

**CHRISTIAN WORLD OUTREACH, INC.**  
**FINANCIAL STATEMENTS**

\* \* \* \* \*

December 31, 2023

# CHRISTIAN WORLD OUTREACH, INC.

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# **GRAFTED VINE CPA, LLC**

Member AICPA

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Christian World Outreach, Inc.  
Littleton, Colorado

### **Opinion**

We have audited the accompanying financial statements of Christian World Outreach (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activity and changes in net assets, 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 World Outreach as of December 31, 2023 and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Christian World Outreach 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 these 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 World Outreach's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Christian World Outreach's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Christian World Outreach'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.

*Grafted Vine CPA, LLC*

Woodland Park, CO  
May 24, 2024

**CHRISTIAN WORLD OUTREACH, INC.**

Statements of Financial Position

December 31, 2023

(With Comparative Totals for 2022)

	December 31,	
	2023	2022
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,003,694	\$ 931,178
Certificate of deposit accounts	277,083	435,569
Prepaid expenses and other	1,524	3,344
Gift-in-kind inventory	23,645	25,146
	<u>1,305,946</u>	<u>1,395,237</u>
Investments	101,940	-
Property and equipment		
Land and buildings	1,993,811	1,993,811
Furnishings and equipment	89,416	89,416
Vehicles	215,219	215,219
	<u>2,298,446</u>	<u>2,298,446</u>
Less: Accumulated depreciation	(885,149)	(849,767)
	<u>1,413,297</u>	<u>1,448,679</u>
	<u>\$ 2,821,183</u>	<u>\$ 2,843,916</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 54	\$ (1,020)
Accrued payroll expenses	3,480	4,979
	<u>3,534</u>	<u>3,959</u>
Net assets		
Without restrictions	2,347,958	2,344,122
With donor restrictions	469,691	495,835
	<u>2,817,649</u>	<u>2,839,957</u>
	<u>\$ 2,821,183</u>	<u>\$ 2,843,916</u>

The accompanying notes are an integral part of these statements.

**CHRISTIAN WORLD OUTREACH, INC.**  
 Statements of Activity and Changes in Net Assets  
 For the Year Ended December 31, 2023  
 (With Comparative Totals for 2022)

	2023	2022
<b>Changes in net assets without restrictions:</b>		
Support and revenue		
Contributions	\$ 50,099	\$ 225,593
Events, net of donor benefits of \$10,626	42,785	26,678
In-kind contributions	48,221	50,064
Income from foreign field	21,383	22,184
Ministry, interest, & other income	23,501	16,438
Total support & revenue	185,989	340,957
Net Assets Released from Restriction	834,769	723,637
Total Support, revenue, and reclassifications	1,020,758	1,064,594
Functional expenses		
Program Services	772,976	711,779
Supporting Services:		
General & administrative	168,592	78,910
Financial development	75,355	64,139
Total expenses	1,016,923	854,828
Change in net assets without restrictions	3,835	209,766
<b>Change in net assets with donor restrictions:</b>		
Restricted contributions	808,626	573,401
Net assets released from restrictions	(834,769)	(530,649)
Change in net assets with donor restrictions:	(26,143)	42,752
<b>Change in net assets, all categories</b>	(22,308)	252,518
<b>Net assets, beginning of year</b>	2,839,957	2,587,439
<b>Net assets, end of year</b>	\$ 2,817,649	\$ 2,839,957

The accompanying notes are an integral part of these statements.

**CHRISTIAN WORLD OUTREACH, INC.**

Statement of Functional Expenses  
For Year End December 31, 2023  
(With Comparative Totals for 2022)

				Total Expenses	
	Program Services	General & Administrative	Financial Development	2023	2022
Personnel expenses	\$ 276,110	\$ 110,966	\$ 11,958	\$ 399,034	\$ 364,122
Occupancy costs	194,587	41,506	18,552	254,645	83,322
Client needs & assistance	2,351	-	-	2,351	178,316
Travel, meeting, & conferences	15,507	-	-	15,507	36,243
Program supplies	174,789	-	29,928	204,717	71,881
Professional fees & services	5,911	1,289	576	7,776	32,322
Equipment rental & maintenance	48,304	10,461	4,676	63,441	28,593
Office supplies & expense	3,971	866	8,099	12,936	10,599
Telecommunications & technology	2,036	444	198	2,678	8,011
Insurance & other	14,028	3,060	1,368	18,456	5,855
Depreciation	35,382	-	-	35,382	35,564
		168,592	75,355	1,016,923	854,828
Total expenses	<u>\$ 772,976</u>	<u>\$ 168,592</u>	<u>\$ 75,355</u>	<u>\$ 1,016,923</u>	<u>\$ 854,828</u>

The accompanying notes are an integral part of these statements.

