



CHRISTIAN RELIEF SERVICES, INC.

Financial Statements

For the Year Ended June 30, 2023

(With Summarized Financial Information for the Year Ended June 30, 2022)



**and
Report Thereon**



CHRISTIAN RELIEF SERVICES, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Christian Relief Services, Inc.

Opinion

We have audited the financial statements of Christian Relief Services, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, 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 auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization'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 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, 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 the Organization'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 the Organization'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.

Other Matter

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 29, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marcum LLP

Washington, DC
November 29, 2023

CHRISTIAN RELIEF SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2023
(With Summarized Financial Information as of June 30, 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 610,654	\$ 1,924,615
Grants and contributions receivable, net	42,868	286,162
Contributed relief materials inventory	957,309	1,802,612
Prepaid expenses and other	11,637	11,585
Property and equipment, net	24,241	7,978
TOTAL ASSETS	\$ 1,646,709	\$ 4,032,952
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 166,484	\$ 548,717
Due to affiliates	726,804	217,717
Security deposits	18,054	18,054
TOTAL LIABILITIES	911,342	784,488
Net Assets		
Net assets without donor restrictions	645,965	2,935,464
Net assets with donor restrictions	89,402	313,000
TOTAL NET ASSETS	735,367	3,248,464
TOTAL LIABILITIES AND NET ASSETS	\$ 1,646,709	\$ 4,032,952

The accompanying notes are an integral part of these financial statements.

CHRISTIAN RELIEF SERVICES, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

(With Summarized Financial Information for the Year Ended June 30, 2022)

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT				
Contributed nonfinancial assets	\$ 29,978,559	\$ -	\$ 29,978,559	\$ 25,429,195
Cash contributions from affiliates	1,500,000	5,590,000	7,090,000	6,148,000
Cash contributions	5,360,658	98,467	5,459,125	6,042,077
Wills and bequests	53,598	264,186	317,784	632,914
Government grants	80,993	-	80,993	244,948
Workplace campaign	-	13,177	13,177	13,677
Other income	928	-	928	1,215
Net assets released from restrictions:				
Satisfaction of time restrictions	14,246	(14,246)	-	-
Satisfaction of purpose restrictions	6,175,182	(6,175,182)	-	-
TOTAL REVENUE AND SUPPORT	43,164,164	(223,598)	42,940,566	38,512,026
EXPENSES				
Program Services:				
International programs	28,435,347	-	28,435,347	23,099,845
Indian programs	8,177,957	-	8,177,957	5,519,675
American domestic programs	4,699,207	-	4,699,207	4,404,841
Housing programs	246,534	-	246,534	381,722
Total Program Services	41,559,045	-	41,559,045	33,406,083
Supporting Services:				
Fundraising	3,696,634	-	3,696,634	4,545,352
Management and general	197,984	-	197,984	274,220
Total Supporting Services	3,894,618	-	3,894,618	4,819,572
TOTAL EXPENSES	45,453,663	-	45,453,663	38,225,655
CHANGE IN NET ASSETS	(2,289,499)	(223,598)	(2,513,097)	286,371
NET ASSETS, BEGINNING OF YEAR	2,935,464	313,000	3,248,464	2,962,093
NET ASSETS, END OF YEAR	\$ 645,965	\$ 89,402	\$ 735,367	\$ 3,248,464

The accompanying notes are an integral part of these financial statements.

