

HOLY CROSS MINISTRIES OF UTAH

FINANCIAL STATEMENTS

December 31, 2020 and 2019

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CERTIFIED PUBLIC
ACCOUNTANTS AND
BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Holy Cross Ministries of Utah
Salt Lake City, Utah**

We have audited the accompanying financial statements of Holy Cross Ministries of Utah (a non-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' 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. 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 auditors' 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 auditors consider 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 the accounting policies used and 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 Holy Cross Ministries of Utah as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

WSRP, LLC

Salt Lake City, Utah
August 2, 2021

HOLY CROSS MINISTRIES OF UTAH
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 465,009	\$ 68,636
Investments	14,007,954	12,202,041
Accounts receivable	24,517	4,190
TOTAL CURRENT ASSETS	14,497,480	12,274,867
EQUIPMENT, NET OF DEPRECIATION	19,163	30,489
TOTAL ASSETS	\$ 14,516,643	\$ 12,305,356
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 451,306	\$ 122,035
TOTAL CURRENT LIABILITIES	451,306	122,035
PAYCHECK PROTECTION PROGRAM LOAN	183,500	-
TOTAL LIABILITIES	634,806	122,035
NET ASSETS		
Net assets without donor restrictions, including Board designated	13,737,567	12,181,671
Net assets with donor restrictions	144,270	1,650
TOTAL NET ASSETS	13,881,837	12,183,321
TOTAL LIABILITIES AND NET ASSETS	\$ 14,516,643	\$ 12,305,356

The accompanying notes are an integral part of the financial statements.

HOLY CROSS MINISTRIES OF UTAH
STATEMENTS OF ACTIVITIES
Years ended December 31, 2020 and 2019

	2020	2019
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS; REVENUES, SUPPORT, AND GAINS		
Grant revenues and contribution income	\$ 334,164	\$ 87,227
Program fees	128,752	170,499
Interest income	26,278	70,716
Net realized investment gain	726,306	351,109
Net unrealized investment gain	1,572,642	1,334,616
Net assets released from restriction	1,095,597	659,700
TOTAL REVENUES, SUPPORT, AND GAINS	3,883,739	2,673,867
 EXPENSES		
Programs and services		
Education expenses	567,038	529,279
Health expenses	629,213	394,833
Justice expenses	550,944	516,026
TOTAL PROGRAMS AND SERVICES	1,747,195	1,440,138
Management and general expenses	567,746	616,986
Fundraising expenses	12,902	43,221
TOTAL EXPENSES	2,327,843	2,100,345
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,555,896	573,522
 CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Restricted grant revenue and contribution income	1,227,159	638,340
Investment income	11,058	18,728
Net assets released from restriction	(1,095,597)	(659,700)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	142,620	(2,632)
CHANGE IN NET ASSETS	1,698,516	570,890
 NET ASSETS		
Balance - beginning of year	12,183,321	11,612,431
 Balance - end of year	\$13,881,837	\$12,183,321

The accompanying notes are an integral part of the financial statements.

HOLY CROSS MINISTRIES OF UTAH
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2020

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Education Expenses</u>	<u>Health Expenses</u>	<u>Justice Expenses</u>	<u>Management and General Expenses</u>	<u>Fundraising Expenses</u>	
Salaries and wages	\$ 305,796	\$ 344,486	\$ 335,414	\$ 382,106	\$ -	\$ 1,367,802
Benefits	130,259	171,611	122,302	111,244	-	535,416
Supplies, equipment, IT infrastructure	30,745	27,178	31,854	16,525	-	106,302
Rent	29,385	27,126	23,385	20,183	-	100,079
Professional fees	16,914	18,478	18,431	13,261	5,350	72,434
Direct client assistance	29,334	14,666	-	-	-	44,000
Operations	9,530	7,415	6,405	4,643	-	27,993
Insurance	5,674	6,582	5,674	4,767	-	22,697
Training, development, and dues	3,238	6,293	1,337	5,768	-	16,636
Communications, public relations, gifts and gratuities	1,529	763	858	1,729	7,552	12,431
Depreciation	2,310	2,750	3,190	2,751	-	11,001
Travel	1,612	1,062	411	1,472	-	4,557
Investment fees	347	414	878	2,039	-	3,678
Miscellaneous	365	389	805	1,258	-	2,817
TOTAL FUNCTIONAL EXPENSES	<u>\$ 567,038</u>	<u>\$ 629,213</u>	<u>\$ 550,944</u>	<u>\$ 567,746</u>	<u>\$ 12,902</u>	<u>\$ 2,327,843</u>

The accompanying notes are an integral part of the financial statements.

