Cristosal, Inc. and Consolidated Entities

Consolidated Financial Statements
December 31, 2023

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Directors
Cristosal, Inc. and Consolidated Entities

Opinion

We have audited the accompanying consolidated financial statements of Cristosal, Inc. and Consolidated Entities (collectively, "Cristosal"), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year 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 consolidated financial position of Cristosal as of December 31, 2023, and the consolidated changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Cristosal, 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.

Adjustments to Prior Period Financial Statements

As part of our audit of the 2023 consolidated financial statements, we also audited the adjustments described in Note 12 that were applied to restate the 2022 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2022 financial statements of Cristosal other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2022 financial statements as a whole.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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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 Cristosal's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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 audit.

- 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 Cristosal'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cristosal'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 17 to 18 is presented for purposes of additional analysis of the consolidated financial statements rather than present the financial position and changes in net assets of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PKF O'Connor Davies, LLP

November 15, 2024

Cristosal, Inc. and Consolidated Entities

Consolidated Statement of Financial Position
December 31, 2023

ASSETS		
Current Assets		
Cash and cash equivalents	$	872,056
Grants and contributions receivable		649,392
Prepaid expenses and other current assets		44,364
Cash advance - employees		1,511
Total Current Assets		1,567,323
Grants and contributions receivable - non-current, net		699,378
Property and equipment, net		7,820
Right of use asset, net		119,541
	$	2,394,062
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$	66,562
Other payables and accruals		20,485
Refundable advances		220,253
Lease liabilities - current		40,562
Total Current Liabilities		347,862
Lease liabilities - non-current		79,429
Total Liabilities		427,291
Net Assets		
Without donor restrictions		867,393
With donor restrictions		1,099,378
Total Net Assets		1,966,771
	$	2,394,062

See notes to consolidated financial statements

Cristosal, Inc. and Consolidated Entities

Consolidated Statement of Activities
Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	$ 2,640,762	$ -	$ 2,640,762
Global school	12,060	-	12,060
Donated goods	10,145	-	10,145
Investment return	14,413	-	14,413
Net assets released from restrictions	530,000	(530,000)	-
Total Revenue and Support	3,207,380	(530,000)	2,677,380
OPERATING EXPENSES			
Program expenses	3,496,773	-	3,496,773
Management and general	414,011	-	414,011
Fundraising	255,818	-	255,818
Total Expenses	4,166,602	-	4,166,602
Change in Net Assets	(959,222)	(530,000)	(1,489,222)
NET ASSETS			
Beginning of year, as restated	1,826,615	1,629,378	3,455,993
End of year	$ 867,393	$ 1,099,378	$ 1,966,771

See notes to consolidated financial statements

Cristosal, Inc. and Consolidated Entities

Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	Program Expenses	Management and General	Fundraising	Total
Salaries, wages and taxes	$ 1,993,981	$ 214,541	$ 163,488	$ 2,372,010
Employee benefits	286,581	45,664	44,642	376,887
Total Compensation and Related Expenses	2,280,562	260,205	208,130	2,748,897
Bank fees	2,386	4,698	-	7,084
Depreciation	-	7,211	-	7,211
Human rights and legal assistance	198,235	-	-	198,235
Office expense	158,413	9,188	3,681	171,282
Professional fees	65,677	91,358	21,026	178,061
Program consultants	375,119	-	-	375,119
Promotional materials	-	-	3,734	3,734
Rent	101,763	16,668	-	118,431
Repairs and maintenance	2,860	150	-	3,010
Small office equipment	20,605	-	-	20,605
Software	7,199	8,810	3,702	19,711
Travel	136,142	-	15,545	151,687
Workshops and seminars	79,423	13,039	-	92,462
Publications	68,389	-	-	68,389
Bad debts	-	2,684	-	2,684
Total Expenses	$ 3,496,773	$ 414,011	$ 255,818	$ 4,166,602

See notes to consolidated financial statements

Cristosal, Inc. and Consolidated Entities

Consolidated Statement of Cash Flows
Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (1,489,222)
Adjustments to reconcile change in net assets to net cash from operating activities	
Donated goods	(10,145)
Depreciation	7,211
Bad debts	2,684
Amortization of right of use asset	76,923
Change in operating assets and liabilities	
Grants and contributions receivable	619,916
Prepaid expenses and other current assets	(40,808)
Accounts payable	(5,763)
Other payables and accruals	(686)
Refundable advances	63,330
Lease liabilities	(77,223)
Net Cash from Operating Activities	(853,783)
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash repayments from employees	3,264
Net Change in Cash and Cash Equivalents	(850,519)
CASH AND CASH EQUIVALENTS	
Beginning of year	1,722,575
End of year	$ 872,056

See notes to consolidated financial statements

1. Nature of Business

Cristosal, Inc. was incorporated in 2000 under the laws of the State of Vermont. Cristosal, Inc. is a nongovernmental organization based in El Salvador advancing human rights in Central America through rights-based programming, research, and learning. The organization in El Salvador is registered as Fundación Cristosal on September 23, 2013 as an extension of Cristosal.

