CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

Consolidated Financial Statements and Supplementary Information

For the Year Ended June 30, 2024
(With Summarized Financial Information for the Year Ended June 30, 2023)

and
Report Thereon

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

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For the Year Ended June 30, 2024

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Christian Relief Services Charities, Inc.
and Affiliates

Opinion

We have audited the consolidated financial statements of Christian Relief Services Charities, Inc. (CRSC) and Affiliates (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2024, 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 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 the Organization's ability to continue as a going concern within one year after the date that the consolidated 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 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

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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 consolidated 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 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 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 consolidated 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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and activities (supplementary information) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 24, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Marcum LLP

Washington, DC
December 17, 2024

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Summarized Financial Information as of June 30, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	$ 9,256,389	$ 7,145,623
Grants and contributions receivable, net	315,842	325,684
Other receivables	473,693	1,158,958
Prepaid expenses and other assets	1,376,195	977,084
Inventory	1,178,582	1,007,196
Investments	142,933,210	146,704,467
Investments in operating entities	7,488,505	7,488,505
Cash surrender value of life insurance policies	1,615,285	1,494,571
Restricted cash for tenant security deposits	964,061	874,362
Restricted deposits and funded reserves	2,022,735	2,541,808
Notes receivable	975,000	975,000
Property and equipment, net	132,145,247	134,868,798
TOTAL ASSETS	$ 300,744,744	$ 305,562,056
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 2,259,445	2,922,478
Line of credit payable	-	12,497,787
Notes and mortgages payable, net of unamortized debt issuance costs	88,047,309	93,564,457
Advance payments for rent	136,702	154,295
Deposits and funds held for others	691,584	590,886
TOTAL LIABILITIES	91,135,040	109,729,903
Net Assets		
Without donor restrictions	167,665,880	156,181,116
With donor restrictions	41,943,824	39,651,037
TOTAL NET ASSETS	209,609,704	195,832,153
TOTAL LIABILITIES AND NET ASSETS	$ 300,744,744	$ 305,562,056

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

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Summarized Financial Information for the Year Ended June 30, 2023)

	2024			
	Without Donor Restrictions	With Donor Restrictions	Total	2023
REVENUE AND SUPPORT				
Housing rental and related income	$ 25,490,364	$ -	$ 25,490,364	$ 23,942,470
Contributed nonfinancial assets	31,621,529	-	31,621,529	29,978,559
Cash contributions	5,682,063	1,261,934	6,943,997	7,734,180
Other income	1,406,857	371	1,407,228	2,225,045
Grants from government agencies	49,401	-	49,401	95,931
Loan forgiveness	325,852	-	325,852	-
Royalties	-	2,412,311	2,412,311	8,376,309
Wills and bequests	165,152	220,826	385,978	682,784
Workplace campaign contributions	-	142,064	142,064	160,107
Gains on sale of properties	2,528,152	-	2,528,152	1,021,908
Interest and dividends, net	226,125	30,968	257,093	62,278
Realized gains (losses) on investments	2,876,340	561,035	3,437,375	(542,035)
Unrealized gains on investments	8,778,130	3,609,608	12,387,738	13,723,382
Net assets released from restrictions:				
Satisfaction of time restrictions	135,093	(135,093)	-	-
Satisfaction of purpose restrictions	5,811,237	(5,811,237)	-	-
TOTAL REVENUE AND SUPPORT	85,096,295	2,292,787	87,389,082	87,460,918
EXPENSES				
Program Services:				
Domestic programs	3,214,237	-	3,214,237	3,220,967
American Indian programs	8,953,137	-	8,953,137	7,069,497
International programs	28,393,566	-	28,393,566	28,638,102
Housing programs	26,791,385	-	26,791,385	24,273,189
Total Program Services	67,352,325	-	67,352,325	63,201,755
Supporting Services:				
Management and general	2,445,152	-	2,445,152	2,214,846
Fundraising	3,814,054	-	3,814,054	3,857,946
Total Supporting Services	6,259,206	-	6,259,206	6,072,792
TOTAL EXPENSES	73,611,531	-	73,611,531	69,274,547
CHANGE IN NET ASSETS FROM OPERATIONS	11,484,764	2,292,787	13,777,551	18,186,371
NONOPERATING ACTIVITIES				
Realized gain on sale of note receivable	-	-	-	1,851,944
Realized gain on sale of investments in operating entities	-	-	-	3,721,748
CHANGE IN NET ASSETS	11,484,764	2,292,787	13,777,551	23,760,063
NET ASSETS, BEGINNING OF YEAR	156,181,116	39,651,037	195,832,153	172,072,090
NET ASSETS, END OF YEAR	$ 167,665,880	$ 41,943,824	$ 209,609,704	$ 195,832,153

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

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024
(With Summarized Financial Information for the Year Ended June 30, 2023)

	Program Services					Supporting Services				
	Domestic Programs	American Indian Programs	International Programs	Housing Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2024 Total	2023 Total
In-kind expenditures of relief materials	$ 1,503,596	$ 2,634,666	$ 27,308,345	$ -	$ 31,446,607	$ -	$ -	$ -	$ 31,446,607	$ 30,931,778
Depreciation and amortization	21,019	249,435	-	6,639,021	6,909,475	108,991	-	108,991	7,018,466	6,457,356
Salaries and benefits	104,651	506,175	149,321	3,382,088	4,142,235	1,361,506	437,695	1,799,201	5,941,436	5,856,092
Contract services	177,887	329,599	-	4,367,525	4,875,011	30,343	130,764	161,107	5,036,118	3,256,273
Grants	408,305	3,700,963	609,796	10,585	4,729,649	-	-	-	4,729,649	4,140,588
Interest	-	-	-	3,523,380	3,523,380	-	-	-	3,523,380	4,027,019
Utilities	23,804	64,103	4,214	2,015,858	2,107,979	16,746	4,063	20,809	2,128,788	2,305,340
Repairs and maintenance	82,106	10,229	-	1,909,867	2,002,202	6,440	4,124	10,564	2,012,766	1,377,994
Printing and production	9,487	22,276	7,973	165	39,901	-	1,620,737	1,620,737	1,660,638	1,724,268
Procurement fees	756,991	757,771	125,973	-	1,640,735	-	-	-	1,640,735	1,241,110
Real estate taxes	710	3,670	710	1,592,908	1,597,998	23,478	-	23,478	1,621,476	1,553,501
General insurance	20,531	25,703	4,590	1,198,614	1,249,438	66,306	3,678	69,984	1,319,422	1,201,844
Office supplies, dues and subscriptions	17,417	264,441	4,729	322,574	609,161	135,498	308,850	444,348	1,053,509	969,338
Postage	8,762	32,676	9,219	4,842	55,499	6,350	896,719	903,069	958,568	1,025,427
Miscellaneous	-	40,774	416	308,397	349,587	26,251	2,577	28,828	378,415	91,009
Bank charges	1,054	956	185	19,750	21,945	51,509	2,371	53,880	75,825	82,190
Professional and consulting	-	-	-	169,029	169,029	301,710	-	301,710	470,739	404,813
Advertising	-	-	-	214,369	214,369	-	238,484	238,484	452,853	269,643
Homeowner association fees	-	8,583	-	413,241	421,824	6,914	-	6,914	428,738	397,123
Meetings and travel	5,575	206,626	18,659	100,646	331,506	69,208	5,840	75,048	406,554	371,464
Payroll taxes	7,355	34,980	9,357	201,862	253,554	69,580	27,877	97,457	351,011	342,690
Provision for doubful accounts	7,559	-	-	258,933	266,492	8,998	-	8,998	275,490	514,522
Telephone	5,112	10,745	1,024	51,387	68,268	138,592	1,621	140,213	208,481	166,377
Shipping	35,680	48,766	115,396	273	200,115	1,594	2,176	3,770	203,885	87,110
Rent	16,636	-	23,659	-	40,295	15,138	29,891	45,029	85,324	154,974
List rental	-	-	-	-	-	-	96,587	96,587	96,587	228,141
Labor, materials and supplies	-	-	-	86,071	86,071	-	-	-	86,071	96,563
TOTAL EXPENSES	$ 3,214,237	$ 8,953,137	$ 28,393,566	$ 26,791,385	$ 67,352,325	$ 2,445,152	$ 3,814,054	$ 6,259,206	$ 73,611,531	$ 69,274,547

