RELIGIOUS FREEDOM COALITION

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS’ REPORT

DECEMBER 31, 2020
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INDEPENDENT AUDITORS’ REPORT

The Board of Directors
Religious Freedom Coalition
Fredericksburg, Virginia

We have audited the accompanying financial statements of Religious Freedom Coalition (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Religious Freedom Coalition as of December 31, 2020, 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.

GB Company LLC - VA

Alexandria, Virginia
May 25, 2021
RELIGIOUS FREEDOM COALITION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

Assets

Current assets

Cash and cash equivalents $ 462,186
Investments 320,970
Accounts receivable 5,136
Prepaid expenses 4,324

Total current assets 792,616

Property and equipment

Furniture and fixtures 12,624
Computer equipment 24,298

36,922

Less accumulated depreciation (24,024)

Total property and equipment 12,898

Security deposit 1,313

Total assets $ 806,827

Liabilities and Net Assets

Current liabilities

Accounts payable $ 7,228
Note payable - Note 8 71,200

78,428

Total liabilities

Net assets

Without donor restrictions 728,399

Total net assets 728,399

Total liabilities and net assets $ 806,827

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$1,442,440</td>
</tr>
<tr>
<td>List rental</td>
<td>12,899</td>
</tr>
<tr>
<td>Investment return, net - Note 7</td>
<td>23,977</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>1,479,316</strong></td>
</tr>
</tbody>
</table>

Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>939,901</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>182,456</td>
</tr>
<tr>
<td>Fundraising</td>
<td>118,671</td>
</tr>
<tr>
<td><strong>Total supporting services</strong></td>
<td><strong>301,127</strong></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>1,241,028</strong></td>
</tr>
</tbody>
</table>

Change in net assets 238,288

Net assets, beginning of year 490,111

Net assets, end of year $728,399

The accompanying notes are an integral part of these financial statements.
Cash flows from operating activities

Change in net assets $ 238,288

Adjustment to reconcile change in net assets
to net cash provided by (used in) operating activities:

Depreciation 2,891
Net (appreciation) in fair value of investments (18,222)

Changes in operating assets and liabilities:
Accounts receivable (633)
Prepaid expenses 1,043
Accounts payable (5,740)

Net cash provided by (used in) operating activities 217,627

Cash flows from investing activities

Purchase of equipment (7,410)
Purchase of investments (291,149)
Proceeds from sale of investments 239,168

Net cash provided by (used in) investing activities (59,391)

Cash flows from financing activities

Proceeds from note payable 71,200
Principal payments on loan (41,630)

