



RUNNING STRONG
for American Indian Youth[®]

**AMERICAN INDIAN YOUTH RUNNING
STRONG, INC.**

Financial Statements

For the Year Ended June 30, 2023

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



**and
Report Thereon**



AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

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For the Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
American Indian Youth Running Strong, Inc.

Opinion

We have audited the financial statements of American Indian Youth Running Strong, Inc. (the Organization), an affiliate of Christian Relief Services Charities, Inc., which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Other Matter

Report on Summarized Comparative Information

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

Washington, DC
Report Date

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2023
(With Summarized Financial Information as of June 30, 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 549,997	\$ 454,688
Grants and contributions receivable, net	213,273	147,046
Other receivables	23,203	3,528
Due from affiliate	9,616	-
Inventory	49,887	254,136
Investments	2,142,319	1,935,538
Property and equipment, net	6,269,487	3,337,311
TOTAL ASSETS	\$ 9,257,782	\$ 6,132,247
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 214,395	\$ 484,812
Due to affiliates	71,130	66,394
TOTAL LIABILITIES	285,525	551,206
Net Assets		
Without donor restrictions	8,758,984	5,433,995
With donor restrictions	213,273	147,046
TOTAL NET ASSETS	8,972,257	5,581,041
TOTAL LIABILITIES AND NET ASSETS	\$ 9,257,782	\$ 6,132,247

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

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023
(With Summarized Financial Information for the Year Ended June 30, 2022)

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT				
Cash contributions from affiliate	\$ 5,630,000	\$ -	\$ 5,630,000	\$ 4,348,000
Foundation grants and cash contributions	453,434	1,540,260	1,993,694	2,637,618
Noncash contributions from affiliate	1,621,411	-	1,621,411	646,408
Noncash contributions	-	-	-	1,312,068
Workplace campaign contributions	-	61,225	61,225	58,366
Grants from government agencies	14,938	-	14,938	43,118
Other income	26,646	-	26,646	49,908
Wills and bequests	21,750	200,000	221,750	28,013
Investment income (loss), net	187,140	-	187,140	(326,800)
Net assets released from restrictions:				
Satisfaction of time restrictions	54,998	(54,998)	-	-
Satisfaction of purpose restrictions	1,680,260	(1,680,260)	-	-
TOTAL REVENUE AND SUPPORT	9,690,577	66,227	9,756,804	8,796,699
EXPENSES				
Program Services:				
American Indian programs	6,175,191	-	6,175,191	5,874,005
Total Program Services	6,175,191	-	6,175,191	5,874,005
Supporting Services:				
Management and general	81,662	-	81,662	49,303
Development and fundraising	108,735	-	108,735	19,087
Total Supporting Services	190,397	-	190,397	68,390
TOTAL EXPENSES	6,365,588	-	6,365,588	5,942,395
CHANGE IN NET ASSETS	3,324,989	66,227	3,391,216	2,854,304
NET ASSETS, BEGINNING OF YEAR	5,433,995	147,046	5,581,041	2,726,737
NET ASSETS, END OF YEAR	\$ 8,758,984	\$ 213,273	\$ 8,972,257	\$ 5,581,041

