

**RELIGIOUS COALITION FOR REPRODUCTIVE CHOICE**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**



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YEARS ENDED DECEMBER 31, 2022 AND 2021**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Religious Coalition for Reproductive Choice  
Washington, DC

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of Religious Coalition for Reproductive Choice, which comprise the statements of financial position as of December 31, 2022 and 2021, 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 Religious Coalition for Reproductive as of December 31, 2022 and 2021, and the change 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.

#### ***Changes in Accounting Principles***

As discussed in Note 1 to the financial statements, in 2022, Religious Coalition for Reproductive Choice adopted the new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

As also discussed in Note 1 to the financial statements, in 2022, Religious Coalition for Reproductive Choice adopted the new accounting update on contributed nonfinancial assets. The update requires the improvement of the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The amendments in this update do not change the recognition and measurement of nonfinancial assets. Our opinion is not modified with respect to this matter.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Religious Coalition for Reproductive Choice and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Coalition for Reproductive Choice's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

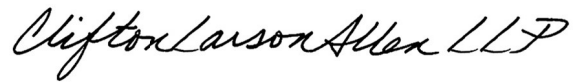
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 Coalition for Reproductive Choice'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 Coalition for Reproductive Choice's ability to continue as a going concern for a reasonable period of time.

Board of Directors  
Religious Coalition for Reproductive Choice

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.

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

**CliftonLarsonAllen LLP**

Arlington, Virginia  
August 29, 2023

**RELIGIOUS COALITION FOR REPRODUCTIVE CHOICE  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash - Checking	\$ 179,650	\$ 438,831
Money Market Funds	-	9,488
Prepaid Expenses	34,217	35,537
Total Current Assets	<u>213,867</u>	<u>483,856</u>
<b>INVESTMENTS</b>	<u>5,290,493</u>	<u>5,556,188</u>
<b>PROPERTY AND EQUIPMENT, NET</b>		
Furniture and Equipment	29,679	27,192
Leasehold Improvements	76,886	76,886
Total Property and Equipment	<u>106,565</u>	<u>104,078</u>
Less: Accumulated Depreciation and Amortization	<u>(73,371)</u>	<u>(60,767)</u>
Total Property and Equipment, Net	33,194	43,311
<b>RIGHT-OF-USE ASSET - OPERATING, NET</b>	162,584	-
<b>DEPOSITS</b>	<u>3,803</u>	<u>3,803</u>
Total Assets	<u><u>\$ 5,703,941</u></u>	<u><u>\$ 6,087,158</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 31,424	\$ 27,759
Accrued Expenses	28,810	16,655
Lease Liability - Operating, Current Portion	63,002	-
Total Current Liabilities	<u>123,236</u>	<u>44,414</u>
<b>LEASE LIABILITY - OPERATING, LONG-TERM PORTION</b>	153,642	-
<b>DEFERRED RENT AND IMPROVEMENT ALLOWANCE</b>	<u>-</u>	<u>65,314</u>
Total Liabilities	276,878	109,728
<b>NET ASSETS</b>		
Without Donor Restrictions - Undesignated	5,373,063	5,914,550
With Donor Restrictions:		
Purpose Restrictions	54,000	62,880
Total Net Assets	<u>5,427,063</u>	<u>5,977,430</u>
Total Liabilities and Net Assets	<u><u>\$ 5,703,941</u></u>	<u><u>\$ 6,087,158</u></u>

See accompanying Notes to Financial Statements.

