



**RUNNING STRONG**  
for American Indian Youth®

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

**Financial Statements**

*For the Year Ended June 30, 2019*

*(With Summarized Financial Information for the Year Ended June 30, 2018)*



**and  
Report Thereon**



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

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**For the Year Ended June 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying 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, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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### ***Opinion***

In our opinion, the 2019 financial statements referred to above present fairly, in all material respects, the financial position of American Indian Youth Running Strong, Inc. as of June 30, 2019, 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.

### **Report on Summarized Comparative Information**

The Organization's 2018 financial statements were audited by Raffa, P.C., whose practice was combined with Marcum LLP and whose report dated October 16, 2018, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Marcum LLP*

Washington, DC  
November 5, 2019

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

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2019**

**(With Summarized Financial Information as of June 30, 2018)**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 216,632	\$ 400,943
Grants and contributions receivable, net	62,238	92,133
Accounts receivable	5,523	2,907
Due from affiliate	-	113
Prepaid expenses	5,347	775
Inventory	158,288	371,234
Investments	1,668,180	1,585,545
Property and equipment, net	<u>146,491</u>	<u>170,136</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,262,699</u></u>	<u><u>\$ 2,623,786</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 62,138	\$ 123,422
Due to affiliates	146,439	109,346
Deferred revenue	<u>17,393</u>	<u>26,806</u>
<b>TOTAL LIABILITIES</b>	<u>225,970</u>	<u>259,574</u>
<b>Net Assets</b>		
Without donor restrictions	1,974,491	2,272,079
With donor restrictions	<u>62,238</u>	<u>92,133</u>
<b>TOTAL NET ASSETS</b>	<u>2,036,729</u>	<u>2,364,212</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,262,699</u></u>	<u><u>\$ 2,623,786</u></u>

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, 2019**

**(With Summarized Financial Information for the Year Ended June 30, 2018)**

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>SUPPORT AND REVENUE</b>				
Cash contributions from affiliate	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 1,800,000
Noncash contributions	988,619	-	988,619	1,431,343
Noncash contributions from affiliate	1,016,377	-	1,016,377	916,817
Foundation grants and cash contributions	264,383	464,585	728,968	642,757
Workplace campaign contributions	-	66,900	66,900	101,047
Wills and bequests	41,083	-	41,083	308,698
Grants from government agencies	35,154	-	35,154	54,936
Investment income, net	87,457	-	87,457	134,137
Other income	26,879	-	26,879	8,143
Net assets released from restrictions:				
Satisfaction of time restrictions	96,795	(96,795)	-	-
Satisfaction of purpose restrictions	464,585	(464,585)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>4,521,332</b>	<b>(29,895)</b>	<b>4,491,437</b>	<b>5,397,878</b>
<b>EXPENSES</b>				
Program Services:				
American Indian programs	4,721,820	-	4,721,820	4,664,547
Total Program Services	4,721,820	-	4,721,820	4,664,547
Supporting Services:				
Management and general	57,313	-	57,313	77,598
Development and fundraising	39,787	-	39,787	59,564
Total Supporting Services	97,100	-	97,100	137,162
<b>TOTAL EXPENSES</b>	<b>4,818,920</b>	<b>-</b>	<b>4,818,920</b>	<b>4,801,709</b>
<b>CHANGE IN NET ASSETS</b>	<b>(297,588)</b>	<b>(29,895)</b>	<b>(327,483)</b>	<b>596,169</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>2,272,079</b>	<b>92,133</b>	<b>2,364,212</b>	<b>1,768,043</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,974,491</b>	<b>\$ 62,238</b>	<b>\$ 2,036,729</b>	<b>\$ 2,364,212</b>

