,017,473	676,014	2,693,487	397,427	111,682	3,202,596
Release from restrictions	723,815	(402,748)	321,067	(236,000)	(12,199)	72,868
Expenses						
Program	2,182,327	-	2,182,327	376,388	193,077	2,751,792
General & Management	317,906	-	317,906	-	-	317,906
Fundraising	150,958	-	150,958	-	-	150,958
Total expenses	2,651,191	-	2,651,191	376,388	193,077	3,220,656
Change in net assets	90,097	273,266	363,363	(214,961)	(93,594)	54,808
Net assets - beginning	1,646,522	2,500,795	4,147,317	889,515	1,553,114	6,589,946
Net assets - ending	\$ 1,736,619	\$ 2,774,061	\$ 4,510,680	\$ 674,554	\$ 1,459,520	\$ 6,644,754



Samaritan Inn, Inc.
 Consolidated Statement of Cash Flows
 Year Ended September 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 54,808
Adjustments to Reconcile Net Assets to Net cash Provided by Operations:	
Depreciation and Amortization	186,375
Gain on Investments	(273,266)
Add:	
Decrease in Prepaid Expenses	(7,506)
Decrease in Resident Gift Cards	(27,734)
Less:	
Increase in Other Receivables	4,236
Decrease in Accounts Payable	(2,598)
Decrease in Deferred Revenue	(86,801)
Decrease in Payroll Liabilities	15,347
Decrease in Other Payables	5,590
Decrease in Accrued Compensated Absences	15,134
Net Cash Provided by (Used) Operating Activities	<u>(116,415)</u>
Cash Flows From Investing Activities	
Purchase of property and equipment	<u>(31,890)</u>
Net Cash Provided (Used) Investing Activities	<u>(31,890)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(148,305)
Cash and Cash Equivalents, September 30, 2011	<u>436,339</u>
Cash and Cash Equivalents, September 30, 2012	<u>\$ 288,034</u>



Samaritan Inn, Inc.
Consolidated Statement of Functional Expenses
Year Ended September 30, 2012

	Programs				General & Management	Fundraising	Consolidated Total
	Friends of the Inn Thrift Store	North Texas Gateway Apartments	Samaritan Inn Operations	Total			
Salaries and Wages	\$ 165,680	\$ -	\$ 938,854	\$ 1,104,534	\$ 206,090	\$ -	\$ 1,310,624
Donated Services	-	-	289,335	289,335	-	-	289,335
Donated Food/Items	-	-	233,600	233,600	-	-	233,600
Depreciation	25,069	51,237	95,789	172,095	21,027	-	193,122
Individual and Family Assistance	-	-	169,724	169,724	-	29,752	199,476
Utility	19,643	37,111	62,986	119,740	13,826	-	133,566
Payroll Taxes	18,264	-	84,449	102,713	19,889	-	122,602
Insurance	1,075	-	37,589	38,664	8,251	-	46,915
Office and Other Supplies	5,672	2,122	25,964	33,758	5,699	-	42,552
Contract Labor	23,383	150	55,714	79,247	12,230	-	91,477
Employee Benefits	11,555	-	49,375	60,930	10,838	-	71,768
Repair/Maintenance & Storage	1,905	31,661	17,366	50,932	3,812	-	54,744
Professional Fees	3,256	-	5,807	9,063	1,275	-	10,338
Telephone	5,868	-	15,637	21,505	3,433	-	24,938
Transportation & Travel	7,435	-	20,365	27,800	4,470	-	32,270
Hotel and Venue Expenses	-	-	-	-	-	59,674	59,674
Advertising & Printing	-	-	12,247	12,247	-	7,458	19,705
Meals & Entertainment	-	-	11,797	11,797	2,590	-	14,387
Postage and Shipping	-	-	6,088	6,088	-	-	6,088
Credit Card & Permit Fees	6,213	-	4,238	10,451	-	-	10,451
Payroll Processing Fees	2,531	-	6,157	8,688	-	-	8,688
Conference Fees & Related Expenses	-	-	5,508	5,508	1,209	-	6,717
Criminal and Background Checks	260	-	3,096	3,356	-	-	3,356
Rent & Lease Expenses	57,780	70,715	11,040	139,535	2,424	-	141,959
Miscellaneous & Other Expenses	20,799	81	3,842	24,722	843	50,979	76,544
Internet & Website Expenses	-	-	15,760	15,760	-	-	15,760
Total Expenses	\$ 376,388	\$ 193,077	\$ 2,182,327	\$ 2,751,792	\$ 317,906	\$ 150,958	\$ 3,220,656



Samaritan Inn, Inc.