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

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2023

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

	2023				2022
	American Indian Programs	Management and General	Development and Fundraising	Total	Total
Cash grants	\$ 3,106,053	\$ -	\$ -	\$ 3,106,053	\$ 2,557,123
Donated relief materials	1,803,579	-	-	1,803,579	1,776,307
Salaries and fringe benefits	385,477	24,539	-	410,016	507,821
Office supplies, dues and subscriptions	197,074	5,513	35,154	237,741	154,144
Meetings and travel	202,178	1,887	-	204,065	126,418
Contract services	109,589	4,625	35,205	149,419	104,133
Depreciation	141,499	-	-	141,499	41,593
Rent	76,587	13,092	-	89,679	96,180
Advertising	10,610	-	38,376	48,986	3,394
Utilities	48,762	-	-	48,762	2,208
General insurance	29,999	-	-	29,999	28,678
Payroll taxes	25,781	1,887	-	27,668	35,011
Professional and consulting	-	16,016	-	16,016	21,537
Provision for doubtful accounts	-	14,054	-	14,054	10,838
Miscellaneous	11,711	-	-	11,711	5,709
Repairs and maintenance	7,918	-	-	7,918	9,447
Telephone	6,866	-	-	6,866	2,074
Postage	4,904	49	-	4,953	4,611
Equipment rental	2,687	-	-	2,687	762
Printing and production	1,458	-	-	1,458	850
Shipping	1,352	-	-	1,352	127,932
Bank charges	1,107	-	-	1,107	660
Procurement fees	-	-	-	-	323,610
Real estate taxes	-	-	-	-	1,355
TOTAL EXPENSES	\$ 6,175,191	\$ 81,662	\$ 108,735	\$ 6,365,588	\$ 5,942,395

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

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2023

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

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,391,216	\$ 2,854,304
Adjustments to reconcile change in net assets to net cash provided by provided by operating activities:		
Provision for doubtful accounts	14,054	10,838
Depreciation	141,499	41,593
Unrealized losses (gains) on investments	(151,784)	404,569
Realized losses (gains) on investments	21,231	(29,613)
Noncash contributions	(1,621,411)	(1,958,476)
Donated relief materials	1,803,579	1,776,307
Changes in assets and liabilities:		
Grants and contributions receivable	(80,281)	(105,764)
Other receivables	(19,675)	746
Due from affiliate	(9,616)	-
Inventory	22,081	(54,076)
Prepaid expenses	-	524
Accounts payable and accrued expenses	(370,417)	(82,477)
Due to affiliates	4,736	(147,729)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,145,212</u>	<u>2,710,746</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(341,027)	(409,713)
Sales of investments	264,799	324,399
Purchases of property and equipment	<u>(2,973,675)</u>	<u>(2,770,947)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(3,049,903)</u>	<u>(2,856,261)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	95,309	(145,515)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>454,688</u>	<u>600,203</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 549,997</u>	<u>\$ 454,688</u>
Supplemental Cash Flow Information:		
Noncash investing transaction:		
Property and equipment in accounts payable and accrued expenses	<u>\$ 100,000</u>	<u>\$ 411,060</u>

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

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

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

1. Organization and Summary of Significant Accounting Policies

Organization

American Indian Youth Running Strong, Inc. (the Organization), also doing business as Running Strong for American Indian Youth, was incorporated in 1990 and is an affiliate under the group exemption of Christian Relief Services Charities, Inc. (CRSC), a nonprofit 501(c)(3) organization. The Organization's mission is 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 American youth. The Organization includes two field operations: an office and a warehouse in Porcupine, South Dakota and an office in Kyle, South Dakota on the Pine Ridge Indian Reservation. Operated by the Organization's local Native staff, both act as an on-site interactive organizational presence, providing direct services and distributions of new relief items as well as acting as a resource to identify new reservation needs, troubleshoot and provide technical assistance for program partners as needed.

The Organization received approximately 74% of its support and revenue from Christian Relief Services, Inc. (CRSI), an affiliate of CRSC, and the remaining 26% from the public through cash and non-cash contributions, foundation grants, wills and bequests and participation in workplace campaigns.

Basis of Accounting and Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, money market funds and all highly liquid investments with initial maturities of three months or less.

Inventory

Inventory is stated at net realizable value, as determined by the first-in, first-out method.

Investments

Investments are recorded in the accompanying 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 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 by law. Interest and dividend income is recorded on the accrual basis.

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

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

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 for identical assets or liabilities 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.

As of June 30, 2023, only the Organization’s investments, as described in Note 4 of these financial statements, were measured at fair value on a recurring basis.

