

**CASAS POR CRISTO**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

# CASAS POR CRISTO

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600 SUNLAND PARK, 6-300  
EL PASO, TX 79912

P 915 356-3700  
F 915 356-3779  
W GRP-CPA.COM



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Casas por Cristo

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Casas por Cristo (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 Casas por Cristo 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.

*Gilson Ruddock Patterson LLC*

El Paso, Texas

November 5, 2021

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# CASAS POR CRISTO

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

### ASSETS

Current Assets	
Cash and cash equivalents	\$ 1,257,687
Accounts receivable	67,322
Investments	1,000
Prepaid expenses	28,240
Materials inventory	240,397
Merchandise inventory	<u>91,854</u>
Total current assets	1,686,500
Property and equipment, net	<u>2,148,360</u>
Total assets	<u>\$ 3,834,860</u>

### LIABILITIES AND NET ASSETS

Liabilities	
Current Liabilities	
Accounts payable	\$ 48,682
Accrued expenses	52,894
Deferred revenue	<u>283,156</u>
Total current liabilities	<u>384,732</u>
Net Assets	
Without donor restrictions	3,188,365
With donor restrictions	<u>261,763</u>
Total net assets	<u>3,450,128</u>
Total liabilities and net assets	<u>\$ 3,834,860</u>

See notes to financial statements.

# CASAS POR CRISTO

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Project Revenue:			
Registration fees	\$ 166,200	\$ -	\$ 166,200
Project fees	1,343,032	-	1,343,032
Van rentals & team accommodations	247,701	-	247,701
Total project revenue	1,756,933	-	1,756,933
Contributions	1,946,646	316,226	2,262,872
Government grant	389,647	-	389,647
Merchandise sales	101,061	-	101,061
Net investment income	(1,609)	-	(1,609)
Gain on disposal of assets	2,054	-	2,054
Net assets released from restriction	256,418	(256,418)	-
Total Revenue and support	<u>4,451,150</u>	<u>59,808</u>	<u>4,510,958</u>
Expenses			
Program	2,273,401	-	2,273,401
General and administrative	1,120,098	-	1,120,098
Fund raising	180,657	-	180,657
Total expenses	<u>3,574,156</u>	<u>-</u>	<u>3,574,156</u>
Change in net assets	876,994	59,808	936,802
Net Assets - Beginning of year	<u>2,311,371</u>	<u>201,955</u>	<u>2,513,326</u>
Net Assets - End of year	<u>\$ 3,188,365</u>	<u>\$ 261,763</u>	<u>\$ 3,450,128</u>

See notes to financial statements.

**CASAS POR CRISTO**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	Program	General and Administrative	Fundraising	Total
Personnel salaries	\$ 1,003,835	\$ 717,025	\$ 71,703	\$ 1,792,563
Employee benefits	188,561	134,686	13,469	336,716
Payroll taxes	76,782	54,845	5,484	137,111
Building materials	539,405	-	-	539,405
Travel	8,910	3,832	4,350	17,092
Transportation	54,328	-	-	54,328
Supplies	7,436	22,205	6,542	36,183
Occupancy	37,027	24,546	2,027	63,600
International staff	86,614	-	-	86,614
Repairs and maintenance	40,199	2,338	-	42,537
Merchandise	-	-	42,508	42,508
Professional fees	11,884	17,872	-	29,756
Rent	41,204	-	-	41,204
Tools and equipment	6,800	-	-	6,800
Insurance	24,828	7,135	11,779	43,742
Promotion	65	1,644	19,112	20,821
Bank fees	-	62,222	-	62,222
Postage	13,209	7,255	2,364	22,828
Contracted services	22,087	23,908	-	45,995
Lodging	11,044	-	-	11,044
Meals	58,721	896	833	60,450
Sub total	2,232,939	1,080,409	180,171	3,493,519
Depreciation	40,462	39,689	486	80,637
Total expenses	<u>\$ 2,273,401</u>	<u>\$ 1,120,098</u>	<u>\$ 180,657</u>	<u>\$ 3,574,156</u>

See notes to financial statements.

