

**RELIGIOUS FREEDOM COALITION**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITOR'S REPORT**  
**DECEMBER 31, 2023**

# RELIGIOUS FREEDOM COALITION

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Religious Freedom Coalition

### Opinion

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, 2023, and the related statements of activities and cash flows for the year 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 Religious Freedom Coalition as of December 31, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Religious Freedom Coalition 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 Religious Freedom Coalition's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's 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 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 Religious Freedom Coalition'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 Religious Freedom Coalition'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.

*GB Company LLC - VA*

Alexandria, Virginia  
March 1, 2024

**RELIGIOUS FREEDOM COALITION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 468,595
Investments	216,023
Prepaid expenses	<u>2,061</u>
Total current assets	686,679
Property and equipment	
Furniture and fixtures	13,134
Equipment	<u>26,659</u>
	39,793
Less accumulated depreciation	<u>(30,624)</u>
Total property and equipment	9,169
Right-of-use lease assets	<u>15,228</u>
Total assets	<u><u>\$ 711,076</u></u>

**Liabilities and Net Assets**

Current liabilities	
Accounts payable	\$ 5,558
Current portion lease liabilities	<u>11,094</u>
Total current liabilities	16,652
Net assets	
Without donor restrictions	<u>694,424</u>
Total net assets	<u>694,424</u>
Total liabilities and net assets	<u><u>\$ 711,076</u></u>

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

**RELIGIOUS FREEDOM COALITION**  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023

**Revenue**

Contributions	\$ 1,484,149
List rental	1,707
PPP loan	8,177
Investment return, net - Note 5	<u>34,162</u>
Total revenue	<u>1,528,195</u>

**Expenses**

Program services	<u>1,072,869</u>
Supporting services	
General and administrative	212,999
Fundraising	<u>121,257</u>
Total supporting services	<u>334,256</u>
Total expenses	<u>1,407,125</u>
<b>Change in net assets</b>	121,070
<b>Net assets, beginning of year</b>	<u>573,354</u>
<b>Net assets, end of year</b>	<u><u>\$ 694,424</u></u>

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

**RELIGIOUS FREEDOM COALITION**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2023**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 121,070
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	3,764
Net (appreciation) in fair value of investments	(24,675)
Changes in operating assets and liabilities:	
Accounts receivable	794
Accounts payable	<u>(20,582)</u>
Net cash provided by (used in) operating activities	<u>80,371</u>
<b>Cash flows from investing activities</b>	
Purchase of equipment	(1,556)
Disposition of equipment	320
Purchase of investments	<u>(14,889)</u>
Net cash provided by (used in) investing activities	<u>(16,125)</u>
<b>Net increase in cash and cash equivalents</b>	64,246
<b>Cash and cash equivalents, beginning of year</b>	<u>404,349</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 468,595</u></u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for interest	\$ 1,377

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

**RELIGIOUS FREEDOM COALITION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Missions	\$ 530,671	\$ -	\$ -	\$ 530,671
Salaries	203,253	111,236	34,365	348,854
Printing and publications	105,784	2,011	35,214	143,009
Postage and shipping	93,922	15,128	28,007	137,057
Employee benefits	25,912	15,435	5,582	46,929
Professional fees	18,000	15,684	6,000	39,684
Occupancy	19,781	7,192	2,996	29,969
Payroll taxes	16,475	8,238	2,746	27,459
Travel	16,590	1,218	-	17,808
Bank and merchant fees	-	11,829	-	11,829
List rental	9,244	-	2,168	11,412
Dues	8,226	1,028	1,028	10,282
State registrations	-	9,802	-	9,802
Meals	3,989	3,989	-	7,978
Website/IT services/database	5,234	660	654	6,548
Communication	4,058	1,476	615	6,149
Office supplies	4,052	1,473	614	6,139
Repairs and maintenance	2,805	1,020	425	4,250
Other expenses	2,410	848	470	3,728
Storage	-	2,460	-	2,460
Rentals	1,389	505	210	2,104
Insurance	1,074	390	163	1,627
Interest	-	1,377	-	1,377
	<u>\$ 1,072,869</u>	<u>\$ 212,999</u>	<u>\$ 121,257</u>	<u>\$ 1,407,125</u>

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



**RELIGIOUS FREEDOM COALITION**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 1            NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of 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.

