



**COMMUNITAS**  
— International —

**CHRISTIAN ASSOCIATES  
INTERNATIONAL, INC. DBA  
COMMUNITAS INTERNATIONAL  
AND SUBSIDIARY**

Consolidated Financial Statements  
With Independent Auditors' Report

December 31, 2020 and 2019

**CHRISTIAN ASSOCIATES INTERNATIONAL, INC.  
DBA COMMUNITAS INTERNATIONAL AND SUBSIDIARY**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Christian Associates International, Inc.  
dba Communitas International and Subsidiary  
Centennial, Colorado

We have audited the accompanying consolidated financial statements of Christian Associates International, Inc. dba Communitas International and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility 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; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
Christian Associates International, Inc.  
dba Communitas International and Subsidiary  
Centennial, Colorado

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Christian Associates International, Inc. dba Communitas International and Subsidiary as of December 31, 2020 and 2019, and the changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Colorado Springs, Colorado  
July 6, 2021

**CHRISTIAN ASSOCIATES INTERNATIONAL, INC.  
DBA COMMUNITAS INTERNATIONAL AND SUBSIDIARY**

**Consolidated Statements of Financial Position**

	December 31,	
	2020	2019
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 1,548,545	\$ 1,067,188
Prepaid expenses and other assets	20,148	26,486
Advances	-	6,403
Due from affiliates	25,988	29,307
Investments	188,376	98,701
Furniture and equipment—net	114,216	114,378
	<u>\$ 1,897,273</u>	<u>\$ 1,342,463</u>
<b>Total Assets</b>	<u>\$ 1,897,273</u>	<u>\$ 1,342,463</u>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 18,453	\$ 18,098
Accrued expenses	277,485	341,555
Due to affiliates	87,645	74,209
	<u>383,583</u>	<u>433,862</u>
<b>Net assets (deficit):</b>		
Without donor restrictions	283,860	(112,518)
With donor restrictions	1,229,830	1,021,119
	<u>1,513,690</u>	<u>908,601</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,897,273</u>	<u>\$ 1,342,463</u>

See notes to consolidated financial statements

**CHRISTIAN ASSOCIATES INTERNATIONAL, INC.  
DBA COMMUNITAS INTERNATIONAL AND SUBSIDIARY**

**Consolidated Statements of Activities**

Year Ended December 31,

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 126,024	\$ 3,349,239	\$ 3,475,263	\$ 131,567	\$ 3,699,626	\$ 3,831,193
Government grant	-	198,839	198,839	-	-	-
Membership sales	103,775	-	103,775	110,159	-	110,159
Training fees	6,470	-	6,470	68,628	-	68,628
Interest and other income	98,924	-	98,924	60,755	-	60,755
<b>Total Support and Revenue</b>	<b>335,193</b>	<b>3,548,078</b>	<b>3,883,271</b>	<b>371,109</b>	<b>3,699,626</b>	<b>4,070,735</b>
<b>NET ASSETS RELEASED:</b>						
From purpose restriction	3,000,582	(3,000,582)	-	3,129,564	(3,129,564)	-
Administrative assessments	338,785	(338,785)	-	388,848	(388,848)	-
	<b>3,339,367</b>	<b>(3,339,367)</b>	<b>-</b>	<b>3,518,412</b>	<b>(3,518,412)</b>	<b>-</b>

(continued)

See notes to consolidated financial statements

**CHRISTIAN ASSOCIATES INTERNATIONAL, INC.  
DBA COMMUNITAS INTERNATIONAL AND SUBSIDIARY**

**Consolidated Statements of Activities**  
(continued)

Year Ended December 31,

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES:						
Program services	2,909,241	-	2,909,241	3,307,266	-	3,307,266
Supporting activities:						
General and administrative	165,750	-	165,750	288,407	-	288,407
Fund-raising	203,191	-	203,191	207,185	-	207,185
	368,941	-	368,941	495,592	-	495,592
Total Expenses	3,278,182	-	3,278,182	3,802,858	-	3,802,858
Change in Net Assets	396,378	208,711	605,089	86,663	181,214	267,877
Net Assets (Deficit), Beginning of Year	(112,518)	1,021,119	908,601	(199,181)	839,905	640,724
Net Assets (Deficit), End of Year	\$ 283,860	\$ 1,229,830	\$ 1,513,690	\$ (112,518)	\$ 1,021,119	\$ 908,601