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

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Summarized Financial Information for the Year Ended June 30, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 13,777,551	$ 23,760,063
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,018,466	6,457,356
Provision for doubtful accounts	275,490	514,522
Loan forgiveness	(325,902)	-
Contributed nonfinancial assets	(31,621,529)	(29,978,559)
In-kind expenditures of relief materials	31,446,607	30,931,778
Unrealized gains on investments	(12,387,738)	(13,723,382)
Realized losses (gains) on investments	(3,437,375)	542,035
Gain from sale of investments in operating entities	-	(3,721,748)
Gain from sale of properties	(2,528,152)	(1,021,908)
Provision for inventory loss	-	74,252
Amortization of debt issuance costs	(14,019)	(29,728)
Changes in assets and liabilities:		
Grants and contributions receivable	(265,648)	(344,856)
Other receivables	685,265	1,286,805
Prepaid expenses and other assets	(399,111)	155,135
Inventory	3,536	22,081
Cash surrender value of life insurance policies	(120,714)	(51,402)
Accounts payable and accrued expenses	(663,033)	194,512
Advance payments for rent	(17,593)	(55,449)
Deposits and funds held for others	100,698	37,603
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,526,799	15,049,110
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(102,334,880)	(89,332,493)
Proceeds from sales of investments	121,931,250	87,660,493
Purchase of investments in operating entities	-	(2,595,206)
Proceeds from sale of investments in operating entities	-	4,618,286
Proceeds from the sale of properties, net of selling expenses	3,362,172	432,881
Purchase of properties and equipment	(5,128,935)	(14,530,256)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	17,829,607	(13,746,295)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on mortgages and notes payable	(5,177,227)	(1,342,144)
Proceeds from borrowings under lines of credit agreement	420,000	3,540,000
Payments made on borrowings under lines of credit agreement	(12,917,787)	(5,817,000)
NET CASH USED IN FINANCING ACTIVITIES	(17,675,014)	(3,619,144)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	1,681,392	(2,316,329)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	10,561,793	12,878,122
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	$ 12,243,185	$ 10,561,793
RECONCILIATION TO CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AS PRESENTED ON THE STATEMENT OF FINANCIAL POSITION:		
Cash and cash equivalents	$ 9,256,389	$ 7,145,623
Restricted cash for tenant security deposits	964,061	874,362
Restricted deposits and funded reserves	2,022,735	2,541,808
Total Cash and Cash Equivalents	$ 12,243,185	$ 10,561,793
SUPPLEMENTAL INFORMATION		
Cash paid for interest	$ 3,523,380	$ 4,027,019
Non-cash investing and financing activities:		
Loan forgiveness	$ (325,902)	$ -

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

1. Organization and Summary of Significant Accounting Policies

Organization

Christian Relief Services Charities, Inc. (CRSC) was incorporated in April 1985 under the Virginia Nonstock Corporation Act to assist in 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 disabled and the elderly.

The following 501(c)(3) affiliates are included on CRSC's group exemption roster and are nonstock corporations:

Christian Relief Services, Inc. (CRSI)
Americans Helping Americans, Inc. (AHA)
American Indian Youth Running Strong, Inc. (RS)
Bread and Water for Africa, Inc. (BWA)
Christian Relief Services Kansas Affordable Housing Corporation (CRS Kansas)
CRSC Residential, Inc. (CRSC Residential)
CRS Triangle Housing Corporation (CRS Triangle)
CRS Scottsdale Housing Corporation (CRS Scottsdale)
CRS Fountain Place Housing Corporation (CRS Fountain Place)
Christian Relief Services of Virginia, Inc. (CRS Virginia)
CRS Housing Preservation, Inc. (Housing Preservation)
CRS Peoria Housing Corporation (CRS Peoria)
CRS Somerset Place Housing Corporation (CRS Somerset)
CRS Palms Housing Corporation (CRS Palms)
CRS Brookmont Housing Corporation (CRS Brookmont)
CRS Ironwood Housing Corporation (CRS Ironwood)
CRS Petersburg Housing Corporation (CRS Petersburg)
CRS Skyline Housing Corporation (CRS Skyline)
CRS Garden Pines Housing Corporation (CRS Garden Pines)
CRS Florence Housing Corporation (CRS Florence)
CRS McClellan Housing Corporation (CRS McClellan) - inactive
CRS Cambridge Court Housing Corporation – inactive
CRS Mountain Lakes Housing- inactive

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

Organization (continued)

Christian Relief Services/21st Century Campaign, Inc. (CRS/21) is a nonstock corporation and shares a common board, but is not included on CRSC's group roster.

All entities, except for CRSI, AHA, RS, BWA and CRS/21, were formed to provide low-income housing for persons of limited financial means, qualified housing for disabled persons and other types of qualified housing for elderly persons.

CRSI provides funding, technical support services and in-kind goods to communities striving to break the stranglehold of poverty in order to achieve sustainable solutions. Many communities within the United States, and throughout the world, suffer from a lack of basic infrastructure services – clean water, medicine, education and housing. CRSI works closely with partner charities, including affiliates, individuals and nongovernment organizations embedded in targeted communities, to determine effective ways of sharing resources and creating long-term solutions for 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.

AHA was organized to assist in the alleviation of human suffering, misery, pain and disability by helping fellow Americans with basic necessities, such as shelter, home repair, food, clothing and medical assistance, throughout the United States.

RS was organized to help American Indian people meet their immediate survival needs – food, water and shelter – while implementing and supporting programs designed to create opportunities for self-sufficiency and self-esteem, particularly for native youth.

BWA was organized to promote positive change in Africa by supporting and strengthening grassroots initiatives for self-sufficiency, health and education, as well as assisting in the development of alternative energy sources, agricultural techniques, conservation programs, educational and medical programs, and water resources.

CRS/21 was organized to operate exclusively as a charitable organization whose sole purpose is to support the welfare of CRSC and affiliates.

All activities of the Organization are funded primarily from housing rental income and related service fees, investment income and cash and noncash contributions.

Basis of Accounting and Presentation

The accompanying consolidated financial statements of CRSC and its affiliates (collectively referred to as 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). Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

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

Principles of Consolidation

The consolidated financial statements of the Organization include the accounts of CRSC, CRSI, AHA, RS, BWA, CRS Virginia, CRS/21, CRSC Residential, Housing Preservation, CRS Kansas, CRS Triangle, CRS Scottsdale, CRS Fountain Place, CRS Peoria, CRS Somerset, CRS Palms, CRS Brookmont, CRS Ironwood, CRS Petersburg, CRS Skyline, CRS Garden Pines and CRS Florence. The entities have been consolidated due to the presence of control and economic interest, as required under GAAP. Intercompany balances and transactions have been eliminated in consolidation. The balances and activities of CRS Virginia include those of its wholly-owned subsidiary, Huntington Gardens, LLC in the accompanying consolidating schedules. The balances and activities of AHA include those of its subsidiary, Pine Crest Camp, LLC in the accompanying consolidating schedules.

Cash Equivalents

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

Investments

Investments consist of exchange-traded funds, equity securities, mutual funds and money market funds, which are recorded in the accompanying consolidated statement of financial position at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income, including net realized and unrealized gains (losses), is reflected in the consolidated statement of activities as an increase (decrease) in net assets without donor restrictions, unless the investment income use is restricted by explicit donor stipulation for a specific purpose or law. Interest and dividend income is recorded on the accrual basis. Investment income, including realized and unrealized gains and losses on investments, interest and dividends, is shown net of investment fees of $286,481 paid to the investment advisor.

Investments also include investment funds traded at net asset value (NAV). These investments are recorded in the accompanying consolidated financial statements at their estimated fair value, as provided by the external investment managers. The estimated fair value for these investments is based on net asset value (NAV) per share, or its equivalent, as a practical expedient permitted under accounting standards. The fund's NAV is provided by the fund's management using a variety of methodologies relevant to the particular investment portfolio that combine primary market data available from national securities exchanges for underlying securities that are actively traded as well as other factors that lead to a determination of a fair value at a different amount. Such investments are exposed to various risks, such as market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near-term could materially affect investment balances and the amounts reported in the accompanying consolidated financial statements.

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

Fair Value Measurement

In accordance with the accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, the Organization has categorized its applicable financial instruments into a required 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). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument. Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices in an active market that the Organization has the ability to access.

Level 2 – Financial assets and liabilities whose 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 asset or liability.

Level 3 – Financial assets and liabilities whose 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 management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

The Organization's assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2024, are described in Note 10 of these consolidated financial statements.

Investments in Operating Entities

The Organization has investments in operating entities that do not have readily determinable fair values and are recorded at cost, adjusted for observable price changes and any subsequent impairment. Dividends distributed from accumulated earnings of the investee are recorded as revenue in the period received. Dividends in excess of accumulated earnings are considered a return of investment and recorded as a reduction of the cost of the investment.

Investments in Limited Partnerships

The Organization has a limited partner interest in certain limited partnerships that do not have readily determinable fair values and are recorded at cost, adjusted for observable price changes. The investments in these limited partnerships are recorded at zero, since there was no monetary consideration given or identifiable fair value at the time they were donated to the Organization. Distributions or royalties received from these donated assets are recorded as income at the time of receipt.

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

Property and Equipment and Related Depreciation and Amortization

Property and equipment are recorded at cost, except for donated property, which is recorded at the estimated fair value upon receipt. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets, which are as follows:

Buildings	40 years
Building improvements	7 to 40 years
Property and equipment	3 to 10 years

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 expense in the accompanying consolidated statement of activities. Major additions with a cost in excess of $5,000 are capitalized, except for appliances which were capitalized if cost is in excess of $1,000. Replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. When the recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the year ended June 30, 2024.

Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the note or mortgage payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related debt.

Classification of Net Assets

The Organization's net assets are reported as follows:

- Net assets without donor restrictions represent funds that are available for support of the Organization's operations. Included in net assets without donor restrictions are funds that have been designated by the Board of Directors to serve as a quasi-endowment.
- 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.

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

Revenue Recognition

Unconditional gifts and grants of cash and other financial assets, including wills and bequests, 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 increases in net assets 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 increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets as to 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 consolidated statement of activities as net assets released from restrictions. Workplace campaign contributions with payments due in future years are reported as increases in net assets with donor restrictions in the accompanying consolidated statement of activities. Wills and bequests are recognized as unconditional revenue and support at the time an unassailable right to the gift has been established, the proceeds are measurable and the Organization accepts the gift. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right to return, are not recognized until the conditions on which they depend have been substantially met. Royalty income from donated assets has a donor imposed restriction and is reported as revenue and support when received as an increase in net assets with donor restrictions.