**CASAS POR CRISTO**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2020**

Cash flows from operating activities:	
Change in net assets	\$ 936,802
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	80,637
Capital campaign cash contributions	(161,442)
Noncash contributions	(3,695)
Gain on disposal of assets	(2,054)
Realized loss	818
Unrealized gain	(177)
Change in operating assets and liabilities:	
Accounts receivable	(35,793)
Prepaid expenses	34,641
Merchandise inventory	21,489
Build inventory	4,001
Accounts payable	(36,325)
Held for Others	(409)
Accrued expenses	3,006
Unearned revenue	<u>10,368</u>
Net cash provided by (used in) operating activities	<u>851,867</u>
Cash flows from investing activities	
Purchase of capital assets	(323,070)
Cash restricted for capital campaign	88,200
Proceeds from sale of assets	2,054
Proceeds from sale of investments	<u>16,246</u>
Net cash used in investing activities	<u>(216,570)</u>
Cash flows from financing activities	
Cash contributions for capital campaign	<u>161,442</u>
Net cash provided by financing activities	<u>161,442</u>
Net increase (decrease) in cash and cash equivalents	796,739
Cash and cash equivalents, beginning of year	<u>460,948</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,257,687</u></u>
Non-cash investing activities:	
Contribution of stock	<u><u>\$ 3,695</u></u>

See notes to financial statements.



# CASAS POR CRISTO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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### 1. PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Organization**

Casas por Cristo (Casas, We, us, our) is a non-profit organization that was established under the laws of the State of Texas in August of 1993. The purpose of Casas is for the relief of the poor, the distressed and the underprivileged, particularly in the area of housing. We are committed to providing safe and secure housing to those in need and to bettering the quality of life of each family we serve. Headquartered in El Paso, Texas, Casas builds homes for families in sub-standard living conditions in Juárez and Acuña, Mexico, San Raymundo, Guatemala, Santiago, Dominican Republic, and Nicaragua to achieve its purpose.

#### **Basis of Accounting and Presentation**

The accompanying financial statements are presented on the accrual basis of accounting and conform with accounting principles generally accepted in the United States of America.

#### **Cash and Cash Equivalents**

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, including money market accounts, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

#### **Accounts Receivable**

Accounts receivable consist primarily of contributions received by a third party but have not yet been remitted to us. No allowance for uncollectible accounts receivable is maintained as we believe the accounts to be fully collectible. Accounts receivable are written off when deemed uncollectible. Generally accepted accounting principles require that an allowance for uncollectible accounts be maintained in lieu of the direct charge-off method.

#### **Promises to Give**

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at face value. Promises to give are written off when deemed uncollectible. There were no unconditional promises to give at December 31, 2020.

#### **Investments**

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

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# CASAS POR CRISTO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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### 1. **PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** **(Continued)**

#### **Inventory**

Our merchandise inventory comprises t-shirts, blankets, caps, and other merchandise with the Casas por Cristo logo. Gift shop inventory is valued at the lower of cost or market value determined by a weighted average cost method.

We also have materials inventory that consists of materials that will be used to build houses in Mexico, Guatemala, the Dominican Republic, and Nicaragua. Materials inventory is valued at the lower of cost or market value determined on a first-in first-out basis.

#### **Property and Equipment**

We record property and equipment additions over \$1,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2020.

#### **Deferred Revenues**

Deferred revenues are project fees that have been received for builds that have not been started.

#### **Net Assets**

Net assets, revenues and expenses, and gains and losses are classified based on existence or absence of donor-imposed restrictions. Accordingly, net assets of Casas 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.