Notes To Consolidated Financial Statements

September 30, 2012

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Samaritan Inn, Inc. (Organization) is located in McKinney, Texas and is a Texas nonprofit corporation that is classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization 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.

Friends of the Inn, Inc. operates as a thrift store. Thrift store profits are transferred to Samaritan Inn to support the organization's mission of providing emergency shelter.

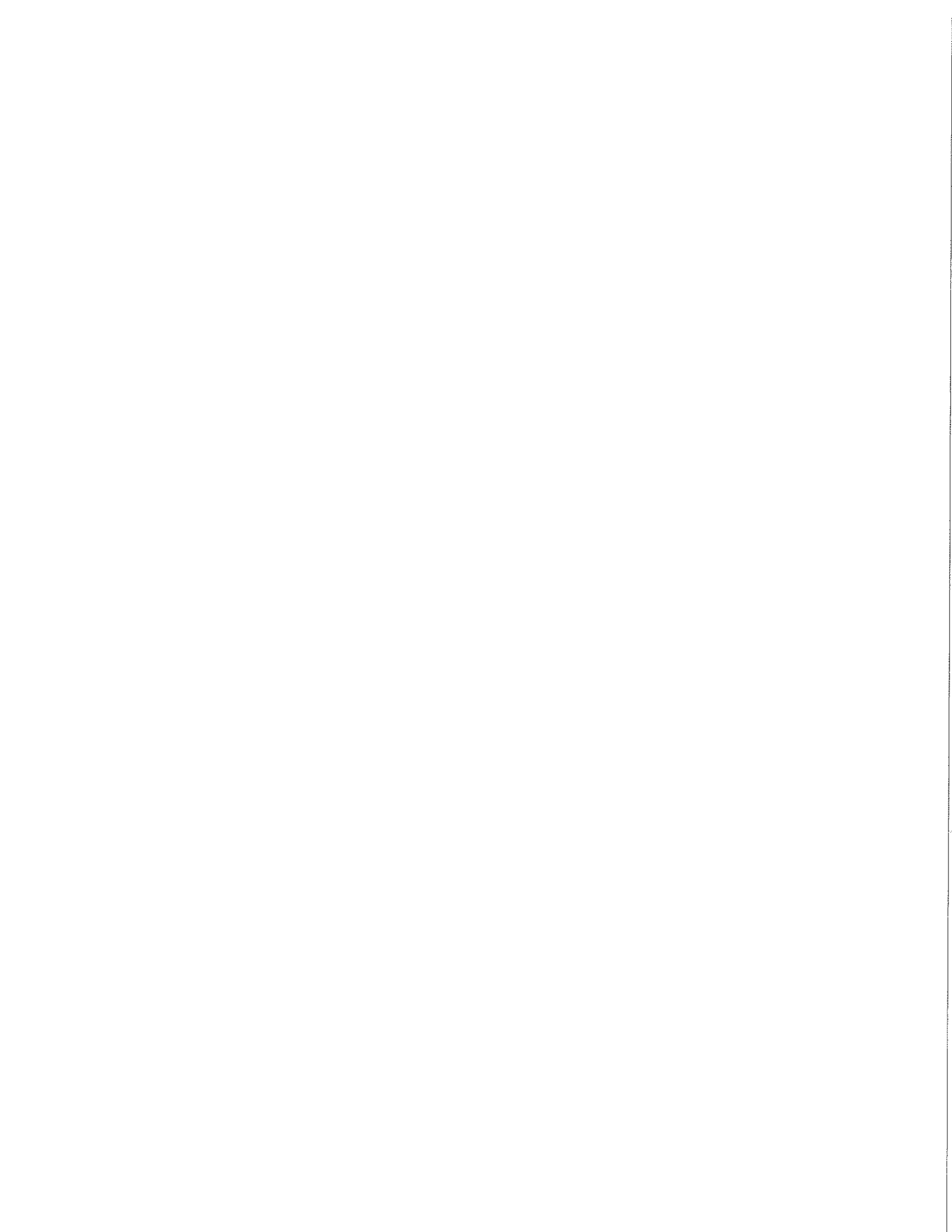
Samaritan Inn Foundation, also known as the Endowment Fund, was established as a separate legal entity on July 24, 2004. The Endowment Fund was established to provide resources for Samaritan Inn.

