



Christian Relief Services Charities

**CHRISTIAN RELIEF SERVICES
CHARITIES, INC. AND AFFILIATES**

**Consolidated Financial Statements and
Supplementary Information**

For the Year Ended June 30, 2025

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



**and
Report Thereon**



CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

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Independent Auditors' Report

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, 2025, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 2025 consolidating schedules of financial position and activities (supplementary information) on pages 33-34 is presented for the purpose of additional analysis and is not a required part of the 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 financial statements. The 2025 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matter

Report on Summarized Comparative Information

The financial statements of the Organization as of and for the year ended June 30, 2024, were audited by Marcum LLP, whose report dated December 17, 2024, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CBIZ CPAs P.C.

Washington, DC
December 5, 2025

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2025

(With Summarized Financial Information as of June 30, 2024)

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 12,832,108	\$ 9,256,389
Grants and contributions receivable, net	964,112	315,842
Other receivables	1,373,402	473,693
Prepaid expenses and other assets	1,715,123	1,376,195
Inventory	1,074,437	1,178,582
Investments	155,998,700	142,933,210
Investments in operating entities	493,886	7,488,505
Cash surrender value of life insurance policies	1,640,460	1,615,285
Restricted cash for tenant security deposits	1,169,158	964,061
Restricted deposits and funded reserves	2,042,088	2,022,735
Notes receivable	975,000	975,000
Property and equipment, net	129,370,922	132,145,247
TOTAL ASSETS	<u>\$ 309,649,396</u>	<u>\$ 300,744,744</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 2,462,097	2,259,445
Notes and mortgages payable, net of unamortized debt issuance costs	87,761,880	88,047,309
Advance payments for rent	112,255	136,702
Deposits and funds held for others	851,954	691,584
TOTAL LIABILITIES	<u>91,188,186</u>	<u>91,135,040</u>
Net Assets		
Without donor restrictions	172,147,807	167,665,880
With donor restrictions	46,313,403	41,943,824
TOTAL NET ASSETS	<u>218,461,210</u>	<u>209,609,704</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 309,649,396</u>	<u>\$ 300,744,744</u>

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, 2025

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

	2025			
	Without Donor Restrictions	With Donor Restrictions	Total	2024
REVENUE AND SUPPORT				
Housing rental and related income	\$ 26,834,682	\$ -	\$ 26,834,682	\$ 25,490,364
Contributed nonfinancial assets	32,097,586	-	32,097,586	31,621,529
Contributions	5,650,070	2,217,481	7,867,551	6,943,997
Other income	1,257,488	50,032	1,307,520	1,407,228
Grants from government agencies	-	-	-	49,401
Loan forgiveness	-	-	-	325,852
Royalties	-	3,535,900	3,535,900	2,412,311
Wills and bequests	303,074	155,162	458,236	385,978
Workplace campaign contributions	-	140,507	140,507	142,064
Gains on sale of properties	2,140,850	-	2,140,850	2,528,152
Interest and dividends, net	484,448	45,581	530,029	257,093
Realized gains on investments	2,604,369	846,764	3,451,133	3,437,375
Unrealized gains on investments	8,603,366	3,238,121	11,841,487	12,387,738
Net assets released from restrictions:				
Satisfaction of time restrictions	143,881	(143,881)	-	-
Satisfaction of purpose restrictions	5,716,088	(5,716,088)	-	-
TOTAL REVENUE AND SUPPORT	85,835,902	4,369,579	90,205,481	87,389,082
EXPENSES				
Program Services:				
Domestic programs	4,284,802	-	4,284,802	3,214,237
American Indian programs	11,652,048	-	11,652,048	8,953,137
International programs	26,790,493	-	26,790,493	28,393,566
Housing programs	24,988,241	-	24,988,241	26,791,385
Total Program Services	67,715,584	-	67,715,584	67,352,325
Supporting Services:				
Management and general	2,739,360	-	2,739,360	2,445,152
Fundraising	4,650,051	-	4,650,051	3,814,054
Total Supporting Services	7,389,411	-	7,389,411	6,259,206
TOTAL EXPENSES	75,104,995	-	75,104,995	73,611,531
CHANGE IN NET ASSETS FROM OPERATIONS	10,730,907	4,369,579	15,100,486	13,777,551
NONOPERATING ACTIVITIES				
Impairment loss on investments in operating entities	(6,419,619)	-	(6,419,619)	-
Realized gain on sale of investments in operating entities	170,639	-	170,639	-
CHANGE IN NET ASSETS	4,481,927	4,369,579	8,851,506	13,777,551
NET ASSETS, BEGINNING OF YEAR	167,665,880	41,943,824	209,609,704	195,832,153
NET ASSETS, END OF YEAR	\$ 172,147,807	\$ 46,313,403	\$ 218,461,210	\$ 209,609,704