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# CASAS POR CRISTO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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### 1. PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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 the 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.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

#### Revenue and Revenue Recognition

We recognize revenue from building projects during the year in which the houses are built. The performance obligation of building a house is simultaneously received and consumed by the volunteer builders; therefore, the revenue is recognized ratably over the course of the year, as applicable. All amounts, including van rentals and team accommodation payments, received prior to the build excluding registration fees, are deferred to the applicable period. Revenue is recognized using the five-step approach required by Accounting Standards Codification (ASC) Topic 606 *Revenue from Contracts with Customers*, as follows:

- Identification of the contract with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, performance obligations are satisfied.

Merchandise sales are recognized at the time of the sale.

Contributions are recognized when cash, securities or other assets are received. We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at face value. Promises to give are written off when deemed uncollectible. There were no unconditional promises to give at December 31, 2019.

Our main sources of revenue come from project fees for builds in Juarez and Acuña, Mexico, San Raymundo, Guatemala, Santiago, Dominican Republic, and Nicaragua.

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# CASAS POR CRISTO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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### 1. PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed materials, supplies and equipment are recorded at fair value at the date of donation. We record donated professional services at the respective fair value of the services received. No significant contributions of such goods or services were received during the year ended December 31, 2020.

#### Advertising

Advertising expenses are expensed as incurred. In 2020, advertising expenses were \$20,821.

#### Functional Allocation of Expenses

The costs of programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of the expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

#### Income Taxes

Casas por Cristo is organized as a Texas nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi), and (viii), has been determined not to be a private foundation under IRC Sections 509(a)(1). Casas is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, Casas is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. We have determined that we are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

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# CASAS POR CRISTO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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### 1. PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash, money market accounts and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured accounts. To date, we have not experienced losses on any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates.

#### Change in Accounting Principle

During the year ended December 31, 2020, we implemented the following Accounting Standards Update (ASU):

During May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). Topic 606 prescribes a single model for revenue recognition, with a set of principles to be used for determining when revenue should be recognized, including performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price, and allocating the transaction price to each separate performance obligation. It also requires expanded disclosures about the nature, amount, and timing of revenues and cash flows. We have implemented ASU 2014-09 and have adjusted the presentation in these financial statements accordingly. As of December 31, 2020, we have implemented ASU 2014-09 using the full retrospective method.

The gap between payment and delivery is expected to be less than one year. As such, as a practical expedient, there is no requirement to adjust the transaction price for a significant financing component. In other words, we do not account for the effect of the financing component in the transaction price by considering the time value of money. Additionally, the majority of our contracts do not contain variable consideration and contract modifications are generally minimal.

The majority of our revenue contracts generally consist of multiple performance obligations to transfer promised goods or services. Based on our evaluation process and review of contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new guidance.

The adoption of ASU 2014-09 resulted in no change to the net presentation of project fee revenues and fees revenue and financial aid in the statements of activities

(Continued)

# CASAS POR CRISTO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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### 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$	1,257,687
Accounts receivable		67,322
Investments		1,000
Less donor restrictions		<u>(261,763)</u>
	\$	<u>1,064,246</u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in money market funds or short term investments. Occasionally, the Board designates a portion of any operating surplus to its operating reserve. There were no designations as of December 31, 2020.

### 3. FAIR VALUE MEASUREMENTS AND DISCLOSURES

We report certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

**Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

**Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

**Level 3** – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

(Continued)

## CASAS POR CRISTO

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

#### 3. FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of our investment assets are classified within Level 1 because they comprise equity securities with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis, at December 31, 2020:

	Fair Value measurements at Report Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating Investments				
Equities	\$ 1,000	\$ 1,000	\$ -	\$ -
Total investments	\$ 1,000	\$ 1,000	\$ -	\$ -

#### 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2020:

		Depreciable Lives
Land	\$ 381,100	
Buildings and improvements	201,908	20-40 years
Vehicles	238,289	5 years
Field equipment	95,458	5 years
Office equipment	65,948	5 years
Office furniture	17,487	5 years
Work in progress	1,527,419	
Property and equipment	2,527,609	
Less accumulated depreciation	(379,249)	
Property and equipment, net	\$ 2,148,360	

Depreciation expense totaled \$80,637 for the year ended December 31, 2020.

