

¡Que Pasa!

2020 ANNUAL REPORT

REJOICE always

PRAY continually

GIVE THANKS in all circumstances



2020: A year of answered prayers

We are happy to share with you, amigos, our first ever annual report. Looking at last year and where God is leading us, we are reminded of 1 Thessalonians 5:16-18: "Rejoice always, pray continually, give thanks in all circumstances; for this is God's will for you in Christ Jesus." Although our home faced many challenges in 2020, we have so much to be grateful for, and you helped make it possible.

First, we will present a timeline of the events of 2020 and **rejoice** in how God used them to guide and build our home. Then, we will share data from last year, describe how our home is growing, and **pray** for God's continued guidance through

the victories and challenges we face. We will also look to the future and **give thanks** for the plans and direction God has for our home. We hope you will be encouraged, like we are!

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Investing to reach children

If a brother or sister is without clothing and in need of daily food, and one of you says to them, "Go in peace, be warmed and be filled," yet you do not give them what is necessary for their body, what use is that? James 2:15-16

Time vs. money. This was not a debatable issue for Erika Espinoza, Director of El Sauzal Home for Children, the weekend we first met. She had a fixed dollar amount to provide for the needs of the Home and had structured her day accordingly: time would be spent traveling to many different vendors to purchase (basic) necessities at the cheapest price. I, on the other hand, had a fixed amount of time on my visit, with the blessed ability to be able to pay for the conveniences many of us here are used to: shopping for all my needs at one or two locations, choosing triple-ply Charmin instead of industrial single-ply toilet paper and 90% lean ground beef instead of what was lowest cost at the butcher that day.

Making every last penny count

Over my many years in working with Erika, and serving on the Board for El Sauzal Foundation, I have witnessed an amazing ability of the leaders of the Home to stretch the funds they receive beyond what could reasonably be expected—seemingly making 15 cents out of every 10 they receive. And yes, we speak in cents here, and not broadly in dollars or pesos since every last penny counts. We here in the US can shop for groceries with online ordering, touchless pickup or delivery, and have



apps on our phones that will do it all for us—at a premium. Erika has built and grown relationships with vendors and businesses to provide simple benefits, like the delivery of large orders directly to the Home, even though that is normally a paid service in Mexico.

Remaining resilient and faithful

As many of you know, over the last half decade our Home has faced some extreme challenges that could test the faith of many of us. New laws and regulations have forced upgrades and expensive reconstruction of the facilities. The temporary removal of children and loss of the Home's operating license was later followed by the global pandemic, devastating El Sauzal's income and ability even to educate the children...just as they started welcoming new kids. Through it all, the Espinoza family has remained resilient and faithful to God's calling, even as the revenue has continued to decline. They have sacrificed their own income and living spaces and delayed or canceled well-earned time away from their "workplace," all to ensure expenses like taxes and licensing fees, gas, water, and trash bills are paid, the employee salary obligations are met, and the children are clothed, fed, and loved.

Reaching children with the message of salvation

Surely, the children—and you or I—could survive easily on just eating rice and beans every single day. But humans need more than

these basics to flourish. The teenagers in the Home, like all teenagers, still have insecurities if

... this Home is one of the best eternal investments we can make with our earthly gifts.



they look too different from their peers. The kids have a desire to engage in sports, make artful creations, and spend time reading and playing, and we are called to ensure they have those opportunities.

Being a firsthand witness to the blessings God has placed on those who have passed through the Home, my conviction is that this place is one of the best eternal investments we can make with our earthly gifts. I know that I cannot be at the Home every day, and that my visits are necessarily short—but I also know that providing for the caretakers, employees, and leaders will

ensure that the message of Eternal Salvation will continue to reach children and families, and that their worldly needs are also met.

