



## RED ROCKS CHURCH AND AFFILIATES

Consolidated Financial Statements  
With Independent Auditors' Report

December 31, 2022 and 2021

# RED ROCKS CHURCH AND AFFILIATES

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## INDEPENDENT AUDITORS' REPORT

Board of Elders  
Red Rocks Church and Affiliates  
Littleton, Colorado

### *Opinion*

We have audited the accompanying consolidated financial statements of Red Rocks Church and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Red Rocks Church and Affiliates as of December 31, 2022 and 2021, 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.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Red Rocks Church and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Red Rocks Church and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Elders  
Red Rocks Church and Affiliates  
Littleton, Colorado

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Red Rocks Church and Affiliates' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Red Rocks Church and Affiliates' 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 audits.

*Capin Crouse LLP*

Centennial, Colorado  
April 14, 2023

# RED ROCKS CHURCH AND AFFILIATES

## Consolidated Statements of Financial Position

	December 31,	
	2022	2021
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 16,017,667	\$ 12,169,631
Prepaid expenses and other assets	558,218	490,620
	16,575,885	12,660,251
Life insurance cash surrender value	1,484,494	1,293,540
Right of use assets	568,696	-
Property and equipment–net	35,573,650	36,621,200
	\$ 54,202,725	\$ 50,574,991
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 231,791	\$ 208,368
Accrued expenses	201,004	357,555
Current portion of debt obligations	1,410,847	1,460,465
	1,843,642	2,026,388
Lease obligations	599,382	-
Long-term portion of debt obligations–net	17,928,699	19,287,815
Total liabilities	20,371,723	21,314,203
Net assets:		
Without donor restrictions:		
Operating	17,589,201	13,374,387
Equity in property and equipment–net	16,234,104	15,872,920
	33,823,305	29,247,307
With donor restrictions	7,697	13,481
Total net assets	33,831,002	29,260,788
Total Liabilities and Net Assets	\$ 54,202,725	\$ 50,574,991

See notes to consolidated financial statements

# RED ROCKS CHURCH AND AFFILIATES

## Consolidated Statements of Activities

	Year Ended December 31,	
	2022	2021
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
Support and Revenue:		
Contributions	\$ 25,758,757	\$ 22,834,506
Program and other income	1,299,633	1,099,635
	27,058,390	23,934,141
Net assets released from purpose restrictions	13,481	258,899
Expenses:		
Salaries and benefits	10,878,288	8,983,723
Office and professional services	2,398,999	1,926,318
Events and supplies	1,921,574	1,372,194
Depreciation and amortization	1,863,796	1,834,320
Facilities and maintenance	1,663,103	1,183,276
Contributions to others	1,476,208	1,467,889
Travel and conferences	889,215	602,403
Interest	868,912	886,061
Worship production	535,778	531,693
Total Expenses	22,495,873	18,787,877
Change in Net Assets Without Donor Restrictions	4,575,998	5,405,163
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Contributions	7,697	6,264
Net assets released from purpose restrictions	(13,481)	(258,899)
Change in Net Assets With Donor Restrictions	(5,784)	(252,635)
Changes in Net Assets	4,570,214	5,152,528
Net Assets, Beginning of Year	29,260,788	24,108,260
Net Assets, End of Year	\$ 33,831,002	\$ 29,260,788

See notes to consolidated financial statements

# RED ROCKS CHURCH AND AFFILIATES

## Consolidated Statements of Functional Expenses

	Year Ended December 31, 2022			
	Supporting Activities:			Total
	Program Services	General and Administrative	Fund-raising	
Salaries and benefits	\$ 8,790,768	\$ 1,953,175	\$ 134,345	\$ 10,878,288
Office and professional services	979,559	1,418,682	758	2,398,999
Events and supplies	1,895,553	9,685	16,336	1,921,574
Depreciation and amortization	1,751,968	93,190	18,638	1,863,796
Facilities and maintenance	1,469,828	177,662	15,613	1,663,103
Contributions to others	1,476,208	-	-	1,476,208
Travel and conferences	829,527	50,637	9,051	889,215
Interest	825,466	43,446	-	868,912
Worship production	535,778	-	-	535,778
	\$ 18,554,655	\$ 3,746,477	\$ 194,741	\$ 22,495,873

