Casas Por Cristo

Financial Statements for the Years
Ended December 31, 2023 and 2022
and Independent Auditor's Report

CASAS POR CRISTO

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Casas Por Cristo

Opinion

We have audited the accompanying financial statements of Casas Por Cristo, (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 Casas Por Cristo as of December 31, 2023 and 2022, and the changes in its nets 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 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 Casas Por Cristo 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 Casas Por Cristo's ability to continue as a going concern for one year after the date 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 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 Casas Por Cristo'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 Casas Por Cristo'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.

Strickler & Prieto, LLP

May 22, 2024

CASAS POR CRISTO

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 and 2022

ASSETS:	2023	2022
Cash and cash equivalents	$ 1,748,983	$ 1,605,000
Investments	10,441	-
Accounts receivable	7,360	45,559
Prepaid expenses and other assets	56,197	63,964
Materials inventory	351,323	238,532
Merchandise inventory	190,409	103,861
Total current assets	2,364,713	2,056,916
Property and equipment-net	3,518,261	2,934,280
Right of use assets—operating leases	24,540	11,468
TOTAL	$ 5,907,514	$ 5,002,664
LIABILITIES AND NET ASSETS:		
LIABILITIES:		
Accounts payable	$ 105,173	$ 124,252
Accrued expenses	68,830	58,454
Deferred revenue	611,037	503,123
Current portion of operating lease liabilities	12,390	4,713
Total current liabilities	797,430	690,542
OPERATING LEASE LIABILITIES—net of current portion	8,243	-
Total liabilities	805,673	690,542
NET ASSETS:		
Without donor restrictions	4,943,283	4,158,953
With donor restrictions	158,558	153,169
Total net assets	5,101,841	4,312,122
TOTAL	$ 5,907,514	$ 5,002,664

See accompanying notes to financial statements.

CASAS POR CRISTO

STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:			
Project Revenue:			
Registration fees	$ 308,850	$ -	$ 308,850
Project Fees	1,880,935	516,831	2,397,766
Van rentals & team accommodations	939,795	-	939,795
Total project revenue	3,129,580	516,831	3,646,411
Other contributions and revenue:			
Contributions	2,661,013	-	2,661,013
Merchandise sales	181,517	-	181,517
Net investment income	28,478	-	28,478
Gain on disposals of assets	10,015	-	10,015
In-kind donations	4,000	-	4,000
ERC grant income	607,016	-	607,016
Net assets released from restriction	511,442	(511,442)	-
Total other contributions and revenue	4,003,481	(511,442)	3,492,039
Total revenue	7,133,061	5,389	7,138,450
EXPENSES:			
Program	4,139,986	-	4,139,986
General and administrative	1,906,212	-	1,906,212
Fund raising	302,533	-	302,533
Total expenses	6,348,731	-	6,348,731
Change in net assets	784,330	5,389	789,719
Net assets, beginning of year	4,158,953	153,169	4,312,122
Net assets, end of year	$ 4,943,283	$ 158,558	$ 5,101,841

See accompanying notes to financial statements.

CASAS POR CRISTO

STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:			
Project Revenue:			
Registration fees	$ 261,000	$ -	$ 261,000
Project Fees	1,586,596	324,845	1,911,441
Van rentals & team accommodations	720,241	-	720,241
Total project revenue	2,567,837	324,845	2,892,682
Other contributions and revenue:			
Contributions	2,046,309	-	2,046,309
Merchandise sales	188,698	-	188,698
Net investment income (loss)	6,907	-	6,907
Gain on disposals of assets	17,048	-	17,048
Other income	10,797	-	10,797
Net assets released from restriction	310,748	(310,748)	-
Total other contributions and revenue	2,580,507	(310,748)	2,269,759
Total revenue	5,148,344	14,097	5,162,441
EXPENSES:			
Program	3,702,722	-	3,702,722
General and administrative	1,372,410	-	1,372,410
Fund raising	240,530	-	240,530
Total expenses	5,315,662	-	5,315,662
Change in net assets	(167,318)	14,097	(153,221)
Net assets, beginning of year	4,326,271	139,072	4,465,343
Net assets, end of year	$ 4,158,953	$ 153,169	$ 4,312,122

See accompanying notes to financial statements.

