

CASA EL BUEN SAMARITANO  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

## TABLE OF CONTENTS

	Page No.
REPORT OF INDEPENDENT AUDITORS	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

# GOMEZ & COMPANY

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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, 2019, 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 from 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, 2019, 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.

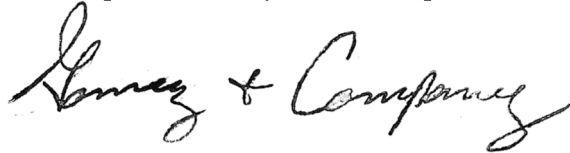
***Other Matters***

**Report on Summarized Comparative Information**

The summarized comparative information presented herein as of and for the year ended December 31, 2018, was derived from those financial statements audited by other auditors and has not been audited, reviewed, or compiled by us, and accordingly, we express no opinion on it. The summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Prior Period Financial Statements**

The financial statements of Casa El Buen Samaritano as of December 31, 2018 were audited by other auditors whose report dated July 31, 2019 expressed an unmodified opinion on those statements.

A handwritten signature in cursive script that reads "Ramirez & Company". The signature is written in black ink and is positioned above the typed text of the firm's name.

Houston, Texas  
August 26, 2020

CASA EL BUEN SAMARITANO  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019  
WITH COMPARATIVE TOTALS FOR 2018

<b>Assets</b>	2019	2018
<b>Current Assets</b>		
Cash and cash equivalents	\$ 290,456	\$ 189,092
Grants receivable	478,024	470,000
Inventory	9,627	23,030
Prepaid expenses	28,859	20,706
<b>Total Current Assets</b>	806,966	702,828
 <b>Property and Equipment</b>		
Buildings and improvements	252,029	252,029
Furniture & equipment	63,178	56,149
Software	12,928	12,928
	328,135	321,106
Less: Accumulated Depreciation	(187,311)	(179,080)
	140,824	142,026
 <b>Total Assets</b>	\$ 947,790	\$ 844,854
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7,458	\$ 4,553
Accrued salaries	-	75
Accrued payroll taxes payable	5,176	2,412
Deferred revenue	55,000	48,491
<b>Total Current Liabilities</b>	67,634	55,531
 <b>Total Liabilities</b>	67,634	55,531
 <b>Net Assets</b>		
Without donor restrictions, as restated	613,807	725,665
With donor restrictions, as restated	266,349	63,658
<b>Total Net Assets</b>	880,156	789,323
 <b>Total Liabilities and Net Assets</b>	\$ 947,790	\$ 844,854

See accompanying notes to financial statements.

CASA EL BUEN SAMARITANO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH COMPARATIVE TOTALS FOR 2018

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2019	2018
<b>Revenue, Gains &amp; Other Support</b>				
Contributions - Cash	\$ 142,301	\$ 186,000	\$ 328,301	\$ 157,698
Contributions - Non-Cash	166,645	-	166,645	269,917
Special events	157,469	-	157,469	189,974
Local grants	12,000	136,741	148,741	153,080
Investment revenue	1,089	-	1,089	766
Net assets released from restrictions	120,050	(120,050)	-	-
<b>Total Revenue, Gains, and Other Support</b>	<u>599,554</u>	<u>202,691</u>	<u>802,245</u>	<u>771,435</u>
<b>Expenses</b>				
Community program services	543,724	-	543,724	610,443
Supporting services	77,984	-	77,984	80,434
Fundraising	89,703	-	89,703	100,051
<b>Total Expenses</b>	<u>711,412</u>	<u>-</u>	<u>711,412</u>	<u>790,928</u>
<b>Increase (decrease) in net assets</b>	<u>(111,858)</u>	<u>202,691</u>	<u>90,833</u>	<u>(19,493)</u>
<b>Net assets, beginning of year, as restated</b>	<u>725,665</u>	<u>63,658</u>	<u>789,323</u>	<u>808,816</u>
<b>Net assets, end of year, as restated</b>	<u>\$ 613,807</u>	<u>\$ 266,349</u>	<u>\$ 880,156</u>	<u>\$ 789,323</u>