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, 2019**

**(With Summarized Financial Information for the Year Ended June 30, 2018)**

	2019				2018
	American Indian Programs	Management and General	Development and Fundraising	Total	Total
Donated relief materials	\$ 2,215,400	\$ -	\$ -	\$ 2,215,400	\$ 2,083,295
Cash grants	1,192,680	-	-	1,192,680	1,121,412
Procurement fees	404,012	-	-	404,012	459,835
Wages and fringe benefits	401,836	273	-	402,109	372,403
Contract services	138,143	-	19,500	157,643	254,136
Meetings and travel	123,891	3,728	-	127,619	128,289
Office supplies, dues and subscriptions	57,170	3,846	19,725	80,741	83,703
Shipping	62,766	39	215	63,020	78,674
Payroll taxes	29,120	23	-	29,143	26,530
Repairs and maintenance	24,716	-	-	24,716	41,797
Depreciation	23,645	-	-	23,645	16,247
Professional and consulting	2,473	15,584	-	18,057	19,160
Provision for doubtful accounts	-	16,531	-	16,531	37,540
Miscellaneous	16,196	-	-	16,196	4,775
Rent	-	11,247	-	11,247	10,609
General insurance	9,941	-	-	9,941	10,198
Loss on write-off of inventory	-	5,280	-	5,280	8,825
Postage	4,847	-	347	5,194	10,310
Utilities	4,747	-	-	4,747	5,416
Printing and production	4,574	-	-	4,574	21,401
Telephone	3,956	-	-	3,956	3,610
Real estate taxes	1,330	-	-	1,330	1,360
Bank charges	-	762	-	762	656
Advertising	377	-	-	377	828
Volunteer expense	-	-	-	-	700
<b>TOTAL EXPENSES</b>	<b>\$ 4,721,820</b>	<b>\$ 57,313</b>	<b>\$ 39,787</b>	<b>\$ 4,818,920</b>	<b>\$ 4,801,709</b>

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, 2019**

**(With Summarized Financial Information for the Year Ended June 30, 2018)**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (327,483)	\$ 596,169
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Provision for doubtful accounts	18,057	37,540
Depreciation	23,645	16,247
Unrealized gains on investments	(49,181)	(6,661)
Realized losses (gains) on investments	2,447	(99,120)
Noncash contributions	(2,004,996)	(2,348,160)
Donated relief materials	2,215,400	2,083,295
Loss from write-off of inventory	377	8,825
Changes in assets and liabilities:		
Grants and contributions receivable	11,838	(22,821)
Accounts receivable	(2,616)	(1,285)
Due from affiliate	113	(113)
Inventory	2,165	(4,312)
Prepaid expenses	(4,572)	6,955
Accounts payable and accrued expenses	(61,284)	64,886
Due to affiliates	37,093	(18,325)
Deferred revenue	(9,413)	20,246
	<u>(148,410)</u>	<u>333,366</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(139,115)	(690,622)
Sales of investments	103,214	680,083
Purchases of property and equipment	-	(27,128)
	<u>(35,901)</u>	<u>(37,667)</u>
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(184,311)	295,699
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>400,943</u>	<u>105,244</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 216,632</u>	<u>\$ 400,943</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, 2019**

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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 in South Dakota. 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 56% of its support and revenue from Christian Relief Services, Inc. (CRSI) and CRS 21<sup>st</sup> Century Inc. (CRS21), affiliates of CRSC, and the remaining 44% 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 the lower of cost or 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, 2019

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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, 2019, 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	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.

Continued

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

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2019**

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

**Net Assets**

The net assets of the Organization are classified as follows:

- Net assets without donor restrictions represent funds that are available for support of the Organization's operations.
- Net assets with donor restrictions represent amounts that are subject to donor-imposed restrictions to be used for various programs or within a specific time period. These donor restrictions can be temporary in nature in that they will be met by the Organization's activities or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor stipulated that the funds must be maintained in perpetuity. As of June 30, 2019, the Organization had no net assets with donor restrictions that were required to be maintained in perpetuity.

**Revenue Recognition**

Gifts and grants of cash and other assets are recognized as revenue at their net realizable value when an unconditional promise to give is received by the Organization. The Organization reports gifts and grants of cash and other assets as revenue without donor restrictions, unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as revenue 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 are not included as revenue and support until such time as the conditions are substantially met.

Revenue recognized on 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.

Deposits received for the Running Strong Tour of the Pine Ridge and Cheyenne River Sioux Indian Reservations are recorded as revenue when the tour occurs. Deposits received in advance of the tour are recorded as deferred revenue in the accompanying statement of financial position.

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.

# AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

## NOTES TO FINANCIAL STATEMENTS For the Year Ended June 30, 2019

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

#### **Noncash Contributions**

Noncash contributions include donations from an affiliate as well as noncash contributions donated directly to the Organization. Noncash contributions represent contributions of food and medical supplies that were made by CRSI, an affiliate of the Organization, a portion of which was then donated to the Organization for its programs helping American Indian families. The donated items are recorded as revenue and expense at their estimated fair value at the date of donation. 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.

#### **Functional Allocation of Expenses**

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

#### **New Accounting Pronouncement**

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return for nonprofit organizations. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to the summarized comparative information presented for the year ended June 30, 2018.