by Ron Hill of Cypress, California

Our Goals and Dreams for 2021

Home's Goals

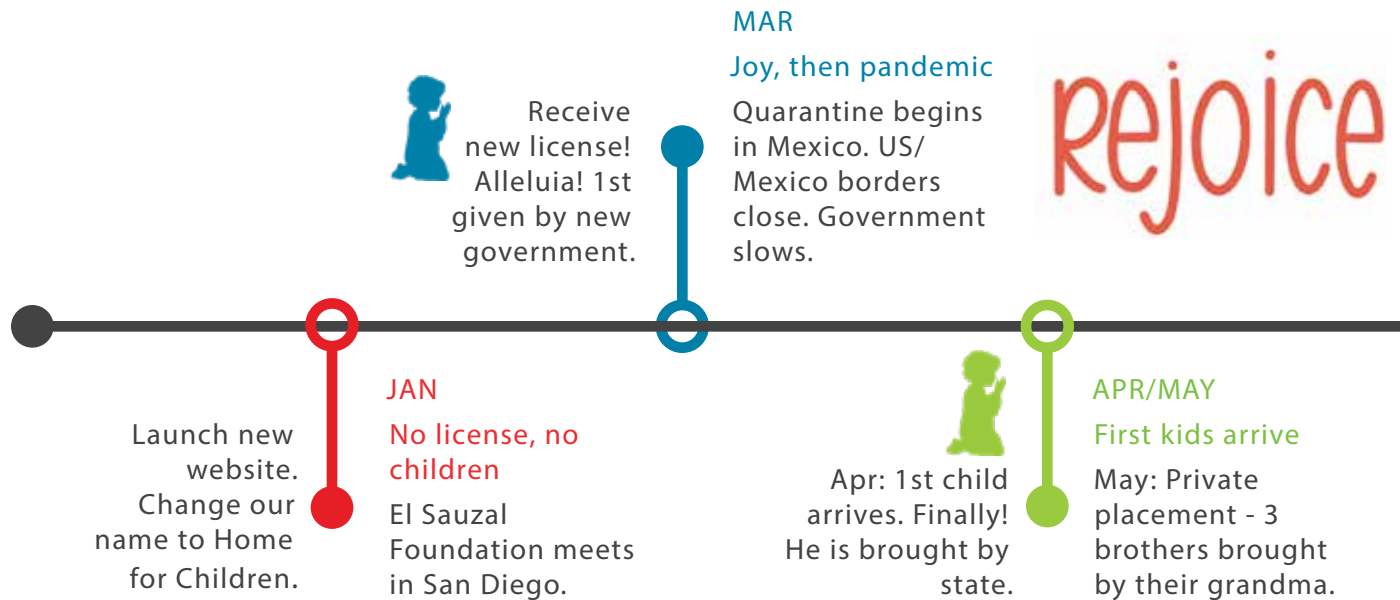
1. Grow family's population by increasing number of children
2. Strengthen educational opportunities for our children
3. Increase staffing levels as we grow
4. Welcome back visitors and work groups as COVID restrictions allow
5. Continue construction in director's apartment and upper dormitory
6. Repaint Home mural on front wall

give THANKS in all circumstances

Foundation's Goals


1. Build financial support as need expands with growing Home
2. Help Home explore ways to decrease current debt
3. Relaunch sponsorship program, connecting amigos with children

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Our Numbers

Our current children


	Children in our Home	10
	DIF (government placed)	2
	Private placement	7
	Over 18 years old	1
	Staff children	10
	Kids who came/left in 2020	4




