



# Good Samaritan Center of San Antonio, Texas

Financial Statements  
Years Ended June 30, 2016 and 2015

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.



# Good Samaritan Center of San Antonio, Texas

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Financial Statements  
Years Ended June 30, 2016 and 2015

# Good Samaritan Center of San Antonio, Texas

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## Independent Auditor's Report

To the Board of Directors  
Good Samaritan Center of San Antonio, Texas  
San Antonio, Texas

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Good Samaritan Center of San Antonio, Texas (the Center), which comprise the statements of financial position as of June 30, 2016 and 2015, the related statement of activities and changes in net assets, and functional expenses for the year ended June 30, 2016 (with summarized information for the year ended June 30, 2015), the statements of cash flows for the years ended June 30, 2016 and 2015, 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 audits. We conducted our audits 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. Those standards require that we plan and perform the audits 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 Center'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 Center'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.

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### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2016 and 2015, the changes in its net assets for the year ended June 30, 2016, and the changes in its cash flows for the years ended June 30, 2016 and 2015, in accordance with accounting principles generally accepted in the United States of America.

### *Report on Summarized Comparative Information*

We have previously audited the Center's 2015 financial statements, and our report, dated September 21, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein, as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2016, on our consideration of the Center'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 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 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 the Center's internal control over financial reporting and compliance.

BDO USA, LLP

September 15, 2016

## Financial Statements

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# Good Samaritan Center of San Antonio, Texas

## Statements of Financial Position

<i>June 30,</i>	2016	2015
<b>Assets</b>		
Cash and cash equivalents	\$ 179,193	\$ 384,664
Accounts receivable	235,731	173,872
Pledges receivable	448,117	156,900
Prepaid expenses	8,608	1,061
Investments board-designated for endowment	559,845	591,139
Investments donor-restricted for endowment	562,301	526,439
Property and equipment, net	3,556,149	3,668,666
<b>Total Assets</b>	<b>5,549,944</b>	<b>5,502,741</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	67,786	85,579
Accrued liabilities	122,472	128,815
Note payable	8,792	44,186
<b>Total Liabilities</b>	<b>199,050</b>	<b>258,580</b>
<b>Net Assets</b>		
Unrestricted:		
Undesignated and Property & Equipment	3,482,086	3,756,100
Board-designated	559,845	591,139
<b>Total Unrestricted</b>	<b>4,041,931</b>	<b>4,347,239</b>
Temporarily restricted	715,247	605,706
Permanently restricted	593,716	291,216
<b>Total Net Assets</b>	<b>5,350,894</b>	<b>5,244,161</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,549,944</b>	<b>\$ 5,502,741</b>

*See accompanying notes to financial statements.*

# Good Samaritan Center of San Antonio, Texas

## Statement of Activities and Changes in Net Assets

For the year ended June 30, 2016 <i>(with summarized financial information for 2015)</i>	Unrestricted				Total	
	Undesignated and Property & Equipment	Board Designated	Temporarily Restricted	Permanently Restricted	2016	2015
<b>Public Support</b>						
Support from Episcopal						
Diocese of West Texas	\$ 155,850	\$ -	\$ -	\$ -	\$ 155,850	\$ 150,000
Support from parishes	31,933	-	18,289	-	50,222	19,945
Support from foundations	336,038	-	474,215	-	810,253	854,776
Support from individuals	298,647	-	46,005	-	344,652	302,611
Support from corporations	123,595	-	109,724	250,000	483,319	72,951
Special events						
Special events revenue	336,611	-	-	-	336,611	313,230
Direct cost of benefit	(141,342)	-	-	-	(141,342)	(137,505)
Special events, net	195,269	-	-	-	195,269	175,725
Other contributions and bequests	-	-	-	-	-	254
United Way, net of expenses	701,481	-	-	-	701,481	681,768
In-kind donations	424,372	-	-	-	424,372	71,299
<b>Total Public Support</b>	<b>2,267,185</b>	<b>-</b>	<b>648,233</b>	<b>250,000</b>	<b>3,165,418</b>	<b>2,329,329</b>
<b>Revenue</b>						
Governmental agencies revenue	1,180,598	-	-	-	1,180,598	573,747
Other	92,576	-	100	52,500	145,176	169,162
Program revenue	26,062	-	1,200	-	27,262	37,703
Investment income	(1)	23,223	20,403	-	43,625	55,002
Realized and unrealized (loss) on investments	(1,902)	(23,473)	(19,635)	-	(45,010)	(24,769)
<b>Total Revenue</b>	<b>1,297,333</b>	<b>(250)</b>	<b>2,068</b>	<b>52,500</b>	<b>1,351,651</b>	<b>810,845</b>
Net assets released from restrictions	540,760	-	(540,760)	-	-	-
Appropriations of board designated net assets	31,044	(31,044)	-	-	-	-
<b>Total Public Support and Revenue</b>	<b>4,136,322</b>	<b>(31,294)</b>	<b>109,541</b>	<b>302,500</b>	<b>4,517,069</b>	<b>3,140,174</b>
<b>Expenses</b>						
Program services:						
Child development services	602,546	-	-	-	602,546	332,983
Youth development services	2,560,273	-	-	-	2,560,273	1,763,236
Family development services	583,106	-	-	-	583,106	534,965
Management and general	272,980	-	-	-	272,980	249,866
Fundraising expenses	391,431	-	-	-	391,431	357,097
<b>Total Expenses</b>	<b>4,410,336</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,410,336</b>	<b>3,238,147</b>
Change in net assets	(274,014)	(31,294)	109,541	302,500	106,733	(97,973)
Net Assets, beginning of year	3,756,100	591,139	605,706	291,216	5,244,161	5,342,134
<b>Net Assets, end of year</b>	<b>\$ 3,482,086</b>	<b>\$ 559,845</b>	<b>\$ 715,247</b>	<b>\$ 593,716</b>	<b>\$ 5,350,894</b>	<b>\$ 5,244,161</b>

