

MANOS DE CRISTO, INC.
(A Nonprofit Corporation)

INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS

DECEMBER 31, 2023

MANOS DE CRISTO, INC.
(A Nonprofit Corporation)

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December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Manos de Cristo, Inc.
Austin, Texas

Opinion

We have audited the accompanying financial statements of Manos de Cristo, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Manos de Cristo, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Manos de Cristo, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Manos de Cristo, Inc.'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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Manos de Cristo, Inc.'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 Manos de Cristo, Inc.'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.

Allman & Associates, Inc.

Austin, Texas
May 9, 2024

MANOS DE CRISTO, INC.
(A Nonprofit Corporation)

STATEMENT OF FINANCIAL POSITION

December 31, 2023

Assets	
Current assets	
Cash and cash equivalents	\$ 943,809
Investments	147,421
Other investments, current	157,000
Accounts receivable	61,256
Grants receivable, current portion	237,155
Inventory	74,315
Prepaid expenses	63,086
Total current assets	<u>1,684,042</u>
Grants receivable, net of current portion	15,000
Other investments, non-current	220,000
Fixed assets, net of accumulated depreciation	<u>1,777,033</u>
Total assets	<u><u>\$ 3,696,075</u></u>
Liabilities and Net Assets	
Current liabilities	
Accounts payable	\$ 35,433
Accrued payroll liabilities	68,390
Deferred revenue - gala	28,000
Note payable - equipment, current portion	10,594
Total current liabilities	<u>142,417</u>
Note payable - equipment, net of current portion	<u>35,861</u>
Total liabilities	<u>178,278</u>
Net assets	
Without donor restrictions	
Board designations	500,000
Undesignated	2,507,510
Total net assets without donor restrictions	<u>3,007,510</u>
With donor restrictions	
Purpose restrictions	510,287
Total net assets with donor restrictions	<u>510,287</u>
Total net assets	<u>3,517,797</u>
Total liabilities and net assets	<u><u>\$ 3,696,075</u></u>

See accompanying auditors' report and notes to financial statements.

MANOS DE CRISTO, INC.
(A Nonprofit Corporation)

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Program service fees	\$ 2,015,560	\$ -	\$ 2,015,560
Contributions	484,480	-	484,480
Grants and contracts	279,829	538,270	818,099
Fundraising - special events, net of direct benefit to donors of \$173,333	322,347	-	322,347
Contributed goods and services	398,632	-	398,632
Net investment return	22,750	-	22,750
Interest income from cash accounts	6,861	-	6,861
Net assets released from restriction	318,488	(318,488)	-
	<u>3,848,947</u>	<u>219,782</u>	<u>4,068,729</u>
Total revenue and other support			
Expenses:			
Program services:			
Basic needs	206,652	-	206,652
Dental center	2,704,026	-	2,704,026
Education	370,072	-	370,072
Back to school	40,431	-	40,431
Total program services	<u>3,321,181</u>	<u>-</u>	<u>3,321,181</u>
Supporting services:			
Management and general	350,623	-	350,623
Fundraising	375,777	-	375,777
Total supporting services	<u>726,400</u>	<u>-</u>	<u>726,400</u>
Total expenses	<u>4,047,581</u>	<u>-</u>	<u>4,047,581</u>
Change in net assets	(198,634)	219,782	21,148
Net assets, beginning of year	<u>3,206,144</u>	<u>290,505</u>	<u>3,496,649</u>
Net assets, end of year	<u>\$ 3,007,510</u>	<u>\$ 510,287</u>	<u>\$ 3,517,797</u>

See accompanying auditors' report and notes to financial statements.

MANOS DE CRISTO, INC.
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STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023