Revenue 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 consolidated 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 current status of the grants and contributions receivable. A provision for doubtful accounts is made when collection of the full amount is no longer probable. Allowance for doubtful accounts totaled $52,401 as of June 30, 2024. All grants and contributions receivable are due within one year, except for $80,000 which was due in more than one year.

The Organization receives grants from government 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, is reflected as part of grants and contributions receivable in the accompanying consolidated statement of financial position. Amounts earned and released within the same year under conditional awards are reported as increases in net assets without donor restrictions in the accompanying consolidated statement of activities.

Housing rental and related income is recognized as the rents become due. Rental payments received in advance are deferred until earned and shown as advance payments for rent in the accompanying consolidated statement of financial position. All contracts between the Organization and the tenants of its properties are operating leases of a year or less.

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

Revenue Recognition (continued)

Other income is comprised of other tenant charges, including laundry, vending, and fees for cleaning, applications, terminations which are recognized as revenue at the point in time the services are provided. Additionally, the amount includes the gain or loss on the cash surrender value of the life insurance policy and changes in fair value for the charitable remainder trust.

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 contributed 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 donated their services to the Organization. The value of these services is not reflected in the accompanying consolidated financial statements because they do not meet the 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.

Estimates

The preparation of consolidated 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.

Functional Allocation of Expenses

The costs of providing the programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and functional expenses. Expenses directly related to program and/or supporting services are charged to these functional areas. Salaries and benefits that benefit more than one function have been allocated among the programs and supporting services based on time and effort estimates approved by management. Occupancy and depreciation expenses are allocated by the square footage used by each program or supporting function.

Measure of Operations

The Organization considers the realized gains on the sales of notes receivable and investments in operating entities to be items not included in operations.

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

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13 Financial Instruments – *Credit Losses* – (Topic 326). This ASU replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to assess credit loss estimates. The guidance applies to loans, accounts receivable, trade receivables and other financial assets measured at amortized cost, loan commitments, debt securities and beneficial interests in securitized financial assets, but the effect on the Organization is limited to notes receivable and program related investments included in prepaid expenses and other assets. The Organization adopted the standard using a modified retrospective approach, which did not affect the opening balance of net assets. The accounting pronouncement had no significant impact on the Organization aside from enhanced disclosures.

2. Investments

As of June 30, 2024, the fair value of the Organization's investments was as follows:

Investment funds measured at NAV	$122,524,784
Mutual funds	11,941,809
Exchange-traded funds	6,513,234
Money market funds	206,905
Equity securities	70,094
Cash awaiting settlement	1,676,384
Total Investments	$142,933,210

3. Investments in Operating Entities

CRSC Residential has 23.17% member interest in Beltway HOU Manager LLC (BHM). The LLC was formed solely to act as a member and manager of Beltway HOU Investors, LLC (BHI), a Delaware limited liability company. BHI was organized to acquire 100% of the issued and outstanding common shares of LSREF3 Bravo REIT (Harris), LLC, a Delaware limited liability company which owns six multifamily family communities in Harris County, Texas and operates the properties.	$ 4,000,000
CRSC Residential has 65% Class A and 85.98% Class B member interest in MM-Bay Island LLC. The LLC was formed solely to act a member of Bay Island Apartments LLC (BIA), a Texas limited liability company. MM-Bay Island LLC owns 100% of BIA which was organized to own and operate the property.	2,419,619

3. Investments in Operating Entities (continued)

(continued)

CRSC Residential has 54% Class A and 88% Class B member interest in MM – Spring Creek LLC. The LLC was formed solely to act as a member of Spring Creek PLA Manager, LLC (SCM), a Texas limited liability company. SCM was organized to serve as manager of and own a 10% ownership interest in Spring Creek PLA Investors, LLC (SCI), a Texas limited liability company. SCI owns and operates the property.	$ 575,000
CRSC Residential has 23% Class A and 23% Class B member interest in MM-Lexington LLC. The LLC was formed solely to act as a member of Lexington at Champions Investors, LLC (LCI), a Texas limited liability company. MM-Lexington LLC owns 100% of LCI which was organized to own and operate the property. During the year ended June 30, 2024, a loan to MM-Lexington LLC for $175,587 was converted into an additional capital contribution.	275,587
CRSC Residential has 0.6% member interest in Braesridge Apartments, LLC. The LLC was formed to directly or indirectly acquire or redevelop, reposition, own, operate, manage, lease, finance and sell or otherwise dispose of an apartment complex in Houston, Texas.	156,224
CRSC Residential purchased 191 Class B units in Founders Hall LLC, which owned a building in Alexandria, Virginia. The LLC wholly-owned Founders Hall OpCo, LLC (OpCo), a Virginia limited liability company. OpCo was organized to serve as manager of and operate and sell the property.	62,075
Total Investments in Operating Entities	$ 7,488,505

As of June 30, 2024, there were no observable price changes nor indicators of impairment on these investments in operating entities such as significant decline in the market value of the investment and adverse changes in the investees' industry or market, and the investees' financial condition.

4. Purchase Money Notes

CRSC owns 0.01% limited partnership interests in 11 partnerships focused on real estate. The purpose of the partnerships is to provide low-income housing, subject to regulation by U.S. Department of Housing and Urban Development (HUD). In connection with the acquisition of the limited partnership interests, CRSC acquired an interest in related deferred purchase money notes. The notes are payable from the future cash flows of the operating partnerships. Management is unable to determine the amount of any future cash flows of the purchase money notes with any degree of certainty and, therefore, the notes have been fully reserved. Any future collections under the notes will be recorded as income. No cash was received in relation to the notes during the year ended June 30, 2024.

5. Cash Surrender Value of Life Insurance Policies

CRSC entered into a contract with an individual to act as a representative and spokesperson. In accordance with the contract terms, CRSC purchased two $500,000 key man life insurance policies on the spokesperson, whereby CRSC is the sole beneficiary for one of the policies. As of June 30, 2024, the cash surrender value of the policies totaled $892,890, and this amount is included in cash surrender value of life insurance policies in the accompanying consolidated statement of financial position.

CRSC also carries key man life insurance policies on certain executives, with a total face amount of $1,500,000. As of June 30, 2024, the cash surrender value of the policies totaled $722,395, and this amount is included in cash surrender value of life insurance policies in the accompanying consolidated statement of financial position.

6. Note Receivable

Housing Preservation entered into a purchase note agreement with a limited liability company (LLC) amounting to $975,000, in connection with the sale of a rental property. Interest-only payments shall be payable in equal monthly installments of $4,875, commencing on December 1, 2023, and continuing on the same calendar day of each month thereafter until November 1, 2025. The entire principal balance, any accrued interest, and any other sums is due and payable on or before November 1, 2025.

7. Property and Equipment

The Organization held the following property and equipment as of June 30, 2024:

Buildings and improvements	$128,572,864
Land and improvements	38,561,536
Office equipment, furniture and fixtures	15,230,588
Vehicles	466,721
Total Property and Equipment	182,831,709
Less: Accumulated Depreciation and Amortization	(50,686,462)
Property and Equipment, Net	$132,145,247

Depreciation and amortization expense was $7,018,466 for the year ended June 30, 2024.

During the year ended June 30, 2024, CRS Virginia sold several of its properties for $3,580,405, and recognized a gain of $2,528,152, net of selling expenses, which is shown as gain on sale of properties in the accompanying consolidated statement of activities.

Buildings and improvements include the newly constructed Kyle Youth Center, aka Oyate Ta Kola Ku Community Center, in Kyle, South Dakota, with a cost of approximately $6,200,000. The Organization intends to donate the Kyle Youth Center to a 501(c)(3) organization operated on the Pine Ridge Indian Reservation.

7. Property and Equipment (continued)

CRSC Residential owns one apartment community, Terry Lynn, in Phoenix, Arizona, which consists of 10 units. The use of the property is partially governed by a land use restriction under an agreement with the Resolution Trust Corporation to provide housing units to low- and very-low-income residents. The number of units restricted for Terry Lynn is two units for persons earning less than 50% of the area median income and two units for persons making less than 65% of the AMI. The term of the agreement is 30 years, and the agreement expires on January 19, 2025.

8. Lines of Credit

CRS/21 has a line of credit agreement with a financial institution in the amount of $25,000,000. The line of credit is secured by CRS/21's investments and has interest rate based on Secured Overnight Financial Rate (SOFR) plus 0.90%, which was 6.91% at June 30, 2024. The line of credit matures on July 27, 2024. In August 2024, CRS/21 extended the line of credit to expire on July 27, 2026. The renewal line of credit has an interest rate based on Secured Overnight Financial Rate (SOFR) plus 1.6%. There was no outstanding balance on this line of credit as of June 30, 2024. Interest expense incurred on this line of credit was $492,749 for the year ended June 30, 2024, and was paid by CRS/21's affiliates that used the proceeds from the line of credit. The line of credit agreement has certain financial covenants which CRS/21 was in compliance with as of June 30, 2024.

CRSI 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 SOFR plus 2.5%, which was 7.81% as of June 30, 2024. There was no outstanding balance on this line of credit as of June 30, 2024 and CRSI did not make any draws on the line of credit during the year. In August 2024, CRSI extended the line of credit to expire on July 27, 2026. The line of credit agreement has certain financial covenants which CRSI was in compliance with as of June 30, 2024.

