

**RELIGIOUS FREEDOM COALITION**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITOR'S REPORT**  
**DECEMBER 31, 2024**

# 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, 2024, and the related statements of activities, functional expenses, 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, 2024, 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  
February 26, 2025

**RELIGIOUS FREEDOM COALITION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**

<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 397,151
Investments	254,086
Prepaid expenses	<u>2,698</u>
Total current assets	653,935
Property and equipment	
Furniture and fixtures	13,134
Equipment	<u>26,659</u>
	39,793
Less accumulated depreciation	<u>(33,676)</u>
Total property and equipment	6,117
Right-of-use lease assets	<u>35,168</u>
Total assets	<u><u>\$ 695,220</u></u>

**Liabilities and Net Assets**

Current liabilities	
Accounts payable	\$ 36,401
Current portion lease liabilities	<u>22,562</u>
Total current liabilities	58,963
Long-term liabilities	
Long-term portion lease liabilities	<u>11,721</u>
Total liabilities	70,684
Net assets	
Without donor restrictions	<u>624,536</u>
Total net assets	<u>624,536</u>
Total liabilities and net assets	<u><u>\$ 695,220</u></u>

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

**RELIGIOUS FREEDOM COALITION**  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024

**Revenue**

Contributions	\$ 1,482,643
Investment return, net - Note 5	<u>32,003</u>
Total revenue	<u>1,514,646</u>

**Expenses**

Program services	<u>1,167,903</u>
Supporting services	
General and administrative	266,596
Fundraising	<u>150,035</u>
Total supporting services	<u>416,631</u>
Total expenses	<u>1,584,534</u>

**Change in net assets** (69,888)

**Net assets, beginning of year** 694,424

**Net assets, end of year** \$ 624,536

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

**RELIGIOUS FREEDOM COALITION**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2024**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ (69,888)
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	3,052
Net (appreciation) in fair value of investments	(3,633)
Changes in operating assets and liabilities:	
Prepaid expenses	(637)
Right-of-use assets	(19,941)
Lease liabilities	23,189
Accounts payable	<u>30,833</u>
Net cash provided by (used in) operating activities	<u>(37,025)</u>
<b>Cash flows from investing activities</b>	
Purchase/sale of investments (net)	<u>(34,419)</u>
Net cash provided by (used in) investing activities	<u>(34,419)</u>
<b>Net increase in cash and cash equivalents</b>	<b>(71,444)</b>
<b>Cash and cash equivalents, beginning of year</b>	<u>468,595</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 397,151</u></u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for interest	\$ 893

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

**RELIGIOUS FREEDOM COALITION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024**

	<u>Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Missions	\$ 563,683	\$ -	\$ -	\$ 563,683
Salaries	201,087	134,096	42,928	378,111
Printing and publications	113,342	1,905	36,439	151,686
Postage and shipping	89,566	15,165	25,541	130,272
Digital distribution	38,473	12,250	8,924	59,647
Employee benefits	26,958	18,696	6,127	51,781
Professional fees	24,500	13,335	10,500	48,335
Website/IT services/database	22,343	13,862	7,697	43,902
Occupancy	23,881	8,683	3,618	36,182
Payroll taxes	17,851	8,926	2,975	29,752
Bank and merchant fees	-	12,848	-	12,848
Travel	9,686	1,633	-	11,319
Dues	8,610	1,076	1,076	10,762
State registrations	-	9,984	-	9,984
Office supplies	5,770	2,098	874	8,742
List rental	6,206	-	1,456	7,662
Meals	3,546	3,546	-	7,092
Communication	4,449	1,617	674	6,740
Repairs and maintenance	2,892	1,052	438	4,382
Other expenses	2,510	914	382	3,806
Storage	-	3,090	-	3,090
Rentals	1,426	518	216	2,160
Insurance	1,124	409	170	1,703
Interest	-	893	-	893
	<u>\$ 1,167,903</u>	<u>\$ 266,596</u>	<u>\$ 150,035</u>	<u>\$ 1,584,534</u>

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

**RELIGIOUS FREEDOM COALITION**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

**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**

*Educational Initiatives:* Promoting postcards and letters to the president and members of congress in support of aid to, and protection from persecution of middle eastern and African Christian families. The distribution of educational publications and videos exposing persecution of Christians worldwide.

*General aid to Christian refugees:* The religious freedom coalition continues to support internally displaced persons (IDPs) in Iraq and Nigeria. Iraqi as well as Syrian Christian refugees in Lebanon and Jordan. Aid includes adult diaper programs for elderly and special needs adults. As war rages between Israel, Hamas, and Hezbollah the religious freedom coalition distributes food packages to poor, unemployed Christian. Adult diapers are distributed to special needs adults in Bethlehem and Beit Sahour.

*Christmas for refugees:* Providing Christmas events and gifts 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 carols, coloring contests, games, puppet shows and receive a hot meal. Age-appropriate gifts and family aid is provided. The program is in its 14th year. The largest group of children served are Syrian Christian refugees in Lebanon.

*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. As fighting continues the need for adult diapers has increased. Adult diapers restore dignity and have a life changing effect. Recipients no longer have to sleep on the floor or on plastic mats. Special needs adults in Christian areas in and around Bethlehem are assisted by this program.

**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**

Cash and cash equivalents consist of cash held in checking and savings (all with maturity dates of less than three months).

**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.

**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

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

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**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.

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

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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 2024, as part of its public awareness activities, the Organization has incurred joint costs of \$344,064 for informational activities that included a fundraising appeal. These costs have been allocated as following: \$252,912 to program services, \$14,324 to general and administrative and \$76,828 to fundraising.

**NOTE 3      CONCENTRATIONS OF CREDIT AND MARKET RISK**

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents, and investments.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured deposit limit of \$250,000 per financial institution. The Organization has not experienced any losses through the date when the financial statements were available to be issued.

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**NOTES TO FINANCIAL STATEMENTS**  
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**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	\$	397,151
Investments		<u>254,086</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>651,237</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, 2024:

		<u>Fair Value</u>		<u>Level 1</u>
Equity securities	\$	<u>254,086</u>	\$	<u>254,086</u>
Total	\$	<u><u>254,086</u></u>	\$	<u><u>254,086</u></u>

Investment income from these investments consists of the following as of December 31, 2024:

Interest and dividends	\$	11,727
Realized gains		18,683
Unrealized gains		<u>1,593</u>
Total	\$	<u><u>32,003</u></u>

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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 LEASE COMMITMENTS**

The Organization has a lease agreement for its office space that expires on June 30, 2026.

The following summarizes the line items in the accompanying statement of financial position which include amounts for the operating lease as of December 31, 2024:

Operating lease:

Right-of-use lease assets	\$	35,168
Current portion lease liabilities	\$	22,562
Long-term portion lease liabilities		<u>11,721</u>
Total lease liabilities	\$	<u><u>34,283</u></u>

The maturity of the lease liabilities as of December 31, 2024, was as follows:

2025	\$	23,330
2026		<u>11,838</u>
Total undiscounted cash flows		35,168
Less: present value discount		<u>(885)</u>
Total lease liabilities	\$	<u><u>34,283</u></u>

Total lease expense for the year ended December 31, 2024, was \$30,897.

**NOTE 7 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.

**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.

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**NOTE 9**            **EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through February 26, 2025, the date which the financial statements were available to be issued.