



CHRISTIAN ASSOCIATES
INTERNATIONAL, INC. DBA
COMMUNITAS INTERNATIONAL
AND SUBSIDIARY

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2023 and 2022

**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

Opinion

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, 2023 and 2022, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Christian Associates International, Inc. dba Communitas International and Subsidiary as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Christian Associates International, Inc. dba Communitas International and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Christian Associates International, Inc. dba Communitas International and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the 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 Christian Associates International, Inc. dba Communitas International and Subsidiary'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 Christian Associates International, Inc. dba Communitas International and Subsidiary'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.

Capin Crouse LLP

Colorado Springs, Colorado
June 24, 2024

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

Consolidated Statements of Financial Position

	December 31,	
	2023	2022
ASSETS:		
Cash and cash equivalents	\$ 1,056,679	\$ 1,130,389
Advances	2,881	143
Prepaid expenses and other assets	30,419	23,858
Investments	860,217	876,997
Due from affiliates	11,633	20,420
Furniture and equipment–net	32,043	25,241
Total Assets	\$ 1,993,872	\$ 2,077,048
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 58,122	\$ 8,555
Accrued expenses	255,766	239,750
Due to affiliates	87,427	92,599
Total liabilities	401,315	340,904
Net assets:		
Without donor restrictions	57,736	169,164
With donor restrictions	1,534,821	1,566,980
Total net assets	1,592,557	1,736,144
Total Liabilities and Net Assets	\$ 1,993,872	\$ 2,077,048

See notes to consolidated financial statements

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

Consolidated Statements of Activities

	Year Ended December 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 45,257	\$ 3,834,672	\$ 3,879,929	\$ 66,935	\$ 4,111,751	\$ 4,178,686
Donated professional services	103,353	-	103,353	-	-	-
Membership sales	-	-	-	37,219	-	37,219
Training fees	18,169	-	18,169	8,629	-	8,629
Investment and other income (loss)	111,310	-	111,310	(76,606)	-	(76,606)
Total Support and Revenue	278,089	3,834,672	4,112,761	36,177	4,111,751	4,147,928
NET ASSETS RELEASED:						
From purpose restriction	3,444,943	(3,444,943)	-	3,707,343	(3,707,343)	-
Administrative assessments	421,888	(421,888)	-	377,437	(377,437)	-
	3,866,831	(3,866,831)	-	4,084,780	(4,084,780)	-

(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,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES:						
Program services	3,534,074	-	3,534,074	3,819,582	-	3,819,582
Supporting activities:						
General and administrative	504,595	-	504,595	237,035	-	237,035
Fundraising	217,679	-	217,679	249,297	-	249,297
	722,274	-	722,274	486,332	-	486,332
Total Expenses	4,256,348	-	4,256,348	4,305,914	-	4,305,914
Change in Net Assets	(111,428)	(32,159)	(143,587)	(184,957)	26,971	(157,986)
Net Assets, Beginning of Year	169,164	1,566,980	1,736,144	354,121	1,540,009	1,894,130
Net Assets, End of Year	\$ 57,736	\$ 1,534,821	\$ 1,592,557	\$ 169,164	\$ 1,566,980	\$ 1,736,144

See notes to consolidated financial statements

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

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (143,587)	\$ (157,986)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	15,698	22,964
Realized and unrealized (gain) loss on investments	(53,395)	113,694
Reinvested dividends	(20,792)	(14,139)
Loss on disposal of furniture and equipment	-	8,524
Changes in operating assets and liabilities:		
Advances	(2,738)	9,078
Prepaid expenses and other assets	(6,561)	7,379
Due from affiliates	8,787	11,847
Accounts payable	49,567	(50,544)
Accrued expenses	16,016	(22,502)
Due to affiliates	(5,172)	(35,282)
Net Cash Used by Operating Activities	(142,177)	(106,967)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture and equipment	(22,500)	(6,950)
Proceeds from sale of InterWork Enterprises, LLC	-	45,000
Purchases of investments	(383,250)	(100,000)
Proceeds from sale of investments	474,217	100,000
Net Cash Provided by Investing Activities	68,467	38,050
Change in Cash and Cash Equivalents	(73,710)	(68,917)
Cash and Cash Equivalents, Beginning of Year	1,130,389	1,199,306
Cash and Cash Equivalents, End of Year	\$ 1,056,679	\$ 1,130,389

See notes to consolidated financial statements

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

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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. During the year ended December 31, 2022, CI entered into an agreement to sell 100% of its interest in InterWork Enterprises, LLC. The sale was executed on May 12, 2022. Upon the execution of the sale agreement, all Christian Associates International, Inc. board members resigned from control of InterWork Enterprises, LLC. At closing, CI received \$45,000 in cash for the LLC interest, and CI transferred ownership in furniture and equipment with a net book value totaling \$53,524. Additionally, the purchaser assumed the future obligation of the operating lease described in Note 9. The activity of InterWork Enterprises, LLC after May 12, 2022 is not included in the consolidated statements of activities.

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

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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.

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/or economic influence.

The significant accounting policies are described as follows:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking and money market accounts. As of December 31, 2023 and 2022, CI's cash balances on deposit exceed federally insured limits and private insured limits by approximately \$20,000 and \$0, respectively.

INVESTMENTS

Investments in equity securities with readily determinable market values are reported at fair market value with gains and losses (including unrealized) included in the consolidated statements of activities unless otherwise noted. Investments received by gift are recorded at quoted market price upon donation and thereafter reported in accordance with the above provisions. Certificates of deposit are carried at cost, plus any accrued interest.

