

CASA EL BUEN SAMARITANO
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2014
WITH COMPARATIVE TOTALS FOR 2013

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of
Casa El Buen Samaritano
Houston, Texas

We have audited the accompanying financial statements of Casa El Buen Samaritano (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

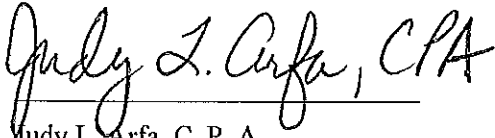
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casa El Buen Samaritano as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Casa El Buen Samaritano's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Judy L. Arfa, C. P. A.
Houston, Texas
July 31, 2015

CASA EL BUEN SAMARITANO
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2014
 WITH COMPARATIVE TOTALS FOR 2013

	2014	2013
Assets		
Cash and cash equivalents	\$ 131,467	\$ 219,054
Grants receivable	895,000	925,000
Prepaid expenses	12,218	2,455
Capital assets, net of accumulated depreciation	166,901	143,965
Total assets	\$ 1,205,586	\$ 1,290,474
 Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 2,495	\$ 908
Accrued payroll taxes payable	3,202	0
Deferred revenue	36,400	35,525
Total Liabilities	42,097	36,433
 Net Assets:		
Unrestricted	268,489	270,625
Temporarily restricted	895,000	983,416
Total Net Assets	1,163,489	1,254,041
 Total Liabilities and Net Assets	\$ 1,205,586	\$ 1,290,474

See accompanying notes to financial statements.

CASA EL BUEN SAMARITANO

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

WITH COMPARATIVE TOTALS FOR 2013

	Unrestricted	Temporarily Restricted	Totals	
			2014	2013
Revenue, Gains, and Other Support				
Contributions - Cash	\$ 81,714	\$	\$ 81,714	\$ 1,111,225
Contributions - Non-Cash	69,959		69,959	65,379
Special events	81,056		81,056	155,577
Local grants	8,900		8,900	10,500
Investment revenue	535		535	511
Other revenues	397		397	
Net assets released from restrictions	88,416	(88,416)	0	
Total revenue, gains, and other support	<u>330,977</u>	<u>(88,416)</u>	<u>242,561</u>	<u>1,343,192</u>
Expenses				
Community Program Services	241,807		241,807	226,088
Supporting Services	13,089		13,089	11,713
Fundraising	77,794	0	77,794	66,306
Total Expenses	<u>332,690</u>	<u>0</u>	<u>332,690</u>	<u>304,107</u>
Increase (decrease) in net assets	<u>(1,713)</u>	<u>(88,416)</u>	<u>(90,129)</u>	<u>1,039,085</u>
Net assets, beginning of year as adjusted	<u>270,202</u>	<u>983,416</u>	<u>1,253,618</u>	<u>214,956</u>
Net assets, end of year	<u>\$ 268,489</u>	<u>\$ 895,000</u>	<u>\$ 1,163,489</u>	<u>\$ 1,254,041</u>

See accompanying notes to financial statements.

CASA EL BUEN SAMARITANO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

WITH COMPARATIVE TOTALS FOR 2013

	Community Program Services	Supporting Services	Fundraising	2014	2013
Personnel					
Salaries	\$ 61,487	\$ 4,150	\$ 12,450	\$ 78,087	\$ 74,572
Payroll Taxes	5,578	376	1,129	7,083	5,705
Total personnel	<u>67,065</u>	<u>4,526</u>	<u>13,579</u>	<u>85,170</u>	<u>80,277</u>
Other expenses					
Maintenance	1,019			1,019	1,500
Postage	428	71	214	713	921
Printing & publications	1,157	193	578	1,928	240
Promotional expenses	478	80	239	797	413
Special programs	4,096			4,096	3,136
Utilities	17,335			17,335	14,946
Fundraising - 2013			53,624	53,624	44,261
Fundraising - 2014				10,747	20,120
Depreciation	15,428			15,428	19,704
Insurance	1,641	1,120	3,361	19,909	19,704
Miscellaneous	49,861			1,641	2,855
Volunteer expenses	26,692			49,861	65,329
Ministry expenses	26,662			26,692	5,939
Licenses & fees	626			26,662	24,835
Dues & subscriptions	37			626	410
Interest	900			37	995
Professional fees	17,129	900		1,800	5,526
Supplies	506	6,199	6,199	29,527	12,340
Rent				506	360
Total other expenses	<u>174,742</u>	<u>8,563</u>	<u>64,215</u>	<u>247,520</u>	<u>223,830</u>
Total Expenses	241,807	13,089	77,794	332,690	304,107