HOLY CROSS MINISTRIES OF UTAH
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2019

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Education Expenses</u>	<u>Health Expenses</u>	<u>Justice Expenses</u>	<u>Management and General Expenses</u>	<u>Fundraising Expenses</u>	
Salaries and wages	\$ 272,536	\$ 188,407	\$ 282,914	\$ 345,363	\$ -	\$ 1,089,220
Benefits	142,713	133,407	142,276	102,929	-	521,325
Professional fees	15,225	13,831	15,877	45,125	17,834	107,892
Rent	34,927	23,200	26,455	18,574	-	103,156
Operations	6,430	5,990	6,846	52,162	-	71,428
Supplies	26,206	8,971	10,779	11,874	-	57,830
Dues and subscriptions	9,417	5,495	11,583	13,036	-	39,531
Communications and public relations	1,295	1,280	1,187	8,965	25,387	38,114
Equipment and building maintenance	8,078	5,583	6,090	4,980	-	24,731
Travel	6,658	3,247	5,099	9,513	-	24,517
Depreciation	4,248	4,111	4,697	3,163	-	16,219
Investment fees	1,546	1,311	2,223	982	-	6,062
Miscellaneous	-	-	-	320	-	320
TOTAL FUNCTIONAL EXPENSES	<u>\$ 529,279</u>	<u>\$ 394,833</u>	<u>\$ 516,026</u>	<u>\$ 616,986</u>	<u>\$ 43,221</u>	<u>\$ 2,100,345</u>

The accompanying notes are an integral part of the financial statements.

HOLY CROSS MINISTRIES OF UTAH
STATEMENTS OF CASH FLOWS
Years ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,698,516	\$ 570,890
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	11,001	16,219
Interest income	(26,278)	(70,716)
Net investment gain	(2,310,006)	(1,704,453)
Changes in operating assets and liabilities		
Trade accounts receivable	(20,327)	5,810
Prepaid expenses	-	1,337
Accounts payable and accrued expenses	329,271	(128,419)
Net cash used by operating activities	(317,823)	(1,309,332)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash from disposal of equipment	325	-
Cash paid for purchases of equipment	-	(14,371)
Cash from sale of investments	530,371	1,285,292
Net cash flows from investing activities	530,696	1,270,921
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from Payroll Protection Program loan	183,500	-
Net cash flows from financing activities	183,500	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	396,373	(38,411)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	68,636	107,047
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 465,009	\$ 68,636

The accompanying notes are an integral part of the financial statements.

HOLY CROSS MINISTRIES OF UTAH
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

Holy Cross Ministries of Utah (the Organization) is a Utah non-profit organization. The Organization is organized for the purposes of engaging in charitable benevolent, eleemosynary, educational, and social service activities and purposes, all in furtherance of the healing mission of the Roman Catholic Church and care for the poor and underserved.

The Organization is sponsored by the Congregation of the Sisters of the Holy Cross (the Congregation), a religious Order of the Roman Catholic Church. The Organization is exempt from federal income taxes on related activities pursuant to Section 501(a) of the Internal Revenue Code.

The mission statement of the Organization is as follows:

We respond to the underserved community's need for health and well being. We share God-given resources, connect people to community services, and assist individuals and families towards independence and full participation in the community. We do this to fulfill the mission of Jesus Christ and in the spirit of the Sisters of the Holy Cross.

The Organization fulfills its mission by soliciting and receiving gifts, grants, bequests, contributions, and other financial aid from the general public and other sources, including lawful grants and distributions from foundations or current affiliates of the Organization. The Organization has the authority to accumulate, distribute, and administer such funds and property in accordance with the discretion of its Board of Trustees (the Board), and subject to the reserved powers of the Members for the purposes of: (1) responding to the unmet needs in Utah communities; (2) developing and delivering services complimentary to those of the Organization's community partners with specific emphasis on outreach to the undocumented, underserved, and at-risk persons - in education, health, and justice services as detailed below; (3) providing other support to people in the community through charitable and benevolent programs; and (4) providing assistance and meeting the current and capital needs of any qualified, tax-exempt organization.

