REPORT OF

RELIGION NEWS FOUNDATION

JUNE 30, 2023 AND 2022

WILLIAMS KEEPERS LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Religion News Foundation

Opinion

We have audited the accompanying consolidated financial statements of Religion News Foundation (the Organization), which comprise the consolidated statements of financial position as of June 30, 2023, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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.

Prior Period Consolidated Financial Statements

The consolidated financial statements of the Organization as of June 30, 2022 were audited by other auditors whose report dated October 19, 2022 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Williams-Keepers LLC
Columbia, Missouri

Williams-Keepers LLC

October 12, 2023

Religion News Foundation

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,919,911	$ 633,945
Investments	1,195,084	-
Accounts receivable	29,381	17,442
Grants and contributions receivable	2,193,608	1,812,000
Prepaid and other assets	60,608	48,563
Total current assets	6,398,592	2,511,950
NON-CURRENT ASSETS		
Grants and contributions receivable	-	200,000
Furniture and equipment, net	14,650	16,626
Intangible assets, net	28,379	55,563
Total noncurrent assets	43,029	272,189
Total assets	$ 6,441,621	$ 2,784,139
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 139,779	$ 88,472
Accrued liabilities	35,961	38,370
Deferred revenue	16,348	22,715
Total liabilities	192,088	149,557
NET ASSETS		
Without donor restrictions	357,753	482,114
With donor restrictions	5,891,780	2,152,468
Total net assets	6,249,533	2,634,582
Total liabilities and net assets	$ 6,441,621	$ 2,784,139

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

Religion News Foundation

CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Grants	$ -	$ 6,181,022	$ 6,181,022	$ 468,345	$ 1,790,231	$ 2,258,576
Program income	182,634	-	182,634	120,141	-	120,141
In-kind contributions	124,230	-	124,230	105,527	-	105,527
Advertisement income	94,603	-	94,603	66,379	-	66,379
Contributions of cash and other financial assets	76,879	2,578	79,457	78,443	-	78,443
Investment return, net	52,025	-	52,025	860	-	860
Contractual income	46,500	3,000	49,500	41,900	-	41,900
Loss on disposal of furniture and equipment	(1,713)	-	(1,713)	(302)	-	(302)
Revenue from collaboration arrangement	-	-	-	74,612	-	74,612
Net assets released from restrictions	2,447,288	(2,447,288)	-	2,270,401	(2,270,401)	-
Total revenues and other support	3,022,446	3,739,312	6,761,758	3,226,306	(480,170)	2,746,136
EXPENSES						
Program	2,557,943	-	2,557,943	2,303,067	-	2,303,067
Management and general	360,744	-	360,744	427,567	-	427,567
Fundraising	228,120	-	228,120	263,474	-	263,474
Total expenses	3,146,807	-	3,146,807	2,994,108	-	2,994,108
Change in net assets	(124,361)	3,739,312	3,614,951	232,198	(480,170)	(247,972)
Net assets, beginning of year	482,114	2,152,468	2,634,582	249,916	2,632,638	2,882,554
Net assets, end of year	$ 357,753	$ 5,891,780	$ 6,249,533	$ 482,114	$ 2,152,468	$ 2,634,582

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

Religion News Foundation

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Years Ended June 30, 2023 and 2022

	2023			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries and fringe benefits	$ 1,157,774	$ 185,829	$ 163,524	$ 1,507,127
Contract services	1,133,874	152,651	33,862	1,320,387
Travel, training and meetings	127,587	-	11,143	138,730
Equipment and technology	97,439	15,640	13,762	126,841
Overhead	41,269	6,624	5,829	53,722
Total expenses included in the expense section on the statement of activities	$ 2,557,943	$ 360,744	$ 228,120	$ 3,146,807

