

CHRISTIAN EMERGENCY RELIEF TEAMS, INTERNATIONAL

COMPILED FINANCIAL STATEMENTS

JUNE 30, 2025

CHRISTIAN EMERGENCY RELIEF TEAMS, INTERNATIONAL

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CERTIFIED PUBLIC ACCOUNTANTS

Joe Savage
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Earl O. Wright - 1988 - 2002
William R. Scandlyn - 1988 - 1999

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of
Christian Emergency Relief Teams, International

Management is responsible for the accompanying financial statements of Christian Emergency Relief Teams, International (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Parsons & Wright, CPAs

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October 9, 2025

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CHRISTIAN EMERGENCY RELIEF TEAMS, INTERNATIONAL
FINANCIAL STATEMENTS
JUNE 30, 2025

CHRISTIAN EMERGENCY RELIEF TEAMS, INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	<u>JUNE 30,</u> <u>2025</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	
Restricted	\$ 45,206
Unrestricted	99,913
Payroll Asset	736
Prepaid Expense	<u>2,791</u>
Total Current Assets	\$ 148,646
PROPERTY AND EQUIPMENT	
Land	\$ 12,676
Buildings and Improvements	131,314
Furniture, Fixtures, & Equipment	<u>77,889</u>
Total Property and Equipment	\$ 221,879
Less: Accumulated Depreciation	<u>(60,458)</u>
Net Property and Equipment	\$ 161,421
OTHER ASSETS	
Donated Gold Coins	\$ 29,537
Investments	<u>398,801</u>
Total Other Assets	428,338
TOTAL ASSETS	\$ <u>738,405</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 1,963
Retirement Payable	2,428
Payroll Tax Liabilities	0
Current Portion of Long-Term Debt	<u>10,130</u>
Total Current Liabilities	\$ 14,521
LONG-TERM LIABILITIES	
Note Payable - Lease	\$ 46,528
Less Current Portion	<u>(10,130)</u>
Total Long-Term Liabilities	\$ 36,398
NET ASSETS	
Without Donor Restrictions	\$ 642,280
With Donor Restrictions	<u>45,206</u>
Total Net Assets	\$ 687,486
TOTAL LIABILITIES AND NET ASSETS	\$ <u>738,405</u>

See the accountant's report.

CHRISTIAN EMERGENCY RELIEF TEAMS, INTERNATIONAL
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Contributions			
CFC	\$ 6,305	\$ 0	\$ 6,305
Designated Contributions	1,390	14,610	16,000
Undesignated Contributions	246,728	0	246,728
Team Trip Contributions	139,577	0	139,577
Gifts In-Kind	150,013	0	150,013
Other Income	78,441	0	78,441
TOTAL CONTRIBUTIONS AND GRANTS	<u>\$ 622,454</u>	<u>\$ 14,610</u>	<u>\$ 637,064</u>
EXPENSES			
Program Services	\$ 513,254	\$ 5,875	\$ 519,129
<i>Total Program Services</i>	<u>\$ 513,254</u>	<u>\$ 5,875</u>	<u>\$ 519,129</u>
SUPPORT SERVICES			
Management & General	\$ 57,836	\$ 0	\$ 57,836
<i>Total Support Services</i>	<u>\$ 57,836</u>	<u>\$ 0</u>	<u>\$ 57,836</u>
TOTAL EXPENSES	<u>\$ 571,090</u>	<u>\$ 5,875</u>	<u>\$ 576,965</u>
CHANGE IN NET ASSETS	\$ 51,364	\$ 8,735	\$ 60,099
NET ASSETS, BEGINNING OF YEAR	<u>590,916</u>	<u>36,471</u>	<u>627,387</u>
NET ASSETS, END OF YEAR	<u>\$ 642,280</u>	<u>\$ 45,206</u>	<u>\$ 687,486</u>

CHRISTIAN EMERGENCY RELIEF TEAMS, INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services	Restricted	Management & General	TOTAL
Salaries and Wages	90,985	0	30,328	121,313
Payroll Tax Expense	6,960	0	2,320	9,280
Employee Benefits	7,049	0	2,349	9,398
Retirement Expense	3,232	0	1,078	4,310
Ministry Expense	2,475	5,875	825	9,175
Ministry In-Kind Expense	150,013	0	0	150,013
Mission Trip Expense	125,682	0	0	125,682
Ministry Travel	52,262	0	0	52,262
Printing & Publications	11,780	0	0	11,780
Utilities	1,615	0	538	2,153
Fundraising	0	0	0	0
Postage	6,215	0	2,072	8,287
Office Supplies	2,225	0	742	2,967
Software Expenses	1,775	0	591	2,366
Other Operating Expenses	(6,307)	0	(2,102)	(8,409)
Telephone	2,681	0	893	3,574
Internet & Web Expenses	2,176	0	725	2,901
Interest/Late Charges	7,823	0	2,607	10,430
Insurance	4,352	0	1,451	5,803
Accounting & Auditing	6,062	0	2,020	8,082
Advertising	1,996	0	665	2,661
Volunteer Expenses	777	0	259	1,036
Depreciation Expense	15,107	0	5,036	20,143
Bank Charges	3,164	0	1,054	4,218
Dues & Fees	9,439	0	3,146	12,585
Conferences	1,904	0	635	2,539
Property Taxes	431	0	144	575
Maintenance & Repairs	1,381	0	460	1,841
TOTAL EXPENSES	\$ 513,254	\$ 5,875	\$ 57,836	\$ 576,965

See the accountant's report.