See notes to consolidated financial statements

**CHRISTIAN ASSOCIATES INTERNATIONAL, INC.  
DBA COMMUNITAS INTERNATIONAL AND SUBSIDIARY**

**Consolidated Statements of Cash Flows**

	Year Ended December 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 605,089	\$ 267,877
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Paycheck Protection Program loan forgiveness	(198,839)	-
Depreciation	28,470	28,927
Realized and unrealized gain on investments	(61,987)	(40,263)
Reinvested dividends	(27,688)	(625)
Loss on disposal of furniture and equipment	-	1,456
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	6,338	4,294
Advances	6,403	2,801
Due from affiliates	3,319	32,044
Accounts payable	355	(7,970)
Accrued expenses	(64,070)	33,531
Due to affiliates	13,436	46,923
Net Cash Provided by Operating Activities	<u>310,826</u>	<u>368,995</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of furniture and equipment	(28,308)	(6,988)
Net Cash Used by Investing Activities	<u>(28,308)</u>	<u>(6,988)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Paycheck Protection Program loan proceeds	198,839	-
Payments on notes payable	-	(14,571)
Net Cash Provided (Used) by Financing Activities	<u>198,839</u>	<u>(14,571)</u>
Change in Cash and Cash Equivalents	481,357	347,436
Cash and Cash Equivalents, Beginning of Year	<u>1,067,188</u>	<u>719,752</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,548,545</u>	<u>\$ 1,067,188</u>
<b>SUPPLEMENTAL DISCLOSURES AND NON-CASH TRANSACTIONS:</b>		
Non-cash transaction to recognize		
Paycheck Protection Program loan forgiveness	<u>\$ 198,839</u>	<u>\$ -</u>

See notes to consolidated financial statements



# **CHRISTIAN ASSOCIATES INTERNATIONAL, INC. DBA COMMUNITAS INTERNATIONAL AND SUBSIDIARY**

## **Notes to Consolidated Financial Statements**

December 31, 2020 and 2019

### **1. NATURE OF ORGANIZATION:**

Christian Associates International, Inc. (CAI) dba Communitas International and Subsidiary, a nonprofit organization incorporated in the state of Oregon, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state laws. However, the organization is subject to federal income tax on any unrelated business taxable income. In addition, CAI is not a private foundation under Section 509(a) of the IRC. The primary source of revenue is contributions.

The mission of Christian Associates International, Inc. dba Communitas International and Subsidiary is to establish churches who follow Jesus in transforming their world, through the following principles:

- We are called to be his missional followers. Thus, by God's grace and the Holy Spirit's empowerment, we want to foster a great movement that has a tireless passion to plant the Gospel and invite others into a relationship with Jesus and join us in His mission to the world.
- We want to give ourselves to the mission of Jesus Christ to change lives and extend His kingdom in the cities of Europe...and beyond. This includes seeing Jesus bring redemptive healing and wholeness to people's lives and entire communities.
- We strive to see every person with unsurpassable worth, worthy enough for Jesus to die for them and for us to reach out to them in love.

Together we want to manifest God's kingdom of love and grace, raise up more and more missional followers/disciples of Jesus, and multiply more missional, Christ-following leaders, communities, and movements.

### **PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements include the accounts of Christian Associates International, Inc. and InterWork Enterprises, LLC (collectively, CI). InterWork Enterprises, LLC, formed in 2015 and developed in 2016, exists to provide coworking space, in and around the city of Denver. All intercompany activity has been eliminated.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

CI 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 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, disclosures 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 differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

**CHRISTIAN ASSOCIATES INTERNATIONAL, INC.  
DBA COMMUNITAS INTERNATIONAL AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

The scope of these consolidated financial statements is limited to the United States organization. The organization is affiliated with Christian Associates International, Inc. of The Netherlands and the United Kingdom. The assets, liabilities, revenues, and expenses of these affiliated organizations have not been included in these financial statements due to the lack of board control and economic influence.