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, 2025
(With Summarized Financial Information for the Year Ended June 30, 2024)

	Program Services					Supporting Services				
	Domestic Programs	American Indian Programs	International Programs	Housing Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2025 Total	2024 Total
In-kind expenditures of relief materials	\$ 2,275,224	\$ 4,141,192	\$ 25,679,578	\$ -	\$ 32,095,994	\$ -	\$ -	\$ -	\$ 32,095,994	\$ 31,446,607
Depreciation and amortization	21,019	266,501	-	6,593,741	6,881,261	156,865	-	156,865	7,038,126	7,018,466
Salaries and benefits	214,011	412,634	168,953	3,493,566	4,289,164	1,559,353	540,728	2,100,081	6,389,245	5,941,436
Grants	390,453	4,196,086	722,418	2,400	5,311,357	-	-	-	5,311,357	4,729,649
Contract services	145,029	245,383	-	3,277,000	3,667,412	46,952	280,266	327,218	3,994,630	5,160,829
Interest	-	-	-	2,975,562	2,975,562	-	-	-	2,975,562	3,523,380
Procurement fees	961,314	1,560,524	52,000	-	2,573,838	-	-	-	2,573,838	1,640,735
Utilities	19,067	72,061	3,758	2,167,869	2,262,755	15,221	3,805	19,026	2,281,781	2,128,788
Printing and production	6,476	16,302	3,673	237	26,688	636	2,029,616	2,030,252	2,056,940	1,660,638
Repairs and maintenance	54,594	15,521	1,286	1,704,883	1,776,284	31,081	5,306	36,387	1,812,671	2,012,766
Real estate taxes	4,869	2,198	641	1,529,402	1,537,110	21,376	-	21,376	1,558,486	1,621,476
General insurance	25,389	69,024	3,368	1,327,855	1,425,636	86,588	-	86,588	1,512,224	1,319,422
Postage	5,963	20,106	4,035	6,724	36,828	3,171	1,073,938	1,077,109	1,113,937	958,568
Office supplies, dues and subscriptions	61,853	172,630	2,104	399,007	635,594	96,654	160,326	256,980	892,574	928,798
Professional and consulting	3,500	38,148	16,241	189,202	247,091	275,511	-	275,511	522,602	470,739
Advertising	-	360	-	211,157	211,517	-	371,315	371,315	582,832	452,853
Meetings and travel	5,790	274,237	12,305	110,498	402,830	56,745	6,058	62,803	465,633	406,554
Homeowner association fees	-	12,960	-	394,646	407,606	6,541	-	6,541	414,147	428,738
Payroll taxes	13,303	29,050	10,946	208,535	261,834	75,038	35,034	110,072	371,906	351,011
Provision for doubtful accounts	-	-	-	196,268	196,268	60,148	-	60,148	256,416	275,490
Shipping	46,862	90,152	85,930	130	223,074	1,608	2,975	4,583	227,657	203,885
Telephone	6,244	11,324	1,036	58,542	77,146	131,597	1,323	132,920	210,066	208,481
Rent	21,733	-	21,733	-	43,466	64,804	10,801	75,605	119,071	85,324
List rental	-	-	-	-	-	-	106,165	106,165	106,165	96,587
Miscellaneous	867	4,505	395	63,072	68,839	16,713	66	16,779	85,618	378,415
Bank charges	1,242	1,150	93	17,029	19,514	32,758	22,329	55,087	74,601	75,825
Labor, materials and supplies	-	-	-	60,916	60,916	-	-	-	60,916	86,071
TOTAL EXPENSES	\$ 4,284,802	\$ 11,652,048	\$ 26,790,493	\$ 24,988,241	\$ 67,715,584	\$ 2,739,360	\$ 4,650,051	\$ 7,389,411	\$ 75,104,995	\$ 73,611,531