CASA EL BUEN SAMARITANO

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

WITH COMPARATIVE TOTALS FOR 2013

	2014	2013
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (90,129)	\$ 1,039,085
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	10,747	20,120
(Increase) Decrease in grants receivable	30,000	(925,000)
(Increase) Decrease in prepaid expenses	(10,188)	8,052
Increase (Decrease) in accounts payable	1,588	40
Increase (Decrease) in payroll taxes payable	3,202	(2,329)
Increase (Decrease) in deferred revenue	875	(13,225)
Net Cash Provided (Used) by Operating Activities	<u>(53,905)</u>	<u>126,742</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	(33,682)	(12,060)
Net Cash Provided (Used) by Investing Activities	<u>(33,682)</u>	<u>(12,060)</u>
Cash Flows From Financing Activities		
Decrease in long-term debt	0	(27,722)
Net Cash Provided (Used) by Financing Activities	<u>0</u>	<u>(27,722)</u>
Net Change in Cash and Cash Equivalents	(87,587)	86,960
Cash and cash equivalents, beginning of year	219,054	132,094
Cash and cash equivalents, end of year	<u>\$ 131,467</u>	<u>\$ 219,054</u>
Cash and cash equivalents, unrestricted	\$ 131,467	\$ 160,638
Cash and cash equivalents, restricted		58,416
Total cash and cash equivalents	<u>\$ 131,467</u>	<u>\$ 219,054</u>
Supplemental disclosures:		
Interest paid	\$ 37	\$ 995

See accompanying notes to financial statements.

CASA EL BUEN SAMARITANO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 1 - ORGANIZATION

Casa El Buen Samaritano (the Organization) is a not-for-profit organization incorporated in the State of Texas in 2007 and is exempt from federal income taxes pursuant to Section 501 (c) (3) of the Internal Revenue Code. The Organization is governed by a Board of Directors selected pursuant to the bylaws of the Organization, and they significantly influence operations. The Board of Directors has the primary accountability for the fiscal affairs of the Organization.

The Organization's mission is to share the love of Jesus Christ while providing whole-person—body, soul, spirit—healthcare to the low-income and uninsured population in their community. Many individuals in the Houston area have extremely limited options for accessing medical care. Casa El Buen Samaritano seeks to minister to the medical and spiritual needs of these individuals.

In 2014, Casa El Buen Samaritano provided 1,220 patient visits. All clinical care is provided by volunteers who graciously donate their time several evenings per month. Casa El Buen Samaritano provides general outpatient care to patients with a broad range of medical needs including hypertension, diabetes, and asthma. For many patients, Casa El Buen Samaritano serves as their medical home, and they receive ongoing follow up care for chronic conditions. All care is provided free of charge, including medical services, laboratory testing, and medications dispensed from the clinic pharmacy.

During 2015, Casa El Buen Samaritano signed a contract with Houston Shoulder To Shoulder Foundation. The Organization will provide services to assist Houston Shoulder To Shoulder Foundation in the operation of a medical clinic in Honduras. Such services include consulting, accounting, legal, and quality assurance services. In addition, the Organization signed a lease in Honduras for the purpose of operating the clinic. This agreement is for a period of three years.

The Organization is supported primarily through private and corporate contributions.

CASA EL BUEN SAMARITANO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Casa El Buen Samaritano have been prepared on the accrual basis. Significant accounting policies are summarized below:

Contributions and Net Asset Classification – Contributions and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

Unrestricted net assets include those net assets whose use is not restricted by donor-imposed stipulations even though their use may be limited in other respects such as by contract or board designation.

Temporarily restricted net assets include contributions restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.

Permanently restricted net assets include contributions that donors have restricted in perpetuity. The income from such gifts may be used to support the specified purpose.

Revenues are reported as increases in unrestricted net assets, and expenses are reported as decreases in unrestricted net assets. Amounts are transferred from temporarily restricted net assets to unrestricted net assets as soon as the donor imposed restrictions are removed.

