

**Casita Copan, Inc.**

Reviewed Financial Statements

*Years Ended December 31, 2021 and 2020*

# Casita Copan, Inc.

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December 31, 2021 and 2020

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## **Independent Accountants' Review Report**

To the Board of Directors  
Casita Copan, Inc.  
2515 Banksville Road #1039  
Pittsburgh, PA 15216

We have reviewed the accompanying statements of financial position of Casita Copan, Inc. (a non-profit organization) as of December 31, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Opst & Associates, LLC*  
September 30, 2022

**Casita Copan, Inc.**

Statements of Financial Position

<b>December 31,</b>	<b>2021</b>	<b>2020</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 128,461	\$ 118,834
Accounts receivable	1,227	1,280
Other current liabilities	100	-
<b>Total Current Assets</b>	<u>129,788</u>	<u>120,114</u>
<b>Property and Equipment</b>		
Land	82,000	-
Building and improvements	105,513	-
Tools and equipment	14,101	11,295
Less: Accumulated depreciation	<u>(10,944)</u>	<u>(10,420)</u>
<b>Property and Equipment - net</b>	<u>190,670</u>	<u>875</u>
<b>Total Assets</b>	<u><u>\$ 320,458</u></u>	<u><u>\$ 120,989</u></u>
<b>Current Liabilities</b>		
Payroll taxes payable	\$ 1,366	\$ 1,588
Current portion of long-term debt	<u>3,862</u>	<u>-</u>
<b>Total Current Liabilities</b>	5,228	1,588
<b>Long-term Debt - net of current</b>	<u>77,114</u>	<u>-</u>
<b>Total Liabilities</b>	82,342	1,588
<b>Net Assets</b>		
Without donor restrictions	<u>238,116</u>	<u>119,401</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 320,458</u></u>	<u><u>\$ 120,989</u></u>

*See accompanying notes and independent accountants' review report.*

# Casita Copan, Inc.

## Statement of Activities and Changes in Net Assets

<b>For the Year Ended December 31,</b>	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenues</b>			
Contributions	\$ 296,765	\$ -	\$ 296,765
Honduran Government grants	23,668	-	23,668
Fundraising revenue	4,823	-	4,823
Coffee & merchandise sales	2	-	2
Other income	40	-	40
<b>Total Support and Revenues</b>	<b>325,298</b>	<b>-</b>	<b>325,298</b>
<b>Net Assets Released from Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>			
Program	162,369	-	162,369
Fundraising	13,231	-	13,231
Administrative	30,983	-	30,983
<b>Total Expenses</b>	<b>206,583</b>	<b>-</b>	<b>206,583</b>
<b>Change in Net Assets</b>	<b>118,715</b>	<b>-</b>	<b>118,715</b>
<b>Net Assets - Beginning of Year</b>	<b>119,401</b>	<b>-</b>	<b>119,401</b>
<b>Net Assets - End of Year</b>	<b>\$ 238,116</b>	<b>\$ -</b>	<b>\$ 238,116</b>

*See accompanying notes and independent accountants' review report.*

**Casita Copan, Inc.**

Statement of Activities and Changes in Net Assets

<b>For the Year Ended December 31,</b>	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenues</b>			
Contributions	\$ 201,893	\$ -	\$ 201,893
Honduran Government grants	19,231	-	19,231
Fundraising revenue	2,976	-	2,976
Other income	128	-	128
<b>Total Support and Revenues</b>	<b>224,228</b>	<b>-</b>	<b>224,228</b>
<b>Net Assets Released from Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>			
Program	147,508	-	147,508
Fundraising	10,190	-	10,190
Administrative	19,843	-	19,843
<b>Total Expenses</b>	<b>177,541</b>	<b>-</b>	<b>177,541</b>
<b>Change in Net Assets</b>	<b>46,687</b>	<b>-</b>	<b>46,687</b>
<b>Net Assets - Beginning of Year</b>	<b>72,714</b>	<b>-</b>	<b>72,714</b>
<b>Net Assets - End of Year</b>	<b>\$ 119,401</b>	<b>\$ -</b>	<b>\$ 119,401</b>

*See accompanying notes and independent accountants' review report.*

**Casita Copan, Inc.**

Statements of Cash Flows

For the Years Ended December 31,	2021	2020
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 118,715	\$ 46,687
Depreciation expense	524	326
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Changes in:		
Other current assets	(47)	(226)
Accrued expenses	(222)	(123)
	118,970	46,664
<b>Cash Provided by (Used for) Operating Activities</b>		
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(108,139)	-
<b>Cash Flows from Financing Activities</b>		
Principal payments on long-term debgt	(1,204)	-
<b>Increase (Decrease) in Cash</b>	10,831	46,664
<b>Cash and Equivalents - Beginning of Year</b>	118,834	72,170
<b>Cash and Equivalents - End of Year</b>	\$ 129,665	\$ 118,834

*See accompanying notes and independent accountants' review report.*

**Casita Copan, Inc.**

Statement of Functional Expenses

<b>For the Year Ended December 31,</b>	<b>2021</b>			
	<u>Total</u>	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>
Salaries & wages	\$ 93,559	\$ 79,001	\$ 7,277	\$ 7,281
Program expenses	44,040	44,040	-	-
Repairs & maintenance	13,041	13,041	-	-
Rent	11,768	11,768	-	-
Bank charges & service fees	7,990	-	7,391	599
Professional fees	8,610	-	8,610	-
Office expense	6,634	-	5,307	1,327
Employee benefits	4,344	3,692	326	326
Utilities	3,067	3,067	-	-
License & permits	2,924	2,924	-	-
Event supplies	2,780	-	-	2,780
Interest expense	2,247	2,247	-	-
Payroll tax expense	2,227	1,874	177	176
Postage	1,128	-	1,128	-
Travel & entertainment	953	715	-	238
Depreciation	524	-	524	-
Marketing expense	504	-	-	504
Staff development & training	243	-	243	-
	<u>\$ 206,583</u>	<u>\$ 162,369</u>	<u>\$ 30,983</u>	<u>\$ 13,231</u>

