

**Casa El Buen Samaritano**

Financial Statements  
and Independent Auditors' Report  
for the year ended December 31, 2023

# Casa El Buen Samaritano

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## Independent Auditors' Report

To the Board of Directors of  
Casa El Buen Samaritano:

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Casa El Buen Samaritano, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, of functional expenses, and of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Casa El Buen Samaritano as of December 31, 2023, 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 *Auditors' 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 for one year after the date that the financial statements are available to be issued.

#### *Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

*Blazek & Vetterling*

October 14, 2024

## Casa El Buen Samaritano

Statement of Financial Position as of December 31, 2023

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### ASSETS

Cash	\$ 115,494
Contributions receivable (Note 4)	66,224
Prepaid and other assets	33,778
Investments (Note 3)	1,179,079
Operating right-of-use asset (Note 5)	130,542
Property and equipment, net (Note 6)	<u>357,218</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,882,335</u></b>

### LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 22,038
Operating lease liability (Note 5)	<u>130,542</u>
Total liabilities	<u>152,580</u>
Net assets:	
Without donor restrictions	1,648,572
With donor restrictions (Note 7)	<u>81,183</u>
Total net assets	<u>1,729,755</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,882,335</u></b>

*See accompanying notes to financial statements.*

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## Casa El Buen Samaritano

### Statement of Activities for the year ended December 31, 2023

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Cash and other financial assets	\$ 394,012	\$ 109,119	\$ 503,131
Nonfinancial assets ( <i>Note 8</i> )	246,233		246,233
Special events:			
Cash and other financial assets	435,445		435,445
Proceeds from auction items ( <i>Note 8</i> )	81,814		81,814
Investment income	55,603		55,603
Other income	<u>4,732</u>	<u>          </u>	<u>4,732</u>
Total revenue	1,217,839	109,119	1,326,958
Net assets released from restrictions:			
Expenditures for programs	<u>192,679</u>	<u>(192,679)</u>	<u>          </u>
Total	<u>1,410,518</u>	<u>(83,560)</u>	<u>1,326,958</u>
EXPENSES:			
Community program services	1,174,762		1,174,762
Management and general	153,346		153,346
Fundraising	<u>83,701</u>	<u>          </u>	<u>83,701</u>
Total expenses	<u>1,411,809</u>	<u>          </u>	<u>1,411,809</u>
CHANGES IN NET ASSETS	(1,291)	(83,560)	(84,851)
Net assets, beginning of year	<u>1,649,863</u>	<u>164,743</u>	<u>1,814,606</u>
Net assets, end of year	<u>\$ 1,648,572</u>	<u>\$ 81,183</u>	<u>\$ 1,729,755</u>

*See accompanying notes to financial statements.*

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## Casa El Buen Samaritano

### Statement of Functional Expenses for the year ended December 31, 2023

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	COMMUNITY PROGRAM <u>SERVICES</u>	MANAGEMENT <u>AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Payroll and related benefits	\$ 576,438	\$ 79,338	\$ 34,767	\$ 690,543
Professional fees	459,049	38,831		497,880
Supplies	47,156	18,297	45,260	110,713
Depreciation	34,596	4,937	2,098	41,631
Insurance	27,452	542		27,994
Rent	14,958	2,135	907	18,000
Utilities	11,023	1,573	669	13,265
Promotional expenses		5,602		5,602
Maintenance	1,493	1,660		3,153
Travel	1,847	264		2,111
Other	<u>750</u>	<u>167</u>	<u></u>	<u>917</u>
Total expenses	<u>\$ 1,174,762</u>	<u>\$ 153,346</u>	<u>\$ 83,701</u>	<u>\$ 1,411,809</u>

*See accompanying notes to financial statements.*

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## Casa El Buen Samaritano

Statement of Cash Flows for the year ended December 31, 2023

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### CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in net assets	\$ (84,851)
Adjustments to reconcile changes in net assets to net cash used by operating activities:	
Net realized and unrealized gain on investments	(8,844)
Amortization of lease right-of-use asset	22,652
Depreciation	41,631
Changes in operating assets and liabilities:	
Contributions receivable	(64,224)
Prepaid and other assets	5,071
Accounts payable and accrued expenses	(12,696)
Operating lease liability	<u>(22,652)</u>
Net cash used by operating activities	<u>(123,913)</u>

### CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(3,023)
Net change in money market mutual funds held for investment	(929,079)
Sale of investments	2,077
Purchase of investments	<u>(243,233)</u>
Net cash used by investing activities	<u>(1,173,258)</u>

NET CHANGE IN CASH (1,297,171)

Cash, beginning of year 1,412,665

Cash, end of year \$ 115,494

*See accompanying notes to financial statements.*

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## Casa El Buen Samaritano

Notes to Financial Statements for the year ended December 31, 2023

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### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Casa El Buen Samaritano (Casa El Buen) is a not-for-profit organization incorporated in the State of Texas in 2007. Casa El Buen’s mission is to share the love of Jesus Christ while providing whole-person body, soul, and 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 seeks to minister to the medical and spiritual needs of these individuals.

In 2023, Casa El Buen provided approximately 5,600 patient visits and approximately 2,500 ministry and outreach visits. Clinical care is provided by medical and dental professional or paraprofessional volunteers who graciously donate their time several evenings per month. Casa El Buen 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 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.

Federal income tax status – Casa El Buen is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code.

Cash consists of bank deposits at one financial institution and at times exceeds the federally insured limit per depositor per institution.