Net cash provided by (used in) financing activities 29,570

Net increase (decrease) in cash and cash equivalents 187,806

Cash and cash equivalents, beginning of year 274,380

Cash and cash equivalents, end of year $ 462,186

Supplemental disclosures of cash flow information:
Cash paid during the year for interest $ 2,093
### RELIGIOUS FREEDOM COALITION
### STATEMENT OF FUNCTIONAL EXPENSES
### YEAR ENDED DECEMBER 31, 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Programs</th>
<th>General and Administrative</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$439,149</td>
<td>$ -</td>
<td>$ -</td>
<td>$439,149</td>
</tr>
<tr>
<td>Salaries</td>
<td>174,188</td>
<td>84,335</td>
<td>31,057</td>
<td>289,580</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>113,702</td>
<td>16,727</td>
<td>35,892</td>
<td>166,321</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>110,019</td>
<td>2,221</td>
<td>37,297</td>
<td>149,537</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>19,168</td>
<td>12,026</td>
<td>4,104</td>
<td>35,298</td>
</tr>
<tr>
<td>Occupancy</td>
<td>19,560</td>
<td>7,113</td>
<td>2,964</td>
<td>29,637</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>13,732</td>
<td>6,866</td>
<td>2,289</td>
<td>22,887</td>
</tr>
<tr>
<td>Professional fees</td>
<td>-</td>
<td>17,513</td>
<td>-</td>
<td>17,513</td>
</tr>
<tr>
<td>Travel</td>
<td>12,049</td>
<td>590</td>
<td>-</td>
<td>12,639</td>
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<tr>
<td>Website and IT services</td>
<td>9,158</td>
<td>1,144</td>
<td>1,144</td>
<td>11,446</td>
</tr>
<tr>
<td>Bank and merchant fees</td>
<td>-</td>
<td>11,093</td>
<td>-</td>
<td>11,093</td>
</tr>
<tr>
<td>State registrations</td>
<td>-</td>
<td>10,001</td>
<td>-</td>
<td>10,001</td>
</tr>
<tr>
<td>Office supplies</td>
<td>5,053</td>
<td>1,836</td>
<td>765</td>
<td>7,654</td>
</tr>
<tr>
<td>Dues</td>
<td>6,082</td>
<td>760</td>
<td>760</td>
<td>7,602</td>
</tr>
<tr>
<td>Communication</td>
<td>4,421</td>
<td>1,608</td>
<td>670</td>
<td>6,699</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>2,739</td>
<td>996</td>
<td>415</td>
<td>4,150</td>
</tr>
<tr>
<td>Auto expenses</td>
<td>2,623</td>
<td>700</td>
<td>175</td>
<td>3,498</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,908</td>
<td>694</td>
<td>289</td>
<td>2,891</td>
</tr>
<tr>
<td>Meals</td>
<td>1,169</td>
<td>1,169</td>
<td>-</td>
<td>2,338</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>2,093</td>
<td>-</td>
<td>2,093</td>
</tr>
<tr>
<td>List rental</td>
<td>1,656</td>
<td>-</td>
<td>389</td>
<td>2,045</td>
</tr>
<tr>
<td>Rentals</td>
<td>1,273</td>
<td>463</td>
<td>193</td>
<td>1,929</td>
</tr>
<tr>
<td>Storage</td>
<td>-</td>
<td>1,842</td>
<td>-</td>
<td>1,842</td>
</tr>
<tr>
<td>Insurance</td>
<td>906</td>
<td>329</td>
<td>137</td>
<td>1,372</td>
</tr>
<tr>
<td>Licenses</td>
<td>630</td>
<td>229</td>
<td>95</td>
<td>954</td>
</tr>
<tr>
<td>Conference and conventions</td>
<td>500</td>
<td>-</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td>Other expenses</td>
<td>216</td>
<td>108</td>
<td>36</td>
<td>360</td>
</tr>
</tbody>
</table>

| Total                               | $939,901 | $182,456                   | $118,671    | $1,241,028 |

The accompanying notes are an integral part of these financial statements.
NOTE 1  DESCRIPTION OF THE ORGANIZATION AND ITS ACTIVITIES

Religious Freedom Coalition (RFC) (the Organization) is a nonprofit organization that assists persecuted Christians in various areas of the world. The Organization has been in operation since 1982 and is headquartered in Washington D.C.

Below is a summary of the principal programs administered by the Organization:

Christmas for Refugees: This program provides Christmas celebrations for the children of Christian families who have been driven from their homes in several nations in the Middle East and Nigeria. Children at these events enjoy singing, dancing, coloring contests, a warm meal and a gift, but during 2020 the Covid-19 pandemic precautions reduced services and increased costs. In many areas children had to walk through the venue single file to pick up their meal and gifts. In 2020, programs were held in Syria, Iraq, Jordan, Lebanon, and the West Bank towns of Bethlehem and Beit Sahour as well as Nigeria.

Diapers for Refugees: Through this program, the Religious Freedom Coalition distributes millions of diapers to displaced and persecuted Christian refugee families each year. During the Covid-19 pandemic, distribution to families with infants was decreased. There was a markedly large increase in need for adult diapers during the pandemic, with a higher unit cost. Adult diapers were supplied to special needs adult refugees and IDP’s in Jordan and Iraq.

Palestinian Christians: Palestinian Christians greatly suffered during the 2020 pandemic. Medical aid was administered to Muslims first and Christians last. During 2020, the RFC supplied oxygen concentrators to the ill, and food packages were distributed to the poorest Christian families, as well as those with disabled family members. Adult diapers were furnished to residents of care facilities which were unable to purchase them for their elderly in need.

Lebanon Disaster: A devastating explosion occurred at a port warehouse in Beirut, Lebanon causing damage and loss of lives in a predominantly Christian area. Help was given to replace dozens of broken windows at a church school. Food packages were also supplied to Christian families put out of work.

Nigeria Outreach: The RFC supports an orphanage in Plateau State, Nigeria that houses Christian children whose families have been murdered by Islamic terrorist groups. In 2020, food was provided for 147 children monthly. For the second year, a farm was provided to help the children learn to provide for themselves. In Benue State, the RFC provided hygiene packages for IDP camps full of displaced Christians. Construction of a school building was begun at an IDP...
camp near Makurdi in Benue State. Additional aid was provided to villages that had been attacked by Sunni Muslim Fulani Herdsmen.