Expenses	Program Services				Supporting Services		Cost of Direct	Totals
	Basic Needs	Dental Center	Education	Back to School	Management and General	Fundraising	Benefit to Donors	
Credit card and bank fees	\$ -	\$ 21,805	\$ -	\$ -	\$ 9,250	\$ -	\$ 7,643	\$ 38,698
Computer program maintenance	-	-	-	-	-	15,858	-	15,858
Contributed goods and services	135,182	51,322	126,285	12,500	16,455	56,888	-	398,632
Depreciation	11,220	112,744	19,284	-	40,644	4,558	-	188,450
Event venue	-	-	-	-	-	-	84,940	84,940
Event expense	-	-	-	-	-	-	9,043	9,043
Gifts	-	1,084	-	-	9,958	54	-	11,096
Insurance	-	14,305	7,084	-	18,061	-	-	39,450
Legal and accounting	-	6,750	-	-	6,810	-	-	13,560
Licenses, bonds, and fees	-	6,918	-	-	-	-	-	6,918
Meals and entertainment	-	-	-	-	-	-	71,707	71,707
Meetings	-	-	-	-	2,570	932	-	3,502
Memberships and subscriptions	-	-	-	-	-	2,093	-	2,093
Occupancy	-	31,330	15,825	-	37,298	4,680	-	89,133
Office supplies	92	22,739	922	10	12,479	4,361	-	40,603
Other	-	67	-	-	3,455	-	-	3,522
Personnel costs	55,001	2,048,240	166,032	-	152,406	272,143	-	2,693,822
Postage and delivery	-	64	-	-	276	4,776	-	5,116
Printing and photos	-	-	-	-	-	5,296	-	5,296
Programs supplies	5,157	340,418	34,640	27,921	22	-	-	408,158
Repairs and maintenance	-	9,964	-	-	9,433	-	-	19,397
Staff training	-	5,078	-	-	-	-	-	5,078
Telephone and internet	-	31,198	-	-	31,506	4,138	-	66,842
Total expenses by function	206,652	2,704,026	370,072	40,431	350,623	375,777	173,333	4,220,914
Less expenses included with revenues on the statement of activities	-	-	-	-	-	-	(173,333)	(173,333)
Total expenses included in expense section on the statement of activities	\$ 206,652	\$ 2,704,026	\$ 370,072	\$ 40,431	\$ 350,623	\$ 375,777	\$ -	\$ 4,047,581

See accompanying auditors' report and notes to financial statements.

MANOS DE CRISTO, INC.
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STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

Cash flows from operating activities:	
Total change in net assets	\$ 21,148
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	188,450
Net investment return	(22,750)
(Increase) decrease in operating assets	
Receivables	(31,710)
Inventory	(21,541)
Prepaid expenses	(3,776)
Increase (decrease) in operating liabilities	
Accounts payable	(13,156)
Accrued payroll liabilities	5,391
Deferred revenue - gala	23,000
	<u>145,056</u>
Net cash from operating activities	<u>145,056</u>
Cash flows used by investing activities:	
Purchase of fixed assets	(46,466)
Purchase of investments	(65,000)
	<u>(111,466)</u>
Net cash used by investing activities	<u>(111,466)</u>
Cash flows used by financing activities:	
Payments under capital lease obligation	(1,387)
	<u>(1,387)</u>
Net cash used by financing activities	<u>(1,387)</u>
Net increase in cash and cash equivalents	32,203
Cash and cash equivalents at beginning of year	911,606
Cash and cash equivalents at end of year	<u>\$ 943,809</u>
Supplemental data:	
Interest paid	\$ -
Income taxes paid	\$ -

See accompanying auditors' report and notes to financial statements.

MANOS DE CRISTO, INC.
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

1. Description of Organization

Mission: Manos de Cristo, Inc. (“Manos” or the “Organization”) is dedicated to empowering low-income individuals with a loving hand of assistance without regard to age, gender, race, or religious preference. Manos promotes dignity and self-reliance while providing essential oral care, furthering educational development, and meeting basic needs with food and clothing.

Vision: Manos’ life-changing services empower people of all backgrounds to build self-esteem and self-confidence and the ability to participate fully in the life of the community.

Manos de Cristo fulfills this mission through programs in these targeted areas:

Dental Center: The Manos de Cristo Dental Center serves families who do not have dental insurance, earn too much to qualify for assistance programs and generally are 150% or less of the Federal Poverty Guidelines. The Dental Center offers dental services including emergency treatments, preventative and restorative services at rates between the 30th and 35th percentile of average private dental practices, according to the National Dental Advisory Service – Comprehensive Fee Report. Dental health education is provided in English and/or Spanish at every visit. In 2023, 8 volunteer DDS’s contributed 149 hours, 18 pre-dental students, contributed 158 hours. The Dental Center provided 5,085 unduplicated clients with 15,368 visits and 45,344 procedures.