	Year Ended December 31, 2021			
	Supporting Activities:			Total
	Program Services	General and Administrative	Fund-raising	
Salaries and benefits	\$ 7,223,408	\$ 1,650,822	\$ 109,493	\$ 8,983,723
Office and professional services	809,785	1,115,991	542	1,926,318
Events and supplies	1,342,217	8,195	21,782	1,372,194
Depreciation and amortization	1,724,261	91,716	18,343	1,834,320
Facilities and maintenance	1,065,546	106,554	11,176	1,183,276
Contributions to others	1,467,889	-	-	1,467,889
Travel and conferences	566,422	26,192	9,789	602,403
Interest	832,897	44,303	8,861	886,061
Worship production	531,693	-	-	531,693
	\$ 15,564,118	\$ 3,043,773	\$ 179,986	\$ 18,787,877

See notes to consolidated financial statements

# RED ROCKS CHURCH AND AFFILIATES

## Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 4,570,214	\$ 5,152,528
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Amortization of capitalized loan fees	19,805	19,805
Depreciation and amortization	1,863,796	1,834,320
Loss on disposal of property and equipment	72,549	-
Non-cash effect of change in accounting principle	30,686	-
Change in operating assets and liabilities:		
Prepaid expenses and other assets	(67,598)	(373,159)
Life insurance cash surrender value	(190,954)	(167,581)
Accounts payable	23,423	38,782
Accrued expenses	(156,551)	176,454
Net Cash Provided by Operating Activities	6,165,370	6,681,149
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(888,795)	(1,108,500)
Net Cash Used by Investing Activities	(888,795)	(1,108,500)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on debt obligations	(1,428,539)	(1,395,214)
Net Cash Used by Financing Activities	(1,428,539)	(1,395,214)
Net Change in Cash and Cash Equivalents	3,848,036	4,177,435
Cash and Cash Equivalents, Beginning of Year	12,169,631	7,992,196
Cash and Cash Equivalents, End of Year	\$ 16,017,667	\$ 12,169,631
<b>SUPPLEMENTAL DISCLOSURE AND NON-CASH ITEMS:</b>		
Cash paid for interest	\$ 846,729	\$ 868,367
Right of use assets obtained in exchange for lease obligations	\$ 757,796	\$ -
Write-off of fully depreciated assets	\$ 1,142,827	\$ -

See notes to consolidated financial statements



# RED ROCKS CHURCH AND AFFILIATES

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

1. NATURE OF ORGANIZATION:

Red Rocks Church (RRC) is a not-for-profit corporation started for the purpose of making heaven more crowded. We are ONE church in multiple locations. We desire to be a home for the prodigal, an authentic people, humble, generous, and unified. We want everyone to know the only way, the truth, and the life found in Jesus. RRC currently operates six locations which are located in Littleton, Lakewood, Arvada, and Park Meadows, Colorado, Brussels, Belgium, and Austin, Texas.

RRC is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, RRC is subject to federal income tax on any unrelated business taxable income. In addition, RRC is not classified as a private foundation within the meaning of Section 509(a) of the IRC. The primary source of support and revenue is contributions from individuals.

During the year ended December 31, 2015, RRC opened a church location in Brussels, Belgium and formed a non-profit organization under Belgium law, which is referred to as the Brussels Campus. During the year ended December 31, 2022, RRC created a separate legal entity for their Austin Campus.