See accompanying notes to financial statements.



# Good Samaritan Center of San Antonio, Texas

## Statement of Functional Expenses

For the year ended June 30, 2016

(with Summarized Financial Information for 2015)

	Program Services				Supporting Services		Total	
	Child	Youth	Family	Total	Management			
	Development Services	Development Services	Development Services	Program Services	and General	Fundraising	2016	2015
Salaries	\$ 418,682	\$ 1,287,880	\$ 319,418	\$ 2,025,980	\$ 74,116	\$ 264,498	\$ 2,364,594	\$ 1,770,853
Employee benefits	28,909	65,761	20,303	114,973	5,526	12,512	133,011	98,731
Payroll taxes	31,607	97,324	23,426	152,357	5,570	20,562	178,489	135,208
<b>Total Salaries and Related Expenses</b>	<b>479,198</b>	<b>1,450,965</b>	<b>363,147</b>	<b>2,293,310</b>	<b>85,212</b>	<b>297,572</b>	<b>2,676,094</b>	<b>2,004,792</b>
Agency vehicles	(358)	2,433	2,374	4,449	1,297	126	5,872	9,317
Miscellaneous	4,062	93,394	1,468	98,924	9,788	2,375	111,087	106,646
Occupancy	35,115	77,130	63,227	175,472	13,231	5,499	194,202	177,706
Postage and freight	-	459	15	474	1,609	3,976	6,059	7,867
Employee recruitment	1,536	4,014	1,190	6,740	191	295	7,226	10,275
Professional fees	2,546	17,226	637	20,409	68,140	5,087	93,636	123,364
Information technology	7,960	21,303	13,370	42,633	26,724	7,541	76,898	56,710
Direct client assistance	-	64,239	11,223	75,462	-	-	75,462	84,470
Supplies	15,070	281,603	30,832	327,505	12,163	9,495	349,163	237,936
Telephone	4,027	17,872	4,147	26,046	6,773	3,604	36,423	33,163
Travel and conferences	4,048	58,962	3,579	66,589	6,128	10,347	83,064	47,135
Program events	1,185	8,110	45	9,340	225	115	9,680	7,089
Insurance	9,335	17,905	17,808	45,048	1,693	345	47,086	42,464
Training	6,416	13,491	1,105	21,012	970	1,365	23,347	25,982
Donor cultivation	-	-	-	-	-	4,178	4,178	6,781
In-Kind Expense	4,190	351,099	25,189	380,478	29,858	13,986	424,322	46,051
Marketing, advertising and promotion	105	1,345	246	1,696	464	25,525	27,685	43,087
<b>Total Expenses Before Depreciation</b>	<b>574,435</b>	<b>2,481,550</b>	<b>539,602</b>	<b>3,595,587</b>	<b>264,466</b>	<b>391,431</b>	<b>4,251,484</b>	<b>3,070,835</b>
Depreciation	28,111	78,723	43,504	150,338	8,514	-	158,852	167,312
<b>Total Expenses</b>	<b>\$ 602,546</b>	<b>\$ 2,560,273</b>	<b>\$ 583,106</b>	<b>\$ 3,745,925</b>	<b>\$ 272,980</b>	<b>\$ 391,431</b>	<b>\$ 4,410,336</b>	<b>\$ 3,238,147</b>

See accompanying notes to financial statements.