CASAS POR CRISTO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program	General and Administrative	Fundraising	Total
Personnel salaries	$ 1,213,993	$ 1,188,702	$ 126,457	$ 2,529,152
Employee benefits	204,857	200,589	21,339	426,785
Payroll taxes	89,166	87,309	9,288	185,763
Building materials	1,245,965	-	-	1,245,965
Travel	113,382	29,437	159	142,978
Transportation	149,001	7,943	429	157,373
Supplies	65,075	55,774	663	121,512
Occupancy	37,960	31,950	13	69,923
International staff	134,565	-	-	134,565
Repairs and maintenance	159,425	3,042	2	162,469
Donations	4,000	-	-	4,000
Merchandise	-	-	91,715	91,715
Professional fees	43,123	68,281	-	111,404
Rent	46,505	-	-	46,505
Tools and equipment	30,795	1,115	-	31,910
Insurance	51,920	36,680	-	88,600
Promotion	24,335	9,568	36,686	70,589
Bank fees	22,569	46,205	-	68,774
Postage	7,413	6,784	2,970	17,167
Contracted services	97,441	38,879	-	136,320
Lodging	28,987	-	-	28,987
Meals	179,062	14,167	149	193,378
Subtotals	3,949,539	1,826,425	289,870	6,065,834
Depreciation and amortization	190,447	79,787	12,663	282,897
Total Expenses	$ 4,139,986	$ 1,906,212	$ 302,533	$ 6,348,731

See accompanying notes to financial statements.

CASAS POR CRISTO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program	General and Administrative	Fundraising	Total
Personnel salaries	$ 1,130,399	$ 879,199	$ 83,733	$ 2,093,331
Employee benefits	179,855	139,887	13,323	333,065
Payroll taxes	70,747	55,025	5,241	131,013
Building materials	1,164,352	-	-	1,164,352
Travel	95,608	6,066	244	101,918
Transportation	140,838	4,823	503	146,164
Supplies	55,140	37,949	4,370	97,459
Occupancy	34,837	35,160	-	69,997
International staff	83,836	1,587	-	85,423
Repairs and maintenance	149,519	4,549	-	154,068
Donations	10,797	-	-	10,797
Merchandise	-	-	97,679	97,679
Professional fees	24,012	18,913	-	42,925
Rent	45,445	-	-	45,445
Tools and equipment	28,419	18	-	28,437
Insurance	39,858	37,128	-	76,986
Promotion	19,657	11,674	27,553	58,884
Bank fees	18,131	44,063	-	62,194
Postage	2,950	4,592	2,277	9,819
Contracted services	87,601	26,386	-	113,987
Lodging	35,632	-	-	35,632
Meals	150,615	13,585	56	164,256
Subtotals	3,568,248	1,320,604	234,979	5,123,831
Depreciation	134,474	51,806	5,551	191,831
Total Expenses	$ 3,702,722	$ 1,372,410	$ 240,530	$ 5,315,662

See accompanying notes to financial statements.

CASAS POR CRISTO

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 789,719	$ (153,221)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	264,986	185,021
Amortization of operating right of use asset	17,911	6,810
Cash payments for operating lease obligations	(15,063)	-
Gain on disposal of assets	(10,015)	(17,048)
In-kind donation of assets	(2,100)	-
Unrealized (gain) loss on investments	(2,397)	-
Change in assets and liabilities:		
Accounts receivable	38,199	1,821
Merchandise and materials inventory	(199,339)	107,787
Prepaid expenses	7,767	(24,925)
Accounts payable	(19,079)	28,455
Accrued expenses	10,376	6,050
Deferred revenue	107,914	43,255
Net cash provided by operating activities	988,879	184,005
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of capital assets	(848,422)	(504,902)
Proceeds from sale of assets	10,500	23,856
Purchase of investments	(6,974)	-
Net cash used in investing activities	(844,896)	(481,046)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	143,983	(297,041)
CASH AND CASH EQUIVALENTS, Beginning of year	1,605,000	1,902,041
CASH AND CASH EQUIVALENTS, End of year	$ 1,748,983	$ 1,605,000
NONCASH TRANSACTIONS:		
Capital assets donated	$ 2,100	$ -
Right of use asset acquired through lease liability	$ 29,043	$ 8,807

See accompanying notes to financial statements.