Basic Needs: Manos de Cristo operates a Food Pantry and Clothes Closet. Manos de Cristo’s Food Pantry continues to serve families from 8-11 am, Monday-Friday. In 2023 Manos served food pantry clients every 2 months, a total of 6,037 people were served through the Food Pantry. Manos continued to shop through the Capital Area Food Bank, Sam’s Clubs and HEB. The Austin Area Presbyterian Churches and generous donations also supplemented the Food Pantry. The Manos Clothes Closet served 1038 individuals in 2023.

In 2023, 16 volunteers provided 252 hours of service, as Manos continues to only allow volunteers that have met CDC guidelines (vaccinated) indoors. The Clothes Closet opened for clients that have met CDC guidelines (vaccinated) and others were able to select clothing through the door.

MANOS DE CRISTO, INC.
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

1. Description of Organization (continued)

Education: Manos offers several levels of English as a Second Language (ESL), introductory and intermediate computer classes, U.S. Citizenship classes, and Spanish literacy classes. In 2023, 600 students enrolled in ESL classes, 77 participated in citizenship classes, 225 in computer literacy classes. In 2023 115 volunteers provided 7,016 hours of instruction; classes were taught virtually and in-person.

Back to School: In 2023 Manos provided 1,500 backpacks for students. In 2023, 210 volunteers provided 831 hours of assistance with the Back to School event.

The Organization is primarily funded through program services fees, contributions, grants and contracts.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Under this method, revenue is recognized when earned and expenditures are recorded when incurred. Accordingly, the financial statements reflect all significant receivables, payables, and other assets and liabilities.

Financial Statement Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor (or certain grantor) 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. This includes any board designated net assets for specific purposes, as the board of directors may reverse these restrictions at any time in the future. Net assets without donor restrictions include the revenues and expenses of the primary operations of the Organization.

MANOS DE CRISTO, INC.
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

2. 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates include those used in the functional allocation of expenses and depreciation of assets. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents, unless designated for investment purposes.

Investments

The Organization reports investments in cash and cash equivalents, equities and fixed income securities at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Other Investments

Other investments consist of CD's traded in the financial markets. The Organization records the CD's at cost and does not recognize unrealized gains and losses.

Receivables

Accounts receivable consist of amounts due to the Organization for services rendered. Grants receivable consist of amounts awarded but not yet paid. The allowance for uncollectible accounts is determined based on historical experience and a review of subsequent collections. No allowance for doubtful accounts has been recorded in these financial statements as all receivables are considered collectible.

Inventories

Inventories, consist of dental supplies, Back to School supplies, and donated art. Inventory that is purchased is valued at the lower of cost or market. Cost is determined on the first-in, first-out method. Donated items are recorded at estimated fair value at the date of donation.

MANOS DE CRISTO, INC.
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Fixed Assets

Fixed assets are capitalized at cost if the value of the item is more than \$1,000, and the estimated useful service life of the item is more than one year. Donations of fixed assets are recorded as support at their estimated fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Depreciation of fixed assets capitalized by the Organization is computed over the estimated useful life of the asset (generally 20 years for buildings and improvements, and 3 to 5 years for other assets) using the straight-line method of computation. Costs of routine repairs and maintenance are charged to expense as incurred.

Depreciation expense and accumulated depreciation reported in the financial statements are an accounting estimate. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

Revenue and Revenue Recognition

Contributions, including unconditional pledges and grants, are recorded when received. In accordance with FASB Accounting Standards Codification (ASC) 958-605, *Not-For-Profit Entities Revenue Recognition*, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions whose restrictions are satisfied in the same period they are received are reported as contributions without donor restrictions. Conditional pledges are recognized when the conditions on which they depend are substantially met.

Revenue from contracts with customers are recorded when the underlying performance obligations are met, in accordance with FASB, Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). When the Organization receives payment in advance, a contract liability is recorded as deferred revenue and then reduced when the revenue is recognized. Revenue streams that are recorded as contracts with customers include event revenue, dental center fees, student fees and book sales.

MANOS DE CRISTO, INC.
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Contributed Services

Contributed services are recorded in the financial statements if one of the following criteria is met: 1) contributed services must create or enhance nonfinancial assets of the Organization, or 2) contributed services must require specialized skills that the Organization would otherwise need to purchase. The value of the contributed services reported in the financial statements is an accounting estimate. Additionally, Manos receives a substantial amount of volunteer hours. These hours do not meet the criteria for reporting in the financial statements, but are critical for the accomplishment of the Organization's mission.

