



Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

EL BUEN SAMARITANO EPISCOPAL MISSION

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

30 SEPTEMBER 2022



Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Management
El Buen Samaritano Episcopal Mission

INDEPENDENT AUDITOR'S REPORT

A. Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of El Buen Samaritano Episcopal Mission (El Buen), which comprise the statement of financial position as of 30 September 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of El Buen as of 30 September 2022, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 El Buen 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 opinions.

Correction of Error

As discussed in Note 20 to the financial statements, certain errors resulted in the understatement of deferred revenue and the overstatement of amounts reported for government awards receivable and net assets without donor restrictions as of 30 September 2021. Accordingly, an adjustment has been made to net assets without donor restrictions as of 30 September 2021 to correct this error. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, 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.

2110 BOCA RATON DRIVE
BUILDING B, SUITE 102
AUSTIN, TEXAS 78747
PHONE: 512.442.0380
FAX: 512.442.0817
www.montemayor.team



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 El Buen's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 and *Government 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 and *Government 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 El Buen'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 El Buen'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.



B. Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated 26 September 2023, on our consideration of El Buen's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of El Buen's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering El Buen's internal control over financial reporting and compliance.

Montemayor Britto Banda PC

26 September 2023
Austin, Texas

EL BUEN SAMARITANO EPISCOPAL MISSION

STATEMENT OF FINANCIAL POSITION

30 SEPTEMBER 2022

ASSETS

Current assets

Cash	\$632,810
Investments	1,183,146
Government awards receivable	511,532
Employee Retention Tax Credit for Federal payroll taxes	<u>135,656</u>
	2,463,144

Fixed assets

3,849,994

\$6,313,138

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable	\$66,518
Accrued liabilities	91,735
Capital lease obligation	10,269
Deferred revenue	<u>71,017</u>
	239,539

Net assets

Without donor restrictions	5,886,906
With donor restrictions	<u>186,693</u>
	<u>6,073,599</u>
	<u><u>\$6,313,138</u></u>

The accompanying notes are an integral part of this financial statement presentation.

EL BUEN SAMARITANO EPISCOPAL MISSION

STATEMENT OF ACTIVITIES

YEAR ENDED 30 SEPTEMBER 2022

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUE			
Contributions	\$1,269,502	\$324,065	\$1,593,567
Local government awards	1,427,707	0	1,427,707
Federal awards	1,278,655	0	1,278,655
Contributed goods and services	272,311	0	272,311
Rental income	242,502	0	242,502
Paycheck Protection Program grant	164,441	0	164,441
Unrealized gain/(loss) on investments	(271,359)	0	(271,359)
Net assets released from restrictions	<u>568,430</u>	<u>(568,430)</u>	<u>0</u>
	<u>4,952,189</u>	<u>(244,365)</u>	<u>4,707,824</u>
EXPENSES			
Program	4,558,107	0	4,558,107
Administrative	910,563	0	910,563
Fundraising	207,522	0	207,522
	<u>5,676,192</u>	<u>0</u>	<u>5,676,192</u>
CHANGE IN NET ASSETS	(724,003)	(244,365)	(968,368)
BEGINNING NET ASSETS, as adjusted	<u>6,610,909</u>	<u>431,058</u>	<u>7,041,967</u>
ENDING NET ASSETS	<u>\$5,886,906</u>	<u>\$186,693</u>	<u>\$6,073,599</u>

The accompanying notes are an integral part of this financial statement presentation.

EL BUEN SAMARITANO EPISCOPAL MISSION

STATEMENT OF CASH FLOWS

YEAR ENDED 30 SEPTEMBER 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	(\$968,368)
Depreciation	184,231
Unrealized (gain)/loss on investments	271,359
Change in accounts receivable	47,901
Change in government awards receivable	25,969
Change in Employee Retention Tax Credit	(135,656)
Change in accounts payable	(10,542)
Change in accrued liabilities	91,735
Change in deferred revenue	<u>(214,989)</u>
	<u>(708,360)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	2,270
Purchases of fixed assets	<u>(8,801)</u>
	<u>(6,531)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payment on capital lease obligation	<u>(3,450)</u>
-------------------------------------	----------------

NET CHANGE IN CASH (718,341)

BEGINNING CASH 1,351,151

ENDING CASH \$632,810

The accompanying notes are an integral part of this financial statement presentation.