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, 2025

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 8,851,506	\$ 13,777,551
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,038,126	7,018,466
Provision for doubtful accounts	256,416	275,490
Loan forgiveness	-	(325,902)
Contributed nonfinancial assets	(32,097,586)	(31,621,529)
In-kind expenditures of relief materials	32,095,994	31,446,607
Unrealized gains on investments	(11,841,487)	(12,387,738)
Realized gains on investments	(3,451,133)	(3,437,375)
Gain from sale of investments in operating entities	(170,639)	-
Impairment loss on investments in operating entities	6,419,619	-
Gain from sale of properties	(2,140,850)	(2,528,152)
Amortization of debt issuance costs	(562,163)	(14,019)
Changes in assets and liabilities:		
Grants and contributions receivable	(904,686)	(265,648)
Other receivables	(899,709)	685,265
Prepaid expenses and other assets	(338,928)	(399,111)
Inventory	105,737	3,536
Cash surrender value of life insurance policies	(25,175)	(120,714)
Accounts payable and accrued expenses	202,652	(663,033)
Advance payments for rent	(24,447)	(17,593)
Deposits and funds held for others	160,370	100,698
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,673,617	1,526,799
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(61,393,352)	(102,334,880)
Proceeds from sales of investments	63,620,482	121,931,250
Proceeds from sale of investments in operating entities	745,639	-
Proceeds from the sale of properties, net of selling expenses	2,375,944	3,362,172
Purchase of properties and equipment	(4,498,895)	(5,128,935)
NET CASH PROVIDED BY INVESTING ACTIVITIES	849,818	17,829,607
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from mortgages and notes payable	31,000,000	-
Principal payments on mortgages and notes payable	(30,723,266)	(5,177,227)
Proceeds from borrowings under lines of credit agreement	-	420,000
Payments made on borrowings under lines of credit agreement	-	(12,917,787)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	276,734	(17,675,014)
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	3,800,169	1,681,392
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	12,243,185	10,561,793
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	\$ 16,043,354	\$ 12,243,185
RECONCILIATION TO CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AS PRESENTED ON THE STATEMENT OF FINANCIAL POSITION:		
Cash and cash equivalents	\$ 12,832,108	\$ 9,256,389
Restricted cash for tenant security deposits	1,169,158	964,061
Restricted deposits and funded reserves	2,042,088	2,022,735
Total Cash and Cash Equivalents	\$ 16,043,354	\$ 12,243,185
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ 2,936,608	\$ 3,484,426
Non-cash investing and financing activities:		
Loan forgiveness	\$ -	\$ (325,902)

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

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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 mutual funds, exchange-traded funds, and equity securities, 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 \$276,476 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.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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, 2025, 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.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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, 2025.

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.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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 approximately \$61,000 as of June 30, 2025. All grants and contributions receivable are due within one year, except for \$190,000 which was due in more than one year.

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.

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.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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

Contributed Nonfinancial Assets and Inventory

Contributed relief materials received by the Organization consist of medicine, medical supplies, food, school supplies, hygiene products, clothing and other items, and donated advertising. 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 also includes donated advertising which primarily consists of on-line advertising in support of the Organization's missions and programs. The reported fair value of donated advertising is based on prices that the Organization would have had to otherwise pay if the Organization had purchased the advertising. 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.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

2. Investments

As of June 30, 2025, the fair value of the Organization's investments was as follows:

Investment funds measured at NAV	\$133,438,996
Mutual funds	13,000,520
Exchange-traded funds	8,974,593
Equity securities	70,094
Cash awaiting settlement	<u>514,497</u>
Total Investments	<u>\$155,998,700</u>

3. Investments in Operating Entities

As of June 30, 2025, the Organization's investments in operating entities was as follows:

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.	\$ 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.	<u>62,075</u>
Total Investments in Operating Entities	<u>\$ 493,886</u>

Management reviewed its investments in operating entities for impairment and determined that its investment in Beltway HOU Manager LLC amounting to \$4,000,000 and investment in MM-Bay Island LLC amounting to \$2,419,619 were impaired. Management determined that there was a significant decline in the market value of the underlying properties associated with these investments and there were adverse changes in the investees' financial condition during the year that would not allow the Organization to recover any of its investments. An impairment loss totaling \$6,419,619 was recognized during the year ended June 30, 2025 which reduced the value of these investments to zero. There were no indicators of impairment noted on other investments in operating entities

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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. CRSC received \$70,644 in relation to the notes during the year ended June 30, 2025.

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, 2025, the cash surrender value of the policies totaled \$898,970, 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, 2025, the cash surrender value of the policies totaled \$741,490, 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. On October 31, 2025, the maturity date of the note receivable was extended to June 30, 2026.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

7. Property and Equipment

The Organization held the following property and equipment as of June 30, 2025:

Buildings and improvements	\$130,892,513
Land and improvements	38,998,903
Office equipment, furniture and fixtures	16,483,414
Vehicles	<u>466,721</u>
Total Property and Equipment	186,841,551
Less: Accumulated Depreciation and Amortization	<u>(57,470,629)</u>
Property and Equipment, Net	<u>\$129,370,922</u>

Depreciation and amortization expense was \$7,038,126 for the year ended June 30, 2025.

