



Finance Committee
CSJ Ministries, Inc.
St. Paul, Minnesota

We have audited the consolidated financial statements of CSJ Ministries Inc. (the Organization) as of and for the year ended June 30, 2024, and have issued our report thereon dated October 15, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated January 19, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the consolidated financial statements.

As described in Note 1, the Organization changed accounting policies related to current expected credit losses by adopting Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Measurement of Credit Losses in Financial Statements*, in 2024. There was no material impact on the Organization's financial position and results of operations as a result of the adoption of this accounting standard.

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the consolidated financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Corrected misstatements

The following material misstatement was detected as a result of audit procedures was corrected by management:

- An adjustment was recorded to increase pledge receivables, net of discount by \$3,757,800 and to increase revenue by the same amount, that is payable over the next four years.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 15, 2024.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's consolidated financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Supplementary information in relation to the consolidated financial statements as a whole

The schedule of functional activities and changes in net assets, the schedule of total activities under organization direction, and schedule of changes in investments held for others accompanying the consolidated financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information was not subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

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This communication is intended solely for the information and use of the finance committee and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 15, 2024