# Good Samaritan Center of San Antonio, Texas

## Statements of Cash Flows

<i>For the years ended June 30,</i>	2016	2015
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 106,733	\$ (97,973)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	158,852	167,312
Unrealized loss on investments	45,010	24,769
Donated property and equipment	-	(5,000)
Decrease (Increase) in assets:		
Accounts receivable	(61,859)	(75,515)
Pledges receivable	(291,217)	(156,900)
Prepaid expenses	(7,547)	1,018
(Decrease) Increase in liabilities:		
Accounts payable	(17,793)	18,604
Accrued liabilities	(6,343)	28,757
<b>Net Cash (Used in) Operating Activities</b>	<b>(74,164)</b>	<b>(94,928)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(46,335)	-
Purchase of investments	(103,445)	(55,753)
Proceeds from sale of investments	53,867	-
<b>Net Cash (Used in) Investing Activities</b>	<b>(95,913)</b>	<b>(55,753)</b>
<b>Cash Flows from Financing Activities</b>		
Payments on notes payable	(35,394)	(31,021)
<b>Net Cash (Used in) Financing Activities</b>	<b>(35,394)</b>	<b>(31,021)</b>
Net (decrease) in cash and cash equivalents	(205,471)	(181,702)
Cash and Cash Equivalents, beginning of year	384,664	566,366
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 179,193</b>	<b>\$ 384,664</b>
<b>Schedule of Supplemental Cash Flow Information</b>		
Interest paid	\$ 1,912	\$ 3,072
Donated property and equipment	\$ -	\$ 5,000

*See accompanying notes to financial statements.*

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

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### 1. Nature of Organization

#### *Organization and Mission*

Good Samaritan Center of San Antonio, Texas (the Center) dba Good Samaritan Community Services, is a non-profit agency of the Episcopal Diocese of West Texas. The Center's mission is to serve as a catalyst for change, supporting individuals and families through excellent community services to overcome the impact of poverty. Extensive social service programs that promote education, character development, healthy living, and self-sufficiency address the overall needs of low-income children, youth, adults, and families living in San Antonio and six (6) additional South Texas communities: Alice, Brownsville, Corpus Christi, Pharr, Sonora and Wimberley.

#### *Child Development Services*

Child Development Services (CDS) offers comprehensive childcare for 123 children ages 6 weeks to 5 years in a nurturing and educational environment that offers high quality care as it supports each child's achievement of age-appropriate growth and development. Early Head Start served 39 children ages 6 weeks - 3 years old and their families in a program designed to support quality improvement, child development and family well-being.

#### *Youth Development Services*

Youth Development Services (YDS) offers after-school, in-school and summer programs that served 3,417 youth ages 6-18 at eight (8) sites in South Texas: San Antonio (2 sites), Pharr, Corpus Christi, Sonora, Alice, Brownsville, and Wimberley. The goal of YDS is to assist participants in acquiring the life and academic skills necessary for personal success. Programs are built around four (4) pillars: academic achievement, reduction of risk, exploring college and career pathways, and leadership development. Activities are theme- and module-based and include academic support, asset building, vocational exploration, college preparation, connection to workforce development activities, support for making healthy choices, nutrition and exercise, and leadership development. Each program component is designed to build life skills and confidence, the foundations of improved school performance and life success.

#### *Family Development Services*

Family Development Services (FDS) provides immediate assistance, case management, counseling, and adult education (GED/ESL, citizenship, computer classes) for 2,124 adults ages 16 and above. The number served included 622 individuals aged 60 and above who also received specialized support in the Center's nationally accredited Senior Center, including nutrition, health, and wellness services. Through FDS, case management, individual counseling, and group counseling are available to all children, youth and families enrolled in the Center's programs.

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

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### 2. Summary of Significant Accounting Policies

#### *Basis of Presentation*

The accompanying financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### *Net Assets*

The Center reports information regarding its financial position and activities according to three classes of net assets, as follows:

Unrestricted - Resources that are not subject to donor-imposed restrictions. Designations of unrestricted net assets for specific purposes may be established and subsequently adjusted by action of the board of directors.