EL BUEN SAMARITANO EPISCOPAL MISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

El Buen Samaritano Episcopal Mission (El Buen) was incorporated under the State of Texas Non-Profit Corporation Act on October 1, 1987. El Buen is an outreach ministry of the Episcopal Diocese of Texas (Diocese of Texas) committed to recognize the dignity of all by ensuring access to healthcare, education and essential needs that lead to healthy, productive and secure lives.

Since its inception, El Buen has been at the forefront of responding to the many social-environmental factors leading to lack of access to health care, social services, education, and nutrition. Over time, El Buen has adapted to meet the community needs that come with population growth, immigration, economic fluctuations, and recently the COVID-19 pandemic and Winter Storm Uri. This adaption has let to El Buen's comprehensive strategy centered on addressing the social determinants of health, utilizing an anti-oppressive framework to provide a "one stop shop" addressing the needs of the Latino and Spanish-speaking community in Travis County and surrounding areas.

El Buen provides education (ESL, Digital Literacy, Adult Basic Education and High School Equivalency in Spanish), workforce development, child and adolescent development (parenting and school-readiness, after school tutoring, and summer camp), health literacy and access to health services, a year-round, no-cost food pantry, and a community garden. In response to the community needs resulting from the pandemic and winter storms, El Buen initiated its cash and rent assistance programs. All services at El Buen are provided by bilingual bi-cultural staff.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

El Buen uses the accrual basis method of accounting. Using this method of accounting, revenue and accounts receivable are reported when funds are considered earned, regardless of when cash is received. Expenses and accounts payable are reported when obligations are incurred, regardless of when cash is disbursed.

FINANCIAL STATEMENT PREPARATION

Net assets are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. These result from other operating revenues and unrestricted contributions, less expenses incurred in operations to raise contributions and for administrative functions.

EL BUEN SAMARITANO EPISCOPAL MISSION

NOTES TO FINANCIAL STATEMENTS

Net Assets With Donor Restrictions

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Donor imposed restrictions are released when the restriction expires, which includes when the stipulated time has elapsed, when the stipulated purpose for which the restricted resource has been fulfilled, or both.

FIXED ASSETS

Fixed assets are capitalized at cost if the value of the item is more than \$2,500 and the estimated useful service life of the item is more than one year. Depreciation is computed over the estimated useful service life of the asset (generally 3 to 5 years) using the straight line method. Donations of fixed assets are recorded as support at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, El Buen reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. El Buen reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

The Diocese of Texas holds title to all real property purchased by El Buen, even though El Buen pays and incurs debt for these purchases. El Buen has included real property in the property and equipment balances on the statements of financial position because substantially all benefits and risks incident to the ownership of the property remains with El Buen. Therefore, any real property is accounted for as an acquisition of an asset, despite the Diocese of Texas holding title.

CONTRIBUTIONS

Unconditional grants and contributions received are recorded as increases in net assets without donor restrictions or as increases in net assets with donor restrictions, depending on the existence or nature of any donor restrictions. As donor or time restrictions are satisfied, net assets are reclassified to net assets without donor restrictions. El Buen's policy is to report restricted support that is satisfied in the year of receipt as support without donor restrictions.

CONTRIBUTIONS

Revenue from grants and contributions that are considered to be conditional contributions are recognized as conditions are substantially met or reimbursable expenses are incurred.

EL BUEN SAMARITANO EPISCOPAL MISSION

NOTES TO FINANCIAL STATEMENTS

RECEIVABLES

Uncollectible receivables are provided for using the allowance method of accounting for bad debts, whereby a provision for uncollectible accounts is charged to expense. This estimate is based on management's experience with tenants, individual grantors and donors. El Buen considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

GOVERNMENT AWARDS

El Buen considers all government awards to be exchange transactions rather than contributions. El Buen recognizes revenue as eligible expenditures are incurred and/or as services are provided. Eligible expenditures incurred in excess of grant fund reimbursements are recorded as receivables.