PRAY continually



Schooling **15**

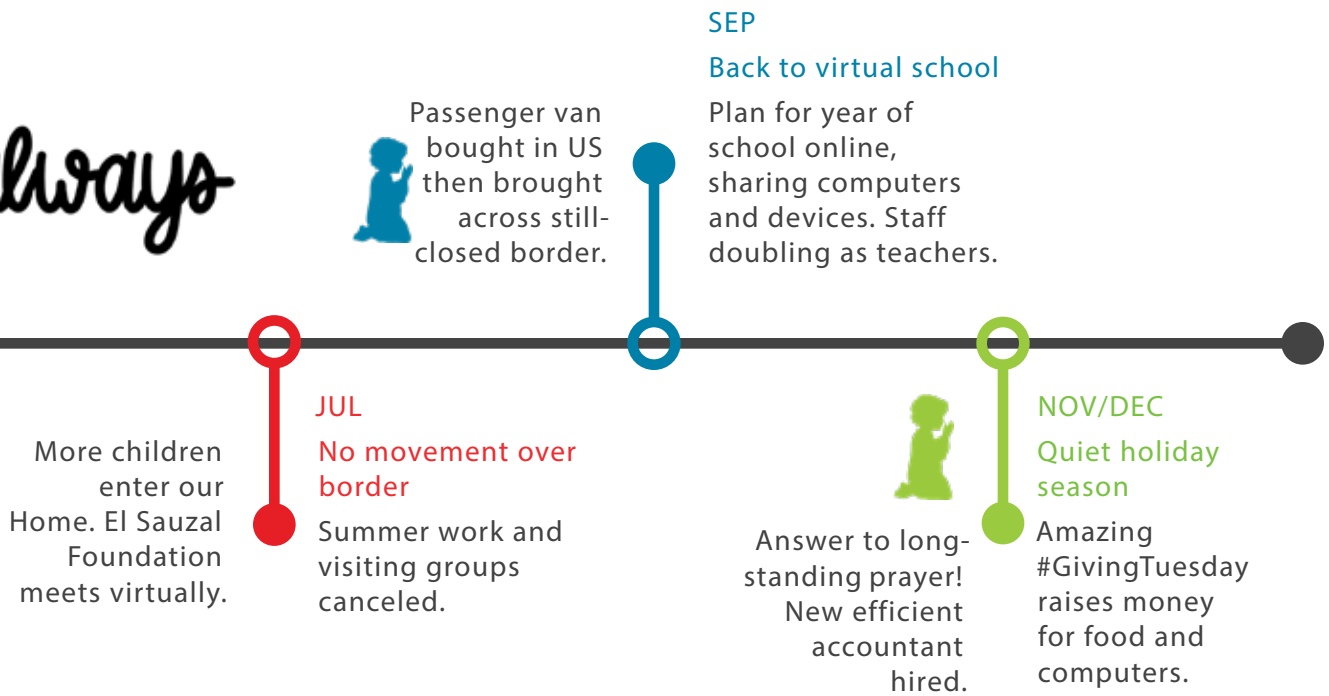
	Elementary	7
	Middle school	4
	High school	2
	Post high-school education	2
	Too young for school	5

Current staff **11**

	Nannies
	Cook and janitorial
	Administration
	President, director, office, accountant



always



Washing up hasn't changed

COVID Changes



New signage



Virtual visits from families



Masking

Our Finances

Home's Expenses

Indirect Home Expenses	MXN Pesos
Employee Expenses	1,401,049.32
Taxes	566,935.34
Electricity & Propane	178,709.27
Miscellaneous	146,367.66
Repairs & Maintenance	97,330.32
Telephone & Internet	83,839.74
Automotive Fuel	83,460.53
Travel	73,475.57
Accountant	53,170.04
Car Repair/Maintenance	26,193.58
Office	24,699.93
Fees & Dues, Memberships	18,794.47
Water	17,079.40
Insurance	17,533.43
<u>Bank Charges</u>	<u>11,919.00</u>
Total Indirect Expenses	2,800,557.60
In Dollars (USD)	\$129,775.61

Direct Home Expenses	MXN Pesos
Food	386,111.39
Medical	98,269.25
Hygiene, Personal	52,540.70
Education Expenses	29,108.90
Special Events	10,428.72
<u>Clothing & Shoes</u>	<u>8,144.97</u>
Total Direct Expenses	584,603.93
In Dollars (USD)	\$27,102.64

TOTAL EXPENSES	Pesos	3,385,161.53
	Dollars (USD)	\$156,865.69

Average exchange rate in 2020
21.58 MXN Pesos/Dollars USD



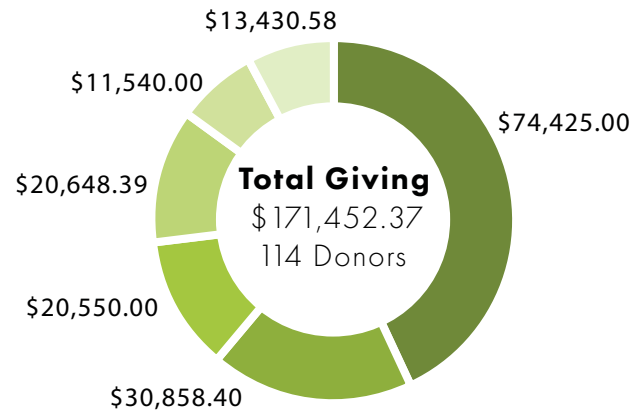
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Home's Funding