**RELIGIOUS COALITION FOR REPRODUCTIVE CHOICE  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUES</b>						
Foundation	\$ 80,000	\$ -	\$ 80,000	\$ 45,000	\$ 10,000	\$ 55,000
Individual Donors	367,200	-	367,200	360,374	-	360,374
Bequests	136,231	-	136,231	165,474	-	165,474
Government	-	-	-	77,537	-	77,537
Interest Income	3,467	-	3,467	3,262	-	3,262
Miscellaneous	1,500	-	1,500	150	-	150
Net Assets Released from Restrictions:						
Satisfaction of Purpose Restrictions	8,880	(8,880)	-	38,620	(38,620)	-
Total Public Support and Revenues	<u>597,278</u>	<u>(8,880)</u>	<u>588,398</u>	<u>690,417</u>	<u>(28,620)</u>	<u>661,797</u>
<b>EXPENSES</b>						
Program Services:						
Public Witness	433,610	-	433,610	378,343	-	378,343
Education/Visibility	247,089	-	247,089	235,666	-	235,666
Supporting Services:						
Administration	72,040	-	72,040	68,531	-	68,531
Fundraising	108,671	-	108,671	105,899	-	105,899
Total Expenses	<u>861,410</u>	<u>-</u>	<u>861,410</u>	<u>788,439</u>	<u>-</u>	<u>788,439</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER ITEMS</b>	<u>(264,132)</u>	<u>(8,880)</u>	<u>(273,012)</u>	<u>(98,022)</u>	<u>(28,620)</u>	<u>(126,642)</u>
<b>OTHER ITEMS</b>						
Investment Return, Net	(277,355)	-	(277,355)	144,200	-	144,200
Total Other Items	<u>(277,355)</u>	<u>-</u>	<u>(277,355)</u>	<u>144,200</u>	<u>-</u>	<u>144,200</u>
<b>CHANGE IN NET ASSETS</b>	<u>(541,487)</u>	<u>(8,880)</u>	<u>(550,367)</u>	<u>46,178</u>	<u>(28,620)</u>	<u>17,558</u>
Net Assets - Beginning of Year	5,914,550	62,880	5,977,430	5,868,372	91,500	5,959,872
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 5,373,063</u>	<u>\$ 54,000</u>	<u>\$ 5,427,063</u>	<u>\$ 5,914,550</u>	<u>\$ 62,880</u>	<u>\$ 5,977,430</u>

See accompanying Notes to Financial Statements.

**RELIGIOUS COALITION FOR REPRODUCTIVE CHOICE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2022**

	Program Services			Supporting Services			2022 Total
	Public Witness	Educational/ Visibility	Total Program Services	Administration	Fundraising	Total Supporting Services	
Personnel	\$ 266,991	\$ 134,429	\$ 401,420	\$ 61,689	\$ 55,172	\$ 116,861	\$ 518,281
Consultants	101,110	43,755	144,865	-	-	-	144,865
Occupancy	26,222	16,232	42,454	5,462	6,447	11,909	54,363
Technology	8,044	3,013	11,057	167	16,027	16,194	27,251
Supplies and Materials	5,298	2,889	8,187	150	14,199	14,349	22,536
Professional Fees	8,352	5,215	13,567	1,740	2,085	3,825	17,392
Office Expenses	5,981	5,345	11,326	845	5,218	6,063	17,389
Travel	479	14,295	14,774	24	29	53	14,827
Honorarium/Sponsorships	-	12,985	12,985	-	-	-	12,985
Depreciation	6,050	3,781	9,831	1,261	1,513	2,774	12,605
State registration fees	-	-	-	-	7,356	7,356	7,356
Meetings	2,960	3,772	6,732	78	94	172	6,904
Insurance	1,323	827	2,150	276	331	607	2,757
Miscellaneous	800	551	1,351	348	200	548	1,899
Total Functional Expenses	\$ 433,610	\$ 247,089	\$ 680,699	\$ 72,040	\$ 108,671	\$ 180,711	\$ 861,410

See accompanying Notes to Financial Statements.



**RELIGIOUS COALITION FOR REPRODUCTIVE CHOICE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2021**

	Program Services			Supporting Services		
	Public Witness	Educational/ Visibility	Total Program Services	Administration	Fundraising	Total Supporting Services
Personnel	\$ 270,013	\$ 115,082	\$ 385,095	\$ 57,333	\$ 42,782	\$ 100,115
Consultants	26,705	82,175	108,880	-	6,027	6,027
Occupancy	25,602	14,340	39,942	4,816	5,139	9,955
Professional Fees	14,231	7,270	21,501	2,946	2,413	5,359
Technology	3,153	7,292	10,445	121	15,873	15,994
Office Expenses	7,821	2,513	10,334	971	6,039	7,010
Honorarium/Sponsorships	14,700	400	15,100	-	-	-
Depreciation	7,964	4,057	12,021	1,653	1,352	3,005
Supplies and Materials	2,567	702	3,269	132	11,583	11,715
State Registration Fees	-	-	-	-	8,383	8,383
Fundraising Services	-	-	-	-	5,854	5,854
Insurance	1,587	809	2,396	329	270	599
Grants	2,500	-	2,500	-	-	-
Miscellaneous	1,105	563	1,668	230	184	414
Meetings	310	463	773	-	-	-
Travel	85	-	85	-	-	-
Total Functional Expenses	\$ 378,343	\$ 235,666	\$ 614,009	\$ 68,531	\$ 105,899	\$ 174,430

See accompanying Notes to Financial Statements.