### 2. Grants and Contributions Receivable

Grants and contributions receivable represent unconditional promises to give and are recorded at their net realizable value. All receivables are expected to be collected within one year. The Organization has recorded an allowance for doubtful accounts of \$21,370 as of June 30, 2019.

Continued

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

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

3. Inventory

The Organization's inventory consisted of the following as of June 30, 2019:

Hygiene products	\$ 72,616
Blankets	41,126
Shoes and other	<u>44,546</u>
Total Inventory	<u>\$ 158,288</u>

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, 2019, aggregated by the fair value hierarchy level with which those measurements were made:

	<u>Total</u> <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:				
Intermediate-term bonds	\$ 351,755	\$ 351,755	\$ -	\$ -
Large growth	157,731	157,731	-	-
Mid-cap blend	150,552	150,552	-	-
Large value	139,534	139,534	-	-
Small blend	137,773	137,773	-	-
High-yield bonds	101,390	101,390	-	-
Foreign large blend	100,479	100,479	-	-
Emerging markets bonds	87,800	87,800	-	-
Diversified emerging markets	72,471	72,471	-	-
Large blend	69,856	69,856	-	-
Intermediate-term government bonds	51,932	51,932	-	-
World bonds	43,223	43,223	-	-
Real estate investment trusts	43,088	43,088	-	-
Global real estate	38,940	38,940	-	-
Corporate bonds	35,879	35,879	-	-
Short-term bond	34,612	34,612	-	-
Commodities	29,368	29,368	-	-
Ultrashort bonds	<u>21,797</u>	<u>21,797</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,668,180</u>	<u>\$ 1,668,180</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

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

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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4. Investments and Fair Value Measurement (continued)

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

A summary of investment income is as follows for the year ended June 30, 2019:

Interest and dividends, net	\$ 40,723
Unrealized gains	49,181
Realized losses	<u>(2,447)</u>
Total Investment Income, Net	<u>\$ 87,457</u>

5. Property and Equipment

Property and equipment consisted of the following as of June 30, 2019:

Building and land	\$ 129,905
Vehicles	90,122
Office and computer equipment	<u>11,301</u>
Total Property and Equipment	231,328
Less: Accumulated Depreciation	<u>(84,837)</u>
Property and Equipment, Net	<u>\$ 146,491</u>

Depreciation expense was \$23,645 for the year ended June 30, 2019.

6. Net Assets With Donor Restrictions

As of June 30, 2019, net assets of \$62,238 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, 2019, were as follows:

Cash and cash equivalents	\$ 216,632
Grants and contributions receivable	62,238
Accounts receivable	5,523
Investments	<u>1,668,180</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 1,952,573</u>

Continued

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

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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7. 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 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. Transactions with Affiliates

The Organization is an affiliate of CRSC, CRSI, CRS21 and Christian Relief Services Virginia (CRS Virginia). A majority of the Organization's board overlaps with CRSC, CRSI, CRS21 and CRS Virginia'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, 2019, CRSI made \$1,500,000 in cash contributions to the Organization.

During the year ended June 30, 2019, CRSI made noncash contributions to the Organization of \$1,016,377, and the Organization also made noncash contributions to CRSI of \$24,008 from donated goods that the Organization directly received.

As of June 30, 2019, the Organization had payables due to the following affiliates for salaries, benefits and office expenses, which are included in due to affiliates in the accompanying statement of financial position:

CRSC (salaries and benefits)	\$ 143,144
CRS Virginia (office expenses)	3,063
CRSI (contributions)	<u>232</u>
Total Due to Affiliates	<u>\$ 146,439</u>

Continued

AMERICAN INDIAN YOUTH RUNNING STRONG, INC.

NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2019

9. 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%	150% of employee contribution
1% – 3%	100% of employee contribution
3% – 6%	50% of employee contribution

Employees are immediately vested in employer contributions. During the year ended June 30, 2019, retirement expense related to the plan was \$8,292.

10. 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, 2019, as the Organization had no taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB Accounting Standards Codification Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertainty in income tax positions taken for the year ended June 30, 2019, 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, 2019, there are no audits for any tax periods 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, 2019, the Organization had no accruals for interest and/or penalties.

11. 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, 2018, from which the summarized information was derived.



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

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

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12. Reclassification

Certain 2018 amounts have been reclassified to conform with the 2019 financial statement presentation.

13. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 5, 2019, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.