	2022			
	Program Services	Management and General	Fundraising	Total Expenses
Salaries and fringe benefits	$ 1,117,205	$ 242,614	$ 196,394	$ 1,556,213
Contract services	965,385	158,157	34,111	1,157,653
Equipment and technology	80,638	17,512	14,175	112,325
Travel, training and meetings	97,097	-	11,278	108,375
Bad debt expense	2,821	612	496	3,929
Overhead	39,921	8,672	7,020	55,613
Total expenses included in the expense section on the statement of activities	$ 2,303,067	$ 427,567	$ 263,474	$ 2,994,108

Religion News Foundation

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 3,614,951	$ (247,972)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	33,379	33,269
Loss on disposal of furniture and equipment	1,713	302
Unrealized losses on investments	4,916	-
Forgiveness of Paycheck Protection Program loan	-	(213,671)
Changes in operating assets and liabilities:		
Accounts receivable	(11,939)	74,857
Grants and contributions receivable	(181,608)	(695,000)
Prepaid and other assets	(12,045)	(18,752)
Accounts payable	51,307	(23,271)
Accrued expenses	(2,409)	(9,208)
Deferred revenue	(6,367)	16,192
Refundable advance	-	(19,681)
Cash provided (used) by operating activities	3,491,898	(1,102,935)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture and equipment	(6,972)	(9,621)
Proceeds from disposal of furniture and equipment	1,040	1,515
Purchases of investments	(1,200,000)	-
Cash used by investing activities	(1,205,932)	(8,106)
Net change in cash and cash equivalents	2,285,966	(1,111,041)
Cash and cash equivalents, beginning of year	633,945	1,744,986
Cash and cash equivalents, end of year	$ 2,919,911	$ 633,945

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

RELIGION NEWS FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations: The Religion News Foundation (the Organization) is an Ohio nonprofit corporation exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the Code). The Organization is a charitable and educational organization that was organized to support and carry out the charitable and educational purposes of the Religion News Association (RNA). It supports RNA by advancing public understanding of religion by means of informative media, resources, programs, including conferences, seminars and discussion groups for reporters, editors, other members of the secular news media and the general public, and facilitating, informing and improving religious literacy and encouraging public discourse about religion in a neutral and informative way without endorsing or promoting any particular religion, sect, denomination, practice or point of view. For federal income tax purposes, the Internal Revenue Service has determined that the Organization is a Type I supporting organization under Section 509(a)(3) of the Code.

The Organization wholly owns Religion News Services, LLC (RNS), a publisher of global news on religion, spirituality, culture and ethics, reported by a staff of journalists. As a single member limited liability company, RNS is disregarded for federal income tax purposes, and all of its activities are attributable to, and reported by, the Organization.

Principles of consolidation: The accompanying consolidated financial statements include the accounts of Religion News Foundation and its wholly owned subsidiary, RNS. All intercompany transactions and balances have been eliminated in consolidation.

Basis of accounting: The consolidated financial statements have been prepared on the accrual basis of accounting in conformity with U.S generally accepted accounting principles.

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reported period. Actual results could differ from those estimates.

Consolidated financial statement presentation: The Organization reports information regarding its financial position and activities based on the existence or absence of donor- (or certain grantor-) imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

> *Net assets without donor restrictions:* 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- (or certain grantor-) imposed restrictions. Donor-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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and cash equivalents: Cash includes certain interest bearing and non-interest bearing bank accounts. The Organization maintains cash balances at established financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation, subject to certain limitations. At various times during the year, the Organization's balances on deposit may exceed the dollar limitations.

Investments: Investments with readily determinable market values are reported at fair value. Fair value is 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. Fair value represents the estimated market value of the underlying securities and is generally obtained from the Organization's investment custodian, who obtains quoted market prices and dealer quotes.

Accounts receivable: Accounts receivable are stated at the amount of consideration from customers and collaboration partner (see Note 15), of which the Organization has an unconditional right to receive. Accounts receivable are ordinarily due 30 days after the issuance of an invoice. Accounts receivable under the collaboration arrangement are due 30 days after each quarter end. Accounts past due more than 30 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. Based upon a review of outstanding receivables, historical collection information and existing economic conditions, the Organization considers all accounts receivable to be fully collectible and, accordingly, no allowance has been recorded.