Property and Equipment and Related Depreciation

Property and equipment are recorded at cost and are depreciated using the straight-line method over their estimated useful lives as follows, with no salvage value:

Building and improvements	40 years
Vehicles	5 years
Office and computer equipment	3-5 years

Expenditures for major repairs and improvements are capitalized; expenditures for minor repairs and maintenance costs are expensed when incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in revenue and support or expenses.

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

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

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

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, 2023.

Net Assets

The net assets of the Organization are classified as follows:

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

Revenue and Support Recognition

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

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

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

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

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

Revenue and Support Recognition (continued)

Wills and bequests are recognized at the time an unassailable right to the gift has been established, the proceeds are measurable and the Organization accepts the gift.

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

Sales of merchandise from the online store is recognized as revenue at the time of purchase and included in other income in the statement of activities. As of June 30, 2023, the Organization's inventory related to items made by indigenous artists that are for sale in the on-line store and totaled \$49,887.

Contributed Nonfinancial Assets

Contributed nonfinancial assets include donations from an affiliate. Noncash contributions from an affiliate represent contributions of food, clothing and blankets, hygiene products and school supplies that were made to CRSI, an affiliate of the Organization, a portion of which was then donated to the Organization for its program partners. Contributed nonfinancial assets are recorded as revenue at their estimated fair value at the date of donation, and reported as an expense when utilized. The Organization utilized the current average price located on publicly available websites for similar items. Contributed nonfinancial assets are not sold and are only distributed for program use as part of the Organization's American Indian programs. There were no donor restrictions related to the contributed nonfinancial assets.

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

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Expenses directly attributed to a specific functional area of the Organization are reported as expenses of those functional areas. Salaries and benefits that benefit multiple CRSC affiliates have been allocated among the CRSC affiliates based on estimates determined by management to be

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

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

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

Functional Allocation of Expenses (continued)

equitable. Occupancy and depreciation expense are allocated by the square footage used by each affiliate. All other shared costs are recorded in the parent company and not allocated since the amounts are not significant to the financial statements of the affiliates.

Estimates

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

2. Grants and Contributions Receivable

Grants and contributions receivable includes multi-year unconditional promises to give. As of June 30, 2023, the Organization's grants and contributions receivable were due to be received as follows:

Due in less than one year	\$ 111,161
Due in more than one year	<u>120,000</u>
Total Grants and Contributions Receivable	231,161
Less: Allowance for Doubtful Accounts	<u>(17,888)</u>
Grants and Contributions Receivable, Net	<u>\$ 213,273</u>

The multi-year pledge receivable has not been discounted to present value as the amount of the calculated discount is not significant to the financial statements.

3. Inventory

The Organization's inventory consisted of the following as of June 30, 2023:

Online store inventory:	
Beadwork and jewelry	\$ 23,649
Paintings and art	4,235
Home goods and others	<u>22,003</u>
Total Contributed Relief Materials Inventory	<u>\$ 49,887</u>

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

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

4. Investments and Fair Value Measurement

The following table summarizes the Organization's investments measured at fair value on a recurring basis as of June 30, 2023, aggregated by the fair value hierarchy level with which those measurements were made:

	Total <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets/ Liabilities <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Exchange-traded funds	<u>\$ 2,142,319</u>	<u>\$ 2,142,319</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization valued the exchange-traded funds at quoted prices for identical assets in active markets.

A summary of investment loss is as follows for the year ended June 30, 2023:

Interest and dividends, net	\$ 56,587
Realized losses	(21,231)
Unrealized gains	<u>151,784</u>
Total Investment Income	<u>\$ 187,140</u>

5. Property and Equipment

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

Buildings and improvements	\$ 6,148,593
Vehicles	177,671
Office and computer equipment	<u>279,222</u>
Total Property and Equipment	6,605,486
Less: Accumulated Depreciation	<u>(335,999)</u>
Property and Equipment, Net	<u>\$ 6,269,487</u>

Depreciation expense was \$141,499 for the year ended June 30, 2023.