9. Notes and Mortgages Payable

Notes and mortgages payable consisted of the following as of June 30, 2024:

<u>CRS Triangle</u> On May 14, 2020, CRS Triangle entered into a note with New York Community Bank (NYCB). The note had a principal of $32,700,000 and was secured by a deed of trust and an assignment of leases, rents and profits. The note calls for an interest rate equal to 3.125% through May 31, 2025. Thereafter, the interest rate shall be adjusted on June 1 every year to a rate equal to the sum of the highest prime rate published in the New York Times on June 1 plus 275 basis points and rounded up to the next one-eight if one percentage point (0.125%) with a floor of 3.125% and a cap at 12%. Principal and interest are payable by CRS Triangle in monthly installments beginning July 1, 2020, of approximately $140,079 through maturity on June 1, 2030.	$ 29,895,749

9. Notes and Mortgages Payable (continued)

(continued)

CRS Virginia

Virginia Housing Development Authority (VHDA), due in monthly installments of $6,179, including interest at 3.75% per annum, payable through April 1, 2046. The note is secured by deeds of trust on three homes located in Fairfax, Vienna, and Falls Church, Virginia. The homes provide housing and support services for mentally handicapped homeless persons. Under agreements with the lenders, the Organization is required to make monthly deposits for insurance and taxes on all VHDA mortgages.	$ 1,001,742
Virginia Department of Housing and Community Development (VDHCD) and Fairfax County Redevelopment and Housing Authority (FCRHA) loan made under the Home Investment Partnerships program. No monthly installments of principal or interest are due, subject to the Organization's compliance with loan terms. The note is secured by deeds of trust on 19 homes located in Alexandria, Springfield, Reston, Herndon, Falls Church, Annandale, Centreville, Fairfax and Burke, Virginia. The loan terms were in effect for the affordability period of up to 15 years, after which time, assuming there were no defaults on the loan terms, the amount converts to a grant. The homes provide transitional housing and support services for homeless individuals and families. If certain specified events occur, the Organization will be obligated to pay to FCRHA an "equity share" ranging from 32.37% to 45.09% of the Organization's equity in the property, as defined, to the extent that the equity share exceeds amounts otherwise due from the Organization at that time. In June 2024, 14 notes have been settled, and the Organization recognized $325,902 in loan forgiveness. The remaining loan's term was extended through the end of 2024.	318,451
FCRHA loans made under the Community Development Block Grant program (CDBG). No monthly installments of principal or interest are due, subject to the Organization's compliance with loan terms. The notes are secured by deeds of trust on 19 homes located in Alexandria, Springfield, Reston, Herndon, Falls Church, Annandale, Centreville, Fairfax and Burke, Virginia. The loan terms were in effect for the affordability period of up to 15 years, after which time, assuming there were no defaults on the loan terms, the amount converts to a grant. During 2024, the loan was extended through the end of 2024. The homes provide transitional housing and support services for homeless individuals and families. If certain specified events occur, the Organization will be obligated to pay to FCRHA an "equity share" ranging from 6.81% to 18.62% of the Organization's equity in the property, as defined, to the extent that the equity share exceeds amounts otherwise due from the Organization at that time.	261,691
FCRHA loans made under the CDBG. No monthly installments of principal or interest are due, subject to CRS Virginia's compliance with loan terms. The notes are secured by deeds of trust on a home located in Annandale,	

9. Notes and Mortgages Payable (continued)

(continued)

CRS Virginia (continued)

Virginia. The home provides affordable rental housing for at least three low and/or moderate income individuals with serious mental illness and co-occurring substance abuse disorders with incomes at or below 30% of the area median income. If certain specified events occur, the Organization will be obligated to pay to FCRHA an “equity share” of 77% of the Organization’s equity in the property, as defined, to the extent that the equity share exceeds amounts otherwise due from the Organization at that time.	$ 244,000
FCRHA loans made under the CDBG. No monthly installments of principal or interest are due, subject to the Organization’s compliance with loan terms. The notes are secured by deeds of trust on a home located in Annandale, Virginia. The loan terms are in effect for the affordability period of up to 30 years, expiring in 2040, after which time, assuming there are no defaults on the loan terms, the amount converts to a grant. The homes provide transitional housing and support services for homeless individuals and families. If certain specified events occur, the Organization will be obligated to pay to FCRHA an “equity share” of 49.5% of the Organization’s equity in the property, as defined, to the extent that the equity share exceeds amounts otherwise due from the Organization at that time.	92,493
FCRHA loans made under the CDBG. No monthly installments of principal or interest are due, subject to the Organization’s compliance with loan terms. The notes are secured by deeds of trust on a home located in Chantilly, Virginia. The loan terms are in effect for the affordability period of up to 30 years, expiring in 2040, after which time, assuming there are no defaults on the loan terms, the amount converts to a grant. The homes provide transitional housing and support services for homeless individuals and families. If certain specified events occur, the Organization will be obligated to pay to FCRHA an “equity share” of 69.6% of the Organization’s equity in the property, as defined, to the extent that the equity share exceeds amounts otherwise due from the Organization at that time.	89,901
FCRHA loans made under the CDBG. No monthly installments of principal or interest are due, subject to the Organization’s compliance with loan terms. The notes are secured by deeds of trust on a home located in Chantilly, Virginia. The loan terms are in effect for the affordability period of up to 30 years, expiring in 2040, after which time, assuming there are no defaults on the loan terms, the amount converts to a grant. The homes provide transitional housing and support services for homeless individuals and families. If certain specified events occur, the Organization will be obligated to pay to FCRHA an “equity share” of 50.4% of the Organization’s equity in the property, as defined, to the extent that the equity share exceeds amounts otherwise due from CRS Virginia at that time.	89,004

9. Notes and Mortgages Payable (continued)

(continued)

CRS Virginia (continued)

Huntington Gardens is a single member LLC whose sole member is CRS Virginia. Huntington Gardens entered into an agreement to finance its mortgage with HUD under Section 223(f) of the National Housing Act on, September 1, 2016. The principal amount of the loan was for $12,850,000is insured by the Federal Housing Administration (FHA) and is collateralized by a deed of trust on the rental property. The note bears interest at the rate of 3.08% per annum. Principal and interest are payable in monthly installments of $50,029 beginning November 1, 2016 through maturity on October 1, 2051. The liability of Huntington Gardens under the mortgage note is limited to the underlying value of the real estate collateral plus other amounts deposited with the lender. The mortgage is also collateralized by an assignment of rents.	$ 11,083,568
Huntington Gardens is also obligated under a promissory note agreement dated September 27, 2016, due to FCRHA for the principal sum of $5,650,000. The loan bears simple interest at 2% per annum on the outstanding principal. The loan matures on October 1, 2051, at which time principal and accrued interest are due. Although the principal and interest on the loan are deferred, the loan is a cash flow loan, which means that, should there be surplus cash, as defined, it will be applied first to accrued interest and then to the principal. The annual loan payments made from available surplus cash will be paid from only 50% of surplus cash.	5,650,000
CRS Fountain Place	
On October 1, 2012, CRS Fountain Place refinanced its mortgage with HUD under Section 223(a)(7) of the National Housing Act. The principal amount of the new loan was for $6,239,400, is insured by FHA and is collateralized by a deed of trust on the rental property. The note bears interest at the rate of 2.80% per annum. Principal and interest are payable by the Organization in monthly installments of $23,321 through maturity on November 1, 2047.	
Under agreements with the mortgage lender and FHA, the Organization is required to make monthly escrow deposits for taxes, insurance and replacement of project assets, and is subject to restrictions as to operating policies, rental charges, operating expenditures and cash distributions.	
The liability of CRS Fountain Place under this mortgage note is limited to the underlying value of the real estate collateral, plus other amounts deposited with the lender. The mortgage is also secured by an assignment of rents.	4,802,611

9. Notes and Mortgages Payable (continued)

(continued)

<u>CRS Petersburg</u>	
On November 29, 2017, CRS Petersburg financed its mortgage with a loan from Grandbridge Real Estate Capital LLC. The note has a principal balance of $5,550,000, and is due in monthly installments of $27,989, including interest at 4.46% per annum, payable through December 2032. The note is secured by a deed of trust on the property located in Petersburg, Virginia. The homes financed under this mortgage provide housing for low-income families, the military and special needs population.	$ 4,910,899
<u>CRS Peoria</u>	
CRS Peoria entered into a note payable agreement with New York Community Bank in December 2015. The original principal balance of the note is $3,300,000. Interest is charged at a fixed rate of 4.125% per annum. The loan is payable in monthly installments of $15,993, with a balloon payment due in November 2027 for the remaining balance. On March 22, 2023, CRS Peoria refinanced its mortgage with a loan from New York Community Bank in the amount of $7,600,000. Interest only payments are due on this loan beginning May 1, 2023 through April 1, 2027. The note is due in monthly installments of $33,076, including interest at 3.25% per annum, payable beginning May 1, 2027 through April 1, 2029. Thereafter, to the extent that the adjusted interest rate has changed, the required monthly payment shall change on each payment change date, and shall be set to such amount required to amortize the unpaid principal balance of the note in equal monthly installments, including accrued interest at the then applicable adjusted interest rate, through maturity on April 1, 2034. The note is secured by a deed of trust on the property located in Arizona. The homes provide housing for low-income families, the military and special needs population.	7,600,000
<u>CRS Ironwood</u>	
On April 26, 2017, CRS Ironwood financed its mortgage with a loan from New York Community Bank in the amount of $2,800,000. The note is due in monthly installments of $13,980, including interest at 4.375% per annum, payable through June 2047. The note is secured by deed of trust on the property located in Arizona.	
On March 22, 2023, CRS Ironwood refinanced its mortgage with a loan from New York Community Bank in the amount of $6,870,000. Interest only payments are due on this loan beginning May 1, 2023 through April 1, 2027. The note is due in monthly installments of $29,899, including interest at 3.25% per annum, payable beginning May 1, 2027 through April 1, 2029. Thereafter, to the extent that the adjusted interest rate has changed, the	