Functional Allocation of Expenses

The costs of program and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses reports the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses identified with a specific program or that relate to a specific source of revenue are allocated directly to that program. Personnel costs have been allocated based on time and effort spent in each area. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Federal Income Taxes

The Organization is a not-for-profit corporation and is exempt from federal income taxes, except for unrelated business income, under Section 501(c) (3) of the Internal Revenue Code. As such, no provision for federal income taxes has been made in the accompanying financial statements.

The Organization has adopted the recognition requirements for uncertain tax positions as required by GAAP, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more likely than not be sustained upon examination by taxing authorities. The Organization has analyzed the tax positions taken in its filings with the Internal Revenue Service and state jurisdictions where it operates. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial position, changes in net assets or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain tax positions at December 31, 2023. The Organization is subject to income tax audits for the previous three years which are open. There are currently no audits in progress for any open tax periods.

MANOS DE CRISTO, INC.
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

3. Fair Value Measurements and Disclosures

The requirements of *Fair Value Measurements and Disclosures* of the Accounting Standards Codification apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available.

For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement is the same in both cases – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price). *Fair Value Measurements and Disclosures* also establish a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 Inputs – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 Inputs – Inputs other than quoted prices included with Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3 Inputs – Unobservable inputs for the asset or liability.

The following table represents assets and liabilities reported on the statement of financial position at their fair value as of December 31, 2023 by level within the fair value measurement hierarchy.

Description	Amount	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 20,062	\$ -	\$ 20,062	\$ -
Fixed income - pooled funds	127,359	-	127,359	-
Total investments	<u>\$ 147,421</u>	<u>\$ -</u>	<u>\$ 147,421</u>	<u>\$ -</u>

The fair value of Manos' remaining current assets and current liabilities approximate the carrying amounts of such instruments due to their short maturity.

MANOS DE CRISTO, INC.
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

4. Other Investments

At December 31, 2023, gross unrealized gains and losses pertaining to brokered CD's were as follows:

<u>Description</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>
Certificates of deposit	\$ 377,000	\$ 376,668	\$ -	\$ 332
Total other investments	<u>\$ 377,000</u>	<u>\$ 376,668</u>	<u>\$ -</u>	<u>\$ 332</u>

5. Grants receivable

Grants receivable are estimated to be collected as follows at December 31, 2023:

Within one year	\$ 237,155
In one to five years	<u>15,000</u>
Total grants receivable	<u>\$ 252,155</u>

6. Fixed assets

Major classes of fixed assets at December 31, 2023 consisted of the following:

Land and improvements	\$ 1,216,656
Buildings and improvements	1,808,756
Furniture and equipment	835,022
Software	53,036
Less accumulated depreciation	<u>(2,136,437)</u>
Total fixed assets, net of accumulated depreciation	<u>\$ 1,777,033</u>

Depreciation expense for the year ended December 31, 2023 was \$188,450.

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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

7. Accrued Payroll Liabilities

The Organization recognizes a liability for earned vacation time unused at December 31 for all eligible employees. The amount of accrued vacation payable as of December 31, 2023 was \$34,571. In addition, the Organization accrued bonuses as of December 31, 2023 in the amount of \$33,820.

8. Note Payable - Equipment

The Organization has a note payable to Clarion Financial to fund an equipment purchase. The amount financed was \$46,455, at a fixed rate of 5.99%, with forty-eight monthly payments of \$1,090.78 which includes interest and principal. Repayments are to begin January 2024.

The minimum principal payments for the next four years are as follows:

	<u>Year</u>	<u>Amount</u>
	2024	\$ 10,594
	2025	11,247
	2026	11,939
	2027	<u>12,675</u>
Total minimum principal payments		<u>\$ 46,455</u>

9. Line of Credit

The Organization has a line of credit in the amount of \$200,000 at an interest rate of 9%. There were no draws or repayments during 2023, and the balance of the line was \$0 at December 31, 2023.

10. Board Designated Net Assets

Net assets without donor restrictions may be earmarked for future use by action of the board of directors such as for future programs, investments, contingencies, purchase or construction of fixed assets, or other uses. Designations by the board of directors are subject to the actions of future boards. The amount designated at December 31, 2023 for operating and building reserves was \$500,000.