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 a reduced-rent housing while they transitioned into mainstream housing. Tenants in North Texas Gateway Apartments are responsible for rent payments that equal 30% of the tenants' income; tenants may stay in the apartment for a maximum of 18 months from the move-in date.

The Board of Directors for Samaritan Inn, Friends of the Inn, North Texas Gateway Apartments and Samaritan Inn Foundation are under common control. Organizations with identical board members are required to consolidate financial statements, but may elect to report on a single entity as a component unit. Samaritan Inn and Samaritan Inn Foundation are presented as combined operations; Friends of the Inn and North Texas Gateway Apartments are presented as component units.

Summary of Significant Accounting Policies

The summary of significant accounting policies of the Organization is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The



Samaritan Inn, Inc.

Notes to Consolidated Financial Statements (continued)

Summary of Significant Accounting Policies (continued)

financial statements of the organization have been prepared on the accrual basis of accounting as a voluntary not for profit organization.

Financial Statement Presentation

The Organization's financial statements are presented in accordance with FASB ASC 958 (formerly SFAS No. 117) which requires the Organization to report its financial position and activities using three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Accordingly, net assets and changes therein are classified as follows:

Unrestricted Funds – Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Funds – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. Temporarily restricted net assets are donations received from individuals, foundations, churches, and private groups, which are designated by the donor for specific expenditures.

Permanently Restricted Funds – The Organization has no permanently restricted net assets.

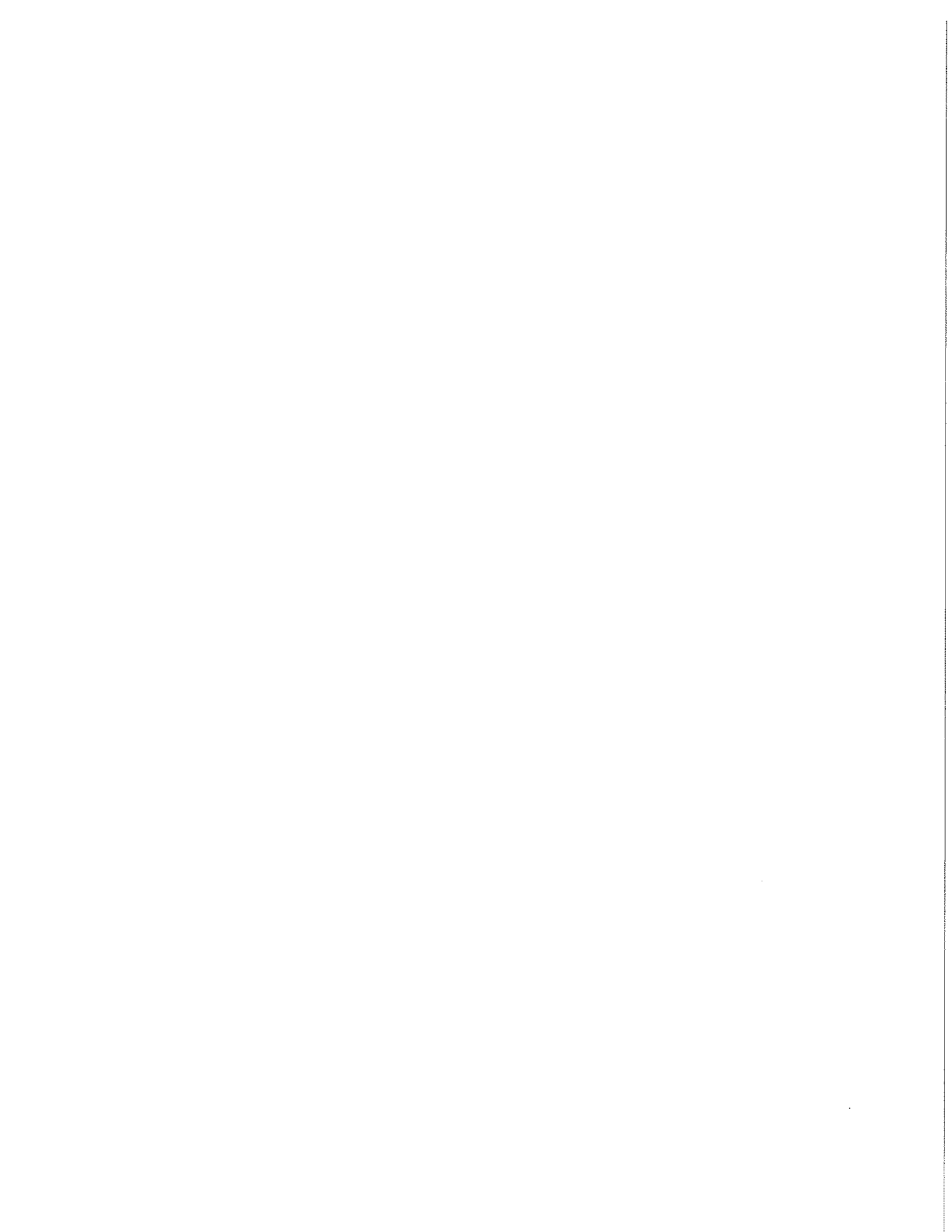
Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporarily restricted net assets (*i.e.*, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions are recognized as revenues in the period unconditional promises to give are received.