In October 2017, Cristosal, Inc. amended its articles of incorporation to change its name from Foundation Cristosal, Inc. to Cristosal, Inc.

On December 22, 2022, Fundación Cristosal, the operating branch office in El Salvador of Cristosal, Inc., was informed by the Ministerio De Hacienda de El Salvador (“Ministry of Tax in El Salvador”) that its tax-exempt status of the branch office had been revoked effective January 1, 2023. The revocation was due to current political challenges faced by civil society organizations in El Salvador.

As a result of this change in tax status, Fundación Cristosal in El Salvador is now subject to income taxes on its net income. Accordingly, Fundación Cristosal in El Salvador will be recognizing a provision for income taxes in the financial statements beginning on the effective date and will be evaluating its assets and liabilities in El Salvador for potential deferred tax implications and will record the necessary adjustments.

Izote S.A., DE C.V (Minus One) was incorporated in 2021 under the laws in the country of El Salvador and became a wholly owned subsidiary of Cristosal, Inc. in February 2023. Izote S.A., DE C.V (Minus One) was formed to provide personnel subcontracting services, business logistical support, as well as engaging in any economic activity permitted by law.

Grupo Logistico Matilisguate, Sociedad Anonima was incorporated in 2021 under the laws in the country of Guatemala and became a wholly owned subsidiary of Cristosal, Inc. in February 2023. Grupo Logistico Matilisguate, Sociedad Anonima was formed to provide personnel subcontracting services, business logistical support, as well as engaging in any economic activity permitted by law.

2. Summary of Significant Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of Cristosal, Inc., Izote S.A., DE C.V (Minus One) and Grupo Logistico Matilisguate, Sociedad Anonima (collectively, “Cristosal”). The consolidated financial statements include all adjustments and reclassifications necessary to eliminate the effects of significant intercompany accounts and transactions.

2. Summary of Significant Accounting Policies *(continued)*

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The most significant estimates and assumptions relate to the determination of allowances for doubtful accounts; allocation of expenses amongst functional categories and useful lives of property and equipment. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cristosal considers all highly liquid debt instruments purchased with a maturity of three months or less, except bank certificate of deposit and treasury obligations, to be cash equivalents.

Grants and Contributions Receivable

Grants and contributions receivable is stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance account and a credit to grants and contributions receivable. The receivables are expected to be collected in full.

Unconditional Promise to Give

Cristosal records unconditional promise to give that are expected to be collected within one year at net realizable value. An unconditional promise to give expected to be collected in future years is initially recorded at the present value of estimated future cash flows. In subsequent years, amortization of the discounts is included in grants and contributions in the consolidated statement of activities. Cristosal determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions and a review of subsequent collections. Promise to give are written off when deemed uncollectible.

Property, Equipment and Depreciation

Property and equipment purchased in excess of $500, which include vehicles, furniture and equipment and computer equipment, are capitalized and recorded at cost or fair value at date of acquisition. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

The estimated useful lives of Cristosal's property and equipment is four years for vehicles and five years for furniture and equipment and computer equipment.

2. Summary of Significant Accounting Policies *(continued)*

Property, Equipment and Depreciation (continued)

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is noted. If the carrying amount of the asset is not recoverable, the value is written down to the asset's fair value less costs to sell. There were no asset impairments for the year ended December 31, 2023.

Refundable Advances

Refundable advances consist of funds received from various grants that have not yet been earned.

Net Asset Presentation

Net assets without donor restrictions represent net assets which are not restricted by donors. Net assets without donor restrictions are funds that are fully available, at the discretion of the Board of Directors and management, for Cristosal to utilize in any of its programs or supporting services. Net assets without donor restrictions may be designated for specific purposes by Cristosal's Board of Directors or may be limited by legal requirements or contractual agreements with outside parties.