MANOS DE CRISTO, INC.
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

11. Net Assets With Donor Restrictions

As of December 31, 2023, net assets with donor restrictions are restricted for the following purposes:

Back to school	\$	40,976
Dental center		35,000
St. David's Foundation - Dental Center		<u>434,311</u>
Total net assets with donor restrictions	\$	<u><u>510,287</u></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, 2023:

Back to school	\$	41,645
Dental center		8,750
St. David's Foundation - Dental Center		<u>268,093</u>
Total net assets released from donor restrictions	\$	<u><u>318,488</u></u>

12. Concentration of Credit Risk

Cash balances with a financial institution in excess of Federal Deposit Insurance Corporation (FDIC) insurance coverage are considered a credit risk. The Organization maintained cash balances with major financial institutions and at times those cash balances may exceed the institutions' FDIC coverage. The Organization considers its funds to be in high quality financial institutions and periodically monitors its financial positions with the institutions. At December 31, 2023, the cash balances exceeded FDIC coverage by \$198,169.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the statement of financial position.

The Organization generally does not maintain collateral for its accounts receivable, and does not believe significant credit risk exists as December 31, 2023.

MANOS DE CRISTO, INC.
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

13. Contributed Goods and Services

Manos receives various types of in-kind contributions. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses. Contributed food was valued at supermarket rates, supplies and materials at the donor's stated value, and contributed services at the typical rate for the services in the Austin area. The contributions benefited and were utilized by the following programs and supporting services:

	<u>Basic Needs</u>	<u>Education</u>	<u>Dental Center</u>	<u>Back To School</u>	<u>Admin</u>	<u>Fundraising</u>	<u>Total</u>
Contributed goods							
Food for food pantry	\$ 135,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,182
Supplies	-	-	-		46,750	-	46,750
Event space	-	-	-	12,500	-	-	12,500
Fund development materials	-	-	-	-	-	56,888	56,888
						-	-
Contributed services							
Teachers	-	126,285	-	-	-	-	126,285
Construction planning and repairs	-	-	-	-	16,455	-	16,455
Dentists and assistants	-	-	4,572	-	-	-	4,572
			<u>4,572</u>				<u>4,572</u>
Total contributed goods and services	<u>\$ 135,182</u>	<u>\$ 126,285</u>	<u>\$ 4,572</u>	<u>\$ 12,500</u>	<u>\$ 63,205</u>	<u>\$ 56,888</u>	<u>\$ 398,632</u>

14. Deferred Revenue

Deferred revenue consists of the following at December 31, 2023:

Gala	<u>\$ 28,000</u>
Deferred revenue	<u>\$ 28,000</u>

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14. Deferred Revenue (continued)

The following table provides information about significant changes in deferred revenue for the year ending December 31, 2023:

Deferred revenue, beginning of year	\$ 5,000
Revenue recognized that was included in deferred revenue at the beginning of year	(5,000)
Increase in deferred revenue due to cash received during the year	<u>28,000</u>
Deferred revenue, end of year	<u><u>\$ 28,000</u></u>

15. 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	\$ 943,809
Investments	147,421
Other investments	377,000
Accounts receivable	61,256
Grants receivable	<u>252,155</u>
Total financial assets	1,781,641
Less those unavailable for general expenditure within one year due to:	
Donor-imposed restrictions	(510,287)
Board designations	(500,000)
CD's with maturities beyond one year	<u>(220,000)</u>
Financial assets available within one year to meet cash needs for general expenditures	<u><u>\$ 551,354</u></u>

The Organization manages day-to-day cash needs through a continually-refined system of tracking of payments and contributions, as well as on-hand cash management. The Organization has \$500,000 Board designated net assets; although the Organization does not intend to spend from this fund, it could be made available if necessary.

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16. Retirement Plan

In January 2023, employees who are age twenty-one, and have completed one year of service with Manos, may participate in a 401(k)-plan offered through Insperity. An employer matching contribution will be made to the plan for each payroll period on behalf of each active participant in an amount equal to fifty percent of the amount the active participant's eligible elective deferrals that do not exceed six percent of the active participant's compensation for that payroll period. Employer 401(k) contributions for the year ending December 31, 2023 totaled \$32,574.

17. Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. Management has evaluated subsequent events through the date financial statements were available for issuance, May 9, 2024, and there were no events to be disclosed.