Basis of Accounting

The financial statements of the organization are reported on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Budgetary Control

Annual budgets are adopted by the organization and approved by the Board of Directors. The adopted budgets are prepared on a basis consistent with generally accepted accounting principles.



Samaritan Inn, Inc.

Notes to Consolidated Financial Statements (continued)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Accordingly, actual results could differ from those estimates. Significant estimates used in the preparation of these financial statements include the assumption in recording depreciation.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and demand and time deposit accounts at financial institutions.

For purposes of the statement of cash flow, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Endowment Fund and Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets.

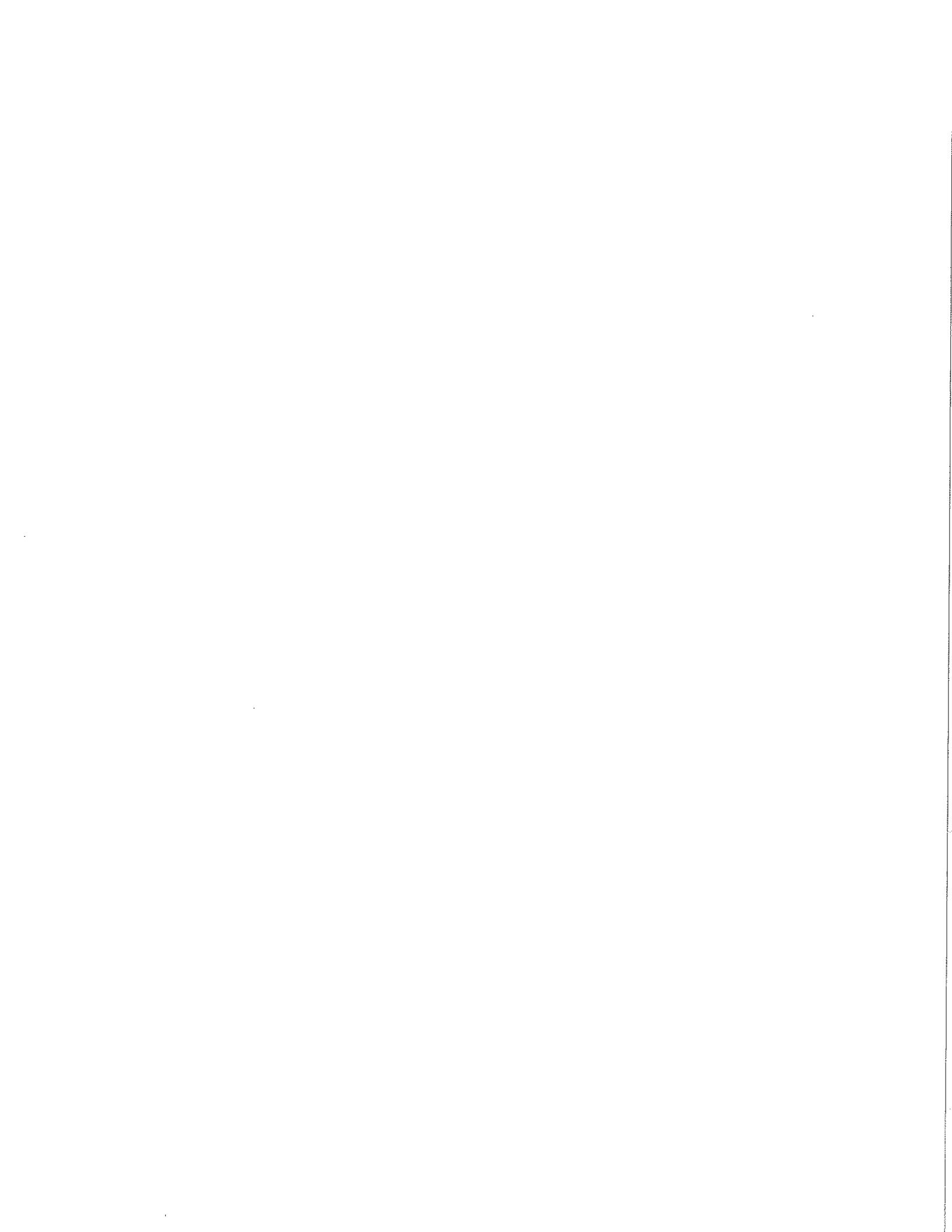
On July 24, 2004, the Board of Directors established limited funds with endowment funds. Withdrawals from the fund are approved by the Board of the Executive Committee, who is appointed by the Board of Directors. An investment policy has been approved and the funds are held in an account with investment advisors. Investment earnings are reinvested in the fund.

