

RAI MINISTRIES, INC.
Financial Statements as of June 30, 2024 and 2023
and For The Years Then Ended

and Independent Auditors' Report



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
RAI Ministries, Inc.
New Orleans, Louisiana

Opinion

We have audited the accompanying financial statements of RAI Ministries, Inc. (a Louisiana nonprofit corporation), which comprise the statements of financial position as of June 30, 2024, and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RAI Ministries, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years 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. 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 RAI Ministries, Inc. 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 RAI Ministries, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



To the Board of Directors
RAI Ministries, Inc.

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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 RAI Ministries, Inc.'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 RAI Ministries, Inc.'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.



ERICKSEN KRENTEL LLP

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Board of Directors
RAI Ministries, Inc.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head is presented for purposes 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 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

December 10, 2024
New Orleans, Louisiana

Erickson Krentel, LLP

Certified Public Accountants



RAI MINISTRIES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 167,846	\$ 283,294
Certificate of deposit	210,084	200,000
Contracts receivable, net	98,379	24,111
Contribution and other receivables	-	1,700
Prepays and other current assets	<u>8,342</u>	<u>15,936</u>
Total current assets	484,651	525,041
PROPERTY AND EQUIPMENT		
Land	30,370	30,370
Building and improvements	375,000	375,000
Leasehold improvements	797,897	797,897
Vehicles	45,000	45,000
Equipment	54,550	54,550
Furniture and fixtures	<u>30,037</u>	<u>30,037</u>
Total property and equipment	1,332,854	1,332,854
Less accumulated depreciation	<u>(904,692)</u>	<u>(871,352)</u>
Net property and equipment	<u>428,162</u>	<u>461,502</u>
TOTAL ASSETS	<u>\$ 912,813</u>	<u>\$ 986,543</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 20,666	\$ 12,043
Accrued payroll liabilities	2,519	2,509
Deferred revenue and other current liabilities	<u>6,840</u>	<u>600</u>
Total current liabilities	30,025	15,152
Total liabilities	<u>30,025</u>	<u>15,152</u>
NET ASSETS		
Without donor restrictions	864,809	944,875
With donor restrictions	<u>17,979</u>	<u>26,516</u>
Total net assets	<u>882,788</u>	<u>971,391</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 912,813</u>	<u>\$ 986,543</u>

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



RAI MINISTRIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities			
REVENUE AND SUPPORT			
Contracts and grants	\$ 401,404	\$ -	\$ 401,404
Contributions and donations	93,815	-	93,815
Rental income	54,000	-	54,000
Other sources	14,309	-	14,309
Net assets released from restrictions:			
Satisfaction of program restrictions	8,537	(8,537)	-
Total revenue and support	572,065	(8,537)	563,528
EXPENSES			
Program services	584,909	-	584,909
Fundraising	5,993	-	5,993
General and administrative	61,229	-	61,229
Total expenses	652,131	-	652,131
CHANGES IN NET ASSETS	(80,066)	(8,537)	(88,603)
NET ASSETS - BEGINNING OF THE YEAR	944,875	26,516	971,391
NET ASSETS - END OF THE YEAR	\$ 864,809	\$ 17,979	\$ 882,788

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



RAI MINISTRIES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating activities			
REVENUE AND SUPPORT			
Contracts and grants	\$ 403,716	\$ -	\$ 403,716
Contributions and donations	111,559	-	111,559
Rental income	54,000	-	54,000
In-kind donation	397,370	-	397,370
Other sources	6,120	-	6,120
Net assets released from restrictions:			
Satisfaction of program restrictions	7,250	(7,250)	-
	<u>980,015</u>	<u>(7,250)</u>	<u>972,765</u>
Total revenue and support			
EXPENSES			
Program services	609,150	-	609,150
Fundraising	5,083	-	5,083
General and administrative	58,544	-	58,544
	<u>672,777</u>	<u>-</u>	<u>672,777</u>
Total expenses			
CHANGES IN NET ASSETS	307,238	(7,250)	299,988
NET ASSETS - BEGINNING OF THE YEAR	<u>637,637</u>	<u>33,766</u>	<u>671,403</u>
NET ASSETS - END OF THE YEAR	<u><u>\$ 944,875</u></u>	<u><u>\$ 26,516</u></u>	<u><u>\$ 971,391</u></u>