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, 2023 and 2022.

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, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

The consolidated 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.

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 are 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% during the years ended December 31, 2023 and 2022. 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, 2023, were recorded as contributions and cash and cash equivalents rather than promises to give.

During the years ended December 31, 2023, CI received advertising services at no cost. These amounts have been recorded in the consolidated statements of activities as donated professional services. Donated professional services are recorded at the fair value of the cost of advertising, as determined by the provider. The services have not been monetized, but are used in operations.

Membership sales are recorded as the performance obligation is fulfilled. 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. Investment 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, 2023 and 2022

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects CI's financial assets as of December 31, 2023 and 2022, 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,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 1,056,679	\$ 1,130,389
Investments	860,217	876,997
Due from affiliates	11,633	20,420
Financial assets, at year-end	1,928,529	2,027,806
Less those unavailable for general expenditure within one year, due to:		
Net assets with donor restrictions not expected to be used within the next year	(462,352)	(116,211)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,466,177	\$ 1,911,595

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, 2023 and 2022

4. FAIR VALUE MEASUREMENTS:

CI uses appropriate valuation techniques to determine fair value based on inputs available. When available, CI measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. Certificates of deposit are held at contract value. The following table displays the fair values of assets measured on a recurring basis at December 31, 2023:

	Fair Value Measurements Using:	
	December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)
Investments and assets held at fair value:		
Fixed income mutual funds	\$ 291,149	\$ 291,149
Equity mutual funds	181,397	181,397
Money market mutual funds	87,671	87,671
	560,217	\$ 560,217
Investments and assets held at other than fair value:		
Certificates of deposit	300,000	
Total investments	\$ 860,217	

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

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

4. FAIR VALUE MEASUREMENTS, continued:

The following table displays the fair values of assets measured on a recurring basis at December 31, 2022:

	Fair Value Measurements Using:	
	December 31, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)
Investments and assets held at fair value:		
Fixed income mutual funds	\$ 263,215	\$ 263,215
Equity mutual funds	162,932	162,932
Equity securities	144,944	144,944
	571,091	\$ 571,091
Investments and assets held at other than fair value:		
Certificates of deposit	300,000	
Cash and cash equivalents	5,906	
	305,906	
Total investments	\$ 876,997	

5. INVESTMENTS:

Investments consist of:

	December 31,	
	2023	2022
Certificate of deposits	\$ 300,000	\$ 300,000
Fixed income mutual funds	291,149	263,215
Equity mutual funds	181,397	162,932
Money market mutual funds	87,671	-
Equity securities	-	144,944
Cash and cash equivalents	-	5,906
	\$ 860,217	\$ 876,997

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

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

6. FURNITURE AND EQUIPMENT:

Furniture and equipment—net consists of:

	December 31,	
	2023	2022
Hardware and software	\$ 97,275	\$ 79,775
Furniture and equipment	8,092	8,092
	105,367	87,867
Accumulated depreciation	(73,324)	(62,626)
	\$ 32,043	\$ 25,241

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31,	
	2023	2022
Missionary support	\$ 936,248	\$ 874,404
Church and project support	598,573	692,576
	\$ 1,534,821	\$ 1,566,980

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

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

8. 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, 2023 and 2022 are:

	For the year ended December 31, 2023			
	Program	General and Administrative	Fundraising	Total
Salaries and wages	\$ 1,908,598	\$ 293,838	\$ 144,730	\$ 2,347,166
Grants to others	1,104,227	-	-	1,104,227
Services, supplies, and other	455,856	198,470	70,108	724,434
Employee benefits	42,924	6,852	2,811	52,587
Depreciation	10,775	4,923	-	15,698
Occupancy, utilities, and maintenance	11,694	512	30	12,236
	<u>\$ 3,534,074</u>	<u>\$ 504,595</u>	<u>\$ 217,679</u>	<u>\$ 4,256,348</u>
	For the year ended December 31, 2022			
	Program	General and Administrative	Fundraising	Total
Salaries and wages	\$ 1,997,779	\$ 113,875	\$ 178,659	\$ 2,290,313
Grants to others	1,332,942	2,900	93	1,335,935
Services, supplies, and other	414,335	97,565	69,756	581,656
Employee benefits	37,115	8,146	789	46,050
Depreciation	8,415	14,549	-	22,964
Occupancy, utilities, and maintenance	28,996	-	-	28,996
	<u>\$ 3,819,582</u>	<u>\$ 237,035</u>	<u>\$ 249,297</u>	<u>\$ 4,305,914</u>

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

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

9. 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, 2022, was \$18,603. During the year ended December 31, 2022, InterWork Enterprises was sold. The purchaser assumed the future obligation of the operating lease.

10. TRANSACTIONS WITH RELATED PARTIES:

During the years ended December 31, 2023 and 2022, CI received grants from affiliates of \$108,460 and \$85,093, respectively. During the year ended December 31, 2023 and 2022, CI provided grants to affiliates of \$96,082 and \$0, respectively. In addition, there was a balance due from affiliates of \$11,633 and \$20,420, as of December 31, 2023 and 2022, respectively. There was also a balance due to affiliates of \$87,427 and \$92,599, as of December 31, 2023 and 2022, respectively, as reflected in the consolidated statements of financial position.

11. SUBSEQUENT EVENTS:

Subsequent events were evaluated through June 24, 2024, which is the date the consolidated financial statements were available to be issued.