Temporarily Restricted - Resources subject to donor-imposed restrictions that will be met by actions of the Center and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

Permanently Restricted - Resources subject to donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Center.

#### *Donated Assets*

Noncash donations are recorded at their estimated fair values as of the date of donation.

#### *Allocated Expenses*

Expenses are charged to program services based on costs that can be directly identified and specifically associated with a program of the Center. Any expenses not directly chargeable are allocated to programs and supporting service classifications on the basis of management estimates.

#### *Tax Status*

The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the IRC). It has been classified as an organization that is a public charity and not a private foundation. Management of the Center believes it has no material uncertain tax positions and, accordingly, will not recognize any related liability.

Tax years 2015-2013 remain open to examination by the taxing jurisdictions to which the Center is subject, and these periods have not been extended beyond the applicable statute of limitations.

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

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### 2. Summary of Significant Accounting Policies (Continued)

#### *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### *Revenue Recognition*

In accordance with GAAP, revenue is recorded when earned rather than when received. The following summarizes the revenue recognition policies for major classifications of revenue:

Contributions - Contributions and similar grants are reported when an unconditional promise to give or other asset is received. The Center records contributions and grants when received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Special events revenue is recorded at the time of the event net of direct cost of benefits to attendees.

Contributions from United Way are awarded by United Way annually and are recorded by the Center when awarded.

In-kind donation - Gifts of equipment, stocks or professional services are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expiration of donor restriction are reported when the donated or acquired long-lived assets are placed in service.

Government Funding - Government funding is recorded as revenue in the period when approved expenses are incurred.

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

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### 2. Summary of Significant Accounting Policies (Continued)

#### *Fair Value of Financial Instruments*

The Center's investments are reported at fair value in the accompanying statements of financial position. In accordance with the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Quoted prices in active markets for similar assets and liabilities, and inputs that are observable for the asset or liability; or

Level 3 - Unobservable inputs for the asset or liability, such as discounted cash flow models or valuations.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Center's financial instruments carried at fair value consist of cash, accounts receivable, and investments. As of June 30, 2016 and 2015, the carrying value of the Center's cash is considered to be representative of its respective fair value. The fair value of the Center's accounts receivable is determined by the carrying value less the allowance for doubtful accounts. The fair value of the Center's investments is determined by observable prices for identical or similar assets in active markets (see Note 16).

#### *Cash and Cash Equivalents*

Cash and cash equivalents include all monies on hand, in banks, and in highly liquid investments with an original maturity of three months or less.

#### *Property and Equipment*

The land and original buildings operated by the Center are owned by the Episcopal Church Corporation, an agency of the Diocese. The funds for building additions and improvements have been raised largely through the fundraising efforts of the Center.

The Center capitalizes all expenditures for furniture, fixtures, equipment, and improvements in excess of \$1,000. New acquisitions of furniture, fixtures, equipment, and improvements are carried at cost or, if donated, at approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset (ranging from 5 to 40 years).

#### *Accounts Receivable*

Management analyzes the aging of accounts receivable on a monthly basis. Accounts receivable are considered delinquent when they are over 60 days old. Payment trends by delinquent accounts are considered by management when estimating the allowance for doubtful accounts. At June 30, 2016 and 2015, management believes all accounts are collectible; therefore no allowance has been established. Accounts determined to be uncollectible by management are initially charged to the allowance for doubtful accounts. Accounts written off and charged to bad debt expense totaled \$7,638 and \$0 for the years ended June 30, 2016 and 2015, respectively.

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

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### 2. Summary of Significant Accounting Policies (Continued)

#### *Pledges Receivable*

The Center recognizes pledges as receivables and revenue when unconditional promises to give are received. Pledges expected to be collected within one year are recorded as a contribution and a receivable at net realizable value, which approximates fair value. Pledges expected to be collected in future years are recorded as a contribution and a receivable at their present value of the expected future cash flows. Management believes all pledges are collectible, therefore no allowance has been established. See Note 3.

#### *Investments*

Investments in marketable securities are stated at fair value at quoted market prices.

#### *Financial Statement Reclassifications*

Certain amounts in the fiscal 2015 financial statements have been reclassified to enhance comparability with those of the current fiscal year.