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



RAI MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Service	Supporting Activities		Total
		Fundraising	General & Administrative	
Advertising	\$ 2,115	\$ 1,316	\$ -	\$ 3,431
Bank charges	-	-	330	330
Contract labor	90	-	-	90
Depreciation	26,672	-	6,668	33,340
Dues and subscriptions	25	-	-	25
Employee benefits	30,542	501	1,503	32,546
Insurance	51,418	70	6,759	58,247
Meals	59,831	-	-	59,831
Office expenses	23,450	27	198	23,675
Professional fees	35,428	-	11,262	46,690
Repairs and maintenance	37,370	-	7,531	44,901
Salaries and payroll taxes	240,392	3,944	11,833	256,169
Senior center supplies	44,797	-	-	44,797
Telephone	8,219	135	405	8,759
Travel	2,450	-	-	2,450
Utilities	22,110	-	14,740	36,850
TOTAL	\$ 584,909	\$ 5,993	\$ 61,229	\$ 652,131

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



RAI MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Service	Supporting Activities		Total
		Fundraising	General & Administrative	
Advertising	\$ 819	\$ 819	\$ -	\$ 1,638
Bank charges	-	-	1,133	1,133
Contract labor	2,554	-	-	2,554
Depreciation	33,648	-	1,921	35,569
Donations	530	-	-	530
Dues and subscriptions	137	-	15	152
Employee benefits	33,015	451	1,354	34,820
Insurance	38,664	40	4,086	42,790
Meals	66,139	-	200	66,339
Office expenses	24,285	86	258	24,629
Professional fees	24,611	-	16,300	40,911
Repairs and maintenance	84,229	-	7,843	92,072
Salaries and payroll taxes	262,746	3,592	10,775	277,113
Senior center supplies	7,756	-	-	7,756
Telephone	6,955	95	285	7,335
Travel	1,546	-	30	1,576
Utilities	21,516	-	14,344	35,860
TOTAL	\$ 609,150	\$ 5,083	\$ 58,544	\$ 672,777

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



RAI MINISTRIES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (88,603)	\$ 299,988
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	33,340	35,569
Non cash contributions and donations received	-	(397,370)
Changes in assets and liabilities:		
Contracts receivable, net	(74,268)	2
Contributions and other receivables	1,700	22,806
Prepays and other current assets	7,594	(6,155)
Accounts payable	8,623	(6,181)
Accrued payroll liabilities	10	(320)
Deferred revenue and other current liabilities	6,240	600
	<u> </u>	<u> </u>
Net cash (used in) provided by operating activities	(105,364)	(51,061)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase certificate of deposit	(10,084)	(200,000)
Purchases of property and equipment	-	(6,466)
	<u> </u>	<u> </u>
Net cash (used in) provided by investing activities	(10,084)	(206,466)
 DECREASE IN CASH AND CASH EQUIVALENTS	(115,448)	(257,527)
 CASH AND CASH EQUIVALENTS-BEGINNING OF THE YEAR	<u>283,294</u>	<u>540,821</u>
 CASH AND CASH EQUIVALENTS-END OF THE YEAR	<u><u>\$ 167,846</u></u>	<u><u>\$ 283,294</u></u>

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

RAI MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

RAI Ministries, Inc. ("RAI") is a Christ-centered ministry formerly a part of the Southern District Lutheran Church - Missouri Synod ("LCMS"). RAI's mission is to restore faith, home and community to the people of the Greater New Orleans Area. RAI accomplishes this by equipping volunteers to bring the hope of Jesus Christ as they rebuild homes, churches, and schools. From time to time, RAI also operates various not-for-profit and government grants and contracts that are in line with its mission.

RAI operates Camp Restore in New Orleans, Louisiana. Camp Restore began operations in October of 2006 and plans to continue operations until they are no longer needed. Camp Restore can house approximately 300 volunteers in air conditioned/heated dormitory style rooms. Meals are provided to volunteers three times per day, Sunday through Friday.

RAI operates two senior centers for the New Orleans Council on Aging ("NOCOA"). The New Orleans East Senior Center is operated out of Camp Restore, and the Lower Ninth Ward Senior Center is operated out of the Sanchez Center. Funds are received directly from NOCOA. A portion of the funding is provided by a Federal Community Development Block Grant, which is paid on a cost reimbursement basis. The remainder of the funding comes from the City of New Orleans Civic Affairs contract, which is paid monthly. RAI occasionally receives other funding for seniors from NOCOA. RAI provides meals, information and assistance, outreach, personal care, recreation and wellness services to qualified seniors in the area.