**RELIGIOUS COALITION FOR REPRODUCTIVE CHOICE**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (550,367)	\$ 17,558
Adjustments to Reconcile Change in Net Assets to		
Net Cash Used by Operating Activities:		
Depreciation and Amortization	12,605	15,026
Amortization of Right-of-Use Asset - Operating	48,613	-
Realized/Unrealized Loss (Gain) on Investments	347,046	(100,979)
Donated Securities	-	(7,535)
Changes in Assets and Liabilities:		
Bequest and Accounts Receivable	-	63,250
Prepaid Expenses	1,320	(7,066)
Accounts Payable	3,665	20,490
Accrued Expenses	12,155	2,382
Lease Liability - Operating	(59,867)	
Deferred Rent and Improvement Allowance	-	(8,853)
Net Cash Used by Operating Activities	<u>(184,830)</u>	<u>(5,727)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemption of Investments and Certificates of Deposit	4,867,936	6,109,715
Purchases of Investments and Certificates of Deposit	(4,939,799)	(5,956,083)
Purchases of Property and Equipment	(2,488)	-
Net Cash Provided (Used) by Investing Activities	<u>(74,351)</u>	<u>153,632</u>
<b>NET CHANGE IN CASH</b>	(259,181)	147,905
Cash - Beginning of Year	<u>438,831</u>	<u>290,926</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 179,650</u></u>	<u><u>\$ 438,831</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Noncash Transactions Arising from the ASC 842 Adoption:		
Recognition of Right-of-Use Asset - Operating	\$ 211,197	\$ -
Recognition of Lease Liability - Operating, Current Portion	(59,867)	-
Recognition of Lease Liability - Operating, Long-term Portion	(216,644)	-
Write off of Deferred Rent and Improvement Allowance	65,314	-
Total	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**RELIGIOUS COALITION FOR REPRODUCTIVE CHOICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Religious Coalition for Reproductive Choice (RCRC) is a nonprofit organization which educates religious leaders and communities around a range of reproductive health issues. Issues include access to family planning and contraception, comprehensive and inclusive sexuality education, and access to safe and legal abortion services. RCRC is supported primarily through foundation grants, bequests, and donor contributions. These categories represented 96% and 88% of revenue for the years ended December 31, 2022 and 2021, respectively.

**Basis of Accounting**

RCRC prepares its financial statements on the accrual basis of accounting. Revenue is recognized when earned and expense when the obligation is incurred.

**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 certain reported amounts and disclosures. Actual results could differ from estimates.

**Investments**

Investments in marketable securities with readily determinable fair values are valued at their fair values in the statements of financial position.

**Property and Equipment**

Furniture and equipment in the amount of \$2,000 or more are recorded at cost and are depreciated on a straight-line basis over their estimated useful lives of 3 to 10 years.

Leasehold improvements are recorded at cost and amortized over the shorter of the asset's useful life or the term of the lease period.

**Leases**

RCRC leases office space. RCRC determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating on the statements of financial position.

**RELIGIOUS COALITION FOR REPRODUCTIVE CHOICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

The ROU asset represents the RCRC's right to use an underlying asset for the lease term and the lease liability represents RCRC's obligation to make lease payments arising from the lease. The ROU asset and lease liability are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, RCRC uses the risk-free rate based on information available at commencement date in determining the present value of lease payments. The ROU asset also includes the lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that RCRC will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. RCRC has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

RCRC 's lease agreement do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, RCRC considers factors such as if RCRC has obtained substantially all of the rights to the underlying asset through exclusivity, if RCRC can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual lease contract does not provide information about the discount rate implicit in the lease. Therefore, RCRC has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liability.

**Contributions**

Contributions received, including unconditional promises to give, are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, RCRC reports the support as without donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restrictions.

Annual direct mail contributions are generally available for without donor restriction use in the year received unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, when deemed material, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. Amortization of the discounts is included in contribution revenue.

**RELIGIOUS COALITION FOR REPRODUCTIVE CHOICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions (Continued)**

RCRC recognizes and records contributions of donated noncash assets at their fair values in the period received. The value of in-kind donations recognized was \$-0- and \$7,535 for the years ended December 31, 2022 and 2021, respectively.

**Bequests**

Bequests are recognized as contributions at the time of the donor's death when the intention to give becomes an unconditional promise to give. Bequests are typically complex and may be subject to series of settlements or litigations for a long period of time. Due to the complexities of these matters, there are times when management is unable to predict the ultimate outcome or the amount that will be collected. Management recognizes revenue when the amount that will be collected can be reasonably estimated or when the bequest funds are actually received, whichever is earlier.

**Income Taxes**

RCRC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Management evaluated RCRC's tax positions and concluded that no uncertain tax positions had been taken that require adjustment to the financial statements to comply with the provisions of the guidance. RCRC's income tax returns are subject to review and examination by federal, state, and local authorities.