The balances of accounts receivable from contracts with customers totaled $29,381, $17,442, and $29,457 at June 30, 2023, 2022, and 2021, respectfully.

Grants and contributions receivable: Pledges of contributions by donors or grantors, which represent unconditional promises to give, are recognized as revenues in the period in which the pledges are made. Pledges which are conditional promises to give are recognized as revenues in the period in which the conditions are met (see Note 8). Based upon a review of outstanding grants and contributions receivable, historical collection information and existing economic conditions, the Organization considers all grants and contributions receivable to be fully collectible and, accordingly, no allowance has been recorded.

Approximately 94 percent and 99 percent of all contributions receivable were due from one and three donor(s) in 2023 and 2022, respectively, and approximately 97% and 78% of all grants were received from one and two grantor(s) in 2023 and 2022, respectively.

Furniture and equipment: Furniture and equipment are recorded at cost. The Organization maintains a capitalization policy whereby the purchase of furniture and equipment below $2,500 is normally expensed as incurred. Depreciation is expensed using the straight-line method over the estimated useful life of each asset. Estimated useful lives for furniture and equipment range from five to seven years.

Intangible assets: The Organization has contracted with outside vendors to provide design and development services for the website. In addition, the Organization has acquired rights to various internet domain names. Intangible assets with finite lives are being amortized on a straight-line basis over periods ranging from three to five years. Such assets are periodically evaluated as to the recoverability of their carrying values.

Deferred Revenue: Revenue from fees for subscriptions and press releases included in program income is deferred and recognized over the periods to which the fees relate.

The balances of deferred revenue from contracts with customers totaled $16,348, $22,715, and $6,523 at June 30, 2023, 2022, and 2021, respectfully.

Revenue recognition: Advertising, program and contractual income is recognized as the Organization satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price, the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for providing goods or services. The Organization determines the transaction price based on the standard charges for goods and services. Advertising revenue includes variable consideration for the number of impressions an ad may receive.

The Organization sells subscriptions to the Religion News Service publication, and subscribers are invoiced at the beginning of the period for the monthly or annual term of the subscription. Revenue is recognized as performance obligations are satisfied, which is ratably over the subscription term. As a part of the collaboration agreement (see Note 15), as of December 31, 2019, all subscription agreements ended with the Organization and were transferred to the collaboration partner until December 31, 2021, at which time subscriptions reverted back to the Organization. See Note 15 for additional information on the collaboration arrangement.

Revenues from advertising sales are recognized over the period an advertisement is placed on the Organization's website and may be variable based on the number of impressions an advertisement may receive.

Other contractual arrangements, such as press releases, reprint sales and e-commerce sales, are recognized as performance obligations are satisfied which is generally at the point in time the publication is ran or produced.

The Organization has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payers (for example, individuals vs corporations) that have different reimbursement and payment methodologies.
- Geography of the service location.
- Organization's line of business that provided the service.

During the fiscal years ended June 30, 2023 and 2022, the Organization recognized revenue of $189,285 and $116,032 from goods that transfer to the customer over time and $137,452 and $112,388 from goods that transfer to the customer at a point in time, respectively.

Functional allocation of expenses: The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the estimate of time spent on each area.

Income taxes: The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and a similar provision of state law. However, any income from certain activities not directly related to the Organization's tax-exempt purpose would be subject to taxation as unrelated business income. The Organization's Form 990 and taxable status are subject to examination by the Internal Revenue Service. Interest and penalties incurred, if any, related to the annual Form 990 or unrelated business income tax filings are reported within management and general expenses in the consolidated statement of activities. During the fiscal years ended June 30, 2023 and 2022, the Organization did not incur an interest or penalties related to the annual Form 990 or unrelated business income tax filings.