Basis of Accounting

The financial statements of RAI have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America promulgated by the Financial Accounting Standards Board (FASB). Accordingly reflect all significant receivables, payables, and other liabilities.

The financial statement presentation follows the recommendations of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958-210-50-3, RAI is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of RAI. These net assets may be used at the discretion of RAI's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of RAI or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

RAI MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting (continued)

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to RAI's ongoing program services, rental income and interest income. Nonoperating activities are limited to other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Concentrations of Risk Arising from Cash Deposits in Excess of Insured Limits

For purposes of the statements of cash flows, RAI considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents consisted of cash held in checking accounts at local financial institutions. At June 30, 2024 and 2023, RAI had cash (bank balances) totaling \$167,346 and \$282,794, respectively, at local financial institutions. As of June 30, 2024 and 2023, \$0 and \$31,794, respectively, was not secured from risk by federal deposit insurance. Management believes RAI is not exposed to any significant credit risk on cash and cash equivalents.

Certificate of Deposit

RAI purchased a certificate of deposit totaling \$200,000 at June 30, 2023. The CD was renewed on May 21, 2024 with a balance of \$210,084. The certificate bears interest of 5.15% and matures on December 21, 2024, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements. Interest earned on the CD is recorded at maturity.

RAI MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Contracts Receivable

Contracts receivable are stated at the amount management expects to collect from outstanding balances. RAI recognizes expected credit losses over the life of contracts receivable by pooling receivables with similar risk characteristics. The provision for credit losses is recorded through an expense, with a corresponding adjustment to a valuation allowance based on management's assessment of the collective credit risk within each pool. This assessment incorporates factors such as historical loss experience, current conditions, and reasonable forecasts of future economic conditions. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. No valuation allowance was considered necessary as of June 30, 2024 and 2023.

Property and Equipment

RAI capitalizes all property and equipment with a cost of \$2,000 or more if purchased, or a fair value of \$2,000 or more at date of donation if received by contribution. Donations of property and equipment are recorded as support at their estimated fair value. Expenditures for maintenance, repairs and minor renewals are charged against earnings when incurred. Depreciation is computed using the straight-line method over the useful lives of the assets. The lives range from 3 to 7 years for furniture and fixtures, vehicles, and equipment. Leasehold improvements consist of improvements made by RAI to Camp Restore. Leasehold improvements and building improvements are being depreciated over a period of 10 years. Buildings are being depreciated over a period of 40 years. During the year ended June 30, 2023, Prince of Peace Lutheran Church closed and donated its building and land with a fair market value of \$397,370 to RAI. RAI capitalized the building and land at their assessed value and recorded the in-kind donation as revenue during the year ended June 30, 2023.

Revenue Recognition

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a 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 statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

RAI MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Revenue Recognition (continued)

Contributed Nonfinancial Assets

RAI reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, RAI reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

RAI did not receive any contributed nonfinancial assets during the year ended June 30, 2024. During the year ended June 30, 2023, Prince of Peace Lutheran Church closed and donated its building and land with a fair market value of \$397,370 to RAI. RAI capitalized the building and land at their assessed value and recorded the in-kind donation as revenue during the year ended June 30, 2023.

Contributed Services

Contributed services are recognized if they create or enhance nonfinancial assets or if they require specialized skills and would typically be purchased if not provided by donation. At times, volunteers have donated their time to RAI during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skill. These contributed services were not recognized in the financial statements as they did not meet the criteria for recognition under GAAP.

Contracts with Customers

RAI operates two senior centers for the New Orleans Council on Aging (“NOCOA”), the New Orleans East Senior Center and the Lower Ninth Ward Senior Center. Funds are received directly from the NOCoA through two separate contracts. Contracts are contingent upon the NOCoA receiving funding from governmental agencies. RAI’s primary performance obligations under the contracts are to provide information, assistance, recreation, and wellness activities to the seniors. These performance obligations are substantially the same and have the same pattern of transfer to the contractors and are therefore accounted for as a single performance obligation. The performance obligation is satisfied over time as services are provided. RAI is paid on a cost-reimbursement basis and typically receives funds in arrears during the following month.