1. ORGANIZATION AND BUSINESS

Casas Por Cristo ("Casas") is a non-profit organization that was established under the laws of the State of Texas in August of 1993. The purpose of Casas is for the relief of the poor, the distressed and the underprivileged, particularly in the area of housing. Casas is committed to provide safe and secure housing to those in need and to bettering the quality of life of each family they serve. Headquartered in El Paso, Texas, Casas builds homes for families in sub-standard living conditions in Juarez and Acuña, Mexico, San Raymundo, Guatemala, Santiago, Dominican Republic, Nicaragua and Honduras to achieve its purpose.

Operations outside the United States are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitation on foreign investment and income repartition, government price or foreign exchange controls, and restrictions on currency exchange. Casas had $18,789 and $18,023 in Mexican bank accounts, $17,187 and $7,945 in Dominican bank accounts, and $13,910 and $2,333 in a Guatemalan bank account at December 31, 2023 and 2022, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting Presentation—The accompanying financial statements of Casas have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Casas to report information regarding its financial position and activities according the following net asset classifications:

Net Assets without donor restrictions—Net assets without donor restrictions are those net assets not subject to donor-stipulations and may be expended for any purpose in performing the primary objectives of Casas. Net assets received and expended within the reporting period are reported in the statement of activities as without donor restrictions.

Net Assets with donor restrictions—Net assets with donor restrictions are those 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 Casas or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Management's Estimates and Assumptions-The preparation of financial statements in conformity with 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 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 those estimates.

Cash and Cash Equivalents—Casas considers all cash accounts, money market accounts, certificates of deposit and other short-term highly liquid investments to be cash equivalents.

Concentration of Credit Risk—–Financial instruments which potentially subject Casas to a concentration of credit risk consist primarily of cash and accounts receivable. Casas maintains cash deposits in banks which from time to time exceed the amount of federal insurance available. Management assesses the financial condition of these banks and believes that the possibility of any credit loss is minimal. Management reviews accounts receivable for collectibility and maintains an allowance for doubtful accounts.

Investments—–Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Investment income or loss (including realized and unrealized gains and losses) is reported as investment return in the statements of activities. Investment and interest income is recognized when earned. Gains and losses on investments are recognized as of the trade date. As of December 31, 2023 Casas maintained custodial accounts with an investment advisor. Casas, considering advice from the investment advisor, selects individual money managers.

Functional Expense Allocation—–Functional expenses have been allocated among program, management and general and fundraising, based upon direct charges and expense allocations using the distribution of staff time.

Accounts Receivable—Contributions received by a third party but have not yet been remitted to Casas are recorded as accounts receivable. No allowance for uncollectible accounts receivable is maintained as Casas believes accounts are fully collectible. Accounts receivable are written off when deemed uncollectible. Generally accepted accounting principles require that an allowance for uncollectible accounts be maintained in lieu of the direct charge-off method.

Promises to Give—Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Conditional promises to give are not included as support until such time as the conditions are substantially met. There were no unconditional promises to give at December 31, 2023 and 2022.

Deferred Revenue–Deferred revenues are project fees that have been received for builds that have not been started.

Volunteer Services—Volunteers have donated significant amounts of time toward the program services. The value of these services is not shown in the financial statements, as there is no clearly measurable basis upon which to value these services.

Support and Revenue–All contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received measured at fair value. Contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as an increase in net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, Casas reports the support as net assets without donor restrictions.

Revenue Recognition– Revenue is recognized using the five-step approach required by Accounting Standards Codification (ASC) Topic 606 *Revenue from Contracts with Customers*, as follows:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligation in the contract
- Recognition of revenue when, or as, performance obligations are satisfied

Casas' revenue from contracts with customers consists of the completion of a home build. Casas' contracts have a single performance obligation. The transaction price is the amount of consideration to which Casas expects to be entitled in exchange for the completion of the home build. Revenue is recorded based on transaction price, which is a fixed consideration. Casas recognizes revenue at a point in time when the building of the home is complete. Merchandise sales are recognized at the time of the sale.

In-Kind Contributions—In-kind contributions, which are donations of materials, supplies, and equipment, are recognized as support and expenses in the Statement of Activities. In-kind contributions are recorded at their estimated fair market value at the date of receipt.

Materials and Merchandise Inventor**y**—–Inventory primarily consists of building materials, supplies, and equipment used to build houses in Mexico, Guatemala, the Dominican Republic and Honduras. Donated materials, and services are recognized at fair market value. Merchandise inventory consists of clothing, caps, blankets and other merchandise with the Casas Por Cristo logo. Inventory is stated at the lower of cost (first in, first out method) or market.