CONTRIBUTED GOODS AND SERVICES

Contributed services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributed goods are recorded at their fair value in the period received.

FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated based on estimates of personnel time and management's review and analysis of individual transactions and costs. Expenses that are allocated are payroll and related, facilities, rental assistance and other, contract labor, special events, office supplies and admin, equipment purchases, professional fees, communications, and other.

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.

FEDERAL INCOME TAX

El Buen is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business activities. As such, no provision for federal income taxes has been made in the accompanying financial statements.

EL BUEN SAMARITANO EPISCOPAL MISSION

NOTES TO FINANCIAL STATEMENTS

SUBSEQUENT EVENTS

El Buen has evaluated subsequent events as of the date of the Independent Auditor's Report, the date the financial statements were available to be issued.

NOTE 3: INVESTMENTS

Mutual funds	\$648,170
Exchange traded products	527,334
Cash and cash alternatives	<u>7,642</u>
	<u>\$1,183,146</u>

NOTE 4: FAIR VALUE MEASUREMENTS

	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	<u>\$648,170</u>	<u>\$648,170</u>	<u>N/A</u>	<u>N/A</u>
Exchange traded products	<u>\$527,334</u>	<u>\$527,334</u>	<u>N/A</u>	<u>N/A</u>

NOTE 5: CONCENTRATIONS

El Buen received 56% of its revenue from 3 sources. 51% of receivables were due from two sources.

Cash balances at year-end exceeded FDIC coverage by \$545,094.

NOTE 6: LINE OF CREDIT

On 26 May 2015, El Buen executed a line of credit with a bank for \$500,000. This note has been renewed to extend the maturity date to 5 December 2022. The note is secured by El Buen's rights, titles and interests in certain brokerage accounts held by a securities intermediary. There were no balances outstanding at 30 September 2022. This line was renewed through June 2024.

EL BUEN SAMARITANO EPISCOPAL MISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Purpose restrictions at 30 September 2022:

Hands for Hope	\$95,000
Digital equity	24,026
Connecting Generations	23,404
Coordinated Care Network	17,157
Summer Camp	10,000
Tournament of Champions	10,000
Other	<u>7,106</u>
	<u>\$186,693</u>

Satisfaction of restrictions during the year ended 30 September 2022:

Clinic	\$156,648
Vaccines	250,770
Strengthen Family Self Sufficiency	31,565
Rental assistance	25,399
Food pantry	25,000
Coordinated Care Network	20,343
Connecting Generations	16,596
Digital equity	13,582
Other	28,527
	<u>\$568,430</u>

NOTE 8: CHANGE IN ACCOUNTING PRINCIPLE

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Non-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU address additional presentation and disclosures of contributed nonfinancial assets. El Buen adopted the new standard effective 10 October 2021. The amendment does not change the recognition or measurement of those contributions. No changes were required to be made to previously issued financial statements as a result of the adoption.

EL BUEN SAMARITANO EPISCOPAL MISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 9: FIXED ASSETS

Buildings and improvements	\$5,580,240
Furniture and equipment	730,373
Land	520,702
Software	45,409
Vehicles	24,630
	6,901,354
Accumulated depreciation	<u>(3,051,360)</u>
	<u>\$3,849,994</u>

NOTE 10: CONTRIBUTED GOODS AND SERVICES

El Buen recognized revenue from contributed nonfinancial assets which were received without donor-imposed restrictions.

Food pantry goods	\$193,158
Professional services	<u>79,153</u>
	<u>\$272,311</u>

El Buen receives donated food and grocery products for distribution in the food pantry. Donated food and grocery products are recorded in the financial statements at an estimated fair value based on current rates for similar products.

Contributed professional services comprise educational services provided by qualified instructors received in support of its programs. Contributed educational services are valued and reported at the estimated fair value in the financial statements based on current rates for similar services.

El Buen received contributed services valued at \$34,934 at the food pantry and \$40,424 for event volunteers that were not recognized in the financial statements because they did not meet the criteria for recognition.

NOTE 11: RELATED PARTY TRANSACTIONS

Total contributions from Board members for the year were \$538,432.