*See accompanying notes and independent accountants' review report.*



## Casita Copan, Inc.

### Statement of Functional Expenses

	<b>For the Year Ended December 31, 2020</b>			
	<u>Total</u>	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>
Salaries & wages	\$ 87,320	\$ 74,222	\$ 6,549	\$ 6,549
Program expenses	44,135	44,135	-	-
Rent	12,130	12,130	-	-
Repairs & maintenance	7,102	7,102	-	-
Bank charges & service fees	5,003	-	4,628	375
Office expense	4,539	227	3,631	681
Employee benefits	4,114	3,497	309	308
Professional fees	3,211	-	3,211	-
Travel & entertainment	2,481	1,861	-	620
Utilities	2,445	2,445	-	-
Payroll tax expense	2,120	1,802	159	159
Marketing expense	1,272	-	-	1,272
Insurance expense	855	-	855	-
Depreciation	326	-	326	-
Event supplies	226	-	-	226
License & permits	158	87	71	-
Postage	104	-	104	-
	<u>\$ 177,541</u>	<u>\$ 147,508</u>	<u>\$ 19,843</u>	<u>\$ 10,190</u>

*See accompanying notes and independent accountants' review report.*

# Casita Copan, Inc.

## Notes to the Financial Statements

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### **Note 1 - Summary of Significant Accounting Policies**

#### Reporting Entity

Casita Copan, Inc., (the "Organization"), a non-profit organization, was incorporated March 27, 2013 and whose purpose is to reduce child abandonment by nurturing orphaned and vulnerable children and supporting single mothers. The Organization follows six values: compassion, transparency, responsibility, discipline, respect, and love, to guide the programs, practices, and decisions of the Organization in order to fulfill this mission.

Casita Copan's vision is to break the cycle of child abandonment by providing essential childcare services to working families whose economic situations put their children at risk of abandonment and by creating real homes for orphaned and abandoned children. The Organization's belief is that all children deserve to grow up in caring, nurturing environments where they are supported and empowered to achieve their dreams.

#### Income Tax Status

The Organization is exempt from Federal and state income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and similar state statutes, but is required to file information returns with the Internal Revenue Service (IRS). The Organization's information returns filed for years 2018 and beyond remain subject to examination by the Internal Revenue Service.

#### Accounting Method

The Organization accounts for assets and liabilities on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. This basis of accounting allows for revenues to be recognized when earned and expenses to be recognized in the period in which they are used by the Organization.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### Revenue and Support

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. 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 in the statements of support, revenues, expenses, and changes in net assets and are released from restrictions.

# Casita Copan, Inc.

## Notes to the Financial Statements

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

#### Revenue and Support (Continued)

Grants and contributions whose restrictions are met in the same reporting period are classified as net assets without donor restrictions.

#### Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

#### Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

#### Net assets with donor restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

In May 2014, FASB issued Accounting Standard Codification "ASC" Topic 606, Revenue from Contracts with Customers ("ASC 606"). ASC 606 is a comprehensive new revenue recognition model that expands disclosure requirements and requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services.

The majority of the Organization's revenue is from contributions and donations, grants, and fundraising events that are outside the scope of ASC 606.

#### Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of less than three months as cash equivalents. Substantially all of the Organization's cash and cash equivalents are on deposit in two banks in western Pennsylvania. The bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Currently, the bank balances do not exceed the FDIC limit.

# Casita Copan, Inc.

## Notes to the Financial Statements

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

#### Property and Equipment

The Organization capitalizes all property and equipment acquisitions in excess of \$500. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose, in which case, these assets are recorded as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor and reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

When depreciable assets are retired or otherwise disposed, the cost and related accumulated depreciation are eliminated from the accounts, and the resulting gain or loss is reflected in other income (expense) for the year. Maintenance and repairs that are not considered to extend the useful lives of assets are charged to expense as incurred. Depreciation is computed using primarily the straight-line method. The assets are depreciated over their estimated useful lives of 5 to 7 years.

#### Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received as assets, or decreases of liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

### **Note 2 - Rent Expense**

Casita Copan has entered a rent agreement for a house located in Buena Vista in the town of Copan Ruinas to be used as a daycare center and children's home. The agreement commenced on April 1, 2014, for a period of one year at which point the contract can be extended upon approval of both parties. Payment is required monthly in the amount of 12,000 Honduran Lempiras, which is paid in U.S. dollars based on the conversion rate for the specific period when payment is due.

In addition, the Organization rents several homes in the community that are used as foster care homes. Rent is paid monthly and the number of homes depends on the enrollment.

The Organization paid rent expense of \$11,768 for the year ended December 31, 2021 and \$12,130 for the year ended December 31, 2020.

## Casita Copan, Inc.

### Notes to the Financial Statements

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#### **Note 3 - Mortgage Payable**

In June 2021, the Organization entered into a mortgage loan agreement with Banco de Occidente S.A., the proceeds of which were used to purchase land and a building. Under the terms of the loan agreement, the Organization is required to make monthly payments of principal and interest at 10% through 2033. The loan is collateralized by a mortgage on the land and building.

#### **Note 4 - Subsequent Events**

Subsequent events have been evaluated through September 2022, which is the date the financial statements were available to be issued. The Organization is not aware of any subsequent events that would require recognition or disclosure in the financial statements.