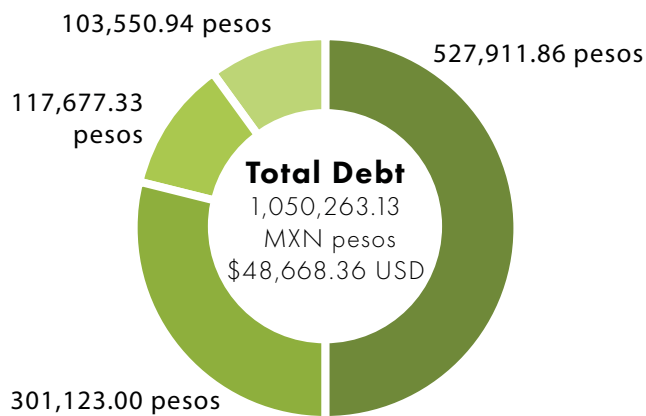
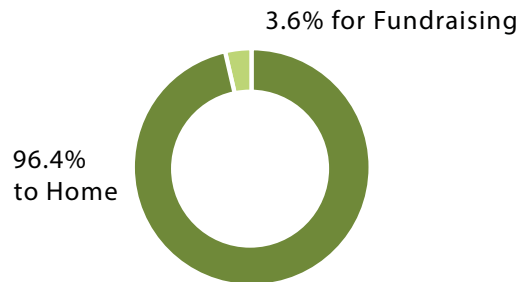
Income supporting general expenses of the Home	3,537,525.21 pesos
Income for designated expenses	650,095.05 pesos

Donors at Giving Levels


Giving level in USD	No. of Donors
\$10,001 - \$20,000	5
\$5,001 - \$10,000	4
\$2,501 - \$5,000	6
\$1,201 - \$2,500	10
\$601 - \$1,200	11
\$0.01 - \$600	78



Foundation Expenses



Home's Debt

- 50% City water* 
- 29% Employee expenses
- 11% Taxes
- 10% Money owed to Espinoza family for helping with expenses

* Water debt may be forgiven by government; please pray for this

Our Foundation



January 2020 Meeting in San Diego

(From L to R) Don Mahoney, Danielle Bergman, Erika Espinoza, Nita & Pete Legan, Clay & Naomi Warren, Patty Meadows, Roger Christianson, Josue Espinoza, Keila Espinoza, Roy Ketring, Ron & Joan Hill

Our Values

Jesus is Our Savior

We are a Christian organization and believe that the Bible is the inspired and only infallible, authoritative Word of God and are dedicated to fulfilling God's will in all that we do. (John 14:6)

Spiritual Growth

We are dedicated to the glorification of God and the spiritual growth of those residing at the Home. (Titus 1:9)

Assisting the Home

We value the work, both past and present, of the Administrators of El Sauzal Home. As such, our first priority is to assist El Sauzal Home to become financially secure. (Acts 11:28-30)

Helping Wounded Children

We value needy, orphaned, abandoned, and abused children and strive to find ways to aid them with their spiritual, physical, emotional, and educational needs. (James 1:27)

Our Mission

To assist Mexican orphanages, specifically the El Sauzal Home for Children, operated by Christians in their efforts to cultivate Christian spiritual growth and the emotional, educational and physical growth of poor children who are living at these orphanages.

Name	Position	Age	Occupation
Clay Warren	President	61	Senior pastor
Patty Meadows	VP Donor Relations	51	Ultrasonographer
Danielle Bergman	Secretary	33	Occupational therapist
Roger Christianson	Treasurer	73	Retired biology professor
Ron Hill	Board member	51	Dir. of customer success
Roy Ketring	Board member	83	Retired railroad consultant
Pete Legan	Board member	67	Retired firefighter
Don Mahoney	Board member	73	Retired special ed teacher

Cultural Sensitivity and Respect

We respect that the methods and style of leadership and decision making of other cultures may be different from our own. (Galatians 3:28)

Financial Accountability

We are required by our Bylaws to maintain financial controls to assure donors that the highest percentage of all contributions directly supports Home operations, maintenance and improvements. The Foundation adheres to the Standards of Responsible Stewardship as established by the Evangelical Council for Financial Accountability. (1 Corinthians 4:2)

Relationally Centered

We strive to connect supporters with the Home's children and staff by providing information and structure. We seek to develop a community made up of those who live at the Home, work there, and support it from afar. (1 Corinthians 13)