CASA EL BUEN SAMARITANO  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH COMPARATIVE TOTALS FOR 2018

	Community Program Services	Supporting Services	Fundraising	2019	2018
<b>Personnel</b>					
Salaries	\$ 158,040	\$ 61,934	\$ 27,912	\$ 247,886	\$ 272,318
Payroll taxes	11,710	5,166	2,152	19,028	22,167
<b>Total Personnel</b>	<u>169,750</u>	<u>67,100</u>	<u>30,064</u>	<u>266,914</u>	<u>294,485</u>
<b>Other Expenses</b>					
Maintenance	38,098	-	-	38,098	9,746
Postage	334	-	-	334	253
Printing and Publications	1,960	-	-	1,960	173
Promotional expenses	108	-	-	108	2,140
Special programs	4,555	-	-	4,555	10,951
Utilities	15,125	-	-	15,125	13,940
Fundraising - 2018	-	-	-	-	64,010
Fundraising - 2019	162	-	56,640	56,802	-
Depreciation	8,233	-	-	8,233	7,150
Insurance	14,336	3,820	-	18,156	17,215
Volunteer expenses	145,523	-	-	145,523	201,200
Ministry expenses	32,098	-	-	32,098	34,522
Licenses & fees	-	560	-	560	822
Dues & Subscriptions	4,929	-	-	4,929	3,820
Professional fees	-	5,475	-	5,475	5,632
Supplies	63,381	-	2,999	66,380	76,289
Rent	234	-	-	234	262
Travel	652	51	-	703	994
Laboratory testing	40,443	-	-	40,443	38,494
Training	3,804	978	-	4,782	8,830
<b>Total Other Expenses</b>	<u>373,974</u>	<u>10,884</u>	<u>59,639</u>	<u>444,498</u>	<u>496,443</u>
<b>Total Expenses</b>	<u>\$ 543,724</u>	<u>\$ 77,984</u>	<u>\$ 89,703</u>	<u>\$ 711,412</u>	<u>\$ 790,928</u>

CASA EL BUEN SAMARITANO  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH COMPARATIVE TOTALS FOR 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 90,833	\$ (19,493)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	8,231	7,150
(Increase) decrease in grants receivable	(8,024)	(10,000)
(Increase) decrease in inventory	13,403	(15,114)
(Increase) decrease in prepaid expenses	(8,153)	12,430
Increase (decrease) in accounts payable	2,905	(5,377)
Increase (decrease) in accrued salaries	(75)	(203)
Increase (decrease) in payroll taxes payable	2,764	2,412
Increase (decrease) in deferred revenue	6,509	(7,295)
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	108,393	(35,490)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchases of fixed assets	(7,029)	(2,700)
CASH USED FOR INVESTING ACTIVITIES	(7,029)	(2,700)
NET INCREASE (DECREASE) IN CASH	101,364	(38,190)
CASH AT BEGINNING OF YEAR	189,092	227,282
CASH AT END OF YEAR	\$ 290,456	\$ 189,092



**CASA EL BUEN SAMARITANO**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**A. 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 2019, Casa El Buen Samaritano provided 2,765 patient visits and 2,676 ministry and outreach visits. Clinical care is provided predominantly 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, cholesterol, and women's health. 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.

The Organization is supported primarily through private and corporate contributions.

**B. Summary of Accounting Policies:**

Basis of Presentation – The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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 up to \$250,000 per type of account at each financial institution.

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.

**CASA EL BUEN SAMARITANO**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**B. Summary of Accounting Policies: (Continued)**

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.

Net asset classification - Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

*Net Assets Without Donor Restrictions* – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

*Net Assets With Donor Restrictions* - Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets are included in net assets without donor restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

On occasion, the governing board may designate a portion of net assets without donor restrictions for a specific purpose. Designated net assets are not governed by donor-imposed restrictions and may be reversed by the governing board at any time.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support.

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 net assets without donor restrictions or net assets with donor restrictions depending on the nature of the donor restrictions, if any.

**CASA EL BUEN SAMARITANO**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**B. Summary of Accounting Policies: (Continued)**

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 hiring of additional employees) or implicit (such as gifts received in a capital improvement drive or in an appeal for a particular program).

Contributions Whose Restrictions Are Met in the Same Year - Restricted contributions may be reported as support without donor restrictions 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 a contribution without donor restrictions 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 contributions with donor restrictions of \$25,000 and contributions without donor restrictions 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 technology improvements. 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 (c) (3) and is classified as a public charity under 509(a)(1) and 170(b)(1)(A)(vi).

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.

**CASA EL BUEN SAMARITANO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

B. Summary of Accounting Policies: (Continued)

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 gala 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. Prepaid insurance is recorded in the month of payment and amortized over the life of the policy.