### 3. Pledges Receivable

Pledges receivable at June 30, 2016 and 2015 consist of the following:

	2016	2015
Receivable in less than one year	\$ 183,117	\$ 156,900
Receivable in one to five years	265,000	-
<b>Total Pledges Receivable</b>	<b>\$ 448,117</b>	<b>\$ 156,900</b>

The carrying value of the one to five year pledges is not materially different than the net realizable value; therefore, no pledge discount has been recorded.

### 4. Investments and Fair Value Measurements

Investments are carried at fair value for financial statement purposes. An adjustment for unrealized gains and losses is made each year to adjust to the appropriate value. Realized and unrealized gains and losses are determined by comparison of cost to proceeds or fair value, respectively. Cost is determined by historical purchase price or, in the case of donated investments, the fair value of those investments at the date of the gift.

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

### 4. Investments and Fair Value Measurements (continued)

In accordance with the fair value hierarchy described in Note 2, the following table shows the fair value classification of the Center's financial assets that are required to be measured at fair value as of June 30. The Center's financial assets includes the following investments at June 30.

#### *Board-Designated Investments*

2016	Cost	Fair Value	Level 1	Level 2	Level 3
<b>Mutual Funds:</b>					
Large Cap Value Funds	\$ 87,074	\$ 111,688	\$ 111,688	\$ -	-
Large Cap Growth Funds	86,781	90,148	90,148	-	-
Small Cap Growth Funds	22,996	27,778	27,778	-	-
Small Cap Blend Funds	31,436	29,277	29,277	-	-
Foreign Funds	26,144	26,260	26,260	-	-
Bond Funds	261,557	259,502	259,502	-	-
Money Market Funds	15,192	15,192	15,192	-	-
<b>Total Board-Designated Investments</b>	<b>\$ 531,180</b>	<b>\$ 559,845</b>	<b>\$ 559,845</b>	<b>\$ -</b>	<b>-</b>

2015	Cost	Fair Value	Level 1	Level 2	Level 3
<b>Mutual Funds:</b>					
Large Cap Value Funds	\$ 80,921	\$ 105,145	\$ 105,145	\$ -	-
Large Cap Growth Funds	81,776	100,864	100,864	-	-
Small Cap Growth Funds	20,051	29,954	29,954	-	-
Small Cap Blend Funds	31,104	30,959	30,959	-	-
Foreign Funds	24,928	29,674	29,674	-	-
Bond Funds	254,226	249,723	249,723	-	-
Money Market Funds	44,821	44,821	44,821	-	-
<b>Total Board-Designated Investments</b>	<b>\$ 537,827</b>	<b>\$ 591,140</b>	<b>\$ 591,140</b>	<b>\$ -</b>	<b>-</b>



# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

### 4. Investments and Fair Value Measurements (continued)

#### *Donor-Restricted Investments*

2016	Cost	Fair Value	Level 1	Level 2	Level 3
<b>Mutual Funds:</b>					
Large Cap Value Funds	\$ 90,596	\$ 111,251	\$ 111,251	\$ -	-
Large Cap Growth Funds	92,692	92,976	92,976	-	-
Small Cap Growth Funds	26,597	29,873	29,873	-	-
Small Cap Blend Funds	32,099	30,570	30,570	-	-
Foreign Funds	31,632	30,484	30,484	-	-
Bond Funds	239,832	238,988	238,988	-	-
Money Market Funds	28,159	28,159	28,159	-	-
<b>Total Donor-Restricted Investments</b>	<b>\$ 541,607</b>	<b>\$ 562,301</b>	<b>\$ 562,301</b>	<b>\$ -</b>	<b>-</b>

2015	Cost	Fair Value	Level 1	Level 2	Level 3
<b>Mutual Funds:</b>					
Large Cap Value Funds	\$ 67,628	\$ 87,380	\$ 87,380	\$ -	-
Large Cap Growth Funds	68,940	83,167	83,167	-	-
Small Cap Growth Funds	17,638	24,743	24,743	-	-
Small Cap Blend Funds	25,258	25,164	25,164	-	-
Foreign Funds	22,715	25,769	25,769	-	-
Bond Funds	196,157	192,600	192,600	-	-
Money Market Funds	87,616	87,616	87,616	-	-
<b>Total Donor-Restricted Investments</b>	<b>\$ 485,952</b>	<b>\$ 526,439</b>	<b>\$ 526,439</b>	<b>\$ -</b>	<b>-</b>

### 5. Endowment Funds

#### *General Information*

The Center maintains various endowment funds established for a variety of purposes. These endowments include both donor-restricted endowment contributions and funds designated by the Board of Directors (the Board) to function as endowments. The donor-restricted endowment funds fall under the provisions of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which was adopted by the state of Texas with an effective date of September 1, 2007. This policy defines the Center's interpretation of the provisions of this law as they relate to the prudent management of its endowment fund.

