

CASA EL BUEN SAMARITANO
(a nonprofit corporation)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Casa El Buen Samaritano's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Casa El Buen Samaritano's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Casa El Buen Samaritano's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 26, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Houston, Texas
July 14, 2022

CASA EL BUEN SAMARITANO
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR 2020

Assets	2021	2020
Current Assets		
Cash and cash equivalents	\$ 1,025,810	\$ 696,033
Grants receivable	-	350,000
Inventory	23,075	4,858
Prepaid expenses	25,286	17,568
Total Current Assets	1,074,171	1,068,459
Property and Equipment		
Buildings and improvements	366,736	252,029
Leasehold improvements	200,000	-
Furniture & equipment	74,267	63,178
Software	12,928	12,928
	653,931	328,135
Less: Accumulated Depreciation	(223,538)	(195,829)
	430,393	132,306
Other Assets		
Deposits	-	10,052
	-	10,052
Total Assets	\$ 1,504,564	\$ 1,210,817
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 10,420	\$ 12,026
Accrued payroll taxes payable	2,190	8,405
Paycheck Protection Program Loan	-	47,487
Total Current Liabilities	12,610	67,918
Total Liabilities	12,610	67,918
Net Assets		
Without donor restrictions	1,467,325	904,711
With donor restrictions	24,629	238,188
Total Net Assets	1,491,954	1,142,899
Total Liabilities and Net Assets	\$ 1,504,564	\$ 1,210,817

See accompanying notes to financial statements.

CASA EL BUEN SAMARITANO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR 2020

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
Revenue, Gains & Other Support				
Contributions - Cash	\$ 229,013	\$ 13,095	\$ 242,108	\$ 218,093
Contributions - Non-Cash	229,206	-	229,206	87,814
Special events	676,351	-	676,351	728,885
Local grants	-	100,108	100,108	51,000
Investment revenue	6,158	-	6,158	1,572
Federal PPP loan forgiveness	47,487	-	47,487	-
Insurance proceeds	13,909	-	13,909	-
Net assets released from restrictions	326,762	(326,762)	-	-
Total Revenue, Gains, and Other Support	<u>1,528,886</u>	<u>(213,559)</u>	<u>1,315,327</u>	<u>1,087,364</u>
Expenses				
Community program services	823,577	-	823,577	545,577
Supporting services	78,772	-	78,772	124,477
Fundraising	63,923	-	63,923	154,567
Total Expenses	<u>966,272</u>	<u>-</u>	<u>966,272</u>	<u>824,621</u>
Increase (decrease) in net assets	<u>562,614</u>	<u>(213,559)</u>	<u>349,055</u>	<u>262,743</u>
Net assets, beginning of year	<u>904,711</u>	<u>238,188</u>	<u>1,142,899</u>	<u>880,156</u>
Net assets, end of year	<u>\$ 1,467,325</u>	<u>\$ 24,629</u>	<u>\$ 1,491,954</u>	<u>\$ 1,142,899</u>

CASA EL BUEN SAMARITANO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR 2020

	Community Program Services	Supporting Services	Fundraising	2021	2020
<u>Personnel</u>					
Salaries	\$ 288,044	\$ 48,000	\$ 27,000	\$ 363,044	\$ 245,786
Payroll taxes	21,675	3,908	2,075	27,658	19,674
Total Personnel	<u>309,719</u>	<u>51,908</u>	<u>29,075</u>	<u>390,702</u>	<u>265,460</u>
<u>Other Expenses</u>					
Maintenance	16,836	172	-	17,008	11,444
Postage	336	286	-	622	955
Printing and Publications	2,968	-	-	2,968	4,896
Promotional expenses	187	271	-	458	-
Special programs	33,575	306	280	34,161	4,367
Utilities	15,447	-	-	15,447	18,339
Fundraising - 2020	-	-	-	-	123,346
Fundraising - 2021	-	-	34,460	34,460	-
Depreciation	27,710	-	-	27,710	8,518
Insurance	18,775	1,670	-	20,445	17,996
Miscellaneous	4,518	36	-	4,554	2,457
Volunteer expenses	190,228	-	-	190,228	74,378
Ministry expenses	36,529	-	-	36,529	36,727
Licenses & fees	-	1,348	-	1,348	1,447
Dues & Subscriptions	1,729	165	-	1,894	1,823
Professional fees	865	19,982	-	20,847	63,459
Office Supplies	16,425	1,967	-	18,392	21,841
Medical Supplies	98,243	-	108	98,351	51,133
Rent	7,822	-	-	7,822	254
Travel	190	69	-	259	304
Laboratory testing	39,576	-	-	39,576	36,626
Training	1,899	592	-	2,491	7,351
Charitable Contributions	-	-	-	-	71,500
Total Other Expenses	<u>513,858</u>	<u>26,864</u>	<u>34,848</u>	<u>575,570</u>	<u>559,161</u>
Total Expenses	<u>\$ 823,577</u>	<u>\$ 78,772</u>	<u>\$ 63,923</u>	<u>\$ 966,272</u>	<u>\$ 824,621</u>