Property and Equipment–Property and equipment are recorded at cost when purchased. Donated assets are recorded as support at their fair market value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Capital expenditures and donated depreciable assets in excess of $1,000 and with an expected useful life of greater than one year are capitalized and depreciated using the straight-line basis over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is recognized as revenue or expense for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Leases—–Effective January 1, 2022, Casas adopted Accounting Standards Update ("ASU") No. 2016-02, Leases, codified in Accounting Standards Codification ("ASC") 842 (the "New Lease Standard"). See note 7 for further information.

Casas determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract coveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. Casas determines these assets are leased because Casas has the right to obtain substantially all of the economic benefit and from the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because Casas determines it does not have the right to control and direct the use of the identified asset. Casas lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating its contracts, Casas separately identifies lease and nonlease components, such as common area and other maintenance costs, in calculating the right of use assets and lease liabilities for its office building. Casas has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of right of use assets and lease liabilities on the balance sheet. Right of use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. Casas determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The right of use asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. Casas uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, Casas has elected to use the risk-free rate as a practical expedient for all office leases.

The lease term may include options to extend or to terminate the lease that Casas is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

Casas has elected not to record leases with an initial term of 12 months or less on the balance sheet. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Compensated Absences—Employees of Casas are entitled to annual leave accrual upon hire. Employees up to 2 years of service may accrue 15 days of leave, after 2 years, they may accrue 20 days, and after 9 years, they may accrue 25 days. Annual leave may be carried over to the next fiscal year to a maximum amount of 5 days.

Income Taxes——Casas is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no liability or provision for federal income taxes is included in the accompanying financial statements.

Casas' Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed.

Advertising—Advertising costs are expensed as incurred. Advertising expense was $70,589 and $58,884 for the years ended December 31, 2023 and 2022, respectively.

Analysis for Impairment—Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In management's opinion, there is no impairment of such assets at December 31, 2023 and 2022.

Foreign Currency Remeasurement–The U.S. dollar has been determined to be the functional currency of Casas. Monetary assets and liabilities denominated in other currencies are remeasured at year-end exchange rates while other nonmonetary items are remeasured at historical rates. Accounts in the statement of activities are remeasured at the average exchange rates. Related remeasurement adjustments are netted against investment income on the statement of activities.

Subsequent Events—Management has evaluated subsequent events through May 22, 2024, the date which the financial statements were available to be issued.

3. AVAILABILITY AND LIQUIDITY

Casas regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. The following represents Casas' financial assets at December 31, 2023 and 2022 that are readily available within one year of the balance sheet date to meet general expenditures.

Financial assets at year end:	**2023**	**2022**
Cash and cash equivalents	$ 1,748,983	$ 1,605,000
Investments	10,441	-
Accounts receivable	7,360	45,559
Total Financial Assets	1,766,784	1,650,559
Less amount not available to be used within one year:		
Net assets with donor restrictions	(158,558)	(153,169)
Financial assets available to meet general expenditures over the next twelve months.	$ 1,608,226	$ 1,497,390

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Casas considers all expenditures related to its program and general and administrative expenses to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, Casas operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

4. INVESTMENTS

Investments held are recorded at fair value and consist of the following at December 31, 2023:

	Cost	**Fair Market Value**	**Unrealized Gain (Loss)**
Stock mutual funds	$ 10,441	$ 6,974	$ (3,467)
	$ 10,441	$ 6,974	$ (3,467)

The following schedule summarizes investment returns and their classification in the statement of activities for the year ended December 31, 2023 as follow:

Dividend and interest income	$ 166

Management evaluates securities for other than temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (l) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of Casas to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. As management has the ability to hold the securities for the foreseeable future, no declines are deemed to be other-than-temporary.

5. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ASC 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements.) The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Casas has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023.

Mutual funds: Valued at fair value based on quoted market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Casas believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Casas' assets at fair value as of December 31, 2023:

Assets at Fair Value as of December 31, 2023

Investment Category	Level 1	Level 2	Level 3	Total
Investments	$ 10,441	$ -	$ -	$ 10,441
Total:	$ 10,441	$ -	$ -	$ 10,441

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2023 and 2022:

	Estimated Useful Lives (Years)	**2023**	**2022**
Land		$ 528,677	$ 381,100
Buildings and improvements	20-40	2,531,889	2,491,610
Vehicles	5	619,864	440,071
Field equipment	5	264,973	138,322
Office equipment	5	88,105	72,716
Office furniture	5	61,602	25,203
Work in progress		289,661	-
		4,384,771	3,549,022
Less accumulated depreciation		(866,510)	(614,742)
Total		$ 3,518,261	$ 2,934,280

Depreciation expense was $264,986 and $185,021 for the years ended December 31, 2023 and 2022, respectively.