9. Notes and Mortgages Payable (continued)

(continued)

<u>CRS Ironwood</u>	
required monthly payment shall change on each payment change date, and shall be set to such amount required to amortize the unpaid principal balance of the note in equal monthly installments, including accrued interest at the then applicable adjusted interest rate, through maturity on April 1, 2034. The note is secured by a deed of trust on the property located in Arizona. The homes provide housing for low-income families, the military and special needs population.	$ 6,870,000
<u>CRS Palms</u>	
On March 22, 2023, CRS Palms refinanced its mortgage with a loan from New York Community Bank in the amount of $5,530,000. Interest only payments are due on this loan beginning May 1, 2023 through April 1, 2027. The note is due in monthly installments of $24,067, including interest at 3.25% per annum, payable beginning May 1, 2027 through April 1, 2029. Thereafter, to the extent that the adjusted interest rate has changed, the required monthly payment shall change on each payment change date, and shall be set to such amount required to amortize the unpaid principal balance of the note in equal monthly installments, including accrued interest at the then applicable adjusted interest rate, through maturity on April 1, 2034. The note is secured by a deed of trust on the property located in Arizona. The homes provide housing for low-income families, the military and special needs population.	5,530,000
<u>CRS Somerset</u>	
CRS Somerset entered into a note payable agreement with NYCB on July 14, 2020. The note has a principal of $3,100,000 and an interest rate equal to 3.125% per annum. The loan is payable in 120 monthly installments of $13,280, with a balloon payment due in August 2030 for the remaining balance. In conjunction with the debt agreement, the Organization was required to establish certain reserves and escrow accounts.	2,845,906
<u>CRS Florence</u>	
On January 26, 2021, CRS Florence financed its mortgage with a loan from Grandbridge Real Estate Capital LLC. The note has a principal balance of $7,440,000, and is due in monthly installments of $33,450, including interest at 3.51% per annum, payable beginning March 1, 2025 through February 1, 2033. Interest only payments are due on this loan through February 2025. The note is secured by a deed of trust on the property located in Florence, Arizona. The homes financed under this mortgage provide housing for low-income families, the military and special needs population.	7,440,000

9. Notes and Mortgages Payable (continued)

(continued)

CRS Kansas

CRS Kansas entered into a note payable agreement with the prior owner of its rental property on December 14, 1995. The principal balance of $500,000 is due and payable in annual interest and principal payments based on 75% of annual surplus cash, as allowed under the trust indenture and lease agreement. In the event there is no surplus cash to cover the annual accrued interest, the interest is forgiven. Such interest is calculated based on 8.5% of the outstanding principal balance. As of June 30, 2024, there was no surplus cash to make payments and no interest was accrued. The note matures on November 30, 2025, when any outstanding principal and unpaid accrued interest are due.	$ 500,000
Total Notes and Mortgages Payable	89,226,015
Less: Unamortized Debt Issuance Costs	(1,178,706)
Notes and Mortgages Payable, Net	$ 88,047,309

Total interest expense, including the amortization of the debt issuance costs, incurred related to these mortgages was $3,030,631 for the year ended June 30, 2024.

Aggregate annual maturities of notes and mortgages payable are as follows:

For the Year Ending June 30,	
2025	$ 1,385,328
2026	1,570,998
2027	1,688,598
2028	2,077,603
2029	2,147,424
Thereafter	80,356,064
Total	$ 89,226,015

10. Fair Value Measurement

The following table summarizes the Organization's assets measured at fair value on a recurring basis as of June 30, 2024, aggregated by the fair value hierarchy level with which those measurements were made:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investments:				
Exchange-traded funds	$ 6,513,234	$ 6,513,234	$ -	$ -
Mutual funds	11,941,809	11,941,809	-	-
Money market funds	206,905	206,905	-	-
Equity securities	70,094	70,094	-	-
Total investments in the Fair value hierarchy	18,732,042	18,732,042	-	-
Cash awaiting on settlement*	1,676,384			
Investments measured at NAV	122,524,784			
Total Investments	142,933,210			
Beneficial interest in a charitable remainder unitrust (CRUT) receivable	122,803	-	-	122,803
Cash surrender value of life insurance policies	1,615,285	-	1,615,285	-
Total Assets	$ 144,671,298	$ 18,732,042	$ 1,615,285	$ 122,803

* Cash awaiting on settlement represents the Organization's redemption out of two investments measured at NAV that had not been settled as of June 30, 2024.

The Organization uses the following methods and significant assumptions to estimate fair value for assets recorded at fair value:

Equity securities, mutual funds and exchange-traded funds – These are valued at quoted market price for identical assets in active markets.

Money market funds – Money market funds are valued at the net asset value of shares held, as reported in the active market in which the individual security or fund is traded.

Beneficial interest in the CRUT – The CRUT, included in other receivables in the consolidated statement of financial position, is revalued annually by calculating the present value based on the current appraised value of the investments, the donor's life expectancy and a discount rate of 6.5%.

10. Fair Value Measurement (continued)

Cash surrender value of life insurance policies – Cash surrender value of the life insurance policies is based upon the reserve value, which is the face amount of the contracts discounted at a specific rate of interest according to the insured's life expectancy.

The table below details the Organization's ability to redeem investments valued at NAV or its equivalent, if currently eligible, and unfunded commitments as of June 30, 2024:

	Number of Funds	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity funds [a]	5	$ 73,320,093	$ 9,332,500	None to Monthly	None to 5 days
Fixed income funds [b]	3	22,373,428	2,691,876	Daily to Monthly	None to 5 days
Real assets funds [c]	5	12,922,314	3,684,000	Daily to Quarterly	None to 100 days
Diversified strategies funds [d]	1	13,908,949	-	Quarterly	65 days
Total Investments		$122,524,784	$ 15,708,376		

During the year ended June 30, 2024, CRS21 also signed a subscription agreement to invest in a real asset fund with a minimum commitment of $5,750,000. As of June 30, 2024, CRS21 had not funded any of this commitment.

[a] This category includes funds that invest primarily in a diversified portfolio of common stocks and equity-linked securities of companies in the global public equity markets. Generally, these issuers will have market capitalizations in the range of the companies in the MSCI All Country World Index, which is the benchmark index for the fund. The Funds are designed to add value over its benchmark primarily through stock selection in order to achieve its investment objective which is to outperform the MSCI All Country World Index over a full market cycle. The funds may invest in equity securities of foreign companies, and may use derivatives as part of its investment strategy including futures, options, foreign currency contracts, and swaps. In addition, this category includes funds that seek to acquire investment return that approximates as closely as practicable, before expenses, the performance of the S&P 500® over the long term. In addition, this category includes funds that seek to acquire investments principally in secondary market transactions in leveraged buyout, growth equity, distressed securities, mezzanine financing, natural resources, and venture capital investment funds on a global basis. The funds may also invest directly in pooled investment vehicles or fund of funds. The funds may also, to a lesser extent, make direct equity, equity-like, or debt investments acquired from third parties, and may acquire investments other than in privately negotiated secondary transactions, including through the primary markets. In addition, the funds may invest primarily in investment funds, which in turn, make investments in equity securities,

10. Fair Value Measurement (continued)

warrants or other options that are generally not actively traded at the time of investment. The funds may also invest in operating companies as direct investments or co-investment opportunities. In addition, this category includes a fund that primarily seeks to achieve long-term capital appreciation and invests globally in venture capital investments and target investments on a primary, secondary, and direct basis. As of June 30, 2024, 3% of the investments in this category had lock-up periods greater than a year.

(b) This category includes funds that were established for investment principally by foundations, endowments, health care institutions and certain other tax-exempt institutional investors. The Funds invest primarily in U.S. dollar-denominated investment grade bonds and other fixed income securities in an attempt to outperform the broad U.S. bond market. Investment grade securities are those rated in one of the four highest categories by a nationally recognized rating agency at the time of investment, or determined by a Sub-Advisor to be of equivalent quality. The sub-advisors may invest in certain derivatives and may use certain techniques, such as currency hedging, in order to outperform the broad market. The benchmark for the fund is the Bloomberg Barclays US Aggregate Bond Index. In addition, this category also includes funds whose objective is to offer a program devoted to investing in fixed income credit securities including global sovereign debt, dollar-denominated high yield bonds, dollar-denominated bank loans, non-U.S. currency exposure, non-agency residential mortgages, CMBS, ABS and other structured credit commingled partnerships and registered investment companies. The funds seek to outperform its benchmark, the ICE Bank of America Merrill Lynch High Yield Master II Index, over a full market cycle. As of June 30, 2024, 3% of investments in this category had lock-up periods greater than a year.

(c) This category includes funds that seeks to provide members with actively managed exposure to real estate investment trusts (“REITs”). The funds primarily invest, directly or indirectly, in publicly traded REITs, but may also invest in other related U.S. and non-U.S. securities and derivatives. The investment objective of the fund is to outperform the FTSE NAREIT All Equity REITs Index over a full market cycle. The funds seek to achieve its objective through allocation of assets to investment sub-advisors. The investment manager selects sub-advisors based on their security selection capabilities and investment styles. In addition, the funds invest primarily in investment funds, which in turn, make oil, gas and other natural resource-related investments with the objective of obtaining long-term growth of capital. The funds may also invest in operating companies as direct investments or co-investment opportunities. One fund intends to focus on private capital investments in environmentally sustainability themed companies, platforms, and funds. These opportunities are expected to include, though not be limited to, investments in (i) renewables and related strategies, (ii) food, agriculture, and water and (iii) resource efficiency and broader sustainability. Lastly, this includes funds that seek to provide investors with net returns in excess of its benchmark, the NCREIF Fund Index – Open End Diversified Core Equity by allocating assets to investment managers and investing in diversified portfolio of open-end investment funds that focus on core real estate investing. As of June 30, 2024, 4% of investments in this category had lock-up periods greater than a year.