Investments are reported at fair value. Net investment return consists of interests and dividends. Investment return is reported in the statement of activities as an increase in *net assets without donor restrictions* unless the use of the income is limited by donor-imposed restrictions.

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of the expected future cash flows, if material. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. An allowance for uncollectible amounts is provided when management believes balances may not be collected in full based upon historical experience and analysis of individual balances.

Property and equipment is reported at cost if purchased or at estimated fair value at the date of gift if donated. Property and equipment with a cost in excess of \$2,000 is capitalized. Depreciation is recorded on a straight-line basis over estimated useful lives of 5 to 39 years.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service.

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 *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before Casa El Buen is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met. Funding received before conditions are met is reported as refundable advances.

Contributed nonfinancial assets are recognized as contributions at fair value when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, 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 no amount has been recorded in the financial statements because the services do not meet the criteria for recognition under generally accepted accounting principles.

Special events revenue is comprised of contributions and auction proceeds and is recognized when an event occurs. Amounts received in advance of the event are reported as deferred revenue.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Due to the small staff size and communal nature of Casa El Buen’s office space, occupancy expenses are allocated based on personnel time and effort.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

## NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Casa El Buen relies on committed contributors and special events to provide funds for support of its programs.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31, 2023 comprise the following:

Cash	\$ 115,494
Investments	1,179,079
Contribution receivables	<u>66,224</u>
Total financial assets	1,360,797
Less financial assets not available for general expenditure:	
Donor-restricted funds not expected to be used within one year	<u>(24,107)</u>
Total financial assets available for general expenditure	<u>\$ 1,336,690</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Casa El Buen considers all expenditures related to its mission and ongoing activities, as well as all expenditures made toward functions that support those activities, to be general expenditures.

### NOTE 3 – INVESTMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability. Inputs are unobservable for the asset and include situations where there is little, if any, market activity for the investment.

Assets measured at fair value at December 31, 2023 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Money market mutual funds	\$ 929,079			\$ 929,079
Fixed-income:				
U. S. Treasury securities	_____	\$ 250,000	_____	250,000
Total assets measured at fair value	<u>\$ 929,079</u>	<u>\$ 250,000</u>	<u>\$ 0</u>	<u>\$ 1,179,079</u>

Valuation methods used to determine the fair market value of investments are as follows:

- *Money market mutual funds* are valued at the reported net asset value of shares held.
- *U. S. Treasury securities* are valued using prices obtained from independent quotation bureaus that use computerized valuation formulas to calculate fair values.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Casa El Buen believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks such as interest rate, market and credit risks. In addition to risks associated with other investments, alternative investments in securities other than stocks and bonds include additional risks because of their complex nature and limited regulations resulting in a greater risk of losing invested capital. Such risks include, but are not limited to, limited liquidity, absence of oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and nonmarketable investments), and nondisclosure of portfolio composition. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

#### NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2023 are from two donors and are expected to be collected within one year.

#### NOTE 5 – LEASES

Casa El Buen leases office space under an operating lease, cancellable with a 180-day notice. Right-of-use assets are recognized at the present value of the lease payments at the inception of the lease adjusted, as appropriate, for certain other payments and allowances related to obtaining the lease and placing the asset in service. Operating lease right-of-use assets are amortized so that lease costs remain constant over the lease term.

Lease costs associated with operating leases was \$18,000 in 2023.

During the year ended December 31, 2023, cash paid for amounts included in the measurement of operating lease liabilities was \$18,000.

As of December 31, 2023, the weighted-average remaining lease term for all operating leases is 91 months. The weighted-average discount rate associated with operating leases as of December 31, 2023 is 1.20%.

Undiscounted cash flows related to operating lease liability as of December 31, 2023 are as follows:

2024	\$ 18,000
2025	18,000
2026	18,000
2027	18,000
2028	18,000
Thereafter	<u>46,500</u>
Total undiscounted cash flow	136,500
Less discount to present value	<u>(5,958)</u>
Total discounted present value of lease liability	<u>\$ 130,542</u>

#### NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2023 consists of the following:

Buildings and improvements	\$ 366,736
Leasehold improvements	200,000
Furniture and equipment	83,279
Software	<u>12,928</u>
Total property and equipment, at cost	662,943
Accumulated depreciation	<u>(305,725)</u>
Property and equipment, net	<u>\$ 357,218</u>

## NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2023 are restricted as follows:

Subject to expenditure for specified purpose:

Medical services	\$ 40,975
Refugee Clinic	27,107
Acquisition of equipment	7,541
Other	<u>5,560</u>

Total net assets with donor restrictions \$ 81,183

## NOTE 8 – CONTRIBUTED NONFINANCIAL ASSETS

Casa El Buen recognized contributions of donated goods and services at December 31, 2023 as follows:

<u>CONTRIBUTED NONFINANCIAL ASSETS</u>	<u>MONETIZED OR UTILIZED IN PROGRAMS/ ACTIVITIES</u>	<u>DONOR RESTRICTIONS</u>	<u>VALUATION TECHNIQUES AND INPUTS</u>	<u>FISCAL YEAR 2023</u>
Volunteers	Utilized for program services	None	Fair value at the date of service based on current rates for similar services.	\$169,506
Auction items	Monetized in auction	None	Gross sale price received.	\$81,814
Lab fees	Utilized for program services	None	Fair value at the date of service based on current rates for similar items.	\$63,135
Subscriptions and supplies	Utilized for program services	None	Fair value at the date of receipt based on current rates for similar items.	\$13,592
Total contributed nonfinancial assets				<u>\$328,047</u>

## NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 14, 2024, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.