**CHRISTIAN WORLD OUTREACH, INC.**  
 Statements of Cash Flows  
 For Years Ended December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (22,308)	\$ 252,518
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation expense	35,382	35,564
Changes in operating assets and liabilities:		
Decrease (increase) in gift-in-kind inventory	1,501	(1,600)
(Increase) decrease in prepaid expenses	1,820	5,119
(Decrease) increase in accounts payable	1,074	(3,046)
(Decrease) increase in accrued payroll expenses	(1,499)	(333)
Net cash flow from operating activities	15,970	288,222
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Additions to certificate of deposit account	158,486	(4,367)
Property and equipment (additions) dispositions	-	(239,089)
Purchases of investments	(101,940)	-
Net cash flow from investing activities	56,546	(243,456)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	72,516	44,766
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	931,178	886,412
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,003,694	\$ 931,178
<b>Supplemental disclosure of cash flow info:</b>		
Interest income - cash basis	\$ 23,501	\$ 6,269

The accompanying notes are an integral part of these statements.



**RESCHOOL**  
Notes to the Financial Statements  
For the Year Ended December 31, 2023  
(With Comparative Totals for 2022)

Note 1: Organization Background and Summary of Significant Accounting Policies

a. Organization background

Christian World Outreach, Inc. ("CWO"), based in Littleton, Colorado, was established as a non-profit corporation in 1997 under the laws of the State of Colorado. CWO's over-arching mission is to participate with the body of Christ in responsible evangelism; to bring dignity, self-worth and encouragement through leadership development; and to meet the physical needs of people through humanitarian assistance.

CWO is officially recognized as a non-governmental organization (NGO) in Haiti and Burkina Faso. Operations in Zimbabwe, Sri Lanka and South Africa are officially recognized as local organizations under the CWO umbrella. Accordingly, these financial statements include the assets, liabilities, net assets, revenues and expenses of the field operations in these countries.

CWO relies primarily on contributions from individuals to carry out its mission.

b. Financial Statement Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (USGAAP).

CWO follows the provisions of FASB ASC 958 "Financial Statements of Not-for-Profit Organizations". Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets, as follows:

Without restrictions - Resources not subject to donor-imposed restrictions.

With restrictions - Resources subject to donor-imposed restrictions that will be satisfied either by the actions of the Organization or the passage of time. (See Note 5).

c. Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or specific purposes are reported as increases to "net assets with donor restrictions". When a donor restriction is satisfied, "net assets with donor restrictions" are reclassified to "net assets without restrictions" and reported in the statement of activities as "net assets released from restrictions". Program fee income is passed through from the field and is not significant and is recognized on a cash basis.

(Continued)

**RESCHOOL**  
Notes to the Financial Statements  
For the Year Ended December 31, 2023  
(With Comparative Totals for 2022)

Note 1: Summary of Significant Accounting Policies (Continued)

d. Cash and Cash Equivalents

For purposes of the statement of cash flows, CWO considers all demand and time deposits with maturities of three months or less to be cash equivalents as long as they are not legally restricted as to withdrawal. Accounts may periodically exceed federally insured limits. Aggregate balances at December 31, 2023 exceeded FDIC insured limits by \$837,189. CWO has never experienced any losses by exceeding insured limits and believes it is not exposed to any significant credit risks regarding cash and cash equivalents.

e. Certificate of deposit account

As of December 31, 2021, CWO had purchased (or rolled over) \$158,486 in certificates of deposit at two separate financial institutions in order to earn higher interest on funds that were not immediately needed for operations. \$10,146 of earned interest was re-invested during 2023, resulting in an account balance of \$277,083 at December 31, 2023. The accounts mature at various points in 2023 and pay interest rates varying from 1.75 to 3.02%.

f. Donated services, use of space and supplies

CWO records all services which are significant, require technical expertise certification and would have been purchased if not received via donation. There were no contributions meeting these criteria during 2022.

Similarly, donated use of space and supplies are recorded at fair value if they are significant and otherwise would have been purchased. During the current year, CWO received and recorded herein under "occupancy costs", the \$43,862 fair value of its Littleton, CO office space received from a donor's business and \$4,359 of goods for events and programs.

g. Property and equipment

CWO follows the practice of capitalizing all expenditures for property and equipment in excess of \$2,000 at cost. The fair value of donated assets is similarly capitalized. Expenditures for maintenance, repairs and other renewals of items are charged to expense. When items are disposed of, the cost and accumulated depreciation are eliminated from the accounts and any gain or loss is included in the results of its normal operations.