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

C. Cash and Cash Equivalents:

Cash and cash equivalents as of December 31, 2019 and December 31, 2018 consisted of the following:

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Checking	\$238,038	\$238,038	\$136,989	\$136,989
Certificates of Deposit	52,418	52,418	52,103	52,103
Total	<u>\$290,456</u>	<u>\$290,456</u>	<u>\$189,092</u>	<u>\$189,092</u>

**CASA EL BUEN SAMARITANO**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**D. Liquidity and Availability of Financial Assets:**

The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Financial assets at year-end	\$	768,480
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions as to use		266,349
Donor-imposed restrictions as to time		-
Donor-restricted to maintain as an endowment		-
Financial assets available to meet cash needs for general expenditure within one year		\$ 502,131

The Organization manages its liquid assets conservatively within standard depository bank accounts at national banks. Cash is managed to provide sufficient funds for meeting program expenditures of the Organization. Excess cash is typically restricted to future use within the programs administered by the Organization.

**E. 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 \$145,523 for 2019, and the estimated value of these volunteer services is \$201,200 for 2018. These amounts are reflected in the financial statements.

**CASA EL BUEN SAMARITANO**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

E. Donated Services: (Continued)

Noncash gifts, including donated services, supplies, 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, and equipment for the year ended December 31, 2019 and December 31, 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Supplies & Office Furniture	\$ 21,122	\$ 66,017
Medical Equipment	-	2,700
Volunteers	<u>145,523</u>	<u>201,200</u>
Total	<u>\$ 166,645</u>	<u>\$ 269,917</u>

F. Grants Receivable:

Grants receivable at December 31, 2019 and December 31, 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Receivables in less than one year	<u>\$ 478,024</u>	<u>\$ 470,000</u>
Total grants receivable	<u>\$ 478,024</u>	<u>\$ 470,000</u>

G. Comparative Totals:

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

H. 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, 2019. 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.

**CASA EL BUEN SAMARITANO**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

I. 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 conditioned on hosting of the annual gala is recognized at the time of the gala.

Deferred revenue at December 31, 2019 and December 31, 2018 consist of the following:

	<u><b>2019</b></u>	<u><b>2018</b></u>
Deferred revenue	\$ 55,000	\$ 48,491
Total	<u>\$ 55,000</u>	<u>\$ 48,491</u>

J. Fundraising Revenue and Expenses:

	<u><b>2019</b></u>	<u><b>2018</b></u>
Fundraising Income	\$ 145,847	\$ 189,974
Fundraising Expenses	<u>89,703</u>	<u>100,051</u>
Total	<u>\$ 56,144</u>	<u>\$ 89,923</u>

K. Inventory:

Inventory based at fair market value as of December 31, 2019 and December 31, 2018 was estimated as follows:

	<u><b>2019</b></u>	<u><b>2018</b></u>
Gala Silent Auction Inventory	\$ -	\$ 23,030
Medical Supply Inventory	<u>9,627</u>	<u>-</u>
Total	<u>\$ 9,627</u>	<u>\$ 23,030</u>

L. Prepaid Expenses:

Prepaid expenses at December 31, 2019 and December 31, 2018 consist of the following:

	<u><b>2019</b></u>	<u><b>2018</b></u>
Deposits for events	\$ 12,759	\$ 4,507
Insurance paid in advance	<u>16,100</u>	<u>16,199</u>
Total	<u>\$ 28,859</u>	<u>\$ 20,706</u>

**CASA EL BUEN SAMARITANO**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**M. Prior Period Adjustment:**

The Organization carried a contribution receivable at December 31, 2018 in the amount of \$450,000 that was free of donor restrictions as to use or time. The only requirement of the Organization in collecting funds from the fiduciary organization is submission of an informal request. The contribution receivable was previously classified within Net Assets with Donor Restrictions and has been reclassified to Net Assets without Donor Restrictions in all prior periods leading up to the current period. Net Assets with Donor Restrictions at December 31, 2018 have been restated from \$513,658 to \$63,658. Net Assets without Donor Restrictions at December 31, 2018 have been restated from \$275,665 to \$725,665.

**N. Net Assets With Donor Restrictions:**

Net assets with donor restrictions are restricted for the following purposes:

	<u>2019</u>	<u>2018</u>
Medical and related services	\$ 43,395	\$ 28,658
Acquisition of facilities	125,000	-
Acquisition of equipment	4,954	-
Establishment of dental program	93,000	-
Hurricane Harvey-renovations	-	35,000
	<u>          </u>	<u>          </u>
Total net assets with donor restrictions	<u>\$ 266,349</u>	<u>\$ 63,658</u>

**O. Net Assets Without Donor Restrictions:**

Net assets without donor restrictions are composed of the following:

	<u>2019</u>	<u>2018</u>
Undesignated	<u>\$ 613,807</u>	<u>\$ 725,665</u>
Total net assets without donor restrictions	<u>\$ 613,807</u>	<u>\$ 725,665</u>

**P. Subsequent Events:**

The Organization has evaluated events through August 26, 2020 which is the date the financial statements were available to be issued.