The Organization's three main programs are:

- Education: HCM's education programs serve low-income families by providing affordable, high-quality early childhood education options regardless of a family's ability to pay. Currently, HCM offers two early childhood education programs: the School Readiness Program, classroom-based preschool curriculum for three- and four-year-olds.

The Parents as Teachers (PAT) Program is a home visiting service for families with children ages zero to three years old. This program provides educational programming for children and their parents regarding early childhood development and academics.

HOLY CROSS MINISTRIES OF UTAH
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business Activity (continued)

- Health: HCM offers two health related programs, Promotora Outreach and Counseling. HCM's Promotora Outreach program was one of the core programs the agency offered when it was first established as a non-profit organization in 1995. HCM's promotoras are bilingual, bicultural community health workers who help clients navigate the complexities of the healthcare system. They also connect clients with available community resources to help meet their basic needs. HCM's bilingual, bicultural licensed clinical social workers (LCSWs) provide trauma-informed, evidence-based individual, family and group therapy for victims of crime, primarily immigrant women and children fleeing domestic violence.
- Justice: HCM's Legal Immigration Program has become a trusted source of affordable legal aid, serving multiple generations of immigrant families. HCM's Legal Immigration team operates Utah's first and largest U visa program for victims of crime. Since opening in 2000, the Legal Immigration Program has served over 17,000 clients, primarily women and children, who have experienced some form of victimization and need assistance obtaining legal status.

Use of Estimates

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

Financial Statement Preparation

The Organization's accounting policies conform to accounting principles generally accepted in the United States of America (GAAP). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. The Organization also follows the recommendations of Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under those standards, net assets, contributions, service fees, gains, losses, and expenses are classified as net assets with donor restrictions and net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions and based upon the following criteria:

Net Assets Without Donor Restrictions – Net assets without donor restrictions are able to be spent by the Organization at its discretion and are subject to self-imposed limits by action of the governing board. Board-designated net assets may be earmarked for future programs, investment, contingencies, purchase or construction of fixed assets, or other uses. As of December 31, 2020 and 2019, Board-designated net assets were included in Net Assets without Donor Restrictions.

HOLY CROSS MINISTRIES OF UTAH
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Preparation (continued)

Net Assets With Donor Restrictions – Net assets with donor restrictions include contributions of cash and other assets received with donor stipulations that limit the use of the donated assets, or have been restricted by the donor to be held and invested in perpetuity. When a donor restriction expires or a purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

Concentrations of Credit Risk

The Organization's financial instruments that may be exposed to concentrations of credit risk consist primarily of temporary cash investments and investments.

The Organization maintains its cash balances at financial institutions. At times such balances may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

As discussed in Note 4, most of the Organization's investments are held and managed by the Congregation. Accordingly the Organization believes it is not exposed to any significant credit risk on investments.

Cash and Cash Equivalents

Cash equivalents are generally comprised of certain highly liquid investments with maturities of three months or less at the date of purchase.

Investments

The Organization's investments are reported at fair value, with unrealized gains and losses included in income. Realized gains and losses are determined on the basis of the actual cost of the securities sold. Permanent declines in value, if any, are included in income. Dividends on equity securities are recognized in income when declared.

Property and Equipment

Property and equipment are stated at cost net of accumulated depreciation. Expenditures that increase values or extend useful lives are capitalized and routine maintenance and repairs are charged to expense in the year incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation begins in the month of acquisition or when constructed or developed assets are ready for their intended use.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

HOLY CROSS MINISTRIES OF UTAH
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers. Accordingly, revenue is recognized when control of the goods or services promised under a contract is transferred to the customer either at a point in time (e.g., upon delivery) or over time (e.g., as the Organization performs under the contract) in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for the goods or services. The Organization accounts for a contract when it has approval and commitment from both parties to perform their respective performance obligations, the rights and payment terms to be transferred are identified, the contract has commercial substance and collectability of consideration is probable. If collectability is not probable, the sale is deferred until collection becomes probable or payment is received. Upon completion of the performance obligation, revenue is recognized.