Inventory

The Samaritan Inn's inventory consists of purchased and donated perishable and non-perishable food items, toiletries, linens and other supplies required for the operation of a homeless shelter. Inventory of the Friends of the Inn Thrift Stores consist of recycled clothing and house wares obtained through charitable donations. The inventory balance at fiscal year-end September 30, 2012 is immaterial and not recorded on the consolidated statement of financial position.

Accrued Compensated Absences

The organization has adopted a policy that allows employees to accrue compensated absences caused on the length of employment. Sick leave is forfeited upon separation of employment. Accrued vacation, capped at 40 hours, is payable to the employee upon separation, provided the employee meets the criteria based on company policy. Estimated accrued liabilities resulting from this policy are reflected in the financial statements.



Samaritan Inn, Inc.

Notes to Consolidated Financial Statements (continued)

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

The Statement of Financial Position, Statement of Activities, Statement of Functional Expense and Statement of Cash Flows for the organization are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the Statement of Financial Position. Under the accrual basis of accounting, revenues are recognized when earned; expenses are recognized at the time the liability is incurred.

Capital Assets

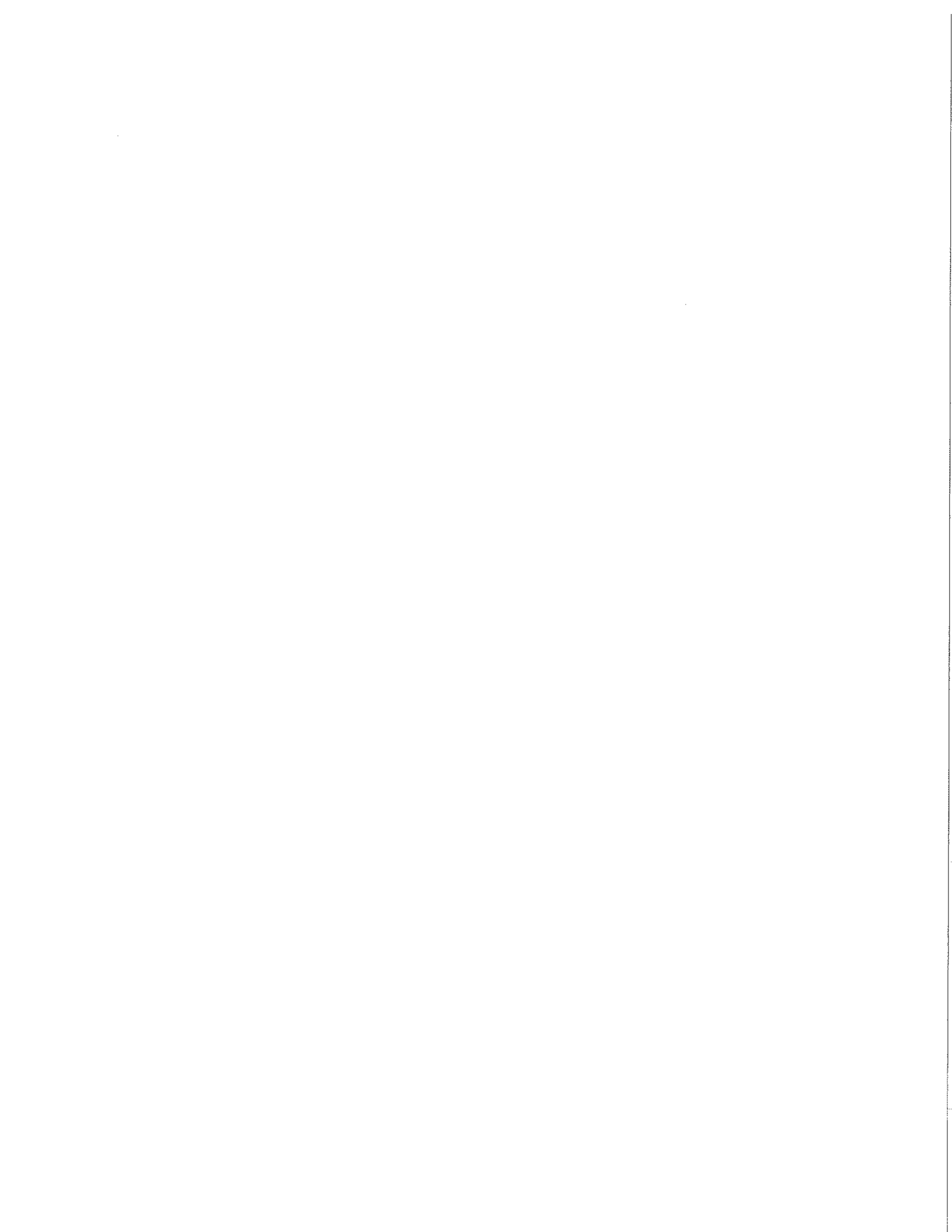
Capital assets, which include property, vehicles, furniture, and equipment, are reported in the applicable financial statements. All capital assets are valued at historical costs or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date of donation. Repairs and maintenance are recorded as expenses.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings & Improvements	30 Years