**Description of major programs**

*Nigeria Outreach:* The principal outreach of the Religious Freedom Coalition in Nigeria is through our associate, Heart for the Persecuted Church. The largest project is support and direction of the Jos Christian Refuge for Children (JCR4C). JCR4C is the rebirth of the orphanage operated in Miango that was destroyed by Sunni Muslim Fulani raiders in August of 2021. From September 2021 until September 2022, the orphanage was operated out of a rental facility. In 2022, the RFC purchased land and constructed buildings inside the city of Jos at a safer location. Construction of additional buildings continued in 2023. JCR4C currently houses 147 children, most of whom lost parents to Jihad. The farm operated by the orphanage that was also destroyed in 2021 has been re-established on rented land. The RFC also supports a smaller orphanage in Nasarawa State and has provided aid to internally displaced persons camps near Makurdi in Benue State. Previously, the RFC constructed a school building at an internally displaced persons camp in Benue State.

A massacre by Muslim Fulani Herdsmen just south of Jos City, Nigeria, during Christmas 2023, killed hundreds of Christian farmers. More than 1,000 Christian children became orphans because of the attacks. The RFC has supplied food, medical aid and clothing to the orphans and is currently working to place them in the homes of relatives. RFC provides financial aid to families accepting orphans.

*Palestinian Christians:* Palestinian Christians face discrimination in what is traditionally called the “West Bank” which includes Bethlehem, the birthplace of Jesus. The RFC has supplied aid in various forms to Christians in the “West Bank” over a period of 30 years. Projects have included air conditioning for day care centers and aid to Christian schools. For the last 5 years, the RFC has supplied food packages to the poorest Christian families, as well as those with disabled family members. The RFC program also provides adult diapers to elderly and special needs patients in Christian care centers. Because of the lack of funds, these centers can supply food and beds only. Residents who do not have families to purchase and deliver diapers for them must sleep on the floor.

*Christmas for Refugees:* This program provides Christmas celebrations for the children of Christian families who have been driven from their homes in several

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nations in the Middle East and Nigeria. Post Covid-19, the programs returned to their full potential, giving the opportunity for Christian children to celebrate the birth of the Savior. Children enjoy a multi-hour program including music, games, contests, puppet shows, a hot meal and age-appropriate gifts. Families of the children receive aid such as hygiene kits or blankets depending on the area. In 2023, programs were held in Syria, Iraq, Jordan, Lebanon, and the West Bank towns of Bethlehem and Beit Sahour as well as in Nigeria.

*Diapers for Refugees:* Through this program, the Religious Freedom Coalition distributes millions of diapers to displaced and persecuted Christian refugee families each year. Years of war in Iraq and Syria caused a lack of medical care, leading to increased need for adult diapers. The infant program has been decreased as internally displaced persons camps have closed. Adult diapers are considerably more expensive than infant diapers but have a life changing effect. In many cases, without diapers, adults would have been forced to sleep on the floor. The program gives special needs adults dignity.

*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.

*General Christian refugee aid:* The RFC monitors aid needs of Christians who face persecution. If possible, displaced Christians with special needs are given aid through native ministries associated with RFC.

*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 2023, weekly briefings were participated in with other Non-governmental Organizations promoting religious freedom. The Religious Freedom Coalition was a signatory on numerous joint letters concerning the persecution of Christians in various nations including Pakistan and Vietnam, as well as letters demanding the abolition of blasphemy laws.

**Basis of accounting**

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

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**Basis of presentation**

The Organization reports information regarding its financial position and activities according to the absence or existence of donor-imposed restrictions. Resources are classified into two categories:

*Net assets without restrictions* - the portion of net assets that is 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 restrictions* - the portion of net assets that is 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**

The Organization has accounts in different financial institutions where the cash balances may exceed the federally insured limit of \$250,000 set by the Federal Deposit Insurance Corporation in case of bank failure. The Organization has not experienced any losses through the date when the financial statements were available to be issued.

**Investments**

Investments 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.

Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

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.

