

CHRISTIAN RESOURCES INTERNATIONAL



FINANCIAL STATEMENTS

YEAR ENDED
DECEMBER 31, 2022



Drake
Certified
Public
Accountants

CHRISTIAN RESOURCES INTERNATIONAL

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Christian Resources International
Fowlerville, Michigan

Opinion

We have audited the accompanying financial statements of Christian Resources International (a nonprofit corporation) which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Christian Resources International as of December 31, 2022, and the 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 for Opinion

We conducted our audit in accordance with accounting principles 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 Christian Resources International 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 Christian Resources International's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditors' 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of Christian Resources International'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Christian Resources International'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.

Karl Z. Deane

Drake Certified Public Accountants, PC

May 8, 2023



CHRISTIAN RESOURCES INTERNATIONAL

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

ASSETS

CURRENT ASSETS

Cash	\$	128,682
Investments		7,793
Accounts Receivable		10,010

TOTAL CURRENT ASSETS		<u>146,485</u>
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LONG-TERM ASSETS

Fixed Assets, net of accumulated depreciation		131,361
Intangible Asset Cryptocurrency		20,501

TOTAL LONG-TERM ASSETS		<u>151,862</u>
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TOTAL ASSETS	\$	<u><u>298,347</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$	18,135
Payroll Taxes Payable		14,654

TOTAL CURRENT LIABILITIES		<u>32,789</u>
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NET ASSETS

Without Donor Restrictions		265,558
With Donor Restrictions		-

TOTAL NET ASSETS		<u>265,558</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>298,347</u></u>
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See Accompanying Notes to Financial Statements



STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 431,138	\$ 141,370	\$ 572,508
Investment Income (Loss)	(1,916)	-	(1,916)
Other Income	3,000	-	3,000
Assets Released from Restrictions	141,370	(141,370)	-
TOTAL SUPPORT AND REVENUE	<u>573,592</u>	<u>-</u>	<u>573,592</u>
EXPENSES			
Program Services	<u>624,929</u>	<u>-</u>	<u>624,929</u>
Supporting Activities			
Management and General	140,418	-	140,418
Fund Raising	<u>56,725</u>	<u>-</u>	<u>56,725</u>
Total Supporting Activities	<u>197,143</u>	<u>-</u>	<u>197,143</u>
TOTAL EXPENSES	<u>822,072</u>	<u>-</u>	<u>822,072</u>
INCREASE (DECREASE) IN NET ASSETS	(248,480)	-	(248,480)
NET ASSETS - BEGINNING OF YEAR	<u>514,038</u>	<u>-</u>	<u>514,038</u>
NET ASSETS - END OF YEAR	<u>\$ 265,558</u>	<u>\$ -</u>	<u>\$ 265,558</u>

See Accompanying Notes to Financial Statements



CHRISTIAN RESOURCES INTERNATIONAL

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Fund Raising	Total
Salaries and Wages	\$ 240,348	\$ 85,839	\$ 17,168	\$ 343,355
Employee Benefits	11,780	4,207	841	16,828
Payroll Taxes	10,582	3,779	756	15,117
Professional Fees	-	13,138	-	13,138
Office Supplies	15,282	1,698	-	16,980
Packing Supplies	9,676	-	-	9,676
Telephone	2,716	302	-	3,018
Postage	5,337	-	593	5,930
Shipping	86,672	-	-	86,672
Utilities	9,651	1,072	-	10,723
Repairs	7,213	3,091	-	10,304
Travel	25,043	8,944	1,789	35,776
Depreciation	11,481	-	-	11,481
Insurance	4,656	517	-	5,173
Dues and Memberships	1,415	607	-	2,022
Printing	3,512	1,254	251	5,017
Interest	-	-	-	-
Advertising	10,812	-	10,812	21,624
Bank Charges	-	4,727	-	4,727
Other Program Expenses	160,581	-	-	160,581
Recruitment	8,172	-	24,515	32,687
Impairment Loss	-	11,243	-	11,243
Total Expenses	\$ 624,929	\$ 140,418	\$ 56,725	\$ 822,072

See Accompanying Notes to Financial Statements



STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

CASH FLOW FROM OPERATING ACTIVITIES

Increase (Decrease) in Net Assets	\$ (248,480)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation	11,481
Changes in Operating Assets and Liabilities:	
Accounts Receivable	(1,935)
Accounts Payable	359
Payroll Taxes Payable	6,598
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(231,977)</u>

CASH FLOW FROM INVESTING ACTIVITIES

Sale (Purchase) of Fixed Assets	-
Sale (Purchase) of Investments	1,916
Sale (Purchase) of Intangible Assets Cryptocurrency	(10,000)
Impairment Loss on Intangible Assets Cryptocurrency	11,243
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>3,159</u>