Collectively, RRC the Brussels Campus, and the Austin Campus are referred to as the Church in these consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Church maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in accordance with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of any contingent assets and liabilities at the date of the consolidated financial statements, and the reported revenues and expenses during the reporting period. Actual results could vary from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

### PRINCIPLES OF CONSOLIDATION

Due to financial and board control, the Brussels and Austin Campus' are consolidated Affiliates of RRC. The consolidated financial statements include the consolidated financial resources and activities of RRC, the Brussels Campus, and the Austin Campus. All significant intercompany balances and transactions have been eliminated.

### CASH AND OTHER CASH EQUIVALENTS

Cash and other cash equivalents consist of cash held in checking and savings accounts, money market accounts, and other cash equivalents. At December 31, 2022 and 2021, the Church's cash balances on deposit exceeded federally insured limits by approximately \$6,295,000 and \$1,920,000, respectively.

# RED ROCKS CHURCH AND AFFILIATES

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### LIFE INSURANCE CASH SURRENDER VALUE

The Church uses appropriate valuation techniques to determine fair value based on inputs available. When available, the Church measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. The life insurance cash surrender value for these assets is Level 2 based on significant other observable inputs. Fair value for the cash surrender value of life insurance policies is based on the Church's share of the cash surrender value of the respective life insurance policy as represented by the insurance company.

#### PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, or if donated, at the fair market value on the date of the gift. It is the policy of the Church to capitalize all individual fixed assets greater than \$5,000 and expense lesser amounts in the period purchased. Depreciation and amortization is computed on the straight-line basis over estimated useful lives, which range from three to thirty years. Leasehold improvements are depreciated over the lesser of the useful life or term of the lease.

#### RIGHT OF USE ASSETS AND LEASE OBLIGATIONS

The Church adopted Accounting Standards Update (ASU) 2016-02 (see recently adopted accounting standard below) and its related amendments as of January 1, 2022. The Church elected to adopt the transition relief provisions from ASU 2018-11 and recorded the impact of adoption as of January 1, 2022 without restating prior year amounts. The additional lease disclosures can be found in Note 5. As of December 31, 2022 right of use assets and lease obligations consist of:

	<u>Assets</u>	<u>Liabilities</u>
Operating leases	\$ 555,894	\$ 585,995
Financing leases	<u>12,802</u>	<u>13,387</u>
	<u>\$ 568,696</u>	<u>\$ 599,382</u>

Financing lease disclosures have been omitted due to immateriality.

# RED ROCKS CHURCH AND AFFILIATES

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### NET ASSETS

The consolidated financial statements report amounts separately by net asset class:

*Net assets without donor restrictions* are those resources available at the discretion of the board of elders for use in the operations of the Church and those resources invested in property and equipment.

*Net assets with donor restrictions* are those resources contributed with donor stipulations for the support of Church ministries. As of December 31, 2022 and 2021, all net assets with donor restrictions were restricted for missions outreach.

#### SUPPORT AND REVENUE

Contributions are recognized when made, which may be when cash is received, unconditional promises are made, or when ownership of donated assets is transferred to the Church. Contributions are reported as restricted contributions if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Restricted contributions and conditional grants received and subsequently released in the same year are considered contributions without donor restrictions for consolidated financial statement recording purposes. Donated assets are recorded as contributions as their estimated fair value on the date of donation. All donations postmarked by the end of the fiscal year are recognized as revenue in the fiscal year.

During the year ended December 31, 2021, the Church applied for the Employee Retention Credit (ERC) for \$300,061 which was recorded as revenue within program and other income on the consolidated statements of activities. As of December 31, 2022 and 2021, \$209,629 and \$300,061, is recorded as a receivable within prepaid expenses and other assets on the consolidated statements of financial position, respectively. Claims made under the Coronavirus Aid, Relief, and Economic Security Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Church's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Church.

Program and other income primarily consists of sales and event income and is recorded when earned.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The consolidated statements of functional expenses report certain categories of expenses that are attributable to program or support activities of the Church. These expenses include depreciation, interest, and facilities and maintenance, which are allocated based on square footage occupancy. Costs of other categories were allocated on estimates of time and effort.