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**Promises to give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**Property and equipment**

The Organization capitalizes property and equipment over \$2,500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to seven years.

**Contributions**

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

**Income tax status**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

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.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions

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DECEMBER 31, 2023

that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cost allocation**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. 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.

**Fair value measurements**

Fair value is defined as 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. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted or published prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels in 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 the Organization has the ability to access at the measurement date.

Level 2 – inputs are inputs other than quoted or published prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 – inputs are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement.

**Leases**

Pursuant to GAAP, a contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset.

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Operating leases are included in operating lease right-of-use assets and operating lease liabilities within the Organization's accompanying statement of financial position.

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments. Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. If the Organization's leases do not provide an implicit rate, the Organization elects the practical expedient to utilize the risk-free rate to determine the present value of lease payments. Operating lease right-of-use assets also include any lease payments made and exclude any lease incentives.

**New accounting pronouncement**

Effective January 1, 2022, the Organization adopted the provisions and disclosure requirements described in Accounting Standards Codification Topic 842, Leases (ASC 842). ASC 842 requires the recognition of lease assets and lease liabilities by lessees for most leases unless the lease has a term of twelve months or less.

In connection with the adoption of ASC 842, the Organization elected transition-related practical expedients as accounting policies which allowed it to not reassess, as of the adoption date, (1) whether any expired or existing contracts are or contain leases, (2) the classification of any expired or existing leases and (3) if previously capitalized initial direct costs qualify for capitalization under ASC 842.

**NOTE 2      ALLOCATION OF JOINT COSTS**

During 2023, as part of its public awareness activities, the Organization has incurred joint costs of \$268,508 for informational activities that included a fundraising appeal. These costs have been allocated as following: \$200,183 to program services, \$4,492 to general and administrative and \$63,833 to fundraising.

**NOTE 3      FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF RISK**

Financial instruments that potentially subject the Organization to concentrations of risk consist principally of: cash and cash equivalents; and investments.

**RELIGIOUS FREEDOM COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 4 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions:

Cash and cash equivalents	\$	468,595
Investments		<u>216,023</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>684,618</u></u>

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 5 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The following table presents the Organization's fair value hierarchy for investments as of December 31, 2023:

		<u>Fair Value</u>		<u>Level 1</u>
Equity securities	\$	<u>216,023</u>	\$	<u>216,023</u>
Total	\$	<u><u>216,023</u></u>	\$	<u><u>216,023</u></u>

Investment income from these investments consists of the following as of December 31, 2023:

Interest and dividends	\$	9,397
Unrealized gains		<u>24,765</u>
Total	\$	<u><u>34,162</u></u>

**NOTE 6 EFFECTS OF CURRENT ECONOMIC CONDITIONS ON CONTRIBUTIONS**

The Organization depends heavily on contributions for its revenue. The ability of the Organization's contributors to continue giving amounts comparable with prior years may be dependent upon current and future economic conditions.

**RELIGIOUS FREEDOM COALITION**  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 LEASE COMMITMENTS**

The Organization has a lease agreement for its office space that expires on June 30, 2024.

The following summarizes the line items in the accompanying statement of financial position which include amounts for the operating lease as of December 31, 2023:

Operating lease:

Right-of-use lease assets	\$	15,228
Current portion lease liabilities	\$	<u>11,094</u>
Total lease liabilities	\$	<u><u>11,094</u></u>

The maturity of the lease liabilities as of December 31, 2023, was as follows:

2024	\$	<u>11,158</u>
Total undiscounted cash flows		11,158
Less: present value discount		<u>(64)</u>
Total lease liabilities	\$	<u><u>11,094</u></u>

Total lease expense for the year ended December 31, 2023, was \$26,844.

**NOTE 8 CONTINGENCIES**

In the usual course of carrying out its mission, the Organization may be a party to litigation and other claims. The Organization carries insurance that, generally, covers costs of defending and settling such litigation and claims. While it is not feasible to predict the ultimate outcomes of such matters, the Organization's management is not aware of any pending litigation or claims that would have a material adverse effect on the Organization's financial position.

**NOTE 9 EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through March 1, 2024, the date which the financial statements were available to be issued.