Apartments	27.5 Years
Shelter Equipment	5 to 10 Years
Office Equipment	5 to 10 Years
Office Furniture	5 to 10 Years
Shelter Furniture	3 to 10 Years

Source of Support and Revenues

Major sources for the support of Samaritan Inn include: rents collected from the operation of North Texas Gateway Apartments, sales of recycled clothing and house wares from Friends of the Inn thrift store, and sales of Greater Goodies products. Other major support sources include contributions from the United Way, local churches, service clubs, newsletter recipients, pledged donations, private foundation support, governmental assistance, donated services, and fundraising events.



Samaritan Inn, Inc.

Notes to Consolidated Financial Statements (continued)

Donated Services and Materials

The Samaritan Inn records the value of donated materials, which consists primarily of food pantry items, at the cost per the donor. Samaritan Inn records the value of donated services based on volunteer hours, level of expertise and department served. Departments include administration, arts and crafts, direct service, donations, kitchen, maintenance, counseling, public relations, Samaritan Inn-dustires, and Friends of the Inn.

Friends of the Inn

Revenues from the sale of recycled clothing, furniture and house wares are received from the public at the thrift stores. Sales tax is recorded net at the time of final sale and is remitted to the State on a monthly basis. Sales tax remitted for the year ended September 30, 2012 was \$35,093.

North Texas Gateway Apartments

Revenues from the collection of rent from tenants of the apartments are collected.