CHRISTIAN RELIEF SERVICES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2023

(With Summarized Financial Information for the Year Ended June 30, 2022)

	Program Services				Supporting Services			2023 Total	2022 Total	
	International Programs	Indian Programs	American Domestic Programs	Housing Programs	Total Program Services	Fundraising	Management and General			Total Supporting Services
Donated relief materials	\$27,645,897	\$ 1,621,411	\$ 1,482,302	\$ -	\$30,749,610	\$ -	\$ -	\$ -	\$30,749,610	\$24,306,620
Cash grants – affiliates	500,000	5,630,000	2,525,000	-	8,655,000	-	-	-	8,655,000	7,288,000
Printing and production	9,203	29,535	11,912	242	50,892	1,670,181	-	1,670,181	1,721,073	2,473,698
Procurement fees	105,000	561,111	574,999	-	1,241,110	-	-	-	1,241,110	937,321
Postage	6,070	30,195	9,519	4	45,788	963,045	11	963,056	1,008,844	1,140,469
Wages and fringe benefits	-	14,865	-	212,242	227,107	493,658	-	493,658	720,765	820,276
Contract services	-	69,000	-	-	69,000	168,489	-	168,489	237,489	239,630
Shipping	121,869	52,190	48,159	-	222,218	1,229	-	1,229	223,447	145,790
Office supplies, dues and subscriptions	170	552	4,208	754	5,684	191,253	4,423	195,676	201,360	185,772
Rent	25,451	25,451	25,451	-	76,353	59,744	36,180	95,924	172,277	170,054
Interest	-	133,312	-	-	133,312	-	-	-	133,312	-
List rental	-	-	-	-	-	87,110	-	87,110	87,110	117,559
Provision for inventory loss	-	-	-	-	-	-	74,252	74,252	74,252	120,029
Payroll taxes	-	1,298	-	14,399	15,697	30,464	-	30,464	46,161	53,954
Bank charges	-	-	-	-	-	518	40,939	41,457	41,457	31,233
Professional and consulting	-	-	-	-	-	-	29,432	29,432	29,432	20,374
Cash grants	10,000	-	9,500	8,008	27,508	-	-	-	27,508	84,613
General insurance	4,322	4,322	4,322	-	12,966	4,771	9,269	14,040	27,006	38,883
Utilities	3,006	3,006	3,006	-	9,018	5,487	-	5,487	14,505	11,783
Depreciation and amortization	-	880	-	6,080	6,960	4,973	-	4,973	11,933	16,342
Meetings and travel	3,530	-	-	4,119	7,649	1,737	843	2,580	10,229	11,999
Repairs and maintenance	-	-	-	-	-	7,093	-	7,093	7,093	6,331
Miscellaneous	-	-	-	418	418	3,134	-	3,134	3,552	-
Provision for doubtful accounts	-	-	-	-	-	-	2,635	2,635	2,635	-
Advertising	-	-	-	268	268	2,324	-	2,324	2,592	1,022
Real estate taxes	668	668	668	-	2,004	-	-	-	2,004	1,935
Telephone	161	161	161	-	483	1,424	-	1,424	1,907	1,968
TOTAL EXPENSES	\$ 28,435,347	\$ 8,177,957	\$ 4,699,207	\$ 246,534	\$ 41,559,045	\$ 3,696,634	\$ 197,984	\$ 3,894,618	\$ 45,453,663	\$ 38,225,655

The accompanying notes are an integral part of these financial statements.

CHRISTIAN RELIEF SERVICES, INC.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023
(With Summarized Financial Information for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,513,097)	\$ 286,371
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	11,933	16,342
Contributed nonfinancial assets	(29,978,559)	(25,429,195)
Donated relief materials	30,749,610	24,306,620
Provision for inventory loss	74,252	120,029
Provision for doubtful accounts	2,635	-
Changes in assets and liabilities:		
Grants and contributions receivable	240,659	(236,630)
Due from affiliates	-	7,969
Prepaid expenses and other	(52)	2,320
Accounts payable and accrued expenses	(382,233)	474,628
Due to affiliates	509,087	206,160
	<u>509,087</u>	<u>206,160</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(1,285,765)</u>	<u>(245,386)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(28,196)	-
	<u>(28,196)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(28,196)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans from affiliate	3,540,000	-
Payment of loans from affiliate	(3,540,000)	-
	<u>-</u>	<u>-</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,313,961)</u>	<u>(245,386)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,924,615</u>	<u>2,170,001</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 610,654</u>	<u>\$ 1,924,615</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	<u>\$ 133,312</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2023