CASA EL BUEN SAMARITANO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 349,055	\$ 262,743
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	27,710	8,518
Proceeds from PPP loan forgiveness	(47,487)	-
(Increase) decrease in grants receivable	350,000	128,024
(Increase) decrease in inventory	(18,217)	4,769
(Increase) decrease in prepaid expenses	(7,718)	11,291
(Increase) decrease in deposits	10,052	(10,052)
Increase (decrease) in accounts payable	(1,606)	4,568
Increase (decrease) in payroll taxes payable	(6,215)	3,229
Increase (decrease) in deferred revenue	-	(55,000)
CASH PROVIDED BY OPERATING ACTIVITIES	655,574	358,090
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchases of fixed assets	(325,799)	-
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(325,799)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Payroll Protection Program loan	-	47,487
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	-	47,487
NET INCREASE (DECREASE) IN CASH	329,775	405,577
CASH AT BEGINNING OF YEAR	696,033	290,456
CASH AT END OF YEAR	\$ 1,025,808	\$ 696,033

CASA EL BUEN SAMARITANO
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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 2021, Casa El Buen Samaritano provided 6,280 patient visits and 2,331 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, 2021

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.

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).

CASA EL BUEN SAMARITANO
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

B. Summary of Accounting Policies: (Continued)

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.

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.

CASA EL BUEN SAMARITANO
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

C. Cash and Cash Equivalents:

Cash and cash equivalents as of December 31, 2021 and December 31, 2020 consisted of the following:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Checking	\$922,722	\$922,722	\$593,263	\$593,263
Certificates of Deposit	103,088	103,088	102,770	102,770
Total	\$1,025,810	\$1,025,810	\$696,033	\$696,033

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	\$ 1,025,810
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions as to use	11,114
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	\$ 1,014,696

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 \$190,228 for 2021, and the estimated value of these volunteer services is \$74,378 for 2020. These amounts are reflected in the financial statements.

CASA EL BUEN SAMARITANO
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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, 2021 and December 31, 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Supplies & Office Furniture	\$ 38,978	\$ 13,436
Volunteers	190,228	74,378
Total	<u>\$ 229,206</u>	<u>\$ 87,814</u>

F. Grants Receivable:

Grants receivable at December 31, 2021 and December 31, 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Receivables in less than one year	\$ -	\$ 350,000
Total grants receivable	<u>\$ -</u>	<u>\$ 350,000</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, 2020, 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, 2021. 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.

I. Fundraising Revenue and Expenses:

	<u>2021</u>	<u>2020</u>
Fundraising Income	\$ 676,351	\$ 728,885
Fundraising Expenses	<u>63,923</u>	<u>154,567</u>
Total	<u>\$ 612,428</u>	<u>\$ 574,318</u>

CASA EL BUEN SAMARITANO
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

J. Inventory:

Inventory based at fair market value as of December 31, 2021 and December 31, 2020 was estimated as follows:

	<u>2021</u>	<u>2020</u>
Medical Supply Inventory	\$ 23,075	\$ 4,858
Total	<u>\$ 23,075</u>	<u>\$ 4,858</u>

K. Prepaid Expenses:

Prepaid expenses at December 31, 2021 and December 31, 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Deposits	\$ 2,395	\$ -
Insurance paid in advance	<u>22,891</u>	<u>17,568</u>
Total	<u>\$ 25,286</u>	<u>\$ 17,568</u>

L. Paycheck Protection Program Loan:

In April of 2020, the Organization was approved for and received a loan under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) in the amount of \$47,487. The Organization applied for forgiveness in 2021, and formally received notice of forgiveness-in-full on April 5, 2021. Forgiveness of the loan resulted in the Organization’s recognition of revenue upon extinguishment in accordance with ASC 470 in 2021 – the year of forgiveness.

M. Net Assets with Donor Restrictions:

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

	<u>2021</u>	<u>2020</u>
Medical and related services	\$ 17,302	\$ 18,674
Acquisition of facilities	-	140,240
Acquisition of equipment	4,827	-
Establishment of dental program	<u>2,500</u>	<u>79,274</u>
Total net assets with donor restrictions	<u>\$ 24,629</u>	<u>\$ 238,188</u>

CASA EL BUEN SAMARITANO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

N. Net Assets without Donor Restrictions:

Net assets without donor restrictions are composed of the following:

	<u>2021</u>	<u>2020</u>
Undesignated	<u>\$ 1,467,325</u>	<u>\$ 904,711</u>
Total net assets without donor restrictions	<u>\$ 1,467,325</u>	<u>\$ 904,711</u>

O. Subsequent Events:

The Organization has evaluated events through July 14, 2022, which is the date the financial statements were available to be issued.