Buildings and improvements include the newly constructed Kyle Youth Center, aka Oyate Ta Kola Ku Community Center, in Kyle, South Dakota, with cost of approximately \$5,900,000. The Organization intends to donate the Kyle Youth Center to a 501(c)(3) organization controlled by the Pine Ridge Indian Reservation.

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

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

6. Net Assets With Donor Restrictions

As of June 30, 2023, net assets of \$160,000 were restricted to Brave Heart Society while \$53,273 were restricted for use in future periods.

7. Availability of Resources and Liquidity

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

Cash and cash equivalents	\$ 549,997
Grants and contributions receivable	213,273
Other receivables	23,203
Due from affiliate	9,616
Investments	<u>2,142,319</u>
Financial Assets Available to Meet General Expenditures Within One Year	2,938,408
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restrictions by donors for specific purposes	<u>(160,000)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,778,408</u>

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 nature of the cash flows from external 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 or available to support organizational initiatives. The Organization can liquidate its investments anytime, and therefore the investments are available to meet current cash flow needs.

8. Concentrations of Credit Risk

The Organization maintains cash balances in several accounts in various banks. At times, these balances may exceed the federal insurance limit; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. As of June 30, 2023, the Federal Deposit Insurance Corporation (FDIC) insured balances of a depositor at each FDIC insured institution up to \$250,000. The amount held by the Organization in excess of the FDIC insured limit as of June 30, 2023, totaled approximately \$574,000.

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

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

9. Transactions with Affiliates

The Organization is an affiliate of CRSC, CRSI, Christian Relief Services Virginia (CRS Virginia), and CRSC Residential, Inc. (CRSC Residential). A majority of the Organization's board overlaps with CRSC, CRSI, CRS Virginia and CRSC Residential's board members.

CRSI acts as the fundraising arm for CRSC and its affiliates. CRSI raises both cash and noncash contributions for CRSC and its affiliates, and the contributions are distributed to the entities based on program objectives and need.

During the year ended June 30, 2023, CRSI made \$5,630,000 in cash contributions to the Organization. In addition, during the year ended June 30, 2023, CRSI made noncash contributions to the Organization of \$1,621,411. As of June 30, 2023, the Organization has a receivable from CRSI of \$9,616.

As of June 30, 2023, the Organization had payables due to the following affiliates for salaries, benefits, office and travelling expenses, which are included in due to affiliates in the accompanying statement of financial position:

CRSC (salaries and fringe benefits)	\$ 58,040
CRS Virginia (office expenses)	11,600
CRSC Residential (travelling expenses)	<u>1,490</u>
Total Due to Affiliates	<u>\$ 71,130</u>

10. Contributed Nonfinancial Assets

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

Food	\$ 750,706
Clothing and blankets	196,848
School supplies	450,859
Hygiene products	<u>222,998</u>
Total Contributed Nonfinancial Assets	<u>\$ 1,621,411</u>

11. Pension Plan

Employees of the Organization are eligible to participate in a 401(k) plan sponsored by CRSC after 60 days of service. Under the terms of the defined-contribution plan, eligible employees may elect to contribute up to the federal tax limitation.

The plan has the following employee deferral and matching provisions:

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

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

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

11. Pension Plan (continued)

Employees are immediately vested in employer contributions. During the year ended June 30, 2023, retirement expense related to the plan was \$16,437.

12. Income Taxes

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

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB Accounting Standards Codification Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertainty in tax positions taken for the year ended June 30, 2023, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of June 30, 2023, certain tax years remained open with U.S. federal and local jurisdictions, however, 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 tax positions, if any, in interest or income tax expense. As of June 30, 2023, the Organization had no accruals for interest and/or penalties.

13. Prior Year Summarized Financial Information

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

14. Subsequent Events

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