

CASA EL BUEN SAMARITANO  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020

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# GOMEZ & COMPANY

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## CERTIFIED PUBLIC ACCOUNTANTS

5177 RICHMOND AVE. SUITE 1100

HOUSTON, TX 77056

TEL: (713) 666-5900

FAX: (713) 666-1049

<http://www.gomezandco.com>

## 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, 2020, 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, 2020, 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 the Casa El Buen Samaritano's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 26, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Houston, Texas  
July 26, 2021

CASA EL BUEN SAMARITANO  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020  
WITH COMPARATIVE TOTALS FOR 2019

Assets	2020	2019
Current Assets		
Cash and cash equivalents	\$ 696,033	\$ 290,456
Grants receivable	350,000	478,024
Inventory	4,858	9,627
Prepaid expenses	17,568	28,859
Total Current Assets	1,068,459	806,966
Property and Equipment		
Buildings and improvements	252,029	252,029
Furniture & equipment	63,178	63,178
Software	12,928	12,928
	328,135	328,135
Less: Accumulated Depreciation	(195,829)	(187,311)
	132,306	140,824
Other Assets		
Deposits	10,052	-
Total Assets	\$ 1,210,817	\$ 947,790
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 12,026	\$ 7,458
Accrued payroll taxes payable	8,405	5,176
Deferred revenue	-	55,000
Paycheck Protection Program Loan	47,487	-
Total Current Liabilities	67,918	67,634
Total Liabilities	67,918	67,634
Net Assets		
Without donor restrictions	904,711	613,807
With donor restrictions	238,188	266,349
Total Net Assets	1,142,899	880,156
Total Liabilities and Net Assets	\$ 1,210,817	\$ 947,790

See accompanying notes to financial statements.

CASA EL BUEN SAMARITANO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH COMPARATIVE TOTALS FOR 2019

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2020	2019
Revenue, Gains & Other Support				
Contributions - Cash	\$ 202,353	\$ 15,740	\$ 218,093	\$ 328,301
Contributions - Non-Cash	87,814	-	87,814	166,645
Special events	728,885	-	728,885	157,469
Local grants	25,000	26,000	51,000	148,741
Investment revenue	1,572	-	1,572	1,089
Net assets released from restrictions	69,901	(69,901)	-	-
Total Revenue, Gains, and Other Support	<u>1,115,525</u>	<u>(28,161)</u>	<u>1,087,364</u>	<u>802,245</u>
Expenses				
Community program services	545,577	-	545,577	543,724
Supporting services	124,477	-	124,477	77,984
Fundraising	154,567	-	154,567	89,704
Total Expenses	<u>824,621</u>	<u>-</u>	<u>824,621</u>	<u>711,412</u>
Increase (decrease) in net assets	<u>290,904</u>	<u>(28,161)</u>	<u>262,743</u>	<u>90,833</u>
Net assets, beginning of year	<u>613,807</u>	<u>266,349</u>	<u>880,156</u>	<u>789,323</u>
Net assets, end of year	<u>\$ 904,711</u>	<u>\$ 238,188</u>	<u>\$ 1,142,899</u>	<u>\$ 880,156</u>

CASA EL BUEN SAMARITANO  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH COMPARATIVE TOTALS FOR 2019

	Community Program Services	Supporting Services	Fundraising	2020	2019
<u>Personnel</u>					
Salaries	\$ 162,838	\$ 54,404	\$ 28,544	\$ 245,786	\$ 247,886
Payroll taxes	12,550	4,921	2,203	19,674	19,028
Total Personnel	<u>175,388</u>	<u>59,325</u>	<u>30,747</u>	<u>265,460</u>	<u>266,914</u>
<u>Other Expenses</u>					
Maintenance	10,676	768	-	11,444	38,098
Postage	606	325	24	955	334
Printing and Publications	4,880	16	-	4,896	1,960
Promotional expenses	-	-	-	-	108
Special programs	4,059	128	180	4,367	4,555
Utilities	18,339	-	-	18,339	15,125
Fundraising - 2019	-	-	-	-	56,802
Fundraising - 2020	-	-	123,346	123,346	-
Depreciation	8,518	-	-	8,518	8,233
Insurance	16,076	1,920	-	17,996	18,156
Miscellaneous	2,368	89	-	2,457	-
Volunteer expenses	74,378	-	-	74,378	145,523
Ministry expenses	36,727	-	-	36,727	32,098
Licenses & fees	-	1,256	191	1,447	560
Dues & Subscriptions	1,823	-	-	1,823	4,929
Professional fees	11,464	51,995	-	63,459	5,475
Office Supplies	19,299	2,463	79	21,841	29,200
Medical Supplies	51,133	-	-	51,133	37,180
Rent	-	254	-	254	234
Travel	98	206	-	304	703
Laboratory testing	36,626	-	-	36,626	40,443
Training	1,619	5,732	-	7,351	4,782
Charitable Contributions	71,500	-	-	71,500	-
Total Other Expenses	<u>370,189</u>	<u>65,152</u>	<u>123,820</u>	<u>559,161</u>	<u>444,498</u>
Total Expenses	<u>\$ 545,577</u>	<u>\$ 124,477</u>	<u>\$ 154,567</u>	<u>\$ 824,621</u>	<u>\$ 711,412</u>