During the year ended June 30, 2025, CRS Virginia and CRS Residential sold several of its properties for approximately \$2,400,000, and recognized a gain of \$2,140,850, 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 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.

CRSC Residential is the sole member of a limited liability corporation which 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 AML. The term of the agreement was 40 years, and the agreement will expire on January 19, 2035.

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%. In August 2024, CRS/21 extended the line of credit to expire on July 27, 2026. The renewed line of credit has an interest rate based on Secured Overnight Financial Rate (SOFR) plus 1.6%, which was 5.89% at June 30, 2025. There was no outstanding balance and no borrowings on the line of credit during the year.

CRSI had a line of credit agreement with a financial institution in the amount of \$1,500,000. The line of credit is secured by personal property and guaranteed by CRSC. There were no borrowings made on this line of credit during the year. On June 16, 2025, CRSI closed this line of credit.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

9. Notes and Mortgages Payable

Notes and mortgages payable consisted of the following as of June 30, 2025:

CRS Triangle

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-eighth of 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. On June 24, 2025, CRS Triangle refinanced its mortgage with a loan from Regions Bank in the amount of \$31,000,000. Interest only payments are due on this loan beginning August 1, 2025, with principal payment at maturity date of July 1, 2030. The interest rate is 4.88% per annum. The note is secured by a deed of trust on the property located in Virginia.

\$ 31,000,000

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, operated and leased to other specialized service providers, 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.

971,525

Fairfax County Redevelopment and Housing Authority (FCRHA) loans made under various HUD Block Grant programs. 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 16 homes located in Alexandria, Springfield, Reston, Falls Church, Centreville, and Chantilly, 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 loans were extended through the end of 2026. The homes provide transitional housing and support services for low income individuals and families. If certain specified events occur, the Organization will be obligated to pay to FCRHA an "equity share" ranging from 0% to 50% 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.

466,376

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

9. Notes and Mortgages Payable (continued)

(continued)

CRS Virginia (continued)

FCRHA made a loan to CRS Virginia through HUD Block Grants. No monthly installments of principal or interest are due, subject to CRS Virginia's compliance with loan terms. The loan is 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 2047, after which time, assuming there are no defaults on the loan terms, the amount converts to a grant. The home, which is leased and operated by Fairfax County, provides affordable rental housing for at least three 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 made a loan to CRS Virginia through HUD Block Grants. 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 housing to low income 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 made a loan to CRS Virginia through a HUG Block Grant. 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

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

9. Notes and Mortgages Payable (continued)

(continued)

CRS Virginia (continued)

FCRHA made a loan to CRS Virginia through a HUG Block Grant. 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 housing to low income 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

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 \$12,850,000 is 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.

10,820,910

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.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

9. Notes and Mortgages Payable (continued)

(continued)

CRS Fountain Place (continued)

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.

\$ 4,655,347

CRS Petersburg

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.

4,794,720

CRS Peoria

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

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

9. Notes and Mortgages Payable (continued)

CRS Ironwood

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 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

CRS Palms

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

CRS Somerset

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.

2,774,467

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

9. Notes and Mortgages Payable (continued)

(continued)

CRS Florence

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.

\$ 7,393,027

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, 2025, 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	89,541,770
Less: Unamortized Debt Issuance Costs	<u>(1,779,890)</u>
Notes and Mortgages Payable, Net	<u>\$ 87,761,880</u>

Total interest expense, including the amortization of the debt issuance costs, incurred related to these mortgages was \$2,975,562 for the year ended June 30, 2025.

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

For the Year Ending June 30,	
2026	\$ 789,493
2027	882,318
2028	1,245,763
2029	1,289,213
2030	1,338,671
Thereafter	<u>83,996,312</u>
Total	<u>\$ 89,541,770</u>

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

10. Fair Value Measurement

The following table summarizes the Organization's assets measured at fair value on a recurring basis as of June 30, 2025, aggregated by the fair value hierarchy level with which those measurements were made:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets:				
Investments:				
Mutual funds	\$ 13,000,520	\$ 13,000,520	\$ -	\$ -
Exchange-traded funds	8,974,593	8,974,593	-	-
Equity securities	<u>70,094</u>	<u>70,094</u>	<u>-</u>	<u>-</u>
Total investments in the Fair value hierarchy	22,045,207	<u>22,045,207</u>	<u>-</u>	<u>-</u>
Cash awaiting on settlement*	514,497			
Investments measured at NAV	<u>133,438,996</u>			
Total Investments	<u>155,998,700</u>			
Beneficial interest in a charitable remainder unitrust (CRUT) receivable	172,835	-	-	172,835
Cash surrender value of life insurance policies	<u>1,640,460</u>	<u>-</u>	<u>1,640,460</u>	<u>-</u>
Total Assets	<u>\$157,811,995</u>	<u>\$ 22,045,207</u>	<u>\$ 1,640,460</u>	<u>\$ 172,835</u>

* 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, 2025.