CHRISTIAN EMERGENCY RELIEF TEAMS, INTERNATIONAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>JUNE 30,</u> <u>2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 60,099
<i>Adjustments to Reconcile Change in Net Assets</i> <i>to Net Cash Provided by Operating Activities:</i>	
Depreciation	20,143
Changes in Assets and Liabilities:	
(Increase) Decrease in Payroll Asset	1,000
(Increase) Decrease in Prepaid Insurance	(20)
Increase (Decrease) in Accounts Payable and Credit Cards	(14,082)
Increase (Decrease) in Accrued Payroll and Related Expenses	(2,418)
Increase (Decrease) in Retirement Payable	<u>1,068</u>
 <i>Net Cash Provided by (Used for) Operating Activities</i>	 \$ <u>65,790</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Unrealized (Gain)/Loss on Investments	\$ (46,438)
Change in Investments	(10,000)
Purchase of Fixed Assets	<u>(4,878)</u>
 <i>Net Cash Provided by (Used for) Investing Activities</i>	 \$ <u>(61,316)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Long Term Lease	<u>(8,276)</u>
 <i>Net Cash Provided (Used for) Financing Activities</i>	 \$ <u>(8,276)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (3,802)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>148,921</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u><u>145,119</u></u>
 CASH	
Cash on Hand	\$ 274
Cash in Bank	<u>144,845</u>
TOTAL CASH	\$ <u><u>145,119</u></u>

See the accountant's report.

CHRISTIAN EMERGENCY RELIEF TEAMS, INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

Christian Emergency Relief Teams, International, Inc. is a tax-exempt non-profit corporation in the State of Tennessee. Their primary purpose is to provide emergency supplies and services to those in need throughout the world.

2. Basis of Accounting

It is the policy of Christian Emergency Relief Teams, International, Inc. to prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. The accrual basis of accounting recognizes the significance and accountability of financial transactions, events and allocations as they occur.

3. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly-liquid instruments purchased with a maturity of three months or less to be cash equivalents.

At June 30, 2025, the carrying amount of the Organization's deposits (less petty cash of \$274) was \$144,845. Of the bank balance of \$145,339, all of the Organization's cash was collateralized.

The Organization did not pay any income taxes in 2025. The Organization is tax exempt under IRS Code Section 501(c)(3). The total interest paid by the Organization at June 30, 2025 was \$10,430.

4. Contributions

Funding for the activities of Christian Emergency Relief Teams, International, Inc. is provided primarily through voluntary contributions from the general public.

Donated items such as medical equipment, pharmaceutical supplies, etc. are reflected in the accompanying statements at their estimated value at the date of receipt.

5. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. Income Taxes

Income taxes are excluded since Christian Emergency Relief Teams, International, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. Christian Emergency Relief Teams, International, Inc. is not classified as a private foundation. The information returns for tax years 2022, 2023 and 2024 are considered open and are subject to examination from taxing authorities. As of June 30, 2025, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

CHRISTIAN EMERGENCY RELIEF TEAMS, INTERNATIONAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Retirement Plans

Christian Emergency Relief Teams International, Inc. offers its employees a simple employee pension plan authorized by Internal Revenue Code Section 408. Funds are deducted from participating employees' pay and deposited into individual accounts. Christian Emergency Relief Teams International, Inc. matches the employee contribution up to a maximum of 5%. For the year ended June 30, 2025, the retirement expense incurred was \$4,310.

8. Inventory

The Organization receives medical and pharmaceutical supplies as donations, which are recorded as gifts-in-kind. These gifts-in-kind supplies are received for specific mission trips and are typically used immediately. These donated supplies are not recorded as inventory, but are recognized as contributions at their estimated fair value at the time of donation and expensed as they are utilized.

9. Fixed Assets

Property and equipment are recorded at cost at the date of acquisition. Additions with an original value of \$100 or more and more than one year of life are capitalized. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the related assets, which is five years for equipment and thirty years for building and improvements. Expenditures for maintenance and repairs are charged to expense as incurred.

10. Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

11. Prepaid Expenses

Certain payments to vendors for insurance reflect costs applicable to future accounting periods. These payments are recorded as prepaid expenses.