7. LEASES

Casas has entered into the following lease arrangements:

Operating leases

Casas has two leases for office space that expire on December 31, 2023 and April 30, 2026 and two warehouse leases that expire on March 31, 2025. Termination of the leases are generally prohibited unless there is a violation under the lease agreement.

Short-Term Leases

Casas has certain leases that are for a period of 12 months or less or contain renewals for periods of 12 months or less. Casas has elected the short-term lease recognition exemption for all applicable classes of underlying assets and does not include short-term leases within the balance sheet.

The lease cost and other required information for the years ended December 31, 2023 and 2022, are:

	2023	2022
Lease expense		
Operating lease expense	$ 17,911	$ 6,810
Short-term lease expense	75,771	46,664
Total	$ 93,682	$ 53,474
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flow from operating leases	$ 13,990	$ 4,096
Right of Use assets obtained in exchange for new operating lease liabilities	$ 29,043	$ 8,807
Weighted-average remaining lease term in years for operating leases	1.82	1
Weighted-average discount rate for operating lease	4.19%	1.37%

Future minimum lease payments and reconciliation to the balance sheet at December 31, 2023, are as follows.

	Operating Leases
2024	$ 12,960
2025	6,960
2026	1,440
Total future undiscounted lease payments	21,360
Less present value discount	(727)
Present value of lease liabilities	20,633
Less: current portion of lease liabilities	12,390
Total long-term lease liabilities	$ 8,243

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose at December 31, 2023 and 2022:

	2023	2022
Hope restored	$ 35,136	$ 79,876
Intern program	2,585	9,234
Capital improvements	-	22,460
Loma Blanca property	-	41,599
La Posada- Guatemala	95,173	-
Acuna property	25,664	-
Total	$ 158,558	$ 153,169

Net assets released from restrictions consisted of the following as of December 31, 2023 and 2022:

	2023	2022
Hope restored	$ 109,288	$ 262,842
Intern program	77,787	47,906
Capital improvements	22,460	-
Loma Blanca property	176,599	-
La Posada- Guatemala	125,308	-
Total	$ 511,442	$ 310,748

9. IN-KIND DONATIONS

In-kind donations included in the statement of activities for the year ended December 31, 2023 are comprised of $4,000 of training and planning materials valued at fair market value and was not restricted. Casas does not sell in-kind donations and allocates to program and activities for which the services are used.

10. RELATED PARTY TRANSACTIONS

On September 30, 2005, Casas Por Cristo, Asociacion Civil was founded in Juarez, Chihuahua Mexico by David Robertson (President), Jason Laffan (Secretary), and Peter Dockery (Treasurer). Casas Por Cristo, Asociacion Civil is founded by Casas Por Cristo, Inc.'s regular operations. No transactions have taken place between the two entities since December 31, 2012.

11. DEFINED CONTRIBUTION PENSION PLAN

Casas adopted a 408(p) Simple-IRA Plan (the "Plan"). The Plan allows for voluntary employee contributions up to the limits as defined in the Internal Revenue Code. All employees are immediately eligible to participate in the Plan. The employer has made a safe harbor election and thus is required to make a contribution of 2% of compensation for each eligible employee, regardless of whether the eligible employee elects to make elective deferrals to the Plan. Employer contributions to the Plan were $47,694 and $44,651 for the years ended December 31, 2023 and 2022, respectively.

12. EMPLOYEE RETENTION CREDIT

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), Casas was eligible for a refundable employee retention credit subject to certain criteria. Since there are no generally accepted accounting principles for non-profit business entities that receive government assistance that is not in the form of a loan, an income tax credit or revenue from a contract with a customer, Casas determined the appropriate accounting treatment by analogy to other guidance. Casas accounted for the employee retention credit by analogy to International Accounting Standards (IAS) 20, Accounting for Government Grants and Disclosure of Government Assistance, of International Financial Reporting Standards (IFRS). During the year ended December 31, 2023, Casas claimed $607,016 of employee retention credits recognized as other income in the statement of activities.

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