Net assets with donor restrictions represent net assets which are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. Some net assets with donor restrictions are subject to donor-imposed restrictions that may require Cristosal to use or expend the gifts as specified, based on purpose or passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, such net assets are reclassified to net assets without donor restrictions and reported on the consolidated statement of activities as net assets released from restrictions.

Compensated Absences

Certain employees are entitled to paid vacation and paid sick days. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying consolidated financial statements. Cristosal's policy is to recognize the cost of compensated absences when actually paid to employees.

Revenue Recognition

Cristosal recognizes revenue from grants and contributions in accordance with guidance that requires Cristosal to evaluate whether a transfer of assets is (1) a contribution or (2) an exchange transaction. An exchange transaction is one in which the resource provider is receiving commensurate value in return for the resources transferred. If the transfer of assets is determined to be a contribution, Cristosal evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before Cristosal is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

2. Summary of Significant Accounting Policies *(continued)*

Revenue Recognition (continued)

Government Grants

Grants and contracts from government agencies are recorded based on the terms of the agreements, which generally state that revenue is earned as allowable costs are incurred. Amounts received in advance are recorded as refundable advances in the consolidated statement of financial position.

Cristosal receives and expends resources in connection with its administration of federal and other governmental grants and contracts. The terms of these agreements generally allow granting agencies the right to audit costs incurred thereunder, and potentially disallow a portion thereof and/or adjust funding on a prospective basis. In the opinion of management, audit adjustments, if any, are not expected to have a significant effect on the financial statements.

Donated Goods and Services

During the year ended December 31, 2023, the value of contributed services meeting the requirements for recognition in the consolidated financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist Cristosal with special projects. The valuation of these services was not material and has not been recorded.

Donated goods for the year ended December 31, 2023 consist of the following:

	Fair Value	Utilization in Programs/ Activities	Donor Restriction	Valuation Techniques and Inputs
Vehicle	$ 10,145	Program	None	The vehicle was valued at an estimated fair value based on current market pricing for similar vehicles.

Donated goods that meet the criteria for capitalization are recorded as revenues and assets or expenses (at fair value when received) on the consolidated financial statements. The vehicle met the criteria for capitalization during the year ended December 31, 2023.

Functional Allocation of Expenses

Cristosal's expenses have been summarized on a functional basis in accordance with U.S. GAAP. Most expenses may be directly identified to their related program or supporting service function and are recorded accordingly. Indirect expenses such as salaries and benefits are allocated on the basis of time and effort; and rent, repairs and maintenance, office equipment, software and telephone expense, are allocated based on estimated usage.

2. Summary of Significant Accounting Policies *(continued)*

Accounting for Uncertainty in Income Taxes

Cristosal recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that Cristosal had no uncertain tax positions that would require financial statement recognition or disclosure. Cristosal is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2020.

Cristosal, Inc. is exempt from federal income tax under Internal Revenue Code Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code.

Izote S.A., DE C.V (Minus One) is subject to income tax under El Salvadorian tax laws. Such amounts were immaterial for the year ended December 31, 2023.

Grupo Logistico Matilisguate, Sociedad Anonima is subject to income tax under Guatemalan tax laws. Such amounts were immaterial for the year ended December 31, 2023.

Cristosal has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it was nexus; and to identify and evaluate other matters that may be considered tax positions. Cristosal has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

Leases

Cristosal leases office space and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets ("ROU assets") and operating lease liabilities on the accompanying consolidated statement of financial position.

ROU 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. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When leases do not provide an implicit borrowing rate, Cristosal uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend the lease and when it is reasonably certain that Cristosal will exercise that option, such amounts are included in ROU assets and lease liabilities. Lease expense for the lease payments is recognized on a straight-line basis of the lease term.

Cristosal's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which is November 15, 2024.

3. Concentration of Credit Risk

Financial instruments that potentially subject Cristosal to concentrations of credit risk consist principally of cash and cash equivalents. Cristosal maintains its cash and cash equivalents with high-credit-quality financial institutions and the balances of which, from time to time, may exceed federal insurance limits. As of December 31, 2023, Cristosal's cash and cash equivalent balances on deposit exceeded the federal insurance limits by approximately $620,000.

4. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their used within one year of the consolidated statement of financial position date, are comprised of the following at December 31, 2023:

Financial assets at year-end:	
Cash and cash equivalents	$ 872,056
Accounts receivable, current	649,392
Cash advance - employees	1,511
Total Financial Assets	1,522,959
Less amounts unavailable for general expenditure:	
Donor imposed restrictions	1,099,378
Financial Assets at Year-End Available to Meet Cash Needs for General Expenditure Within One Year	$ 423,581

Cristosal is primarily supported by grants and contributions. Cristosal considers grants and contributions for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. Cristosal manages its liquidity and reserves to provide reasonable assurance that long-term obligations will be met. This goal is achieved through Cristosal’s budgeting process and expenditure policies.

5. Grants and Contributions Receivable

Cristosal has the following grants and contributions receivable at December 31, 2023:

Due within	
Less than one year	$ 649,392
One to five years	800,000
	1,449,392
Discount to present value	(100,622)
	$ 1,348,770

During 2023, the present value of grants and contributions receivable was discounted using the applicable rate of 4.51%. Management believes that the grants and contributions receivable are fully collectible and no allowance for doubtful accounts has been established.

6. Cash Advances - Employees

Cristosal has advanced cash to its employees to cover the costs of work-related incidentals, such as refreshments for various meetings with people participating in Cristosal's activities. The advances are expensed once the employee submits the receipts to Cristosal.

7. Property and Equipment

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

Vehicles	$ 94,856
Furniture and equipment	3,747
Computer equipment	25,158
	123,761
Less: accumulated depreciation	(115,941)
	$ 7,820

Depreciation expense for the year ended December 31, 2023 was $7,211.

8. Net Assets with Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the year ended December 31:

	Net Assets With Donor Restrictions as of December 31, 2022	Contributions With Donor Restrictions in 2023	Net Assets Released from Restrictions in 2023	Net Assets With Donor Restrictions as of December 31, 2023
Time restrictions:	$ 1,029,378	$ -	$ (375,915)	$ 653,463
Purpose restrictions:				
Institutional strengthening	600,000	-	(154,085)	445,915
	$ 1,629,378	$ -	$ (530,000)	$ 1,099,378

9. Concentration of Revenue

For the year ended December 31, 2023, Cristosal derived approximately 99% of its revenue from grants and contributions and global school. In addition, approximately 31% of total grants and contributions received during 2023 was contributed by one funder.

10. Pension Plan

Cristosal participates in a defined contribution retirement plan under Internal Revenue Code Section 403(b). The Plan is administered by the Episcopal Church Lay Employees' Defined Contribution Plan (the "Plan"). The Plan allows for Cristosal to make an employer contribution equaling 5% of the eligible employee's annual base salary. In addition, Cristosal will match up to an additional 4% of the eligible employee's annual base salary provided that the employee contributes at least 4% on his or her own. Additional discretionary contributions, as determined by management, can also be made to the Plan. Total pension plan expense for the year ended December 31, 2023 was $34,620.

11. Commitments and Contingencies

Operating Leases

Cristosal has a lease agreement for office space in El Salvador for a term of 3 years that commenced in July 2022.

Cristosal also has a lease agreement for office space in Honduras for a term of 12 months that commenced in June 2023.

Rent expense was $118,431 for the year ended December 31, 2023 in the consolidated statement of functional expenses. Rent expense for 2023 consists of $4,377 related to imputed interest on the lease liabilities, $76,923 related to amortization on the right-of-use asset, and the remainder relates to other lease commitments of $14,000 and variable lease expenses of $23,131 in accordance with lease agreements.

The long-term lease commitments for the office space in El Salvador is as follows:

ROU asset and corresponding liability associated with future lease payments on the above lease as of December 31, 2023 are shown below:

Right-of-use asset	$	119,541
Lease liability - current		40,562
Lease liability - non-current		79,429
Weighted Average:		
Discount rate		2.82%
Remaining lease term in years		1.50
Cash paid for amounts included in the measurement of operating lease liabilities	$	81,600

ROU asset is net of $114,577 accumulated amortization at December 31, 2023.

11. Commitments and Contingencies *(continued)*

Operating Leases (continued)

Future minimum rental payments under the lease arrangement are as follows:

Year	Amount
2024	$ 81,600
2025	40,800
Total Future Minimum Lease Payments	122,400
Less Imputed Interest	(2,409)
Total Operating Lease Liability	$ 119,991

12. Prior Period Adjustments

In preparing the consolidated financial statements for the year ended December 31, 2023, management restated certain amounts reported in the December 31, 2022 financial statements relating to previously recorded unrecorded contributions and grants and to correct a multiyear lease recorded as a year-to-year lease. Summarized below are the corresponding prior period adjustments and restatement of net assets at January 1, 2023:

Consolidated Statement of Financial Position	Previously Reported	Prior Period Adjustments	Restated Amounts
Net Assets			
Without donor restrictions (a) (b)	$ 1,807,737	$ 20,775	$ 1,828,512
With donor restrictions (a)	-	1,629,378	1,629,378

13. Risk and Uncertainties

Cristosal's operations and financial performance have been, and may continue to be, affected by global and domestic economic uncertainty which have adversely affected economic conditions throughout the world. Cristosal may experience a decline in revenue activities as a result of the economic uncertainty.