12. Net Assets Without Donor Restrictions

Net assets represent the difference between a nonprofit organization's assets and liabilities. In accordance with ASU No. 2016-14, net assets are classified into two classes; Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions. Net Assets with Donor Restrictions consist of donations made to the Organization with stipulations imposed by donors.

NOTE B – FAIR VALUE FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

Cash and Cash Equivalents – The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of those instruments.

Investments – In accordance with the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification (FASB ASC 820-10-50-1 through 50-3; 820-10-50-8), the Company has categorized its financial instruments, based on the priority of the inputs to the valuations technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

See the accountant's report.

CHRISTIAN EMERGENCY RELIEF TEAMS, INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025

NOTE B – FAIR VALUE FINANCIAL INSTRUMENTS CONTINUED

If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation technique as follows:

Level 1 – These are instruments where values are based on unadjusted quoted prices for identical assets in an active market the Company has ability to access.

Level 2 – These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3 – These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect certain assumptions by management about the assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market.

The organization holds gold coins as an investment with a cost basis of \$19,537 and an unrealized gain of \$10,000 as of June 30, 2025. These gold coins are reported at fair value. Management considers the gold coins to be a liquid investment that could be converted to cash within one year, if needed to support operations, and are included in Financial Assets Available to Meet Cash Needs for General Expenditures Within One year.

The organization's investments in marketable debt and equity securities are considered available for sale. The investments are carried in the financial statements at fair value. The net unrealized holding gains/losses on the available for sale securities in the amount of \$46,438, for the year ended June 30, 2025, has been included in other income (expense). Cost and fair value of marketable debt and equity securities at June 30, 2025, is as follows:

June 30, 2025	<u>COST</u>	<u>ADDITIONS</u>	<u>PRIOR YEAR UNREALIZED GAINS/(LOSSES)</u>	<u>CURRENT YEAR UNREALIZED GAINS/(LOSSES)</u>	<u>FAIR VALUE</u>
Available for Sale					
Mutual Funds	319,715	0	32,648	46,438	398,801
TOTAL	\$ 319,715	\$ 0	\$ 32,648	\$ 46,438	\$ 398,801

NOTE C – FIXED ASSETS

Statement of additions and retirements to fixed assets as of June 30, 2025:

	<u>BALANCE 7/1/2023</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ DISPOSITIONS</u>	<u>BALANCE 6/30/2023</u>
Buildings and Improvements	\$ 131,314	\$ 0	\$ 0	\$ 131,314
Machinery & Equipment	0	0	0	0
Office Equipment	73,011	4,878	0	77,889
TOTAL DEPRECIABLE ASSETS	\$ 204,325	\$ 4,878	\$ 0	\$ 209,203
Land	\$ 12,676	\$ 0	\$ 0	\$ 12,676
TOTAL NONDEPRECIABLE ASSETS	\$ 12,676	\$ 0	\$ 0	\$ 12,676
Accumulated Depreciation				
Accumulated Depreciation	40,315	20,143	0	60,458
TOTAL DEPRECIATION	\$ 40,315	\$ 20,143	\$ 0	\$ 60,458
Total Land, Plant & Equip.	\$ 176,686	\$ (15,265)	\$ 0	\$ 161,421

See the accountant's report

CHRISTIAN EMERGENCY RELIEF TEAMS, INTERNATIONAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE D – GIFTS-IN-KIND

During the fiscal year, the organization received gifts-in-kind consisting of medical supplies, pharmaceuticals, and volunteer work. These contributions are recognized in the financial statements at their estimated fair values at the date of donation.

Medical Supplies and Pharmaceuticals: The organization received medical supplies and pharmaceuticals valued at \$12,868. These supplies were utilized in our various mission trips, providing essential resources to support our mission.

Volunteer Work: Over the course of the fiscal year, volunteers contributed services valued at \$137,145 based on the estimated fair value of the services provided. The recognition of these gifts-in-kind is in accordance with the organization's accounting policies and relevant accounting standards.

NOTE E – LONG TERM DEBT

On September 12, 2023, Christian Emergency Relief Teams, International, Inc. entered into a capital lease for the use of a Xerox Primelink C9070 printer. The original amount of the lease is \$60,000, due in 63 monthly principle and interest payments of \$1,558.76 through December 15, 2028.

At June 30, 2025, the remaining balance of the lease was \$46,528.

NOTE F – AVAILABILITY OF FINANCIAL ASSETS

The table below reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include board designated amounts that could be utilized if the Board of Directors approved the use.

Financial Assets, at year-end	
Cash On Hand	\$ 274
Cash In Bank	144,845
Donated Gold Coins	29,537
Total Financial Assets, at year-end	\$ 174,656
Less Those Unavailable for General Expenditures within one year	
	<u>(45,206)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within one year	\$ <u>129,450</u>

NOTE G – SUBSEQUENT EVENTS

The Organization evaluated subsequent events through October 9, 2025, which is the date the financial statements were available to be issued. The Organization noted no items requiring disclosure.