EL BUEN SAMARITANO EPISCOPAL MISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 12: LIQUIDITY AND AVAILABILITY

As part of El Buen's liquidity management, financial assets are structured to be available as general expenditures, liabilities, and other obligations come due. El Buen invests cash in excess of daily requirements in investments. Financial assets available for general expenditure, within one year of the statement of financial position date, comprise the following:

Cash	\$632,810
Investments	1,183,146
Government awards receivable	<u>511,532</u>
	2,327,488
Net assets unavailable for general expenditure due to donor imposed restrictions (Note 7):	<u>(186,693)</u>
	<u>\$2,140,795</u>

NOTE 13: FORGIVENESS OF PAYCHECK PROTECTION PROGRAM LOAN

During 2021 El Buen received \$164,441 from the Small Business Administration as part of *Coronavirus Aid, Relief and Economic Security Act's* Paycheck Protection Program (PPP). The funds were treated as a grant advance and are unsecured, nonrecourse, and accrue interest at one percent per annum. Under the terms of the grant, a portion or all of the proceeds are considered earned when used to fund qualifying payroll, rent, and utilities during a designated period established by the Small Business Administration. On 22 April 2022, the repayment of funds and related interest were fully forgiven.

NOTE 14: RETIREMENT PLAN

El Buen participates in a multi-employer defined contribution plan through the Episcopal Church Pension Fund (Plan). Employees are enrolled on the first day of the month following their date of hire. El Buen contributes 5% of eligible compensation to participant accounts. In addition, El Buen matches participant contributions, dollar for dollar, up to 4% of eligible compensation. Participants are fully vested in all participant contributions. During the year El Buen contributed \$155,761 to the Plan.

EL BUEN SAMARITANO EPISCOPAL MISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 15: LEASES

El Buen leases office equipment under a financing lease agreement that expires in June 2024. Rent expense for the year was approximately \$29,000. Future minimum lease payments for the year ended 30 September 2022 are as follows:

2023	\$23,850
2024	<u>28,620</u>
	<u>\$52,470</u>

NOTE 16: CONTINGENCIES

El Buen receives cost reimbursement grants from the City of Austin to assist with implementation of its program. Should El Buen not comply with the terms of the grants or should any costs be determined to be ineligible, El Buen will be responsible for reimbursing the grantor for these amounts. Management believes there will be no such disallowance.

El Buen has been named in a negligence lawsuit resulting from a person who was injured on the property. The plaintiff is requesting damages over \$200,000 but not more than \$1,000,000. At this time, the suit is still in the discovery stage and the likelihood of an unfavorable outcome cannot be determined. El Buen anticipates the cost of defense and indemnification to be provided by its insurance carrier.

NOTE 17: COST-REIMBURSEMENT GRANTS

A significant portion of El Buen's revenue is derived from cost-reimbursement government grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when El Buen has incurred expenditures in compliance with specific contract provisions. Cash amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. There were no refundable advances at year-end. El Buen has been awarded cost reimbursable grants of \$1,527,544 that have not been recognized as revenue at 30 September 2022 because qualifying expenditures have not been incurred.

NOTE 18: PRIOR PERIOD ADJUSTMENTS

Deferred revenue was understated by \$91,033, account receivable was overstated by \$210,362, and net assets without donor restrictions were overstated by \$301,395 as of 30 September 2021. A prior period adjustment has been recorded to correct beginning net assets without donor restrictions. The change in net assets without donor restrictions was decreased by \$91,033 for the year ended 30 September 2021 as a result of the correction.

EL BUEN SAMARITANO EPISCOPAL MISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 19: FUNCTIONAL EXPENSES

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and related	\$1,827,716	\$312,049	\$89,157	\$2,228,922
Rental assistance payments and other	1,423,585	243,051	69,443	1,736,079
Contract labor	412,066	70,353	20,100	502,519
Contributed food and education services	272,311	0	0	272,311
Facilities	200,114	34,166	9,762	244,042
Depreciation	0	184,231	0	184,231
Special events	104,014	17,758	5,074	126,846
Equipment purchases and repairs	75,449	12,882	3,680	92,011
Communications	31,116	5,312	1,518	37,946
Professional fees	28,707	4,901	1,400	35,008
Food pantry	31,564	0	0	31,564
Office supplies and administrative	17,427	2,975	850	21,252
Other	134,038	22,885	6,538	163,461
	<u>\$4,558,107</u>	<u>\$910,563</u>	<u>\$207,522</u>	<u>\$5,676,192</u>