Cash and Cash Equivalents – For purposes of the statement of cash flows, Casa El Buen Samaritano considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash is held in both interest bearing and non-interest bearing demand accounts. Accounts are insured by the Federal Deposit Insurance Corporation.

Pledges Receivable – Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Amounts expected to be collected in more than one year are discounted to estimate the present value of future cash flows.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values on the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Property and Equipment - Property and equipment purchased by Casa El Buen Samaritano are recorded at cost. Donations of property and equipment are recorded at their fair value at the date of the gift. All purchases and donations in excess of \$2,000 are capitalized. Depreciation is provided on the straight-line method based upon estimated useful lives of 39 years for buildings and leasehold improvements and on the declining balance method based upon estimated useful lives of 5 – 7 years for equipment and furniture. Gains or losses on retired or sold property and equipment are reflected in income for the period. The proceeds from such sales which are not legally required or expected to be reinvested in property and equipment are transferred to unrestricted net assets.

CASA EL BUEN SAMARITANO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Public Support and Revenue - Financial ASC 958-605-25-2 and 958-605-30-2 (formerly SFAS No. 116) generally requires measuring contributions received at the fair value of the assets or services received or promised, or the fair value of the liabilities satisfied. Contributions are recognized as revenues or gains in the period they are received, even if the donor has restricted their use and the restriction will be met in a future reporting period; that is, none are deferred. As a result, contributions are recorded immediately either as an increase in unrestricted net assets, temporarily restricted net assets, or permanently restricted net assets, depending on the nature of the donor restrictions, if any.

Restricted Support - After determining that support should be recorded in the financial statements, the organization must determine whether the donor has restricted its use in some manner or to some time period. For example, a donor may specify that a gift be used for the operation of a particular program, the acquisition of property or equipment, or an endowment, whereby only income generated by the gift may be used for operating purposes. Restrictions may be explicit (such as a letter specifying that the contribution be used for medications to treat diabetes) or implicit (such as gifts received in a capital improvements drive or in an appeal for a particular program).

Temporary and Permanent Restrictions - Generally, a restriction is temporary if the organization is authorized to deplete what was donated, such as contributions restricted to purchase assets or to fund program costs; otherwise, it is permanent. Permanent restrictions are those that permanently restrict the organization's use of contributed assets (such as an endowment under which the principal must remain intact). Sometimes an endowment instrument temporarily restricts the use of the income from the principal, such as an endowment to the Organization requiring the income to be used to fund the compensation of a physical therapist. Another example of a permanent restriction is land donated for the organization's permanent use.

A temporarily restricted contribution generally is recognized when received and is reclassified from temporarily restricted net assets to unrestricted net assets when the donor's restriction is satisfied or when the stipulated time has elapsed. Cash received to support the activities of a particular program would be reported as contribution revenue, increasing temporarily restricted net assets. When expenditures for the program are incurred, the financial statements would report a reduction in temporarily restricted net assets and an increase in unrestricted net assets.

Unrestricted support contributions not restricted by time or manner of use are recognized as unrestricted support in the period in which they are received (or the promise is made). However, if a donor has stipulated that funds are to be used in a subsequent period, the contribution is considered restricted. Unconditional promises to give contributions to be received in future periods are assumed to be temporarily restricted unless the donor explicitly states that the contribution is to support the current period.

CASA EL BUEN SAMARITANO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Contributions Whose Restrictions Are Met in the Same Year - Restricted contributions may be reported as unrestricted support if (a) the restrictions are met in the same reporting period, (b) that policy is followed consistently, (c) the policy is disclosed, and (d) the organization has a similar policy for accounting for restricted investment income and gains. For example, an organization may receive a \$50,000 contribution to fund the cost of a one-week educational seminar. If the \$50,000 is received in the same year the seminar is held, the donation can be reflected as an unrestricted contribution in the statement of activities provided the organization meets the criteria in this paragraph. If the educational seminar straddled the organization's year end and restrictions on only \$25,000 of the donation were met, the statement of activities could reflect unrestricted contributions of \$25,000 and temporarily restricted contributions of \$25,000.

Designations Imposed Internally - Sometimes, the Board of directors may designate a portion of unrestricted net assets for a specific purpose as a management planning tool. For example, the board of directors may designate a certain amount of current year contributions to be used to fund future roof repairs. Those board designations are not restrictions because the designations may be reversed by the board, and they do not alter the nature of unrestricted contributions.