Program fees consist of revenues earned in conducting the Organization's programs and services and are charged on a sliding scale based on the participant's ability to pay. The Organization charges a nominal fee to families who participate in its school readiness program, as well as for legal immigration services.

Contributions of donated cash and other assets are recorded at their fair values in the period in which they are received. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restriction. Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Functional Allocation of Expenses

The costs of programs and supporting services have been summarized on a functional basis in the statements of activities. All direct costs are charged to the functional area they pertain to. Indirect costs are charged to programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

HOLY CROSS MINISTRIES OF UTAH
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Investments

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

- Level 1 inputs are quoted prices for identical assets and liabilities in active markets.
- Level 2 inputs are observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets or quoted prices for identical or similar assets and liabilities in markets that are not active.
- Level 3 inputs are unobservable inputs that reflect the Organization's own assumptions, consistent with reasonably available assumptions made by other market participants.

Advertising and Promotion

All costs associated with advertising and promoting the Organization's goods and services are expensed in the year incurred. Advertising expense totaled \$12,431 and \$38,114 for the years ended December 31, 2020 and 2019, respectively, these expenses are included in communications, public relations, and gifts and gratuities in the statement of functional expenses.

Promises to Give

The Organization receives certain promises to give from outside organizations. Promises to give may be unconditional or conditional. A promise is unconditional if its receipt depends only on the passage of time or demand by the organization and no right of return of any assets transferred exists. Conditional promises generally (a) depend on some future event occurring before the promisor is bound or (b) allow for a right of return of assets depending on some future event. A conditional promise to give is not recorded as a contribution until the condition on which it depends is substantially met. As of December 31, 2020 and 2019, the organization had conditional promises to give from a single cost reimbursement grant in the amount of \$93,642 and \$86,145 respectively. The promise is recorded as revenue once the expenditures related to the grant are incurred.

Impact of COVID-19 on the Organization

In March 2020, there was a global outbreak of COVID-19 (Coronavirus) that has resulted in significant national and global economic disruption. There has been no immediate impact to the Organization's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

HOLY CROSS MINISTRIES OF UTAH
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management of the Organization has evaluated subsequent events through August 2, 2021, which is also the date the financial statements were available to be issued. No subsequent events were noted during this evaluation that require recognition or disclosure in these financial statements.

NOTE 2 - EQUIPMENT

Equipment is as follows:

	2020	2019
Cost:		
Vehicles	\$ 76,360	\$ 76,360
Computers and software	5,003	5,003
Furniture and equipment	11,970	12,295
	93,333	93,658
Accumulated depreciation	(74,170)	(63,169)
	\$ 19,163	\$ 30,489

NOTE 3 - RELATED ENTITY TRANSACTIONS

The Congregation holds and manages the Augusta Fund on behalf of the Organization. See Note 4 for details. The Congregation also processes payroll on behalf of the Organization.

Association for Utah Community Health (AUCH) - Payments received for use of Holy Cross' conference room.	\$ 625
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HOLY CROSS MINISTRIES OF UTAH
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 4 - INVESTMENTS

Investments are as follows:

	2020	2019
Investments held in the Augusta Fund	\$ 13,876,593	\$ 12,081,748
Other investments	131,361	120,293
	\$ 14,007,954	\$ 12,202,041

The Organization has commingled assets in the Augusta Fund of the Congregation. Such investments are held and managed by the Congregation. Investment income from the Augusta Fund is utilized to support operational activities. The Organization participates in a pro-rata share of interest and dividend income, income from partnerships, realized gains and losses on investments, and investment fees and expenses.

The fair value measurements for the organization's investments are as follows:

	Fair Value Measurement			
<u>2020</u>	Total	Level 1	Level 2	Level 3
Mutual funds	\$ 131,361	\$ 131,361	\$ -	\$ -
Investments held in the Augusta Fund*	13,876,593	-	-	-
	\$ 14,007,954	\$ 131,361	\$ -	\$ -

	Fair Value Measurement			
<u>2019</u>	Total	Level 1	Level 2	Level 3
Mutual funds	\$ 120,293	\$ 120,293	\$ -	\$ -
Investments held in the Augusta Fund*	12,081,748	-	-	-
	\$ 12,202,041	\$ 120,293	\$ -	\$ -

*The Organization's investment in the Augusta Fund is measured at net asset value (NAV) and consists of the Catholic Endowment Fund and the Endowment Fund Pool. The net asset value is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported net asset value.