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.

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%.

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.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

10. Fair Value Measurement (continued)

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, 2025:

	<u>Number of Funds</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Equity funds ^(a)	5	\$ 79,332,333	\$ 7,039,500	None to Monthly	None to 5 days
Fixed income funds ^(b)	3	24,444,582	2,091,486	None to Monthly	None to 5 days
Real assets funds ^(c)	5	14,709,258	7,311,903	None to Quarterly	None to 100 days
Diversified strategies funds ^(d)	1	<u>14,952,823</u>	<u>-</u>	Quarterly	65 days
Total Investments		<u>\$133,438,996</u>	<u>\$ 16,442,889</u>		

- (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, 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, 2025, 7% of the investments in this category had lock-up periods greater than a year.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

10. Fair Value Measurement (continued)

- (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, 2025, 5% 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. One fund invests primarily in "Non-Core" private real estate funds. The investment objective of the fund is to deliver Non-Core real estate exposure primarily through external real estate managers advising portfolio funds. 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, 2025, 18% of investments in this category had lock-up periods greater than a year.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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	\$ 104,181,590
Undesignated	<u>74,385,837</u>
Total Net Assets Without Donor Restrictions	<u>\$ 178,567,427</u>

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, 2025, 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	28,530,137
Subject to purpose restrictions:	
American Indian programs	681,920
Education program	234,325
Healthcare and medical program	8,000
Disaster response	365
Subject to occurrence of specified events or passage of time	<u>311,179</u>
Total Net Assets With Donor Restrictions	<u>\$ 46,313,403</u>

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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 Board of Directors has not had to make such an election to date, the Board of Directors 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.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original value of donor-restricted endowment fund	\$ -	\$ 16,547,477	\$ 16,547,477
Accumulated earnings on donor-restricted endowment fund	-	28,530,137	28,530,137
Board-designated endowment funds	<u>104,181,590</u>	<u>-</u>	<u>104,181,590</u>
Total Endowment Net Assets	<u>\$104,181,590</u>	<u>\$45,077,614</u>	<u>\$149,259,204</u>

Endowment net assets and changes in endowment net assets consisted of the following as of and for the year ended June 30, 2025:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2024	\$ 98,421,777	\$ 41,311,248	\$ 139,733,025
Contributions/royalties /other income	82	3,535,900	3,535,982
Net investment gains	10,597,024	4,130,466	14,727,490
Appropriation of endowment assets for expenditure	<u>(4,837,293)</u>	<u>(3,900,000)</u>	<u>(8,737,293)</u>
Endowment Net Assets, June 30, 2024	<u>\$104,181,590</u>	<u>\$45,077,614</u>	<u>\$149,259,204</u>

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

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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, 2025:

Medicine	\$ 20,507,700
Medical supplies	4,095,798
Food	3,038,312
School kits, supplies and furniture	2,065,712
Clothing, blankets and socks	1,344,338
Hygiene products and other	944,494
Donated advertising	<u>101,232</u>
Total Contributed Nonfinancial Assets	<u>\$ 32,097,586</u>

During the year ended June 30, 2025, 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	\$ 25,679,578
American Indian programs	4,141,192
Domestic programs	<u>2,275,224</u>
Total Contributed Relief Materials	<u>\$ 32,095,994</u>

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.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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, 2025, the Organization had cash and cash equivalents at several financial institutions, which exceeded the maximum limit insured by the FDIC in total by approximately \$7,008,000. The Organization monitors the creditworthiness of these institutions and has not experienced any credit losses on its cash and cash equivalents.

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, 2025, were as follows:

Cash and cash equivalents	\$ 12,832,108
Grants and contributions receivable, net	964,112
Other receivables	1,373,402
Investments	<u>155,998,700</u>
Total Financial Assets Available as of June 30, 2025	171,168,322
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 2026	(97,531,590)
Restrictions by donors in perpetuity and accumulated earnings subject to appropriation in excess of amount budgeted to be spent in 2026	(42,327,614)
Restrictions by donors for specific purposes	<u>(924,610)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 30,384,508</u>

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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 \$25,000,000 which were both unused and available to draw upon as of June 30, 2025.

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:

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

Employees are immediately vested in employer contributions. During the year ended June 30, 2025, the amount contributed to the plan was \$334,916, 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 \$90,090 as of June 30, 2025 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.