The provision for depreciation is calculated using the straight-line method over estimated useful lives ranging from 3 years for technology to 30 years for buildings. Depreciation expense for the years ended December 31, 2023 and 2022 was \$35,381 and \$35,564, respectively.

h. Comparative financial information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class, which does not constitute a presentation in conformity with USGAAP. Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.

(Continued)

## RESCHOOL

### Notes to the Financial Statements For the Year Ended December 31, 2023 (With Comparative Totals for 2022)

#### Note 1: Summary of Significant Accounting Policies (Continued)

i. Estimates

The preparation of financial statements in conformity with USGAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

j. Functional Expenses

Most expenses directly benefit a specific program or supporting service area; and, are directly charged to such area. When an expense benefits more than one functional area, it is allocated based on management's estimate of the staff time expended. As prescribed by USGAAP, fundraising revenues from special events are reported net of any direct donor benefits.

k. Tax Status

CWO is exempt from federal and state income taxes under IRS Code Section 501(c)(3), has no items of unrelated business income and believes it has complied with all requirements necessary to maintain its status. Years prior to 2017 are closed for income tax examination purposes.

l. Subsequent Events

Management has evaluated subsequent events through May 24, 2024, the date that the independent auditor's report on these financial statements was available to be issued. No reportable items were noted.

#### Note 2: Foreign Operations and Contingency

Through its foreign field NGOs in Burkina Faso and Haiti and the local organizations under its umbrella in Zimbabwe, Sri Lanka and South Africa (See Note 1a), CWO has certain assets outside the United States of America. Account balances relating to these operations are reflected herein in US dollars. As of December 31, 2022 assets in foreign countries amounted to \$1,452,492. \$39,195 of this amount was cash and cash equivalents in field office working funds and \$1,413,297 was the net book value of property and equipment. There were no liabilities in foreign countries at December 31, 2023. Revenue received from foreign field sources during 2023 amounted to \$21,383.

As discussed above, land and buildings and other fixed assets, with a net book value of \$1,452,492, were in foreign countries at December 31, 2023. Management has reviewed these assets and determined that they are under the control and ownership of CWO. While recognized as assets of CWO herein, it should be noted that the political situation in many countries is subject to rapid change. While CWO believes the assets are reasonably stated herein, subsequent changes could occur that would adversely affect the net realizable value of the assets in foreign countries. No reserve has been accrued herein for such a loss.

(Continued)

## RESCHOOL

### Notes to the Financial Statements For the Year Ended December 31, 2023 (With Comparative Totals for 2022)

#### Note 3: Liquidity and Availability of Financial Resources

CWO's cash flow needs are monitored closely throughout the year by management in conjunction with the board of directors. Financial assets available for general operating expenditure within one year of the balance sheet date consist of the following current assets, less what is needed for donor restrictions, as illustrated on the Statement of Financial Position, herein:

Cash and cash equivalents in the U.S.	\$	968,400
Certificate of deposit accounts		277,083
Less: funds subject to donor restrictions		<u>(469,691)</u>
		<u><u>\$ 775,792</u></u>

#### Note 4: Net Assets Released from Restrictions and Net Assets With Donor Restrictions

The Organization's \$469,691 of net assets with donor restrictions represents donor restricted contributions from prior periods within the Foundation that are available for the following purposes at December 31, 2023. There was no activity within these funds during 2023 as the Organization's funded all grants, scholarships and awards using unrestricted surplus and operating reserves.

<u>Donor Restricted Purpose</u>	2023			<u>Balance as of Dec. 31, 2023</u>
	<u>Balance as of Dec. 31, 2022</u>	<u>Donor Restricted Revenues</u>	<u>Expenses Satisfying Restrictions</u>	
Zimbabwe	\$ 342,629	\$ 255,425	\$ 226,598	\$ 371,456
Haiti	23,792	150,614	168,370	6,036
Burkina Faso	75,483	262,882	277,830	60,535
Sri Lanka	14,177	17,479	20,308	11,348
South Africa	2,254	11,802	12,616	1,440
Staff and missionary support, other	37,499	110,424	129,047	18,876
	<u><u>\$ 495,834</u></u>	<u><u>\$ 808,626</u></u>	<u><u>\$ 834,769</u></u>	<u><u>\$ 469,691</u></u>