1. Organization and Summary of Significant Accounting Policies

Organization

Christian Relief Services, Inc. (the Organization) was incorporated in February 1998, under the Virginia Nonstock Corporation Act, to provide funding, technical support services and donated relief materials to communities striving to break the stranglehold of poverty in order to achieve sustainable solutions. Many communities within the U.S., and throughout the world, suffer from a lack of basic infrastructure services – clean water, medicine, education and housing. On July 1, 1998, the Organization began operations as a 501(c)(3) organization approved by the Internal Revenue Service (the IRS) under the group exemption authority of Christian Relief Services Charities, Inc. (CRSC). The Organization works closely with partner charities, including, to a great extent, its affiliates and parent organization, individuals and nongovernmental organizations embedded in targeted communities, to determine effective ways of sharing resources and creating long-term solutions to the alleviation of human suffering, misery, pain and disability in the world by advancing and improving the welfare of all persons while preserving native heritages, customs and beliefs, which includes the acquisition of low-income housing and developing, renovating and managing housing for persons of limited means, the chronically, mentally and/or physically challenged and the elderly. The Organization receives most of its support from cash contributions from the public, contributed relief materials and relief materials purchased at a discount.

Basis of Accounting and Presentation

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

Cash Equivalents

Cash equivalents include all highly liquid investments with initial maturities of three months or less.

Property and Equipment and Related Depreciation and Amortization

Property and equipment are recorded at cost or, if donated to the Organization, are recorded at the estimated fair value at the time of donation. Depreciation and amortization on furniture, office equipment, computer software and vehicles are provided using the straight-line method over the estimated useful lives, ranging from three to seven years. Leasehold improvements are recorded at cost and amortized over the shorter of the lease term or useful life. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation and amortization, and any gain or loss is reflected in revenue or expenses in the accompanying statement of activities. Major additions with a cost in excess of \$5,000 and useful life in excess of one year are capitalized, while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

1. Organization and Summary of Significant Accounting Policies (continued)

Net Assets

The net assets of the Organization are classified as follows:

- Net assets without donor restrictions represent funds that are available for support of the Organization's operations.
- Net assets with donor restrictions represent amounts that are subject to donor-imposed restrictions to be used for various programs or within a specific time period. These donor restrictions can be temporary in nature in that they will be met by the Organization's activities or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor stipulated that the funds must be maintained in perpetuity. As of June 30, 2023, the Organization had no net assets that were required to be maintained in perpetuity.

Revenue and Support Recognition

Unconditional gifts and grants of cash and other financial assets are recognized as revenue and support at their net realizable value when an unconditional promise to give is received by the Organization. The Organization reports unconditional gifts and grants of cash and other financial assets as revenue and support without donor restrictions and available for general operations, unless specifically restricted by the donor.

The Organization reports unconditional gifts of cash and other financial assets as revenue and support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets for purpose or time. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions. Workplace campaign contributions with payments due in future years are reported as revenue with donor restrictions in the accompanying statement of activities. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Revenue and support recognized for unconditional contributions that have been committed to the Organization but have not been received is reflected as grants and contributions receivable in the accompanying statement of financial position. Grants and contributions receivable are reported net of an allowance for doubtful accounts. The allowance is based on historical collection experience and a review of the status of grants and contributions receivable.

Wills and bequests are recognized at the time an unassailable right to the gift has been established, the proceeds are measurable and the Organization accepts the gift. Amounts that have not been collected as of year-end are included in grants and contributions receivable in the accompanying statement of financial position.

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue and Support Recognition (continued)

The Organization receives grants from U.S. government and state agencies, which are conditional upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Revenue and support recognized on these grants for which billings have not been presented to the grantor or cash has not been received from the grantor, are reflected as part of grants and contributions receivable in the accompanying statement of financial position. Conditional awards that are earned and released within the same year are reported as increases in net assets without donor restrictions in the accompanying statement of activities.