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

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### 5. Endowment Funds (Continued)

#### *Background*

In July, 2006, the Uniform Law Commission (ULC) approved UPMIFA as a modernized version of the Uniform Management of Institutional Funds Act of 1972 (UMIFA), which governed the investment and management of donor-restricted endowment funds by not-for-profit organizations. The major change of the new law is that UPMIFA prescribes new guidelines for expenditure of a donor-restricted endowment fund when there are no explicit donor stipulations. These guidelines require the Center to determine what constitutes prudent spending based upon consideration of the donor's intent that the endowment fund continues permanently, the purpose of the fund, and relevant economic factors. UPMIFA emphasizes the perpetuation of the purchasing power of the fund, not just the original dollars contributed to the fund. Although UPMIFA does not require that a specified amount be set aside as principal, UPMIFA assumes that an organization will preserve "principal" by maintaining the purchasing power of amounts contributed and will spend "income" by making distributions using a reasonable spending rate.

#### *Endowment "Principal" Interpretation*

The Center has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment (the "Principal"). The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

#### *Endowment Investment Objectives*

Endowment investments are managed by professional money managers under the direction of the Center's Board. Funds are invested in a manner that seeks to produce results that meet or exceed the performance of generally recognized market indices while assuming a moderate level of investment risk.

To satisfy this performance objective, the Center relies on an absolute return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center targets a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

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### 5. Endowment Funds (Continued)

#### *Endowment "Income" Appropriation (Spending Policy)*

As unanimously approved by the Board, the spending policy calculates the amount of money annually distributed from the Center's various endowed funds for program services and administration. The policy states that the Board, upon the recommendation of the Finance Committee, will follow the discipline of distributing up to 5% of the Fair Market Value (FMV) each year in order to protect capital and account for fees while simultaneously supporting the annual operating budget and improving cash flow. FMV is defined as the three-year rolling average value of the endowment (or portion of the endowment) with valuations taken at the end of the calendar year, December 31, for the previous three (3) years. This policy is consistent with the Center's objective to maintain the purchasing power of endowment assets, as well as to provide additional real growth through investment return.

In accordance with UPMIFA, in all its endowment spending activity, the Center considers the following factors in making a determination to appropriate (spend) or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Center and the donor-restricted endowment fund
3. General economic and investment market conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Center, and
7. The investment policies of the Center

#### *Endowment Net Asset Composition by Type of Fund as of June 30, 2016*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 218,585	\$ 393,716	\$ 612,301
Board-designated endowment funds	559,845	-	-	559,845
<b>Total Endowment Net Assets</b>	<b>\$ 559,845</b>	<b>\$ 218,585</b>	<b>\$ 393,716</b>	<b>\$ 1,172,146</b>

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

### 5. Endowment Funds (Continued)

#### Changes in Endowment Net Assets for the Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, Beginning of year	\$ 591,139	\$ 235,223	\$ 291,216	\$ 1,117,578
Investment Return:				
Interest, dividends and capital gains	23,223	20,403	-	43,626
Net appreciation (depreciation) - realized and unrealized	(23,473)	(19,635)	-	(43,108)
Total Investment Return	(250)	768	-	518
Contributions and designations	-	5,279	*102,500	107,779
(Transfers) of endowment net assets for expenditure	(31,044)	(22,685)	-	(53,729)
Endowment Net Assets, End of Year	\$ 559,845	\$ 218,585	\$ 393,716	\$ 1,172,146

\* See note 10

#### Endowment Net Asset Composition by Type of Fund as of June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 235,223	\$ 291,216	\$ 526,439
Board-designated endowment funds	591,139	-	-	591,139
Total Endowment Net Assets	\$ 591,139	\$ 235,223	\$ 291,216	\$ 1,117,578