General Christian refugee aid: IDP camps in northern Iraq have been supplied with diesel fuel and water by the Religious Freedom Coalition. Also, the diaper program for adults has also been expanded into traditional Assyrian Christian areas. In Jordan, a summer camp for Christian children has been supported for nearly two decades. At an orphanage in Plateau State, Nigeria, the water system was replaced, as well as mattresses replaced, roofs replaced, a state-of-the-art water system installed, and new security systems and kitchen equipment furnished. Security was provided to stop any vandalism or theft during the 2020 lockdowns for Covid-19.

Capitol Hill Activities: There were continued efforts to educate members of Congress about the ongoing persecution of Christians in the Middle East and Nigeria. The Religious Freedom Coalition participated in forums and held a membership in the International Religious Freedom Roundtable. During 2020, weekly briefings were participated in, including those with the Ambassador-at-large for International Religious Freedom, Sam Brownback. The Religious Freedom Coalition was a signatory on numerous joint letters concerning the persecution of Christians in Pakistan, as well as letters concerning the abolition of blasphemy laws.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 the organization. These net assets may be used at the discretion of the Organization’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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.
Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contributions receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until the conditions are met.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near-term and that such changes could be material.

Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted or published prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date;

- Level 2 inputs are inputs other than quoted or published prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.
Use of estimates

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

Property and equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives range from three to seven years. The Organization’s policy is to capitalize renewals and betterments acquired for greater than $2,500 and expense normal repairs and maintenance as incurred.

Contributions

Contributions received are 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. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or 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.

Income tax status

The Organization is exempt from income tax under Internal Revenue Code section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code.

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.
Functional expenses

The costs of the Organization’s programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Directly identifiable expenses are charged to their applicable functional category. Expenses attributable to more than one program or supporting function are allocated in reasonable ratios determined by management.

NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

- Cash and cash equivalents $ 462,186
- Investments 320,970
- Accounts receivable 5,136

Total financial assets $ 788,292

As part of the Organization’s liquidity management plan, the Organization continuously monitors cash to ensure resources are available for general expenditures, liabilities, and other obligations as they come due.

NOTE 4 ALLOCATION OF JOINT COSTS

During 2020, as part of its public awareness activities, the Organization has incurred joint costs of $295,451 for informational activities that included a fundraising appeal. These costs have been allocated as following: $218,005 to program services, $5,450 to general and administrative and $71,996 to fundraising.

NOTE 5 CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC).
NOTE 6  OPERATING LEASE

The Organization renewed the lease agreement for its office space. The lease expires on June 30, 2022. Rent expense under this lease agreement for the year ended December 31, 2020 was $26,956. Annual minimum lease payments in effect on December 31, 2020 are summarized as follows:

<table>
<thead>
<tr>
<th>Year ending December 31</th>
<th>$</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>24,128</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>12,838</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36,966</strong></td>
<td></td>
</tr>
</tbody>
</table>

NOTE 7  INVESTMENTS

The following table presents the Organization’s fair value hierarchy for investments as of December 31, 2020:

<table>
<thead>
<tr>
<th>Fair Value</th>
<th>Level 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity securities</td>
<td>$ 320,970</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 320,970</strong></td>
</tr>
</tbody>
</table>

Investment income (losses) from these investments consists of the following as of December 31, 2020:

- Interest and dividends $ 9,175
- Realized gains (losses) 3,942
- Unrealized gains (losses) 14,280
- Investment fees (3,420)

**Total** $ 23,977

NOTE 8  NOTE PAYABLE

In April 2020, the Organization received an Economic Injury Disaster Loan ("EIDL") of $5,000. In May 2020, the Organization received the Paycheck Protection Program ("PPP") loan in the amount of $66,200. Under the PPP, the borrower may qualify for partial or full loan forgiveness. Management expects to qualify for forgiveness of most or all of the loan proceeds.
NOTE 9 SUBSEQUENT EVENTS

The Organization expects the economic uncertainties resulting from the Coronavirus (Covid-19) pandemic to impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Management has evaluated subsequent events through May 25, 2021, which is the date the financial statements were available to be issued. Except as noted above, the Organization is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.