Functional Allocation of Expenses

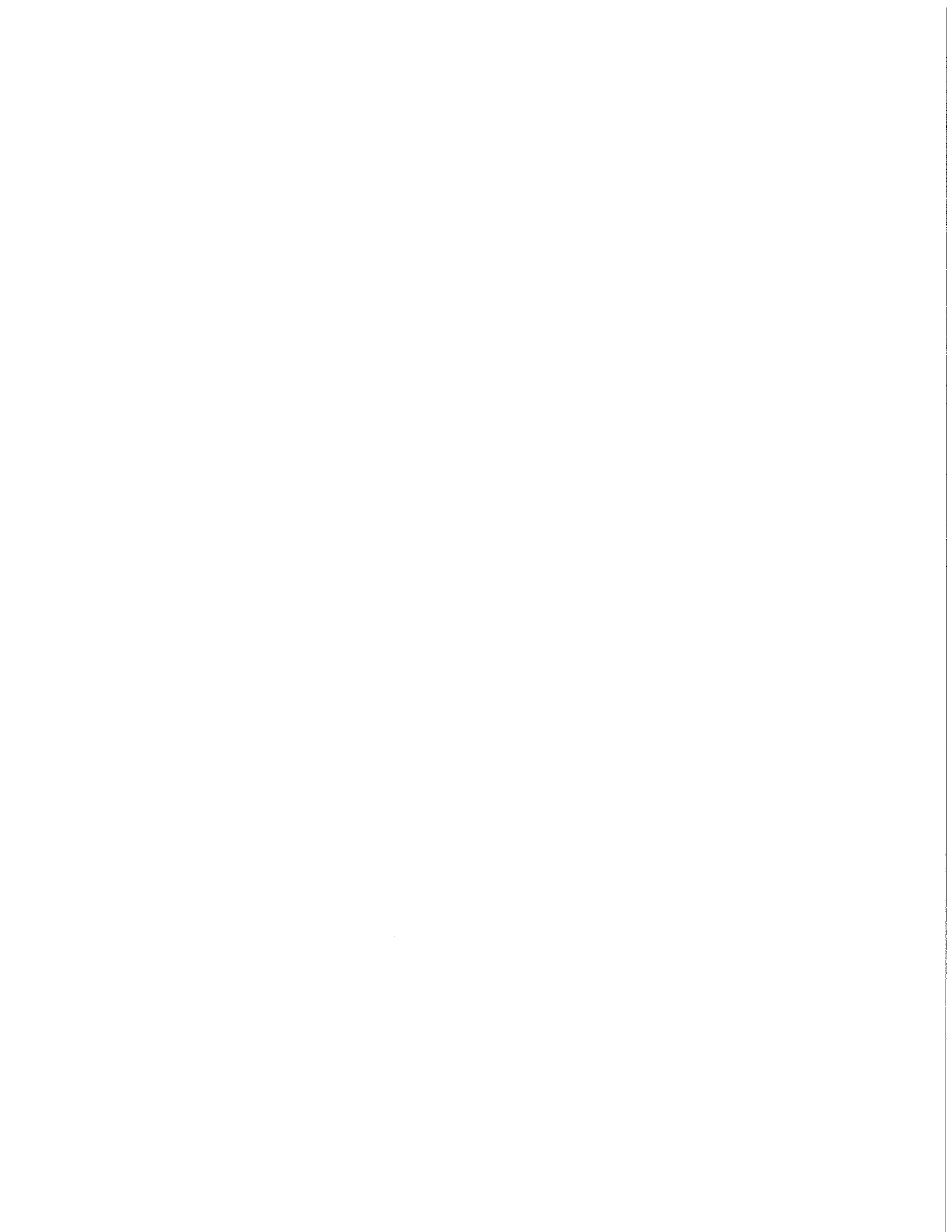
The cost of providing programs and supporting services have been summarized on a functional basis in the Consolidated Statement of Functional Expenses. Costs are directly charged to the various programs and support services with certain costs being allocated to General & Management support services based on estimates made by management.

Income Taxes

The Organization is a not-for-profit corporation that is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code as per I.R.S. letter dated June 1, 2005. For the year ended September 30, 2012, the Samaritan Inn did not conduct any activities that would be subject to federal income taxes.

Note 2 – Cash

As of September 30, 2012, the Samaritan Inn maintains all bank accounts and certificates of deposit in financial institutions that are members of the FDIC. At fiscal year end, the organization's deposits in its depository banks totaled \$286,841.



Samaritan Inn, Inc.

Notes to Consolidated Financial Statements (continued)

Note 3 – Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

The mutual fund advisory program for Samaritan Inn was initiated on July 7, 2005. The investment summary of this fund for the year ended September 30, 2012 is as follows:

Beginning Value at 09/30/11	\$2,500,795
Contributions/ Withdrawals (net)	-
Net Investment	2,500,795
Interest	15,877
Dividends	44,906
Account Appreciation	212,483
Ending Value at 9/30/12	\$2,774,061

Note 4 - Fair Value of Measurements

The "Fair Value Measurements and Disclosures" Topic of the FASB ASC (Topic 820) defines fair value as exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. These three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices for in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level I, such as quote prices for similar assets and liabilities in active markets; Quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