Montemayor Britton Bender PC
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Management
El Buen Samaritano Episcopal Mission

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of El Buen Samaritano Episcopal Mission (El Buen), which comprise the statement of financial position as of 30 September 2022, and the related statements of activities and cash flows for the year then ended, and the notes to the financial statements, and have issued our report thereon dated 26 September 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered El Buen's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of El Buen's internal control. Accordingly, we do not express an opinion on the effectiveness of El Buen's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.



We identified certain deficiencies in internal control, described below, that we consider to be material weaknesses.

Significant prior period adjustments were recorded as a result of the audit. Accounts receivable had stale uncollectible balances and deferred revenue was not recorded for a grant advance received in the prior year. Management is responsible for preparing financial statements in accordance with generally accepted accounting principles. Management should review the adjustments and establish procedures to ensure they are properly calculated and recorded on an ongoing basis.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether El Buen's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of El Buen's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering El Buen's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

26 September 2023
Austin, Texas



Montemayor Britton Bender PC
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Management
El Buen Samaritano Episcopal Mission

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

A. Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited El Buen Samaritano Episcopal Mission's (El Buen) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on El Buen's major federal program for the year ended 30 September 2022. El Buen's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, El Buen complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended 30 September 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of El Buen and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of El Buen's compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to El Buen's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on El Buen's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about El Buen's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 El Buen's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of El Buen's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of El Buen's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



B. Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of the testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Montemayor Britton Bank PC". The signature is written in a cursive, flowing style.

26 September 2023
Austin, Texas

EL BUEN SAMARITANO EPISCOPAL MISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED 30 SEPTEMBER 2022

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development:		
Passed through the City of Austin, Texas Community Development Block Grant-Corona Virus Grant Programs)		
COVID-19 Emergency Rental Assistance Program and the Texas Eviction Diversion Program	14.228	\$755,948
U.S. Department of Health and Human Services:		
Passed through the City of Austin, Austin Public Health		
Del Valle Healthy Adolescent Project	93.297	88,217
Passed through Every Body Texas		
Every Body Texas Title X project	93.217	72,397
Passed through the Urban Institute		
Supporting Community Based Organizations to Build Vaccine Confidence project	93.185	112,402
Passed through Austin Voices for Education and Youth		
COVID-19 Local Community-Based Workforce to increase COVID-19 Vaccine Access	93.011	95,597
Passed through Texas A&M University Health Science Center		
COVID-19 Vaccine Outreach and Education	93.268	<u>154,094</u>
		<u>\$1,278,655</u>

NOTE: This schedule is prepared on the same basis of accounting as described in the notes to the financial statements on pages 7 through 15. El Buen elected to use the 10% de minimis indirect cost rate.

See independent auditor's report.

EL BUEN SAMARITANO EPISCOPAL MISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

I. SUMMARY OF AUDITOR'S RESULTS

A. FINANCIAL STATEMENTS

- | | |
|---|------------|
| 1. Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | Yes |
| b. Significant deficiency(ies) identified that are not considered material weakness(es)? | None noted |
| c. Noncompliance material to financial statements noted? | None noted |

B. FEDERAL AWARDS

- | | |
|---|------------|
| 1. Internal controls over major programs: | |
| a. Material weakness(es) identified? | None noted |
| b. Significant deficiency(s) identified that are not considered material weakness(es)? | None noted |
| 2. Type of auditor's report issued on compliance with major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | None noted |
| 4. Major program: COVID-19 Emergency Rental Assistance Program and the Texas Eviction Diversion Program - Assistance listing # 14.228 | |
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee? | No |

II. FINANCIAL STATEMENT FINDINGS

Current year:	None noted
Prior year:	None noted

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Current year:	None noted
Prior year:	None noted

See independent auditor's report.