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

### 5. Endowment Funds (Continued)

#### *Changes in Endowment Net Assets for the Year Ended June 30, 2015*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, Beginning of year	\$ 602,994	\$ 234,466	\$ 249,134	\$ 1,086,594
Investment Return:				
Interest, dividends and capital gains	30,555	24,447	-	55,002
Net appreciation (depreciation) - realized and unrealized	(13,460)	(11,309)	-	(24,769)
Total Investment Return	17,095	13,138	-	30,233
Contributions and designations	-	50,112	-	50,112
(Transfers) of endowment net assets for expenditure	(28,950)	(20,411)	-	(49,361)
Transfer (see note 10)	-	(42,082)	42,082	-
Endowment Net Assets, End of Year	\$ 591,139	\$ 235,223	\$ 291,216	\$ 1,117,578

### 6. Concentration of Credit Risk and Accounts Receivable

At June 30, 2016 and 2015, the Center held multiple bank accounts in a single bank. All of a depositor's accounts at an insured depository institution, including all non-interest-bearing transaction accounts, are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for each deposit insurance ownership category. At certain times during the year, the Center's balance exceeded federally insured levels. No losses were recognized in connection with this concentration.

The balance of cash in money market and cash funds held by brokerage firms (see Note 4) are not insured by the FDIC, but are subject to the \$500,000 coverage limit by the Securities Investor Protection Corporation (SIPC).

Accounts receivable are primarily due from local and state agencies, and from Child Care Management Services relevant to Child Care Service Reimbursements. Also receivable at June 30, 2016 and 2015 were contracted amounts due from the city of San Antonio (COSA) relevant to the Department of Human Services funded programs.

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

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### 7. Property and Equipment

Property and equipment of the Center consisted of the following at June 30:

	2016	2015
Building improvements	\$ 5,076,817	\$ 5,076,817
Furniture and equipment	529,427	529,427
Vehicles	56,207	56,207
Donated Assets	5,000	5,000
	5,667,451	5,667,451
Less: Accumulated depreciation	(2,157,637)	(1,998,785)
Net Building improvements, furniture and equipment, vehicles and donated assets	3,509,814	3,668,666
Construction In Progress	46,335	-
Net Property and Equipment	\$ 3,556,149	\$ 3,668,666

### 8. Assets Held for Others

The Center received grant funds from the Texas Department of Family and Protective Services (TDFPS), which requires that fixed assets purchased with these funds be kept under the funder's respective names. The Center has a record of the fixed assets purchased with these funds at cost on the statements of financial position, along with a corresponding contingent liability (contra asset) in the same amount, as follows. Total costs of the assets purchased using TDFPS funds as of June 30, 2016 and 2015, amounted to \$0 and \$11,055, respectively. There were no shared use agreements in effect during 2016 and 2015.

At the end of the grant, TDFPS has the option of taking possession of the fixed assets or allowing the Center to retain full ownership.

Additionally during 2015, a program partner has provided classroom renovation and playground equipment amounting to \$92,129 which are not recorded in the Center's books.

### 9. Note Payable

The Center has a variable rate term note payable dated October 16, 2013, with a maturity date of October 15, 2016, an original principal amount of \$94,708 and a total monthly payment of \$2,841. The monthly payment includes interest calculated using a rate of 1.750 percentage points over the index (Lender's Prime Rate). The Center had an outstanding balance of \$8,792 and \$44,186 as of June 30, 2016 and 2015, respectively. The outstanding note payable balance at June 30, 2016 is all due in fiscal year 2017.

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

### 10. Net Assets

Temporarily restricted net assets were available for the following purposes at June 30:

	2016	2015
Youth Development Service	\$ 359,699	\$ 145,893
Capital Improvements	10,553	24,822
Hill Country Camps	100,786	99,768
Endowment earnings	218,585	235,223
Volunteer Coordinator	17,873	50,000
Senior Services	7,751	50,000
<b>Total temporarily restricted net assets</b>	<b>\$ 715,247</b>	<b>\$ 605,706</b>

Net assets released from restrictions for the year ending June 30 are the following:

	2016	2015
Youth Development Service	\$ 325,307	\$ 517,054
Capital Improvements	24,194	41,166
Hill Country Camps	93,983	98,186
Endowment earnings	32,342	20,411
Volunteer Coordinator	42,249	-
Senior Services	22,685	50,000
<b>Total net assets release from restrictions</b>	<b>\$ 540,760</b>	<b>\$ 726,817</b>

Board-designated net assets consisted of the following:

	2016	2015
Pilon Fund	\$ 327,538	\$ 345,863
Legacy Fund	232,307	245,276
<b>Total Board-designated net assets</b>	<b>\$ 559,845</b>	<b>\$ 591,139</b>

Appropriations of board designated net assets for the year ending June 30, 2016 and 2015, \$31,044 and \$28,460, respectively.