# RED ROCKS CHURCH AND AFFILIATES

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### RECENTLY ADOPTED ACCOUNTING STANDARD

In 2016, Financial Accounting Standards Board issued ASU No. 2016-02, *Leases* (Topic 842 of the ASC). The amendments in this update require organizations that lease assets to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by the leases. The amendments are effective for fiscal years beginning after December 15, 2021. The Church adopted this update for the year ended December 31, 2022. Some of the Church's contracts contain the right to control the use of property or assets and are therefore considered leases. The Church elected to adopt the transition relief provisions from ASU 2018-11, *Leases (Topic 842): Targeted Improvements* and recorded the impact of adoption as of January 1, 2022, without restating any prior-year amounts. The Church also elected the practical expedient to not separate lease and non-lease components. The additional lease disclosures can be found in Notes 5 and 6. The effect of the adjustment to the opening balance of net assets totaled \$30,686. As it was deemed immaterial, the net asset difference was adjusted through facilities and maintenance expenses on the consolidated statements of activities and functional expenses. This amount is reported as a non-cash effect of change in accounting principle on the consolidated statements of cash flows.

### 3. LIQUIDITY AND FUNDS AVAILABLE:

The Church has approximately \$17,502,000 and \$13,463,000, of financial assets available within one year of the consolidated statements of financial position date as of December 31, 2022 and 2021, respectively. These amounts consist of cash and cash equivalents and life insurance cash surrender value. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statements of financial position date.

The Church structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Church's goal is to have a minimum of six months operating expenses on hand at any given time. Management monitors cash flows closely through finance committee meetings and detailed financial analysis.

# RED ROCKS CHURCH AND AFFILIATES

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

4. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consist of:

	December 31,	
	2022	2021
Land and land improvements	\$ 6,374,364	\$ 6,374,364
Buildings and improvements	31,328,684	30,761,120
Equipment	6,505,364	7,343,642
Furniture and fixtures	574,949	967,449
Website and technology	558,826	738,998
Vehicles	206,798	204,640
	<u>45,548,985</u>	<u>46,390,213</u>
Less accumulated depreciation and amortization	<u>(9,975,335)</u>	<u>(9,769,013)</u>
	<u>\$ 35,573,650</u>	<u>\$ 36,621,200</u>

Equity in property and equipment–net consists of:

	December 31,	
	2022	2021
Property and equipment–net	\$ 35,573,650	\$ 36,621,200
Less related debt obligations–net	<u>(19,339,546)</u>	<u>(20,748,280)</u>
	<u>\$ 16,234,104</u>	<u>\$ 15,872,920</u>

# RED ROCKS CHURCH AND AFFILIATES

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

5. OPERATING LEASES—RIGHT OF USE ASSETS AND OBLIGATIONS:

The Church leases equipment and office space under operating leases expiring at various dates through 2029 with optional extensions through 2038. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The leases require monthly payments ranging from \$152 to \$8,000 or annual payments of \$24,000 which escalate to \$36,500. Discount rates on these leases range from 0.78% to 4.29%. Total expenses incurred under the operating leases for the year ended December 31, 2022 was \$168,336.

	<u>December 31, 2022</u>
Operating lease right of use assets	\$ 555,894
Operating lease liabilities	\$ 585,995
 Operating lease costs	 \$ 168,336
 Weighted-average discount rate	 1.89%
Weighted-average remaining lease term	10.36 years

Future minimum lease payments required under the operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Year Ending December 31,</u>	
2023	\$ 167,015
2024	42,556
2025	37,343
2026	27,600
2027	27,600
Thereafter	<u>368,805</u>
	670,919
Less imputed interest	<u>(84,924)</u>
	<u>\$ 585,995</u>

# RED ROCKS CHURCH AND AFFILIATES

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

6. DEBT OBLIGATIONS—NET:

Debt obligations—net consist of:

	December 31,	
	2022	2021
Note payable to a financial institution, dated June 2020. Principal and interest payments of \$59,813 are due monthly, with a fixed interest rate of 4.09%. The note payable is collateralized by Park Meadows campus property and matures June 2025, at which time a balloon payment will be due.	\$ 7,026,469	\$ 7,443,439
Note payable to a financial institution, dated February 2019 and modified July 2022. Principal and interest payments of \$49,596 are due monthly, with a fixed interest rate of 4.67%. The note payable is collateralized by Arvada campus property and matures July 2029, at which time a balloon payment will be due.	5,016,468	5,382,892
Note payable to a financial institution, dated October 2019 and modified July 2022. Principal and interest payments of \$39,675 are due monthly, with a fixed interest rate of 4.67%. The note payable is collateralized by Lakewood campus property and matures July 2029 at which time a balloon payment will be due.	3,769,211	4,076,048
Note payable to a financial institution, dated December 2016 and modified July 2022. Principal and interest payments for \$31,826 are due monthly, with a fixed interest rate of 4.67%. The note payable is collateralized by Littleton campus property and matures July 2029, at which time a balloon payment will be due.	2,899,775	3,159,218
Note payable to a financial institution, dated April 2019 and modified July 2022. Principal and interest payments for \$6,455 are due monthly, with a fixed interest rate of 4.67%. The note payable is collateralized by Littleton campus property and matures July 2029, at which time a balloon payment will be due.	660,681	708,046

# RED ROCKS CHURCH AND AFFILIATES

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

6. DEBT OBLIGATIONS–NET, continued:  
Debt obligations–net consist of, continued:

	December 31,	
	2022	2021
Prior to the adoption of ASUs 2016-02 and 2018-11 under Topic 842 as described in Note 2, the Church was applying Topic 840 in relation to equipment under capital lease obligations. Capital lease agreement obtained to finance various equipment. Monthly payments total \$1,125 and the lease expires January 2024. Cost related to the capital lease was \$94,500 as of December 31, 2021. Accumulated amortization was \$67,500 as of December 31, 2021, which is recorded within property and equipment–net for the year then ended.	-	31,500
	19,372,604	20,801,143
Less current portion	(1,410,847)	(1,460,465)
Less capitalized loan fees-net	(33,058)	(52,863)
	\$ 17,928,699	\$ 19,287,815

Capitalized loan fees are being amortized over the terms of the related notes payable using a straight-line basis. Accumulated amortization for capitalized loan fees was \$79,288 and \$59,483, as of December 31, 2022 and 2021, respectively. No additional capitalized loan fees were incurred during the year ended December 31, 2022 when the loans were modified.

Future minimum payments for debt obligations are:

Year Ending December 31,	
2023	\$ 1,410,847
2024	1,375,513
2025	7,197,898
2026	1,118,038
2027	1,171,382
Thereafter	7,098,926
	\$ 19,372,604

The Church is in compliance with all financial and reporting covenants related to notes payable as of, December 31, 2022 and 2021.



# RED ROCKS CHURCH AND AFFILIATES

## Notes to Consolidated Financial Statements

December 31, 2022 and 2021

7. EMPLOYEE BENEFIT PLAN:

The Church sponsors a 401(k) plan (the Plan) covering employees working over 1,000 hours who have been with the Church more than one calendar year. Participants in the Plan vest immediately upon initial contribution. The Church matches 4% of employee contributions. Employer contributions to the Plan totaled \$194,371 and \$175,977, for the years ended December 31, 2022 and 2021, respectively.

8. RELATED PARTY TRANSACTION:

The Church has purchased multiple life and disability insurance policies for Church leadership and employees through two financial advisors. The financial advisors servicing the policies are also on the finance committee of the Church. The Church paid a total of \$138,460 and \$193,463 for insurance premiums for the years ended December 31, 2022 and 2021, respectively, to these related party's insurance companies.

9. SUBSEQUENT EVENTS:

Subsequent events were evaluated through April 14, 2023, which is the date the consolidated financial statements were available to be issued.