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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, 2025, 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, 2025, 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, 2025, 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, 2025, 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 2024 amounts have been reclassified to conform to the 2025 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 5, 2025, the date the consolidated financial statements were available to be issued. Except for the extension of the maturity of the notes receivable discussed in Note 6, 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, 2025																									
	CRSC	CRSI	Consolidated AHA	RS	BWA	Consolidated 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	CRS Florence	Total	Eliminations	Consolidated Total
ASSETS																									
Cash and cash equivalents	\$ 451,036	\$ 568,679	\$ 220,320	\$ 339,809	\$ 204,698	\$ 605,572	\$ 1,548,473	\$ 3,191,379	\$ 46,478	\$ 135,300	\$ 2,008,782	\$ 153,551	\$ 1,077,840	\$ 285,282	\$ 196,570	\$ 160,786	\$ 283,573	\$ 181,906	\$ 726,083	\$ 111,918	\$ 135,845	\$ 198,228	\$ 12,832,108	\$ -	\$ 12,832,108
Grants and contributions receivable, net	-	36,169	144,227	731,409	52,307	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	964,112	-	964,112
Other receivables	28,342	-	8,333	124,875	3,068	35,884	354,986	591,991	4,875	48,398	47,723	3,534	1,943	15,053	42,824	10,712	37,015	180	104,620	30,538	26,578	37,884	1,559,356	(185,954)	1,373,402
Prepaid expenses and other assets	112,428	53,530	250,000	15,350	-	168,544	-	366,360	-	105,978	151,625	11,231	65,594	36,271	43,191	29,663	133,897	31,317	59,756	29,093	22,975	28,320	1,715,123	-	1,715,123
Due from affiliates	585,087	4,100	-	-	-	31,213	25,906,889	7,330,702	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,857,991	(33,857,991)	-
Inventory	-	1,032,048	-	42,389	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,074,437	-	1,074,437
Investments	746,407	-	507,832	2,744,895	908,169	-	146,863,923	4,227,474	-	-	-	-	-	-	-	-	-	-	-	-	-	-	155,998,700	-	155,998,700
Investments in operating entities	-	-	-	-	-	-	-	493,886	-	-	-	-	-	-	-	-	-	-	-	-	-	-	493,886	-	493,886
Cash surrender value of life insurance policies	1,640,460	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,640,460	-	1,640,460
Restricted cash for tenant security deposits	-	-	-	-	-	212,420	-	-	-	24,722	275,502	-	189,640	42,650	25,147	49,414	35,623	66,548	128,463	37,311	19,799	61,919	1,169,158	-	1,169,158
Restricted deposits and funded reserves	-	-	-	-	-	600,910	-	-	-	-	-	-	895,870	10,648	-	-	9,029	343,375	-	-	-	182,256	2,042,088	-	2,042,088
Notes receivable	-	-	-	-	-	-	-	-	975,000	-	-	-	-	-	-	-	-	-	-	-	-	-	975,000	-	975,000
Property and equipment, net	3,543,403	3,633	231,827	6,052,895	-	34,114,048	-	35,060,436	-	3,092,780	9,826,723	75,100	1,992,623	1,966,424	3,231,115	2,756,997	1,660,810	3,958,839	7,382,378	3,265,034	2,680,033	8,874,486	129,769,584	(398,662)	129,370,922