The significant accounting policies are described as follows:

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include checking and money market accounts. These accounts may, at times, exceed federally insured limits. CI has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**INVESTMENTS**

Investments consist of equity securities. Investments are recorded at fair value based on quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy established under the Fair Value Measurements topic of the FASB Codification. It is the policy of CI to sell donated securities immediately upon receipt. Such donations are recorded at fair value on the date received. Gains and losses are reported within interest and other income on the statements of activities. Investments, as of December 31, 2020 and 2019, consist of equity securities valued at \$188,376 and \$98,701, respectively.

**DUE TO AND DUE FROM AFFILIATES**

Amounts represent activities in Europe for missionaries and projects of CI that have not been remitted to CI, and amounts due to these affiliated organizations in Europe as of December 31, 2020 and 2019.

**FURNITURE AND EQUIPMENT**

Items capitalized as furniture and equipment are recorded at cost. Donated items are recorded at their fair market value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives (currently 3-10 years) of the related assets. CI capitalizes fixed asset purchases exceeding \$2,000 with lesser amounts expensed in the year purchased.

**CHRISTIAN ASSOCIATES INTERNATIONAL, INC.  
DBA COMMUNITAS INTERNATIONAL AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

**CLASSES OF NET ASSETS**

The financial statements report amounts separately by class of net assets.

*Net assets without donor restrictions* include net assets currently available at the discretion of the board of directors for use in CI's operations and those resources invested in furniture and equipment.

*Net assets with donor restrictions* are amounts restricted by donors for specific operating purposes. They are not currently available for use in CI activities until restrictions regarding their use have been fulfilled. When a restriction expires, that is when a stipulated purpose restriction is satisfied, net assets with donor restrictions will be reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

**SUPPORT, REVENUE, AND EXPENSES**

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. Donations that are restricted for a specific purpose are assessed an administrative charge of approximately 10-15% during the years ended December 31, 2020 and 2019. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor. Those contributions received after year-end that were postmarked by December 31, 2020, were recorded as contributions and cash and cash equivalents rather than promises to give.

During the year ended December 31, 2020, CI received a Paycheck Protection Program (PPP) loan of \$198,839. CI incurred qualifying expenses exceeding the loan amount and on December 7, 2020, CI's request for loan forgiveness was granted by the Small Business Administration. The full amount of the loan is included in government grant revenue on the statement of activities.

Training fees are recorded when earned which is when the training takes place. Any funds collected prior to the event are recorded as deferred revenue. Payments earned but not collected as of year-end are recorded as accounts receivable. Interest income is recorded when earned.

Expenses are recognized when incurred in accordance with the accrual basis of accounting.

**CHRISTIAN ASSOCIATES INTERNATIONAL, INC.  
DBA COMMUNITAS INTERNATIONAL AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

**ADOPTION OF RECENTLY ISSUED ACCOUNTING STANDARDS**

In 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. CI adopted the provisions of this new standard during the year ended December 31, 2020. The new standard applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Adoption of this standard had no effect on the change in net assets or net assets in total.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects CI's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or when contributions received with donor specified restrictions are not expected to be used within the upcoming fiscal year.

	December 31,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 1,548,545	\$ 1,067,188
Due from affiliates	25,988	29,307
Investments	188,376	98,701
Financial assets, at year-end	1,762,909	1,195,196
Less those unavailable for general expenditure within one year, due to:		
Contributions received with donor restrictions for missionaries that will not be disbursed within the next 12 months	(99,245)	(66,654)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,663,664	\$ 1,128,542

CI has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**CHRISTIAN ASSOCIATES INTERNATIONAL, INC.  
DBA COMMUNITAS INTERNATIONAL AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

December 31, 2020 and 2019

4. FURNITURE AND EQUIPMENT:

Furniture and equipment—net consists of:

	December 31,	
	2020	2019
Leasehold improvements	\$ 132,734	\$ 132,734
Furniture and equipment	100,596	72,188
	233,330	204,922
Accumulated depreciation	(121,514)	(93,044)
	111,816	111,878
Work in progress	2,400	2,500
	\$ 114,216	\$ 114,378

5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions for projects consist of:

	December 31,	
	2020	2019
Missionary support	\$ 851,197	\$ 690,932
Church and project support	378,633	330,187
	\$ 1,229,830	\$ 1,021,119
	\$ 1,229,830	\$ 1,021,119

**CHRISTIAN ASSOCIATES INTERNATIONAL, INC.  
DBA COMMUNITAS INTERNATIONAL AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

December 31, 2020 and 2019

6. FUNCTIONAL ALLOCATION OF EXPENSES:

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of CI. These expenses include salaries and wages, grants to others, depreciation, and other expenses. Salaries and employee benefits are allocated on estimates of time and effort. Grants to others are allocated based on the purpose of the grant. Depreciation is allocated based on the use of furniture and equipment. All other expenses are allocated based on the purpose of the expense. Functional expenses by natural classification for the years ended December 31, 2020 and 2019 are:

	For the year ended December 31, 2020			
	Program	General and Administrative	Fund-raising	Total
Salaries and wages	\$ 1,931,836	\$ 82,263	\$ 172,437	\$ 2,186,536
Grants to others	624,532	83	1,047	625,662
Services, supplies, and other	269,554	63,143	28,751	361,448
Occupancy, utilities, and maintenance	51,322	-	-	51,322
Depreciation	20,261	8,209	-	28,470
Employee benefits	11,736	12,052	956	24,744
	<u>\$ 2,909,241</u>	<u>\$ 165,750</u>	<u>\$ 203,191</u>	<u>\$ 3,278,182</u>
	For the year ended December 31, 2019			
	Program	General and Administrative	Fund-raising	Total
Salaries and wages	\$ 2,133,557	\$ 185,453	\$ 169,382	\$ 2,488,392
Grants to others	695,085	4,294	254	699,633
Services, supplies, and other	398,516	78,077	36,450	513,043
Occupancy, utilities, and maintenance	48,245	-	-	48,245
Depreciation	20,032	8,894	-	28,926
Employee benefits	11,277	11,689	1,099	24,065
Interest	554	-	-	554
	<u>\$ 3,307,266</u>	<u>\$ 288,407</u>	<u>\$ 207,185</u>	<u>\$ 3,802,858</u>

**CHRISTIAN ASSOCIATES INTERNATIONAL, INC.  
DBA COMMUNITAS INTERNATIONAL AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

December 31, 2020 and 2019

7. OPERATING LEASE:

During the year ended December 31, 2016, CI entered into an operating lease for office space for InterWork Enterprises, LLC. Lease expense during the years ended December 31, 2020 and 2019, was \$39,479 and \$31,048, respectively. Future minimum lease payments for 2021 are \$22,324.

8. TRANSACTIONS WITH RELATED PARTIES:

CI received \$17,510 of grant support, net of expenses, from their affiliates during the year ended December 31, 2020. During the year ended December 31, 2019, CI provided \$152,422, net of expenses, to their affiliates. In addition, there was a balance due from affiliates of \$25,988 and \$29,307, as of December 31, 2020 and 2019, respectively. There was also a balance due to affiliates of \$87,645 and \$74,209, as of December 31, 2020 and 2019, respectively, as reflected in the consolidated statements of financial position.

9. FINANCIAL CONDITION:

At December 31, 2019, the balance in net assets without donor restrictions was a deficit of \$112,518. At December 31, 2019, that deficit was reduced by equity in furniture and equipment of \$114,378, leaving CI with an operating deficit in net assets without donor restrictions of \$226,896. As of December 31, 2020, CI had a surplus in net assets without donor restrictions.

10. RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant volatility in financial markets. Management is carefully monitoring the situation and evaluating its options as circumstances evolve. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of CI for future periods.

11. SUBSEQUENT EVENTS:

Subsequent events were evaluated through July 6, 2021, which is the date of the consolidated financial statements were available.