Contributed Nonfinancial Assets and Inventory

Contributed relief materials received by the Organization consist of food, clothing, hygiene products, shoes, school supplies, bedding, medicine, medical equipment and medical supplies. Contributed nonfinancial assets are recorded as revenue and donated relief materials at their estimated fair value at the date of donation, and reported as an expense and released from inventory when utilized. The Organization utilized the current average price located on publicly available websites for similar items to estimate the fair value. Contributed nonfinancial assets are not sold and are only distributed for program use. There were no donor restrictions related to the contributed nonfinancial assets. Inventory is stated at net realizable value, as determined by the first-in, first-out method.

The Organization's programs are also furthered by a substantial number of nonprofessional volunteers who have contributed their services to the Organization. The value of these services is not reflected in the accompanying financial statements because the contributed services do not meet the necessary criteria for recognition under GAAP which states that in order to be recorded the services must (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Expenses directly attributed to a specific functional area of the Organization are reported as expenses of those functional areas. Salaries and benefits that benefit multiple CRSC affiliates have been allocated among the CRSC affiliates based on estimates determined by management to be equitable. Occupancy and depreciation expenses are allocated by the square footage used by each affiliate. All other shared costs are recorded in the parent company and not allocated since the amounts are not significant to the financial statements of the affiliates.

Estimates

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

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

2. Grants and Contributions Receivable

Grants and contributions receivable totaled \$42,868 as of June 30, 2023, net of allowance for doubtful accounts of \$3,448. The receivables are all due within one year.

3. Contributed Relief Materials Inventory

The Organization's contributed relief materials inventory totaled \$957,309 and consisted of medical supplies as of June 30, 2023.

4. Property and Equipment

Property and equipment consisted of the following as of June 30, 2023:

Furniture, office equipment and software	\$ 135,725
Vehicles	<u>44,580</u>
Total Property and Equipment	180,305
Less: Accumulated Depreciation and Amortization	<u>(156,064)</u>
Property and Equipment, Net	<u>\$ 24,241</u>

Depreciation and amortization expense was \$11,933 for the year ended June 30, 2023.

5. Line of Credit

The Organization has a line of credit agreement with a financial institution in the amount of \$1,500,000 and has a maturity date of July 27, 2024. The line of credit is secured by personal property and guaranteed by CRSC. The interest rate is based on the Secured Overnight Financing Rate (SOAR) plus 2.5%, which was 7.55% as of June 30, 2023. There was no outstanding balance on this line of credit as of June 30, 2023 and the Organization did not make any draws on the line of credit during the year. The Organization was in compliance with the financial covenants.

6. Net Assets with Donor Restrictions

As of June 30, 2023, net assets with donor restrictions consisted of \$75,211 restricted for American Indian Programs, \$2,260 restricted for disaster response and \$11,931 restricted for future periods.

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

7. Contributed Nonfinancial Assets

The Organization received the following contributed nonfinancial assets for the year ended June 30, 2023:

Medicine	\$ 23,257,123
Medical supplies	2,845,798
Food	1,493,131
School kits, supplies and furniture	1,482,980
Hygiene products and others	545,347
Clothing, blankets and socks	<u>354,180</u>
Total Contributed Nonfinancial Assets	<u>\$ 29,978,559</u>

During the year ended June 30, 2023, donated relief materials were used for the following programs and are included in donated relief materials in the accompanying statement of functional expenses:

International programs	\$ 27,645,897
American Indian programs	1,621,411
Domestic programs	<u>1,482,302</u>
Total Contributed Relief Materials	<u>\$ 30,749,610</u>

8. Transactions with Affiliates and Related Parties

Contributions

The Organization is an affiliate of CRSC. The Organization and CRSC share a common board. The Organization acts as the fundraising arm for CRSC and its affiliates. The Organization raises both cash and noncash contributions for CRSC and its affiliates, and the contributions are distributed to the entities based on program objectives and need.