TOTAL ASSETS	\$ 7,107,163	\$ 1,698,159	\$ 1,362,539	\$ 10,051,622	\$ 1,168,242	\$ 35,768,591	\$ 174,674,271	\$ 51,262,228	\$ 1,026,353	\$ 3,407,178	\$ 12,310,355	\$ 243,416	\$ 4,223,510	\$ 2,356,328	\$ 3,538,847	\$ 3,007,572	\$ 2,150,918	\$ 4,247,819	\$ 8,744,675	\$ 3,473,894	\$ 2,885,230	\$ 9,383,093	\$ 344,092,003	\$ (34,442,607)	\$ 309,649,396
LIABILITIES AND NET ASSETS																									
Liabilities																									
Accounts payable and accrued expenses	\$ 216,847	\$ 322,043	\$ 17,687	\$ 95,014	\$ 17,990	\$ 1,052,960	\$ -	\$ 46,991	\$ 30,000	\$ 128,397	\$ 203,948	\$ 9,526	\$ 38,655	\$ 38,043	\$ 21,776	\$ 9,803	\$ 85,311	\$ 44,598	\$ 146,662	\$ 36,108	\$ 18,202	\$ 7,035	\$ 2,587,596	\$ (185,954)	\$ 2,401,642
Notes and mortgages payable, net of unamortized debt issuance costs	-	-	-	-	-	18,200,872	-	-	-	500,000	30,013,941	-	4,601,372	7,492,761	2,756,371	5,437,742	-	6,718,275	4,794,720	-	-	7,245,826	87,761,880	-	87,761,880
Advance payments for rent	-	-	-	-	-	9,475	-	-	-	17,994	2,511	242	9,521	16,129	3,917	1,324	4,363	2,929	16,578	5,289	6,549	15,434	112,255	-	112,255
Deposits and funds held for others	-	-	-	-	-	54,272	-	-	-	68,524	280,668	3,775	61,275	30,774	14,876	35,168	35,623	49,881	128,463	27,980	26,224	34,451	851,954	-	851,954
Due to affiliates	-	55,576	16,647	50,893	19,263	5,834,854	946	8,621,815	128	5,947,912	100,610	4,136	20,305	19,955	42,400	21,589	1,916,872	10,521	2,136,265	3,727,585	2,960,794	2,409,380	33,918,446	(33,857,991)	60,455
TOTAL LIABILITIES	216,847	377,619	34,334	145,907	37,253	25,152,433	946	8,668,806	30,128	6,662,827	30,601,678	17,679	4,731,128	7,597,662	2,839,340	5,505,626	2,042,169	6,826,204	7,222,688	3,796,962	3,011,769	9,712,126	125,232,131	(34,043,945)	91,188,186
Net Assets																									
Without donor restrictions	6,890,316	1,300,112	1,307,814	9,178,212	836,357	10,616,158	129,422,876	42,593,422	996,225	(3,255,649)	(18,291,323)	225,737	(507,618)	(5,241,334)	699,507	(2,498,054)	108,749	(2,578,385)	1,521,987	(323,068)	(126,539)	(329,033)	172,546,469	(398,662)	172,147,807
With donor restrictions	-	20,428	20,391	727,503	294,632	-	45,250,449	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,313,403	-	46,313,403
TOTAL NET ASSETS (DEFICIT)	6,890,316	1,320,540	1,328,205	9,905,715	1,130,989	10,616,158	174,673,325	42,593,422	996,225	(3,255,649)	(18,291,323)	225,737	(507,618)	(5,241,334)	699,507	(2,498,054)	108,749	(2,578,385)	1,521,987	(323,068)	(126,539)	(329,033)	218,859,872	(398,662)	218,461,210
TOTAL LIABILITIES AND NET ASSETS	\$ 7,107,163	\$ 1,698,159	\$ 1,362,539	\$ 10,051,622	\$ 1,168,242	\$ 35,768,591	\$ 174,674,271	\$ 51,262,228	\$ 1,026,353	\$ 3,407,178	\$ 12,310,355	\$ 243,416	\$ 4,223,510	\$ 2,356,328	\$ 3,538,847	\$ 3,007,572	\$ 2,150,918	\$ 4,247,819	\$ 8,744,675	\$ 3,473,894	\$ 2,885,230	\$ 9,383,093	\$ 344,092,003	\$ (34,442,607)	\$ 309,649,396