10. Fair Value Measurement (continued)

(d) This category includes a fund that was established for investment by foundations, endowments, health care institutions and certain other nonprofit institutional investors. The fund seeks to provide investors with a marketable alternative strategies investment program capable of producing consistently positive returns regardless of the direction of the broader markets. The goal of the fund is to offer access to a moderate volatility investment program with little or no net market exposure, yielding consistent returns independent of market direction. The fund allocates assets to investment funds managed by third party investment managers in four broad investment categories: event-driven, credit, equity market neutral and absolute return multi-strategy managers. Some or all of the marketable alternative strategies may be deployed across U.S. and non-U.S. markets.

11. Net Assets

Net Assets Without Donor Restrictions

The Organization's net assets without donor restrictions are composed of the following:

Board-designated quasi-endowment	$ 98,421,777
Undesignated	69,244,103
Total Net Assets Without Donor Restrictions	$ 167,665,880

The Board of Directors designated amounts to serve as a quasi-endowment, and the funds are to be invested and serve as a source of income to fund the expenses and support the general work and mission of CRSC and its affiliates.

Net Assets With Donor Restrictions

As of June 30, 2024, net assets with donor restrictions were restricted for the following purposes or period:

Subject to the Organization's spending policy and appropriation:	
Endowment funds restricted in perpetuity for the American Indian Program	$ 16,547,477
Accumulated earnings on endowment funds expendable for the American Indian Program	24,763,771
Subject to purpose restrictions:	
International programs	245,795
American Indian programs	120,000
Disaster response	2,260
Subject to occurrence of specified events or passage of time	264,521
Total Net Assets With Donor Restrictions	$ 41,943,824

12. Endowment Funds

The Organization's endowment consists of a donor-restricted endowment fund established to support the Organization's American Indian programs and its affiliates that operate these programs. In addition, a board-designated endowment fund or quasi-endowment (the ELK Endowment Fund) was created from the proceeds from the sales of affordable housing properties owned by affiliates of CRSC. The purpose of the ELK Endowment Fund is to fund the expenses and support of the general work and mission of CRSC and its affiliates. As required by GAAP, net assets associated with donor-restricted funds are classified and reported based on the existence or absence of donor-imposed restrictions. As a result, the ELK Endowment Fund is included in net assets without donor restrictions as the restrictions were imposed by the Board of Directors and not an outside donor.

Interpretation of Relevant Law and Spending Policy

Though the Organization's Borad of Directors has not had to make such an election to date, the Board of Director's of the Organization has adopted an interpretation of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as not limiting spending from the endowment fund to interest and dividends earned, but allowing the Organization's Board of Directors to elect to spend a portion of the overall value of the fund after considering the factors listed below and keeping in mind the permanent duration of the fund. Instead, the Organization has taken a very prudent and conservative approach and pursued a spending policy not to annually release more than the interest and dividend and royalty income above the original value of the gifts donated to start the permanent endowment and the original value of subsequent gifts to the permanent endowment. The resulting realized and unrealized gains and losses are included in the net assets with purpose or time restrictions of the endowment portfolio. Section 55-268.14(A) of Virginia's UPMIFA eliminates the concept of historic dollar value and instead provides that an institution may adopt a spending policy that will preserve the purchasing power of "principal" while distributing as "income" a reasonable amount in light of investment performance and general economic conditions.

The statute lists a number of factors to be considered in adopting a spending policy:

- General economic conditions.
- The duration and preservation of the fund.
- The purposes of the Organization and the donor-restricted endowment fund.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policies of the Organization.

12. Endowment Funds (continued)

Endowment Composition and Activity

The Organization's endowment net asset composition by fund type was as follows as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Original value of donor-restricted endowment fund	$ -	$ 16,547,477	$ 16,547,477
Accumulated earnings on donor-restricted endowment fund	-	24,763,771	24,763,771
Board-designated endowment funds	98,421,777	-	98,421,777
Total Endowment Net Assets	$ 98,421,777	$ 41,311,248	$139,733,025

Endowment net assets and changes in endowment net assets consisted of the following as of and for the year ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2023	$100,082,188	$ 38,897,326	$138,979,514
Contributions/royalties /other income	1,539	2,412,311	2,413,850
Net investment gains	11,639,777	4,201,611	15,841,388
Appropriation of endowment assets for expenditure	(13,301,727)	(4,200,000)	(17,501,727)
Endowment Net Assets, June 30, 2024	$ 98,421,777	$ 41,311,248	$139,733,025

Funds with Deficiencies

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2024. The Organization has interpreted UPMIFA not to permit spending from underwater endowments in accordance with prudent measures required under law.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for its investments that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The primary objective of

12. Endowment Funds (continued)

Return Objectives and Risk Parameters (continued)

the endowment fund is to preserve and protect the assets by providing a balance between capital appreciation, preservation of capital and current income. This is a long-term goal designed to maximize returns without undue risk.

Strategies Employed for Achieving Objectives

The endowment fund has a target allocation of 55% for equity securities, 20% for fixed-income securities, 15% for real estate funds, and 10% for diversifying strategies funds. A positive return is expected over time, although there may be periods with a negative return.

13. Contributed Nonfinancial Assets

The Organization received the following contributed nonfinancial assets for the year ended June 30, 2024:

Medicine	$ 23,676,234
Medical supplies	3,494,588
Food	2,349,379
School kits, supplies and furniture	1,077,856
Hygiene products and other	589,712
Clothing, blankets and socks	433,760
Total Contributed Nonfinancial Assets	$ 31,621,529

During the year ended June 30, 2024, 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	$ 27,308,345
American Indian programs	2,634,666
Domestic programs	1,503,596
Total Contributed Relief Materials	$ 31,446,607

14. Risks and Contingencies

Financial Risk

The Organization invests in a professionally managed portfolio that contains various investment securities. Such investments are exposed to various risks such as interest rate, market and credit risks. Market risks include global events which could impact the value of investments securities, such as pandemic or international conflicts. Due to the level of risk associated with such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

14. Risks and Contingencies (continued)

Concentration of Credit Risk

The Organization maintains its cash and cash equivalents with certain commercial financial institutions, which aggregate balance may exceed, at times, the Federal Deposit Insurance Corporation (FDIC) insured limit of $250,000 per depositor per institution. As of June 30, 2024, the Organization had cash and cash equivalents at several financial institutions, which exceeded the maximum limit insured by the FDIC in total by approximately $4,773,000. The Organization monitors the creditworthiness of these institutions and has not experienced any credit losses on its cash and cash equivalents. The Organization also maintains its trust accounts in one financial institution. The trust investments are not insured by the FDIC or by any other federal government agency.

Compliance Audits

The Organization received a number of grants that are subject to review, audit and adjustment of various local, state and federal governmental agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursement to these governmental agencies for any expenditures or claims disallowed under the terms of the agreements. The amount of expenditures which may be disallowed by the governmental agencies cannot be determined at this time although the Organization expects such amounts, if any, to be insignificant.

15. 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 consolidated statement of financial position date for general expenditures at June 30, 2024, were as follows:

Cash and cash equivalents	$ 9,256,389
Grants and contributions receivable, net	315,842
Other receivables	473,693
Investments	142,933,210
Total Financial Assets Available as of June 30, 2024	152,979,134
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Board-designated for future program services and investments in excess of amount budgeted to be spent in 2025	(92,601,777)
Restrictions by donors in perpetuity and accumulated earnings subject to appropriation in excess of amount budgeted to be spent in 2025	(37,311,248)
Restrictions by donors for specific purposes	(368,055)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 22,698,054

15. Availability of Resources and Liquidity (continued)

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, receivables and investments, 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. As part of its liquidity plan, excess cash is invested in publicly traded investment vehicles, including mutual funds and equity securities, or to support organizational initiatives. As part of the annual budget process, management and the Board approve amounts to be drawn from investments and budgeted for use by the affiliates based on anticipated needs and projects approved for the year. The Organization has only considered the amounts that have been budgeted to be drawn from investments as financial assets available to meet general expenditures within one year. However, additional investment income could be allocated to operations by the Board during the year if necessary. In addition, to help manage unanticipated liquidity needs, the Organization has two committed lines of credit totaling $26,500,000 which were both unused and available to draw upon as of June 30, 2024.

16. Pension Plans

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:

Elective Deferral	Employer Matching
1%	400% of employee contribution
1% – 5%	100% of employee contribution

Employees are immediately vested in employer contributions. During the year ended June 30, 2024, the amount contributed to the plan was $288,275, which is included in salaries and benefits in the accompanying consolidated statement of functional expenses.

In addition, the Organization has a deferred compensation plan for its eligible executives under the IRC Section 457(b). Under the Section 457(b) plan, salary deferral and employer contributions to the plan are fully vested. Deferred compensation investments, included as part of investments, and liabilities of $46,871 as of June 30, 2024 were included in the accompanying consolidated statement of financial position, and represent the cumulative amount of contributions to the plan, as well as accumulated earnings and losses since the plan's inception.