CASH FLOW FROM FINANCING ACTIVITIES

Increase in Notes Payable	-
Payments on Notes Payable	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>-</u>

NET INCREASE (DECREASE) IN CASH (228,818)

CASH - BEGINNING OF YEAR 357,500

CASH - END OF YEAR **\$ 128,682**

Cash spent for:

Income Taxes	\$ -
Interest	\$ -

See Accompanying Notes to Financial Statements



CHRISTIAN RESOURCES INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ORGANIZATION

Christian Resources International (the Organization) exists as a non-profit missions organization to recycle worldwide, free of charge, used and surplus Christian literature and educational materials. The purpose is to equip saints for the work of ministry, to build up the body of Christ.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

ESTIMATES

The preparation of financial statements on the accrual basis of accounting 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 financial statements, and the reported revenue and expenses during the reporting period. Actual results could differ from estimates.

INCOME TAXES

The Organization is exempt from Federal income taxes under Code Section 501(c)(3) of the Internal Revenue Service Code. Contributions to the Organization qualify for the charitable contribution deduction under Code Section 170(b)(1)(A). The Organization has been determined not to be a private foundation under Code Section 509.

CASH AND CASH EQUIVALENTS

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

INVESTMENTS

Investments are carried at fair market value, with realized and unrealized gains and losses reported as unrestricted revenue in the statement of activities. Donated investments are recorded at fair market value on the date of donation and are thereafter carried in accordance with the above provisions.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, or if donated, at the estimated fair value at the date of donation. Property donated with restrictions regarding its use and contributions of cash to acquire property are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from temporarily restricted net assets to unrestricted net assets at that time. Purchases of long-lived assets in excess of \$1,000 with a useful life in excess of one year are capitalized. Depreciation is recorded using the straight-line method.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****CLASSES OF NET ASSETS**

The net assets of the Organization have been reported in the following classes:

Net assets without donor restrictions consist of amounts currently available for use in the Organization's operations and those resources invested in property and equipment.

Net assets with donor restrictions consist of all funds that have donor-restrictions for various reasons.

SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash and 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 amount. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Investment and other income is recorded when earned.

CONTRIBUTED SERVICES

During the year ended December 31, 2022, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

ALLOCATION OF EXPENSES

The costs of providing various program services and supporting activities of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting activities benefited. Salaries, benefits, and payroll taxes are allocated based upon time and effort; building and building improvement depreciation is allocated on square footage; furniture and equipment depreciation is allocated based on program usage. All remaining costs are allocated based on the purpose of the expense. The detailed schedule of the allocation of expenses can be found at the Statement of Functional Expenses.

3. INVESTMENTS

Investments at estimate fair value as of December 31, 2022, consist of:

Equities	\$	822
Fixed Incomes		6,175
Cash and Cash Equivalents		796
	\$	7,793



CHRISTIAN RESOURCES INTERNATIONAL

Notes to Financial Statements

3. INVESTMENTS (CONTINUED)

Investment income (loss) for the year ended December 31, 2022, consists of:

Interest and Dividends	\$	555
Net Realized and Unrealized Gain (Loss)		(2,471)
	\$	(1,916)

4. FAIR VALUE MEASUREMENTS

The Organization uses appropriate valuation techniques to determine fair value based on inputs available. When available, the Organization 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 were not available.

Fair values of assets as of December 31, 2022, are:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Equities	\$ 822	\$ -	\$ -	\$ 822
Fixed Incomes	6,175	-	-	6,175
	\$ 6,997	\$ -	\$ -	\$ 6,997

Valuation techniques: Fair value for equities, fixed income securities, and mutual funds are based on quoted prices in active markets.

5. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2022, consists of the following:

Land	\$	65,000
Building		107,051
Building Improvements		118,369
Furniture and Equipment		51,776
		342,196
Less Accumulated Depreciation		(210,835)
	\$	131,361



6. RETIREMENT CONTRIBUTIONS

The Organization contributes up to 3% of eligible employees salary into an IRA. During the year ended December 31, 2022, the Organization contributed \$4,800.

7. ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts due from employees. All amounts due are expected to be collected during the year ended December 31, 2022. The balance as of December 31, 2022, was \$10,010.

8. INTANGIBLE ASSET CRYPTOCURRENCY

The cryptocurrency held by the Organization is classified as an intangible asset with an indefinite life and is held at cost. The cost of the intangible assets as December 31, 2022, was \$20,501. The fair market value of the intangible asset as of December 31, 2022, was \$20,501. During the year ended December 31, 2022, an impairment loss of \$11,243 was recorded related to the intangible assets.

9. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has \$146,485 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash, investments, and accounts receivable. None of the financial assets are subject to donor or other contractual restrictions that would make them unavailable for general expenditures within one year of the statement of financial position.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, May 8, 2023. Subsequent events after that date have not been evaluated.