CHRISTIAN RELIEF SERVICES CHARITIES, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2025

	CRSC	CRSI	Consolidated AHA	RS	BWA	Consolidated 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	CRS Florence	Total	Eliminations	Consolidated Total
REVENUE AND SUPPORT																									
Housing rental and related income	\$ 132,927	\$ -	\$ 19,815	\$ -	\$ -	\$ 4,887,679	\$ -	\$ 1,758,719	\$ -	\$ 1,507,395	\$ 6,420,328	\$ 226,928	\$ 2,435,183	\$ 1,308,854	\$ 1,209,267	\$ 837,432	\$ 599,110	\$ 1,037,321	\$ 2,266,200	\$ 621,849	\$ 535,308	\$ 1,245,612	\$ 27,049,927	\$ (215,245)	\$ 26,834,682
Contributed nonfinancial assets	-	31,996,354	2,300,836	4,166,196	25,730,194	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	64,193,580	(32,095,994)	32,097,586
Contributions	-	4,871,395	166,033	2,573,347	256,776	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,867,551	-	7,867,551
Other income	144,463	-	12,500	31,916	-	69,091	50,114	1,120,892	58,500	48,344	172,973	5,103	112,722	38,245	136,886	38,755	13,234	51,674	192,073	35,191	16,471	60,741	2,409,888	(1,102,368)	1,307,520
Royalties	-	-	-	-	-	-	3,535,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,535,900	-	3,535,900
Wills and bequests	-	187,317	118,059	117,265	35,595	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	458,236	-	458,236
Workplace campaign contributions	-	15,917	18,936	54,250	51,404	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	140,507	-	140,507
Gains on sale of properties	-	-	-	-	-	2,082,487	-	58,363	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,140,850	-	2,140,850
Interest and dividends, net	168,617	1,084	13,124	70,228	23,488	2,381	144,293	847,971	-	3	22	-	632	8	-	9	-	12	-	-	-	2	1,271,874	(150,693)	1,121,181
Realized gains (losses) on investments	5,868	-	-	105,177	31,262	-	3,234,886	73,940	-	-	-	11,355	88,311	66,284	65,444	42,822	-	54,515	-	28,605	23,646	61,140	3,956,830	(1,217,470)	2,739,360
Unrealized gains on investments	52,563	-	43,736	127,275	46,862	-	11,348,311	222,740	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,841,487	-	11,841,487
Contributions from affiliates	1,900,000	9,000,000	820,000	3,300,000	500,000	-	-	2,488,850	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,008,850	(18,008,850)	-
TOTAL REVENUE AND SUPPORT	2,404,438	46,072,067	3,513,039	10,545,654	26,675,581	7,041,638	18,313,504	6,571,475	58,500	1,555,742	6,593,323	232,031	2,548,537	1,347,107	1,346,153	876,196	612,344	1,089,007	2,458,273	657,040	551,779	1,306,355	142,369,783	(51,573,150)	90,796,633
EXPENSES																									
Program services	460,197	41,925,631	3,051,913	9,769,578	26,552,785	4,351,170	8,700,000	3,526,317	1,000	2,538,831	5,542,524	117,820	2,459,826	1,258,656	1,028,924	967,084	576,431	1,141,440	2,022,372	678,419	601,177	1,358,329	118,630,424	(50,323,688)	68,306,736
Management and general	2,312,355	95,929	29,395	106,576	50,885	235,903	37,293	57,132	328	66,032	522,880	11,355	88,311	66,284	65,444	42,822	-	54,515	-	28,605	23,646	61,140	3,956,830	(1,217,470)	2,739,360
Fundraising	-	4,180,024	153,636	213,119	157,411	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,704,190	(54,139)	4,650,051
TOTAL EXPENSES	2,772,552	46,201,584	3,234,944	10,089,273	26,761,081	4,587,073	8,737,293	3,583,449	1,328	2,604,863	6,065,404	129,175	2,548,137	1,324,940	1,094,368	1,009,906	576,431	1,195,955	2,022,372	707,024	624,823	1,419,469	127,291,444	(51,595,297)	75,696,147
CHANGE IN NET ASSETS FROM OPERATIONS	(368,114)	(129,517)	278,095	456,381	(85,500)	2,454,565	9,576,211	2,988,026	57,172	(1,049,121)	527,919	102,856	400	22,167	251,785	(133,710)	35,913	(106,948)	435,901	(49,984)	(73,044)	(113,114)	15,078,339	22,147	15,100,486
NONOPERATING ACTIVITIES																									
Impairment loss on investments in operating entities	-	-	-	-	-	-	-	(6,419,619)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,419,619)	-	(6,419,619)
Realized gain on sale of investments in operating entities	-	-	-	-	-	-	-	170,639	-	-	-	-	-	-	-	-	-	-	-	-	-	-	170,639	-	170,639
CHANGE IN NET ASSETS	(368,114)	(129,517)	278,095	456,381	(85,500)	2,454,565	9,576,211	(3,260,954)	57,172	(1,049,121)	527,919	102,856	400	22,167	251,785	(133,710)	35,913	(106,948)	435,901	(49,984)	(73,044)	(113,114)	8,829,359	22,147	8,851,506
NET ASSETS (DEFICIT), BEGINNING 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	939,053	(2,206,528)	(18,819,242)	122,881	(508,018)	(5,263,502)	447,722	(2,364,344)	72,836	(2,471,436)	1,086,086	(273,084)	(53,495)	(215,919)	210,030,513	(420,809)	209,609,704
NET ASSETS (DEFICIT), END OF YEAR	\$ 6,890,316	\$ 1,320,540	\$ 1,328,205	\$ 9,905,715	\$ 1,130,989	\$ 10,616,158	\$ 174,673,325	\$ 42,593,422	\$ 996,225	\$ (3,255,649)	\$ (18,291,323)	\$ 225,737	\$ (507,618)	\$ (5,241,335)	\$ 699,507	\$ (2,498,054)	\$ 108,749	\$ (2,578,384)	\$ 1,521,987	\$ (323,068)	\$ (126,539)	\$ (329,033)	\$ 218,859,872	\$ (398,662)	\$ 218,461,210