RAI MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Rental Income

RAI leases space in Camp Restore under month-to-month operating leases with tenants. RAI recognizes rental revenue attributed to lease components, net of any concessions, on a straight-line basis over the term of the lease. The lease does not transfer ownership of the leased the asset. During the years ended June 30, 2024 and 2023, RAI received \$54,000, under the lease agreements.

In accordance with the adoption of Accounting Standard Codification (“ASC”) 842, RAI defers leasing costs incremental to a lease that would not have been incurred if the contract had not been obtained.

Income Taxes

RAI is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income tax under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. Management has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments to or disclosure in the financial statements. Management believes there are no uncertainties included in the accompanying financial statements.

Advertising

RAI uses advertising to promote its programs among the audience it serves. The costs of advertising are expensed as incurred.

Deferred Revenue

Income received in the current year for volunteers staying at Camp Restore in future periods is deferred and recognized over the period in which the volunteers’ stay at Camp Restore occurs.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and payroll taxes	Time and effort
Employee benefits	Time and effort
Repairs and maintenance	Square footage
Depreciation	Square footage
Utilities	Square footage

RAI MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Date of Management's Review

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 10, 2024, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Leases

The RAI assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term.

New Accounting Standards

RAI has adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments – Credit Losses (Topic 326)." The standard introduces a new model for estimating credit losses on financial instruments. After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the financial statements is immaterial. RAI has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process.

As a result, the adoption of the CECL standard has not had a material impact on RAI's financial position, results of operations, or cash flows. RAI will continue to monitor developments related to the CECL standard and will provide updates as necessary in future financial statement disclosures.

NOTE B – CREDIT RISK CONCENTRATION AND MAJOR FUNDING SOURCES

For the years ended June 30, 2024 and 2023, RAI received 71% and 42% of its support through grants and contracts, and 17% and 11% of its support by donations from its volunteer camp operations, respectively. In 2023, the contribution of Prince of Peace Church was 41% of RAI Ministries' support.

RAI MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE C – CONTRACTS WITH CUSTOMERS

NOCOA contracts that originate from Community Development Block Grants for the years ended June 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Grant receivable, beginning of year	\$ 13,757	\$ 13,759
Grant expenditures	169,704	175,017
Grant receipts	(105,790)	(175,019)
Allowance for doubtful accounts	<u>-</u>	<u>-</u>
Grant receivable, end of year	<u><u>\$ 77,671</u></u>	<u><u>\$ 13,757</u></u>

NOCOA contracts that originate from City of New Orleans Civic Affairs for the years ended June 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Contract receivable, beginning of year	\$ 10,354	\$ 10,354
Contract expenditures	124,247	124,247
Contract receipts	(113,893)	(124,247)
Allowance for doubtful accounts	<u>-</u>	<u>-</u>
Contract receivable, end of year	<u><u>\$ 20,708</u></u>	<u><u>\$ 10,354</u></u>

For the years ended June 30, 2024 and 2023, RAI received \$17,452 and \$24,452, respectively, from Governor's Office of Elderly Affairs contracts with NOCoA.

NOTE D – GRANTS

For the years ended June 30, 2024 and 2023 RAI received \$90,000 and \$80,000, respectively, in state government grants from NOCoA.

RAI MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE E – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects RAI's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts set aside for future required funding of debt. However, amounts already appropriated for general expenditure within one year of the balance sheet date have not been subtracted as unavailable.

	<u>2024</u>	<u>2023</u>
Financial assets, at year end	\$ 476,309	\$ 509,105
Less those unavailable for general expenditure		
Within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose		
restrictions	<u>(17,979)</u>	<u>(26,516)</u>
Financial assets available to meet cash needs		
for general expenditures within one year	<u>\$ 458,330</u>	<u>\$ 482,589</u>

RAI is substantially supported by contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, RAI must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of RAI's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE F – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions subject to expenditure for a specified purpose consisted of the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Materials assistance	\$ 17,979	\$ 18,509
NOCOA Senator Harris contract	-	8,007
	<u>\$ 17,979</u>	<u>\$ 26,516</u>

RAI MINISTRIES
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2024

(See Independent Auditors' Report)

	Renee Rolland Executive Director
	<u>7/01/2023</u> through <u>6/30/2024</u>
Time served	
Salary	\$ -
Total compensation, benefits, and other payments	<u><u>\$ -</u></u>

There were no payments for the benefit of the Executive Director that were derived from the public grants or contributions that the Organization receives.