17. Taxes

Income Taxes

CRSC has received a group exemption determination from the Internal Revenue Service, under Section 501(c)(3), which affords the housing affiliates on CRSC's roster the same income tax-exempt status as CRSC. CRSI, AHA, RS and BWA are exempt under Section 501(c)(3) of the Internal Revenue Code (the IRC). CRS/21 is exempt under Section 509(a)(3) of the IRC. The Organization is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required as of June 30, 2024, as the Organization had no 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 consolidated 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 taxes for the year ended June 30, 2024, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. As of June 30, 2024, there are 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 income taxes, if any, in interest or income tax expense. As of June 30, 2024, the Organization had no accruals for interest and/or penalties.

Real Estate Tax Exemptions

Houses owned by CRS Virginia for charitable purposes were exempt from real estate taxation in Fairfax County, Virginia and Orange County, Florida.

18. Reclassification

Certain 2023 amounts have been reclassified to conform to the 2024 financial statement presentation. The reclassifications had no impact on the previously reported net assets.

19. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 17, 2024, the date the consolidated financial statements were available to be issued. Except for the Organization's extension of its line of credit agreements as described in Note 8, there were no subsequent events identified that require recognition or disclosure in these consolidated financial statements.

SUPPLEMENTARY INFORMATION

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
June 30, 2024

	CRSC	CRSI	Consolidated AHA	RS	BWA	Consolidated CRS Virginia	CRS/21	CRSC Residential	Housing Preservation
ASSETS									
Cash and cash equivalents	$ 768,580	$ 422,226	$ 77,072	$ 632,808	$ 381,258	$ 1,053,667	$ 1,593,717	$ 1,515,872	$ 44,181
Grants and contributions receivable, net	-	65,197	22,992	168,311	59,342	-	-	-	-
Other receivables	80,507	-	2,523	55,500	450	23,519	257,829	200	-
Prepaid expenses and other assets	84,428	51,834	250,000	-	-	99,779	-	272,643	-
Due from affiliates	621,447	1,939	-	-	1,657	19,517	27,192,076	7,275,080	-
Inventory	-	1,132,100	-	46,482	-	-	-	-	-
Investments	647,397	-	460,148	2,430,147	821,796	-	136,096,578	2,477,144	-
Investments in operating entities	-	-	-	-	-	-	-	7,488,505	-
Cash surrender value of life insurance policies	1,615,285	-	-	-	-	-	-	-	-
Restricted cash for tenant security deposits	-	-	-	-	-	104,385	-	-	-
Restricted deposits and funded reserves	-	-	-	-	-	595,445	-	-	-
Notes receivable	-	-	-	-	-	-	-	-	975,000
Property and equipment, net	3,591,305	13,258	252,846	6,274,333	-	33,488,870	-	35,866,392	-
TOTAL ASSETS	$ 7,408,949	$ 1,686,554	$ 1,065,581	$ 9,607,581	$ 1,264,503	$ 35,385,182	$ 165,140,200	$ 54,895,836	$ 1,019,181
LIABILITIES AND NET ASSETS									
Liabilities									
Accounts payable and accrued expenses	$ 150,519	$ 204,019	$ 9,526	$ 130,875	$ 10,690	$ 963,876	42,140	$ 92,407	$ 80,000
Line of credit payable	-	-	-	-	-	-	-	-	-
Notes and mortgages payable, net of unamortized debt issuance costs	-	-	-	-	-	18,599,006	-	-	-
Advance payments for rent	-	-	-	-	-	8,777	-	-	-
Deposits and funds held for others	-	-	-	-	-	46,067	-	-	-
Due to affiliates	-	32,478	5,945	27,372	37,324	7,605,863	946	8,949,053	128
TOTAL LIABILITIES	150,519	236,497	15,471	158,247	48,014	27,223,589	43,086	9,041,460	80,128
Net Assets									
Without donor restrictions	7,258,430	1,435,335	1,027,118	9,282,412	911,352	8,161,593	123,663,063	45,854,376	939,053
With donor restrictions	-	14,722	22,992	166,922	305,137	-	41,434,051	-	-
TOTAL NET ASSETS (DEFICIT)	7,258,430	1,450,057	1,050,110	9,449,334	1,216,489	8,161,593	165,097,114	45,854,376	939,053
TOTAL LIABILITIES AND NET ASSETS	$ 7,408,949	$ 1,686,554	$ 1,065,581	$ 9,607,581	$ 1,264,503	$ 35,385,182	$ 165,140,200	$ 54,895,836	$ 1,019,181

	CRS Kansas	CRS Triangle	CRS Scottsdale	CRS Fountain Place	CRS Peoria	CRS Somerset	CRS Palms	CRS Brookmont
ASSETS								
Cash and cash equivalents	$ 48,330	$ 98,176	$ 43,104	$ 1,085,256	$ 151,075	$ 84,378	$ 121,385	$ 212,810
Grants and contributions receivable, net	-	-	-	-	-	-	-	-
Other receivables	33,748	37,223	3,881	3,533	10,025	41,604	23,519	41,428
Prepaid expenses and other assets	57,958	143,368	5,487	47,872	20,441	25,446	27,366	87,763
Due from affiliates	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investments in operating entities	-	-	-	-	-	-	-	-
Cash surrender value of life insurance policies	-	-	-	-	-	-	-	-
Restricted cash for tenant security deposits	23,245	273,696	-	171,348	37,244	25,147	42,904	41,856
Restricted deposits and funded reserves	-	102,151	-	832,005	10,500	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Property and equipment, net	3,098,192	10,595,734	90,891	2,238,967	2,087,890	3,375,781	2,931,239	1,724,208
TOTAL ASSETS	$ 3,261,473	$ 11,250,348	$ 143,363	$ 4,378,981	$ 2,317,175	$ 3,552,356	$ 3,146,413	$ 2,108,065
LIABILITIES AND NET ASSETS								
Liabilities								
Accounts payable and accrued expenses	$ 131,718	$ 179,837	$ 10,726	$ 49,630	$ 24,359	$ 11,069	$ 21,626	$ 71,094
Line of credit payable	-	-	-	-	-	-	-	-
Notes and mortgages payable, net of unamortized debt issuance costs	500,000	29,541,322	-	4,746,103	7,488,752	2,826,987	5,434,290	-
Advance payments for rent	3,770	6,551	4,049	13,416	20,198	4,543	6,142	5,400
Deposits and funds held for others	55,996	252,259	3,525	59,794	31,474	18,428	39,060	41,863
Due to affiliates	4,776,517	89,621	2,182	18,056	15,894	243,607	9,639	1,916,872
TOTAL LIABILITIES	5,468,001	30,069,590	20,482	4,886,999	7,580,677	3,104,634	5,510,757	2,035,229
Net Assets								
Without donor restrictions	(2,206,528)	(18,819,242)	122,881	(508,018)	(5,263,502)	447,722	(2,364,344)	72,836
With donor restrictions	-	-	-	-	-	-	-	-
TOTAL NET ASSETS (DEFICIT)	(2,206,528)	(18,819,242)	122,881	(508,018)	(5,263,502)	447,722	(2,364,344)	72,836
TOTAL LIABILITIES AND NET ASSETS	$ 3,261,473	$ 11,250,348	$ 143,363	$ 4,378,981	$ 2,317,175	$ 3,552,356	$ 3,146,413	$ 2,108,065

	CRS Ironwood	CRS Petersburg	CRS Skyline	CRS Garden Pines	CRS Florence	Total	Eliminations	Consolidated Total
ASSETS								
Cash and cash equivalents	$ 91,486	$ 620,304	$ 35,427	$ 41,196	$ 134,081	$ 9,256,389	$ -	$ 9,256,389
Grants and contributions receivable, net	-	-	-	-	-	315,842	-	315,842
Other receivables	10,204	44,859	5,716	17,599	15,780	709,647	(235,954)	473,693
Prepaid expenses and other assets	29,267	109,699	24,285	19,873	18,686	1,376,195	-	1,376,195
Due from affiliates	-	-	-	-	-	35,111,716	(35,111,716)	-
Inventory	-	-	-	-	-	1,178,582	-	1,178,582
Investments	-	-	-	-	-	142,933,210	-	142,933,210
Investments in operating entities	-	-	-	-	-	7,488,505	-	7,488,505
Cash surrender value of life insurance policies	-	-	-	-	-	1,615,285	-	1,615,285
Restricted cash for tenant security deposits	49,246	106,426	30,211	14,579	43,774	964,061	-	964,061
Restricted deposits and funded reserves	9,344	343,362	-	-	129,928	2,022,735	-	2,022,735
Notes receivable	-	-	-	-	-	975,000	-	975,000
Property and equipment, net	4,144,980	7,454,246	3,335,574	2,819,762	9,181,588	132,566,056	(420,809)	132,145,247
TOTAL ASSETS	$ 4,334,527	$ 8,678,896	$ 3,431,213	$ 2,913,009	$ 9,523,837	$ 336,513,223	$ (35,768,479)	$ 300,744,744
LIABILITIES AND NET ASSETS								
Liabilities								
Accounts payable and accrued expenses	$ 35,077	$ 243,985	$ 15,087	$ 15,774	$ 1,365	$ 2,495,399	$ (235,954)	$ 2,259,445
Line of credit payable	-	-	-	-	-	-	-	-
Notes and mortgages payable, net of unamortized debt issuance costs	6,712,603	4,910,899	-	-	7,287,347	88,047,309	-	88,047,309
Advance payments for rent	4,274	25,707	20,374	6,780	6,721	136,702	-	136,702
Deposits and funds held for others	44,445	-	34,493	24,805	39,375	691,584	-	691,584
Due to affiliates	9,564	2,412,219	3,634,343	2,919,145	2,404,948	35,111,716	(35,111,716)	-
TOTAL LIABILITIES	6,805,963	7,592,810	3,704,297	2,966,504	9,739,756	126,482,710	(35,347,670)	91,135,040
Net Assets								
Without donor restrictions	(2,471,436)	1,086,086	(273,084)	(53,495)	(215,919)	168,086,689	(420,809)	167,665,880
With donor restrictions	-	-	-	-	-	41,943,824	-	41,943,824
TOTAL NET ASSETS (DEFICIT)	(2,471,436)	1,086,086	(273,084)	(53,495)	(215,919)	210,030,513	(420,809)	209,609,704
TOTAL LIABILITIES AND NET ASSETS	$ 4,334,527	$ 8,678,896	$ 3,431,213	$ 2,913,009	$ 9,523,837	$ 336,513,223	$ (35,768,479)	$ 300,744,744