CASA EL BUEN SAMARITANO  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
WITH COMPARATIVE TOTALS FOR 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 262,743	\$ 90,833
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	8,518	8,231
(Increase) decrease in grants receivable	128,024	(8,024)
(Increase) decrease in inventory	4,769	13,403
(Increase) decrease in prepaid expenses	11,291	(8,153)
(Increase) decrease in prepaid expenses	(10,052)	
Increase (decrease) in accounts payable	4,568	2,905
Increase (decrease) in accrued salaries	-	(75)
Increase (decrease) in payroll taxes payable	3,229	2,764
Increase (decrease) in deferred revenue	(55,000)	6,509
CASH PROVIDED BY OPERATING ACTIVITIES	358,090	108,393
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchases of fixed assets	-	(7,029)
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	-	(7,029)
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	405,577	101,364
CASH AT BEGINNING OF YEAR	290,456	189,092
CASH AT END OF YEAR	\$ 696,033	\$ 290,456



CASA EL BUEN SAMARITANO  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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 2020, Casa El Buen Samaritano provided 2,543 patient visits and 3,185 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, 2020

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, 2020

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, 2020

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, 2020 and December 31, 2019 consisted of the following:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Checking	\$593,263	\$593,263	\$238,038	\$238,038
Certificates of Deposit	102,770	102,770	52,418	52,418
Total	<u>\$696,033</u>	<u>\$696,033</u>	<u>\$290,456</u>	<u>\$290,456</u>

CASA EL BUEN SAMARITANO  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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	\$	1,046,033
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions as to use		186,728
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		859,305

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 \$74,378 for 2020, and the estimated value of these volunteer services is \$145,523 for 2019. These amounts are reflected in the financial statements.

CASA EL BUEN SAMARITANO  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2020 and December 31, 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Supplies & Office Furniture	\$ 13,436	\$ 21,122
Medical Equipment	-	-
Volunteers	<u>74,378</u>	<u>145,523</u>
Total	<u>\$ 87,814</u>	<u>\$ 166,645</u>

F. Grants Receivable:

Grants receivable at December 31, 2020 and December 31, 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Receivables in less than one year	<u>\$ 350,000</u>	<u>\$ 478,024</u>
Total grants receivable	<u>\$ 350,000</u>	<u>\$ 478,024</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, 2019, 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, 2020. 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, 2020

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, 2020 and December 31, 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Deferred revenue	\$ -	\$ 55,000
Total	<u>\$ -</u>	<u>\$ 55,000</u>

J. Fundraising Revenue and Expenses:

	<u>2020</u>	<u>2019</u>
Fundraising Income	\$ 728,885	\$ 145,847
Fundraising Expenses	<u>154,567</u>	<u>89,703</u>
Total	<u>\$ 574,318</u>	<u>\$ 56,144</u>

K. Inventory:

Inventory based at fair market value as of December 31, 2020 and December 31, 2019 was estimated as follows:

	<u>2020</u>	<u>2019</u>
Gala Silent Auction Inventory	\$ -	\$ -
Medical Supply Inventory	<u>4,858</u>	<u>9,627</u>
Total	<u>\$ 4,858</u>	<u>\$ 9,627</u>

L. Prepaid Expenses:

Prepaid expenses at December 31, 2020 and December 31, 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Deposits	\$ -	\$ 12,759
Insurance paid in advance	<u>17,568</u>	<u>16,100</u>
Total	<u>\$ 17,568</u>	<u>\$ 28,859</u>

CASA EL BUEN SAMARITANO  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

M. Paycheck Protection Program Loan:

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 loan is dated April 26, 2020 and qualifies for forgiveness to the extent proceeds of the loan are used for eligible expenditures that consist primarily of payroll, as well as other expenditures described under the legislation. The Organization has elected to account for the loan in accordance with ASC 470, whereby the proceeds of the loan are presented as debt until the loan is legally forgiven. For this reason, the Organization has presented the balance of the loan on its balance sheet at December 31, 2020, and within the footnotes, as a liability. As of December 31, 2020, the note was unsecured and scheduled to bear interest at a rate of 1.00% upon repayment, which was scheduled to be deferred for the first 6 months of the note. Thereafter, the loan would have been payable in 18 equal monthly installments through March 26, 2022. The loan could be repaid at any time with no prepayment penalty. Forgiveness of the loan will result in the Organization’s recognition of gain on extinguishment in accordance with ASC 470 in 2021 – the year of forgiveness. The Organization applied for forgiveness in 2021, and formally received notice of forgiveness-in-full on April 5, 2021.

N. Net Assets with Donor Restrictions:

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

	<u>2020</u>	<u>2019</u>
Medical and related services	\$ 18,674	\$ 43,395
Acquisition of facilities	140,240	125,000
Acquisition of equipment	-	4,954
Establishment of dental program	<u>79,274</u>	<u>93,000</u>
Total net assets with donor restrictions	<u>\$ 238,188</u>	<u>\$ 266,349</u>

O. Net Assets without Donor Restrictions:

Net assets without donor restrictions are composed of the following:

	<u>2020</u>	<u>2019</u>
Undesignated	<u>\$ 904,711</u>	<u>\$ 613,807</u>
Total net assets without donor restrictions	<u>\$ 904,711</u>	<u>\$ 613,807</u>

P. Subsequent Events:

The Organization has evaluated events through July 26, 2021, which is the date the financial statements were available to be issued.