Federal Income Taxes – Casa El Buen Samaritano is exempt from federal income tax under Internal Revenue Code Section 501©(3) and is classified as a public charity under 509(a)(1) and 170(b)(1)(A)(iii).

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expense Allocation – The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The majority of expenses can generally be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications on the basis of square footage of office space occupied, salaries, time sheets, and other methods determined by management.

Prepaid Expenses – Prepaid expenses result from making deposits for fundraising events that will take place during the next fiscal year. Expenses are recognized in the year of the event.

Deferred Revenue - Deferred revenue results from advances from donors who will be attending fundraising events during the next fiscal year. Revenue is recognized only to the extent that related expenses have been incurred in the year of the event.

CASA EL BUEN SAMARITANO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2014 and December 31, 2013 consisted of the following:

	<u>2014</u>		<u>2013</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Checking	\$80,290	\$ 80,290	\$168,119	\$168,119
Money market funds	<u>51,177</u>	<u>51,177</u>	<u>50,935</u>	<u>50,935</u>
Total	<u>\$131,467</u>	<u>\$131,467</u>	<u>\$219,054</u>	<u>\$219,054</u>

NOTE 4 – DONATED SERVICES

Contributions of services are recognized when services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration, and fundraising for which an amount has been recorded in the financial statements, because the services did meet the criteria for recognition under generally accepted accounting principles. The estimated value of these volunteer services is \$34,335 for 2014. These amounts are reflected in the financial statements.

Noncash gifts, including donated services, supplies, silent auction items, and equipment, are reported on the financial statements. They are recorded based on their fair market value on the date of the gift. The estimated fair market value of donated services, supplies, silent auction items, and equipment for the year ended December 31, 2014 and December 31, 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Supplies	\$20,098	\$ 50
Volunteers	<u>49,861</u>	<u>65,329</u>
Total	<u>\$ 69,959</u>	<u>\$65,379</u>

CASA EL BUEN SAMARITANO
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 5 – RELATED PARTY TRANSACTIONS

A few of the Board members have provided professional services to the Organization at a substantially reduced rate. There appears to be no conflict of interest as a result of transactions with these Board members.

NOTE 6 – GRANTS RECEIVABLE

Grants receivable at December 31, 2014 consist of the following:

	<u>2014</u>	<u>2013</u>
Receivable in less than one year	<u>\$895,000</u>	<u>\$925,000</u>
Total grants receivable	<u>\$895,000</u>	<u>\$925,000</u>

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2014 and December 31, 2013 are detailed below:

	<u>2014</u>	<u>2013</u>
Buildings & Improvements	\$184,543	\$158,237
Equipment	37,517	30,140
Trailers	64,576	64,576
Furniture & Fixtures	<u>5,580</u>	<u>5,580</u>
	292,216	258,533
Accumulated Depreciation	<u>(125,315)</u>	<u>(114,568)</u>
	<u>\$166,901</u>	<u>\$143,965</u>

NOTE 8 – PRIOR YEARS SUMMARIZED DATA

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

CASA EL BUEN SAMARITANO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 9 – TEMPORARILY RESTRICTED ASSETS

Temporarily Restricted Net Assets:

Temporarily restricted net assets at December 31, 2014, are available for the following periods:

Periods after December 31, 2014	<u>\$ 895,000</u>
Total temporarily restricted funds	<u>\$ 895,000</u>

Net assets will be released from restrictions as follows:

Upon receipt of funds	<u>\$895,000</u>
	<u>\$895,000</u>

NOTE 10 – CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Organization to credit risk include bank deposits. There were no uninsured balances at December 31, 2014. The Organization manages credit risk by maintaining these balances with high-quality financial institutions. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

NOTE 11 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 31, 2015, the date the financial statements were available to be issued. There were no additional subsequent events.

NOTE 12 – DEFERRED REVENUE

Deferred revenue is recorded each year as a result of monies collected during December that are deposits for the gala to be held in the succeeding year. Revenue from the annual gala is recognized at the time of the gala.

Deferred revenue at December 31, 2014 and December 31, 2013 consist of the following:

	<u>2014</u>	<u>2013</u>
Deferred revenue	<u>\$36,400</u>	<u>\$35,525</u>
Total	<u>\$36,400</u>	<u>\$35,525</u>