During the year ended June 30, 2023, the Organization made noncash contributions of contributed relief materials to the following affiliates, which are included in the accompanying statement of functional expenses as donated relief materials expense:

Bread and Water for Africa, Inc.	\$ 27,645,897
American Indian Youth Running Strong, Inc.	1,621,411
Americans Helping Americans, Inc.	<u>1,482,302</u>
Total Contributed Relief Materials Donated to Affiliates	<u>\$ 30,749,610</u>

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

8. Transactions with Affiliates and Related Parties (continued)

Contributions (continued)

During the year ended June 30, 2023, the Organization made cash contributions to the following affiliates, which are included in the accompanying statement of functional expenses as cash grants – affiliates:

American Indian Youth Running Strong, Inc.	\$ 5,630,000
CRSC	1,575,000
Americans Helping Americans, Inc.	950,000
Bread and Water for Africa, Inc.	<u>500,000</u>
Total Cash Grants to Affiliates	<u>\$ 8,655,000</u>

During the year ended June 30, 2023, the Organization received cash contributions from Christian Relief Services/21st Century Campaign, Inc. (CRS21) totaling \$7,090,000. In addition, during the year ended June 30, 2023, the Organization received loans from CRS21 totaling \$3,540,000. Interest accrued on the loans totaled \$133,312 during the year. The Organization fully repaid the loans from CRS21 in June 2023.

As of June 30, 2023, the Organization had payables due to the following affiliates:

CRSC	\$ 545,848
Bread and Water for Africa, Inc.	120,016
CRS Virginia	51,324
American Indian Youth Running Strong, Inc.	<u>9,616</u>
Total Cash Grants to Affiliates	<u>\$ 726,804</u>

9. Concentration of Credit Risk

The Organization maintains its cash and cash equivalents with certain commercial financial institutions, in which the aggregate balance, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit. As of June 30, 2023, the Organization exceeded the maximum limit insured by the FDIC by approximately \$90,000. The Organization monitors the creditworthiness of these financial institutions and has not experienced any credit losses on their cash and cash equivalents.

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

10. Availability of Resources and Liquidity

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. The Organization's financial assets available within one year of the statement of financial position date for general expenditures at June 30, 2023, were as follows:

Cash and cash equivalents	\$ 610,654
Grants and contributions receivable, net	<u>42,868</u>
Financial Assets Available to Meet General Expenditures Within One Year	653,522
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restrictions by donors for specific purposes	<u>(77,471)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 576,051</u>

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and receivables, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the Organization's cash flow needs on a regular basis. As a result, management is aware of the cyclical nature of the Organization's cash flow related to the Organization's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$1,500,000, of which the full amount was unused and available to draw upon as of June 30, 2023.

11. Pension Plan

Employees of the Organization are eligible to participate in a 401(k) plan sponsored by CRSC after 60 days of service. Under the terms of the defined contribution plan, eligible employees may elect to contribute up to the federal tax limitation. The plan has the following employee deferral and matching provisions:

<u>Elective Deferral</u>	<u>Employer Matching</u>
1%	400% of employee contribution
1% – 5%	100% of employee contribution

Employees are immediately vested in employer contributions. During the year ended June 30, 2023, retirement expense related to the plan was \$41,235, which is included in wages and fringe benefits in the accompanying statement of functional expenses.

CHRISTIAN RELIEF SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

12. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is a nonprofit organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the year ended June 30, 2023, as the Organization had no taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB Accounting Standards Codification Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertainty in income tax positions taken for the year ended June 30, 2023, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. There are currently no audits for any tax periods pending or in progress. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in tax positions, if any, in interest or income tax expense. As of June 30, 2023, the Organization had no accruals for interest and/or penalties.

13. Prior Year Summarized Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

14. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 29, 2023, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in these financial statements.