**Net Assets**

Net assets and changes therein are classified into the following categories:

*Net Assets Without Donor Restrictions – Undesignated* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* - Net assets subject to donor-imposed or grantor-imposed restrictions. Some donor-imposed or grantor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor.

**Functional Allocation of Expenses**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, office supplies, rent, accounting fees, and depreciation, which are allocated on the basis of estimates of time and effort.

**RELIGIOUS COALITION FOR REPRODUCTIVE CHOICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value of Financial Instruments**

**Fair Value Measurements**

RCRC accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. RCRC accounts for certain financial assets and liabilities at fair value under various accounting literature. RCRC also accounts for certain assets at fair value under applicable industry guidance.

**Fair Value Hierarchy**

RCRC has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that RCRC has the ability to access.

*Level 2* – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include, among others, quoted prices for similar assets or liabilities in active market or non-active market.

*Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

**Measure of Operations**

RCRC considers net investment return to be items not included in operations.

**RELIGIOUS COALITION FOR REPRODUCTIVE CHOICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Liquidity**

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

	2022	2021
Cash - Checking	\$ 179,650	\$ 438,831
Money Market Funds	-	9,488
Investments	5,290,493	5,556,188
Less: Net Assets with Donor Restrictions	(54,000)	(62,880)
Total	<u>\$ 5,416,143</u>	<u>\$ 5,941,627</u>

As part of RCRC's liquidity management plan, RCRC invests cash in excess of daily requirements in short-term Treasury bond funds, certificates of deposit and money market funds.

**Recently Adopted Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board (FASB) issued the Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

RCRC adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment.

RCRC has elected to adopt the package of practical expedients available in the year of adoption. SVA has not elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the RCRC's ROU assets.

As a result of the adoption of the new lease accounting guidance, RCRC recognized on January 1, 2022 a lease liability of \$276,511, which represents the present value of the remaining operating lease payments of \$282,711 discounted using the risk free rate of 1.04%, and a right-of-use asset of \$211,197. The balance at January 1, 2022 of the deferred rent and improvement allowance of \$65,314 was written off.

The standard had a material impact on the 2022 statement of financial position and statement of cash flows but did not have an impact on the 2022 statement of activities. The most significant impact was the recognition of the ROU assets and lease liability for operating lease.

**RELIGIOUS COALITION FOR REPRODUCTIVE CHOICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Recently Adopted Accounting Pronouncements (Continued)**

During the year ended December 31, 2022, RCRC also adopted the requirements of FASB ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires nonprofits to present contributed nonfinancial assets as a separate line in the statement of activities and provide additional disclosures about contributions of nonfinancial assets. The adoption of this guidance did not have a significant impact on the RCRC's financial statements.

**Subsequent Events**

In preparing these financial statements, RCRC has evaluated events and transactions for potential recognition or disclosure in the accompanying financial statements through August 29, 2023, the date the financial statements were available to be issued.

Based upon this evaluation, RCRC has determined that there are no subsequent events have occurred which require adjustment to or disclosure in the financial statements.

**NOTE 2 CONCENTRATIONS OF RISK**

**Credit Risk**

Financial instruments that subject RCRC to a concentration of credit risk consist of deposits placed in banks and brokerages. Funds in excess of federal insurance limits may be exposed to credit risk.

**Market Value Risk**

RCRC invests in diversified investments. These investments are exposed to various risks, such as fluctuations in market value and credit risk. It is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

**Concentration on Revenue**

During 2022, one contributor accounted for approximately 20% of the total support and revenue. During 2021, one contributor accounted for approximately 24% of the total support and revenue.



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**NOTE 3 INVESTMENTS AND MONEY MARKET FUNDS**

Investments and money market funds consist of the following at December 31:

	2022	2021
Cash and Sweep Balances	\$ 19,385	\$ 19,012
Fixed Income: Corporate Bonds	160,070	196,483
Fixed Income: U.S. Government	272,846	193,454
Funds: Open-End Mutual Funds	4,838,192	5,156,727
Total	<u>\$ 5,290,493</u>	<u>\$ 5,565,676</u>

Investment return for the years ended December 31, 2022 and 2021, is summarized as follows:

	2022	2021
Interest and Dividend Income	\$ 80,959	\$ 55,204
Realized/Unrealized Gain (Loss)	(347,046)	100,979
Investment Fees	(11,268)	(11,983)
Total	<u>\$ (277,355)</u>	<u>\$ 144,200</u>

**NOTE 4 FAIR VALUE HIERARCHY**

The following tables present RCRC's fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31:

	2022			
	Level 1	Level 2	Level 3	Total
Fixed Income: Corporate Bonds	\$ 160,070	\$ -	\$ -	\$ 160,070
Fixed Income: U.S. Government	-	272,846	-	272,846
Funds: Open-End Mutual Funds	4,838,192	-	-	4,838,192
Total Under Fair Value	<u>\$ 4,998,262</u>	<u>\$ 272,846</u>	<u>\$ -</u>	5,271,108

Cash and Sweep Balances	19,385
Certificates of Deposit	-
Total Investments, Money Market Funds, and Certificates of Deposits	<u>\$ 5,290,493</u>

	2021			
	Level 1	Level 2	Level 3	Total
Fixed Income: Corporate Bonds	\$ 196,483	\$ -	\$ -	\$ 196,483
Fixed Income: U.S. Government	-	193,454	-	193,454
Funds: Open-End Mutual Funds	5,156,727	-	-	5,156,727
Total Under Fair Value	<u>\$ 5,353,210</u>	<u>\$ 193,454</u>	<u>\$ -</u>	5,546,664

Cash and Sweep Balances	19,012
Certificates of Deposit	-
Total Investments, Money Market Funds, and Certificates of Deposits	<u>\$ 5,565,676</u>

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**NOTE 5 OPERATING LEASE**

RCRC leases office space in Washington, DC, under the terms of a noncancelable operating lease which expires on March 31, 2026. The lease has escalating payments, leasehold improvements, and rent abatements, which are amortized over the life of the lease on a straight-line basis. As part of the terms of the lease, RCRC received six months of free rent and a tenant improvement allowance of \$58,380.

The following table provide quantitative information concerning the RCRC's lease as of and for the year ended December 31, 2022:

	<u>Amount</u>
Operating Lease Cost	\$ 51,152
Total Lease Cost	51,152
Other Information	
Operating Cash Flows from Operating Lease	\$ 62,406
Remaining Lease Term - Operating Lease	3.2 Years
Discount Rate - Operating Lease	1.04%

During the year ended December 31, 2021, rental expense under the operating lease, including the share in the building's operating and maintenance costs, was \$46,947.

Future minimum lease payments for office space are as follows for the years ending December 31:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 64,902
2024	67,494
2025	70,191
2026	17,718
Total	<u>\$ 220,305</u>

**NOTE 6 FOUNDATION GRANTS**

Certain foundation grants are contributed for such purposes as the partial funding of a specific program or the partial payment of an employee's salary. However, the total costs of the program or the total salary are reflected in their proper categories in the financial statements without regard to the partial funding source. When requested, management provides a separate accounting to the respective foundation for the expenditures allocated to that grant.

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**NOTE 7 RETIREMENT PLAN**

RCRC has a defined contribution salary deferral plan covering employees with one year of service or more. Under the plan, RCRC contributes four percent of each eligible employee's salary. The plan is effective as of January 1, 1997. Plan expenses incurred by RCRC were \$13,068 and \$13,400 for the years ended December 31, 2022 and 2021, respectively.

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following:

	2022	2021
Purpose Restriction - Internship	\$ 54,000	\$ 54,000
Purpose Restriction - SYRF Program	-	8,880
Total	<u>\$ 54,000</u>	<u>\$ 62,880</u>

Net assets were released from donor restrictions by incurring expenses satisfying the time and purpose restrictions specified by the donors in the amounts of \$8,880 and \$38,620 for the years ended December 31, 2022 and 2021, respectively.

**NOTE 9 PAYCHECK PROTECTION PROGRAM**

On May 6, 2020, RCRC received proceeds in the amount of \$95,885 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the First Draw PPP Loan), a federal program authorized under the CARES Act of 2020. On March 30, 2021, RCRC received a Second Draw PPP Loan of \$77,537 as part of the Paycheck Protection Program.

The PPP Loans may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. The loan agreement for each loan provides for interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of five year, and is unsecured and guaranteed by the SBA. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if RCRC fails to apply for forgiveness within 10 months after the covered period., the payment of principal and interest would begin on that date. The PPP Loans may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

On April 8, 2021 and on December 20, 2021, the SBA authorized the full forgiveness of the First Draw PPP Loan and Second Draw PPP Loan, respectively.

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**NOTE 9    PAYCHECK PROTECTION PROGRAM (CONTINUED)**

In accordance with ASC 958-605, *Revenue Recognition (Not-for-Profit Entities)*, RCRC classified the PPP Loans as conditional contributions for accounting purposes. RCRC recognized contribution revenue of \$77,537 during the year ended December 31, 2021, which represents the PPP Loan funds for which the performance barriers have been met during 2021. This amount is presented as "Government" in the accompanying 2021 statement of activities.

SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on RCRC's financial position.