HOLY CROSS MINISTRIES OF UTAH
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 4 - INVESTMENTS (CONTINUED)

The Catholic Endowment was organized to operate as a private investment partnership designed for institutions, endowed charitable organizations and certain other Roman Catholic non-profit organizations. The investment program designed by the General Partner reflects the teachings of the Roman Catholic Church and is informed by the Socially Responsible Investment Guidelines published by the U.S. Conference of Catholic Bishops. The assets of the Partnership may be invested with independent money managers (each such manager, a "Money Manager") to manage assets in separately managed accounts, or in other collective investment vehicles (each a "CIV"), such as exchange-traded funds, open-end mutual funds, and private investment funds. The Fund invests in a broad variety of assets, including global equities, high-yield bonds, commodities, REITs, TIPS, inflation-linked bonds and cash equivalents.

The objectives of the Endowment Fund Pool are to provide a predictable stable stream of earnings to fund participants and ensure the purchasing power of the fund assets does not decline over time. The religious affiliate's investment policies govern the underlying investments of the pooled fund. All asset managers are required to follow specific guidelines set forth by the religious affiliate and various targets have been established with regard to allowable investments purchased by the pooled fund.

Return on investment securities recorded on the accompanying statements of activities as of December 31, 2020 and 2019 are as follows:

	2020	2019
Unrealized gains	\$ 1,572,642	\$ 1,334,616
Interest and dividend income	26,278	70,716
Realized gains	726,306	351,109
Total investment return	\$ 2,325,226	\$ 1,756,441

NOTE 5 - OPERATING LEASES

The Organization leases office space and office equipment under non-cancelable operating leases. Total rent expense for the years ended December 31, 2020 and 2019 was \$100,079 and \$103,156, respectively.

Future minimum lease payments are as follows:

2021		\$ 86,772
2022		89,062
2023		74,048
		\$ 249,882

HOLY CROSS MINISTRIES OF UTAH
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

The Organization had \$144,270 and \$1,650, respectively, in net assets with donor restrictions as of December 31, 2020 and 2019. Net assets with donor restrictions of \$1,095,597 and \$659,700, respectively, were released from restriction during the years ended December 31, 2020 and 2019. The December 31, 2020 and 2019 net assets with donor restrictions included the following amounts:

	2020	2019
Grants for Health and Education	\$ 104,270	\$ 1,650
Grants for Counseling	40,000	-
	\$ 144,270	\$ 1,650

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2020	2019
Financial Assets		
Cash and cash equivalents	\$ 465,009	\$ 68,636
Investments available within one year	14,007,954	12,202,041
Total financial assets	14,472,963	12,270,677
Less contractual or donor-imposed funds		
Other donor restrictions	(144,270)	(1,650)
Financial assets available to meet cash needs for general expenditures within one year	\$ 14,328,693	\$ 12,269,027

As part of the Organization's liquidity management, the Organization invests its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term liquid investments. To help manage unanticipated liquidity needs, or in the event of financial distress, the Organization has investments in government securities and other securities that can be quickly turned into cash, and which bear favorable rates in the investment strategy.

NOTE 8 - EMPLOYEE BENEFIT PLAN

The Organization maintains a 403(b) retirement savings plan (the Plan) for the benefit of its employees. The Organization made payments of \$196,856 and \$170,776 to the Plan during 2020 and 2019, respectively.

HOLY CROSS MINISTRIES OF UTAH
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 9 - PAYCHECK PROTECTION PROGRAM LOAN

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that among other economic stimulus measures established the Paycheck Protection Program (PPP) to provide small business loans as administered through the Small Business Administration (SBA). On April 19, 2020, the Company obtained a PPP loan for \$183,500. The note matures on April 19, 2022 and bears interest at a fixed annual rate of 1% with the first six months of payments and interest deferred. All or a portion of the loan may be eligible for forgiveness by the SBA depending on the extent of proceeds used for payroll costs and other designated expenses incurred. As of December 31, 2020, no determination has been made as to whether the Company will be eligible for forgiveness, but the Company expects to have the loan fully forgiven.