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

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### 10. Net Assets (continued)

Permanently restricted net assets at June 30, 2016 and 2015, equaled \$593,716 and \$291,216, respectively, and income from these assets support the Center at the discretion of the Board. During 2015, the Center reviewed records related to its permanently restricted endowment fund. The review resulted in an immaterial transfer of \$42,082 from temporarily restricted net assets to permanently restricted net assets. In 2016, a permanently restricted contribution amounting to \$200,000 has not been received and is currently recorded as part of the pledges receivable. This amount will be added to the endowment when received.

### 11. United Way Support

Support received from the United Way of San Antonio and Bexar County, United Way of Coastal Bend and United Way of South Texas totaled \$701,481 and \$681,768 for the years ended June 30, 2016 and 2015, respectively, and represented approximately 16% and 22% of total support and revenue of the Center for 2016 and 2015, respectively.

### 12. Commitments and Contingencies

The Center participates in several state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Center has not complied with the rules and regulations governing the grants, refunds of any money received may be required, and the collectability of any related receivable may be impaired.

### 13. Retirement Plan

The Center established the Good Samaritan Center Tax-Deferred Annuity Plan, effective July 1, 1989. Employer matching contributions of up to 2% of participating employees' salaries were made for the years ended June 30, 2016 and 2015. Employees are eligible to participate in the plan at age 21 and after one year of service. Plan expenses totaled \$20,214 and \$15,938 for the years ended June 30, 2016 and 2015, respectively.



# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

### 14. Fees from Governmental Agencies

This revenue consisted of the following at June 30:

	2016		2015	
	Amount	Percent of Total Support and Revenue	Amount	Percent of Total Support and Revenue
Child Development Program under a contract with COSA through Child Care Development Services	\$ 64,916	1.5%	\$ 44,701	1.4%
Youth Development/At-Risk Program funded through a contract with COSA	77,715	1.7%	81,880	2.6%
After School Program funded through a contract with COSA	-	-	11,224	0.4%
Career to College Program funded through a contract with COSA	120,643	2.7%	132,128	4.2%
Senior Services funded through a contract with COSA	37,582	0.8%	25,310	0.8%
Fees from San Antonio Independent School District (SAISD) for childcare services	-	-	623	0.1%
Community Development Block Grant funded through a contract with the City of Pharr	5,018	0.1%	1,677	0.1%
Early Head Start program under a grant from the US Department of Health and Human Services	281,121	6.3%	35,681	1.1%
Youth Development Program under a grant from the Texas Department of Family and Protective Services	593,603	13.3%	240,523	7.7%
<b>Total Revenue from Governmental Agencies</b>	<b>\$ 1,180,598</b>	<b>26.4%</b>	<b>\$ 573,747</b>	<b>18.4%</b>

# Good Samaritan Center of San Antonio, Texas

## Notes to Financial Statements

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### 15. Related Party

The Center is considered an agency of the Episcopal Diocese of West Texas (the Diocese) and receives extensive support from that organization. There is no common management or Board, but the Center was established by, and has a close relationship with the Diocese. Parishes throughout the Diocese also support the ministry and program of the Center through contributions made by their congregations to the Center. Support received by the Center through the Diocese, or parishes within the Diocese, for the years ended June 30, were as follows:

	2016		2015	
	Amount	Percent of Total Support and Revenue	Amount	Percent of Total Support and Revenue
Episcopal Diocese of West Texas	\$ 155,850	3.4%	\$ 150,000	4.8%
Parishes	50,222	1.1%	19,945	0.6%
	\$ 206,072	4.5%	\$ 169,945	5.4%

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### 16. Operating Leases

The Center entered into two non-cancelable operating lease agreements for copiers in 2011 and 2013. The first lease is for 48 months and expired August 2015. The second lease is for 63 months and expires on August 2018.

The minimum payments and duration for these lease agreements are as follows as of June 30:

<i>Year ending June 30,</i>	Amount
2017	\$ 5,880
2018	5,880
2019	980
	\$ 12,740

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Total operating lease expense for the year ended June 30, 2016 and 2015 amounted to \$27,326 and \$23,395, respectively.

### 19. Subsequent Events

The Center has evaluated events subsequent to June 30, 2016 through September 15, 2016, which is the date the financial statements were available to be issued.