See independent auditors' report.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2024

	CRSC	CRSI	Consolidated AHA	RS	BWA	Consolidated CRS Virginia	CRS/21	CRSC Residential
REVENUE AND SUPPORT								
Housing rental and related income	$ 30,186	$ -	$ 18,615	$ -	$ -	$ 4,475,514	$ -	$ 1,946,655
Contributed nonfinancial assets	-	31,621,529	-	-	-	-	-	-
Cash contributions	-	4,975,681	76,531	1,709,612	182,173	-	-	-
Other income	140,260	857	12,500	22,229	11,511	115,104	1,910	1,008,387
Grants from government agencies	-	49,401	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	2,412,311	-
Wills and bequests	-	210,826	25,124	47,113	102,915	-	-	-
Workplace campaign contributions	-	11,732	25,135	50,886	54,311	-	-	-
Loan forgiveness	-	-	-	-	-	325,852	-	-
Gains on sale of properties	-	-	-	-	-	2,528,152	-	-
Interest and dividends, net	14,791	-	11,095	59,059	19,838	2,181	584,072	208,878
Realized gains (losses) on investments	(244)	-	-	42,031	9,990	-	3,323,581	62,017
Unrealized gains on investments	47,541	-	40,177	174,578	61,933	-	11,933,735	129,774
Noncash contributions from affiliates	-	-	1,503,596	2,634,666	27,308,345	-	-	-
Cash contributions from affiliates	3,302,505	9,899,085	820,000	4,000,000	500,000	75,000	-	2,277,049
Donated housing from affiliates	-	-	-	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	3,535,039	46,769,111	2,532,773	8,740,174	28,251,016	7,521,803	18,255,609	5,632,760
EXPENSES								
Program services	310,962	42,502,882	2,372,039	8,030,659	28,103,346	4,246,343	9,899,085	3,757,812
Management and general	2,061,243	92,989	22,635	80,977	28,796	208,812	595,390	19,534
Fundraising	-	3,458,550	99,794	151,461	104,249	-	-	-
TOTAL EXPENSES	2,372,205	46,054,421	2,494,468	8,263,097	28,236,391	4,455,155	10,494,475	3,777,346
CHANGE IN NET ASSETS FROM OPERATIONS	1,162,834	714,690	38,305	477,077	14,625	3,066,648	7,761,134	1,855,414
CHANGE IN NET ASSETS	1,162,834	714,690	38,305	477,077	14,625	3,066,648	7,761,134	1,855,414
NET ASSETS (DEFICIT), BEGINNING OF YEAR	6,095,596	735,367	1,011,805	8,972,257	1,201,864	5,094,945	157,335,980	43,998,962
NET ASSETS (DEFICIT), END OF YEAR	$ 7,258,430	$ 1,450,057	$ 1,050,110	$ 9,449,334	$ 1,216,489	$ 8,161,593	$ 165,097,114	$ 45,854,376

	Housing Preservation	CRS Kansas	CRS Triangle	CRS Scottsdale	CRS Fountain Place	CRS Peoria	CRS Somerset	CRS Palms	CRS McClellan	CRS Brookmont
REVENUE AND SUPPORT										
Housing rental and related income	$ -	$ 1,291,543	$ 6,059,630	$ 212,617	$ 2,340,247	$ 1,303,288	$ 1,146,354	$ 847,500	$ -	$ 615,348
Contributed nonfinancial assets	-	-	-	-	-	-	-	-	-	-
Cash contributions	-	-	-	-	-	-	-	-	-	-
Other income	53,625	142,190	162,438	3,315	135,986	45,367	153,115	45,841	-	45,016
Grants from government agencies	-	-	-	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-	-	-	-
Wills and bequests	-	-	-	-	-	-	-	-	-	-
Workplace campaign contributions	-	-	-	-	-	-	-	-	-	-
Loan forgiveness	-	-	-	-	-	-	-	-	-	-
Gains on sale of properties	-	-	-	-	-	-	-		-	-
Interest and dividends, net	-	3	38	-	552	7	12	-	-	-
Realized gains (losses) on investments	-	-	-	-	-	-	-	-	-	-
Unrealized gains on investments	-	-	-	-	-	-	-	-	-	-
Noncash contributions from affiliates	-	-	-	-	-	-	-	-	-	-
Cash contributions from affiliates	-	-	-	-	-	-	-	-	-	-
Donated housing from affiliates	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	53,625	1,433,736	6,222,106	215,932	2,476,785	1,348,662	1,299,481	893,341	-	660,364
EXPENSES										
Program services	188,403	1,993,948	5,260,969	277,759	2,406,622	1,368,089	1,093,707	1,035,028	-	701,737
Management and general	735	62,523	493,086	8,573	85,176	45,977	44,292	30,697	84,546	-
Fundraising	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES	189,138	2,056,471	5,754,055	286,332	2,491,798	1,414,066	1,137,999	1,065,725	84,546	701,737
CHANGE IN NET ASSETS FROM OPERATIONS	(135,513)	(622,735)	468,051	(70,400)	(15,013)	(65,404)	161,482	(172,384)	(84,546)	(41,373)
CHANGE IN NET ASSETS	(135,513)	(622,735)	468,051	(70,400)	(15,013)	(65,404)	161,482	(172,384)	(84,546)	(41,373)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	1,074,566	(1,583,793)	(19,287,293)	193,281	(493,005)	(5,198,098)	286,240	(2,191,960)	84,546	114,209
NET ASSETS (DEFICIT), END OF YEAR	$ 939,053	$ (2,206,528)	$ (18,819,242)	$ 122,881	$ (508,018)	$ (5,263,502)	$ 447,722	$ (2,364,344)	$ -	$ 72,836

	CRS Ironwood	CRS Petersburg	CRS Skyline	CRS Garden Pines	CRS Florence	Total	Eliminations	Consolidated Total
REVENUE AND SUPPORT								
Housing rental and related income	$ 1,007,852	$ 2,041,830	$ 559,698	$ 589,956	$ 1,193,717	$ 25,680,550	$ (190,186)	$ 25,490,364
Contributed nonfinancial assets	-	-	-	-	-	31,621,529	-	31,621,529
Cash contributions	-	-	-	-	-	6,943,997	-	6,943,997
Other income	44,585	101,232	12,636	12,707	92,980	2,363,791	(956,563)	1,407,228
Grants from government agencies	-	-	-	-	-	49,401	-	49,401
Royalties	-	-	-	-	-	2,412,311	-	2,412,311
Wills and bequests	-	-	-	-	-	385,978	-	385,978
Workplace campaign contributions	-	-	-	-	-	142,064	-	142,064
Loan forgiveness	-	-	-	-	-	325,852	-	325,852
Gains on sale of properties	-	-	-	-	-	2,528,152	-	2,528,152
Interest and dividends, net	9	-	-	-	-	900,535	(643,442)	257,093
Realized gains (losses) on investments	-	-	-	-	-	3,437,375	-	3,437,375
Unrealized gains on investments	-	-	-	-	-	12,387,738	-	12,387,738
Noncash contributions from affiliates	-	-	-	-	-	31,446,607	(31,446,607)	-
Cash contributions from affiliates	-	-	-	-	-	20,873,639	(20,873,639)	-
Donated housing from affiliates	-	-	-	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	1,052,446	2,143,062	572,334	602,663	1,286,697	141,499,519	(54,110,437)	87,389,082
EXPENSES								
Program services	1,156,983	2,316,913	748,989	707,454	1,365,682	119,845,411	(52,493,086)	67,352,325
Management and general	36,464	-	20,178	19,904	42,123	4,084,650	(1,639,498)	2,445,152
Fundraising	-	-	-	-	-	3,814,054	-	3,814,054
TOTAL EXPENSES	1,193,447	2,316,913	769,167	727,358	1,407,805	127,744,115	(54,132,584)	73,611,531
CHANGE IN NET ASSETS FROM OPERATIONS	(141,001)	(173,851)	(196,833)	(124,695)	(121,108)	13,755,404	22,147	13,777,551
CHANGE IN NET ASSETS	(141,001)	(173,851)	(196,833)	(124,695)	(121,108)	13,755,404	22,147	13,777,551
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(2,330,435)	1,259,937	(76,251)	71,200	(94,811)	196,275,109	(442,956)	195,832,153
NET ASSETS (DEFICIT), END OF YEAR	$ (2,471,436)	$ 1,086,086	$ (273,084)	$ (53,495)	$ (215,919)	$ 210,030,513	$ (420,809)	$ 209,609,704

See independent auditors' report.