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Cristosal, Inc. and Consolidated Entities

Supplementary Information
December 31, 2023

Cristosal, Inc. and Consolidated Entities

Consolidating Statement of Financial Position
December 31, 2023

	Cristosal, Inc.	Izote S.A., DE C.V (Minus One)	Grupo Logistico Matilisguate, Sociedad Anonima	Total	Eliminations	Consolidated
ASSETS						
Current Assets						
Cash and cash equivalents	$ 867,782	$ 2,274	$ 2,000	$ 872,056	$ -	$ 872,056
Grants and contributions receivable	647,960	6,432	-	654,392	(5,000)	649,392
Investments	4,000	-	-	4,000	(4,000)	-
Prepaid expenses and other current assets	44,364	-	-	44,364	-	44,364
Cash advance - employees	1,511	-	-	1,511	-	1,511
Total Current Assets	1,565,617	8,706	2,000	1,576,323	(9,000)	1,567,323
Grants and contributions - non-current, net	699,378	-	-	699,378	-	699,378
Property and equipment, net	7,820	-	-	7,820	-	7,820
Right of use asset, net	119,541	-	-	119,541	-	119,541
	$ 2,392,356	$ 8,706	$ 2,000	$ 2,403,062	$ (9,000)	$ 2,394,062
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable	$ 63,281	$ 8,281	$ -	$ 71,562	$ (5,000)	$ 66,562
Other payables and accruals	20,485	-	-	20,485	-	20,485
Refundable advances	220,253	-	-	220,253	-	220,253
Lease liabilities - current	40,562	-	-	40,562	-	40,562
Total Current Liabilities	344,581	8,281	-	352,862	(5,000)	347,862
Lease liabilities - non-current	79,429	-	-	79,429	-	79,429
Total Liabilities	424,010	8,281	-	432,291	(5,000)	427,291
Net Assets						
Without donor restrictions	868,968	425	2,000	871,393	(4,000)	867,393
With donor restrictions	1,099,378	-	-	1,099,378	-	1,099,378
Total Net Assets	1,968,346	425	2,000	1,970,771	(4,000)	1,966,771
	$ 2,392,356	$ 8,706	$ 2,000	$ 2,403,062	$ (9,000)	$ 2,394,062

See independent auditors' report

Cristosal, Inc. and Consolidated Entities

Consolidating Statement of Activities
Year Ended December 31, 2023

	Cristosal, Inc.	Izote S.A., DE C.V (Minus One)	Grupo Logistico Matilisguate, Sociedad Anonima	Total	Eliminations	Consolidated
REVENUE AND SUPPORT						
Grants and contributions	$ 2,640,762	$ -	$ -	$ 2,640,762	$ -	$ 2,640,762
Global school	12,060	-	-	12,060	-	12,060
Donated goods	10,145	-	-	10,145	-	10,145
Service income	-	81,800	-	81,800	(81,800)	-
Investment return	14,413	-	-	14,413	-	14,413
Net assets released from restrictions	-	-	-	-	-	-
Total Revenue and Support	2,677,380	81,800	-	2,759,180	(81,800)	2,677,380
OPERATING EXPENSES						
Program expenses	3,507,764	54,000	-	3,561,764	(64,991)	3,496,773
Management and general	403,342	27,478	-	430,820	(16,809)	414,011
Fundraising	255,818	-	-	255,818	-	255,818
Total Expenses	4,166,924	81,478	-	4,248,402	(81,800)	4,166,602
Change in Net Assets	(1,489,544)	322	-	(1,489,222)	-	(1,489,222)
NET ASSETS						
Beginning of year, as restated	3,457,890	(1,897)	-	3,455,993	-	3,455,993
Capital contributions	-	2,000	2,000	4,000	(4,000)	-
End of year	$ 1,968,346	$ 425	$ 2,000	$ 1,970,771	$ (4,000)	$ 1,966,771

See independent auditors' report