(Continued)

# CASAS POR CRISTO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 5. RELATED PARTIES

On September 30, 2005, Casas por Cristo, Asociacion Civil was founded in Juarez, Chihuahua Mexico by David Robertson (President), Jason Laffan (Secretary), and Peter Dockery (Treasurer). Casas por Cristo, Asociacion Civil is funded by Casas por Cristo, Inc.'s regular operations. No transactions have taken place between the two entities since December 31, 2012.

### 6. OPERATING LEASES

We lease four vehicles under seven year noncancelable leases. All four leased vehicles were prepaid. One lease expires in 2021, two expire in 2022, and one expires in 2026. The prepaid amount is amortized over the life of the lease on a straight line basis. Rent expense totaled \$6,269 for the vehicles in 2020.

We also lease office and lodging space under various operating leases expiring at various dates through 2021.

Future minimum lease payments are as follows:

<u>Years Ending December 31</u>	<u>Leases</u>
2021	<u>\$ 7,800</u>
Total minimum lease payments	<u>\$ 7,800</u>

### 7. CONCENTRATIONS

At December 31, 2020 account balances at two U.S. banks were in excess of FDIC limits by a total of \$560,775. We have four foreign bank accounts that are not insured. The total balance of the four accounts at December 31, 2020 was \$8,690. We also had a cash account with a balance of \$110,506 at an investment company that was not insured.

#### Foreign Building Operation

We build homes for families in sub-standard living conditions in Juárez and Acuña, Mexico, San Raymundo, Guatemala, Santiago, Dominican Republic and Chinandega, Nicaragua. Materials for builds in the Dominican Republic and Guatemala are purchased in those countries and the amounts are converted to U.S. dollars. Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, or foreign exchange controls, and restrictions on currency exchange. At December 31, 2020, we had \$ 578 in the Mexican bank account, \$4,298 in the Guatemalan bank account and \$3,814 in the Dominican Republic bank accounts. The exchange rate loss for 2020 was \$5,262. The loss is netted against investment income on the statement of activity.

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# CASAS POR CRISTO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

### 8. RETIREMENT PLAN

We sponsor a tax deferred Simple-IRA plan qualified under Internal Revenue Code under Section 408(p) covering all employees. All employees are immediately eligible to participate in the plan. The Plan allows for voluntary employee contributions up to the limits as defined in the Internal Revenue Code. The employer has made a safe harbor election and thus is required to make a contribution of 2% of compensation for each eligible employee, regardless of whether the eligible employee elects to make elective deferrals to the plan. Our contribution for the year ended December 31, 2020 was \$41,632.

### 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

Subject to expenditure for specified purpose:

Hope Restored	\$ 78,979
Intern program	182,784
	<u>261,763</u>
	<u>\$ 261,763</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2020:

Satisfaction of purpose restrictions	
Capital campaign	\$ 249,642
Intern program	6,776
	<u>256,418</u>
	<u>\$ 256,418</u>

### 10. "A TIME TO BUILD" CAPITAL CAMPAIGN AND RESTRICTED CASH

In 2016, we began a capital campaign to build two new buildings on the land that we own. As of December 31, 2020, we had spent all of the cash we had received on the two buildings.

### 11. FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to our program or a supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel salaries, employee benefits, and payroll taxes which are allocated on the basis of estimates of time and effort.

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## CASAS POR CRISTO

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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#### **12. SUBSEQUENT EVENTS**

Subsequent to year end, we entered into four leases in the Dominican Republic that started January 1, 2021 and end January 1, 2022. The total rent for the four leases will be approximately \$11,000 for the year.

Subsequent to year end, the COVID-19 worldwide pandemic still affects overall operations in 2021. The Center has had to cancel 18 builds and postpone 6 others resulting in lost revenue of approximately \$226,556. Fortunately, we have not had to reduce or furlough any staff nor have had to ask staff to take a pay cut.

We have evaluated subsequent events through November 5, 2021, the date the financial statements were available to be issued.