Subsequent events: Events that have occurred subsequent to June 30, 2023 have been evaluated through October 12, 2023, which is the date the consolidated financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY

The Organization considers investment income, grants and contributions without donor restrictions, and grants and contributions with donor restrictions for use in current programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. During the fiscal years ended June 30, 2023 and 2022, restricted grants and contributions of $5,911,326 and $1,952,468, respectively, were included in the financial assets available to meet cash needs for general expenditures within one year as shown below. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year.

Financial assets available for general expenditures within one year consist of the following, as of June 30:

	2023	2022
Cash and cash equivalents	$ 2,919,911	$ 633,945
Accounts receivable	29,381	17,442
Investments	1,195,084	-
Grants and contributions receivable	2,193,608	1,812,000
Total	$ 6,337,984	$ 2,463,387

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of the following as of June 30:

	2023	2022
Due within one year	$ 2,193,608	$ 1,812,000
Due within one to five years	-	200,000
Total	$ 2,193,608	$ 2,012,000

4. INVESTMENTS

Investments consist of the following as of June 30, 2023:

	Cost	Fair Value
Certificates of deposit	$ 1,200,000	$ 1,195,084
Total	$ 1,200,000	$ 1,195,084

Investment return consists of the following for the fiscal year ended June 30, 2023:

Interest income	$ 57,294
Unrealized gains (losses)	(4,916)
Investment fees	(353)
Total	$ 52,025

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy is used that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value hierarchy as prescribed by GAAP are as follows:

Level 1	Valuation is based upon quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.
Level 2	Valuation is based upon quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
Level 3	Valuation is generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Organization's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

All of the Organization's investments were classified as Level 1 as of June 30, 2023.

5. FURNITURE AND EQUIPMENT

Furniture and equipment consists of the following as of June 30:

	2023	2022
Furniture and equipment	$ 38,296	$ 45,289
Less: accumulated depreciation	(23,646)	(28,663)
Furniture and equipment, net	$ 14,650	$ 16,626

Depreciation expense for the fiscal years ended June 30, 2023 and 2022 was $6,195 and $6,085, respectively.

6. INTANGIBLE ASSETS

Intangible assets consist of the following as of June 30:

	2023	2022
Website development	$ 380,753	$ 380,753
Less: accumulated amortization	(352,374)	(325,190)
Intangible assets, net	$ 28,379	$ 55,563

Amortization expense for the fiscal years ended June 30, 2023 and 2022 was $27,184 and $27,184, respectively.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30 are restricted for the following purposes:

	2023	2022
Subject to expenditure for specified purpose:		
Scholarships	$ 6,735	$ 6,060
Article themes and topics	151,315	6,328
Human resources and technological advances	3,605,930	370,080
Promises to give, the proceeds from which have been restricted by donors and grantors for:		
Article themes and topics	100,000	300,000
Human resources and technological advances	2,027,800	1,470,000
Total net assets with donor restrictions	$ 5,891,780	$ 2,152,468

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Releases from donor restrictions consisted of the following at June 30:

	2023	2022
Satisfaction of purpose restrictions:		
Scholarships	$ 4,500	$ 16,241
Article themes and topics	107,013	18,294
Human resources and technological advances	2,335,775	2,235,866
Total net assets released from restrictions	$ 2,447,288	$ 2,270,401

8. CONDITIONAL CONTRIBUTIONS

The Organization has received the following conditional promises to give that are not recognized in the consolidated statements of activities at June 30:

	2023	2022
Conditional promise to give upon the hiring of individuals	$ 33,000	$ 39,011
Conditional promise to give upon publishing of articles	10,000	12,000
	$ 43,000	$ 51,011

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions. Conditional contributions which are received in advance of the condition being met are recorded as a refundable advance. During the fiscal years ended June 30, 2023 and 2022, there were no refundable advances.

9. RETIREMENT PLAN

The Organization participates in a multiple employer 401(k) plan covering substantially all employees. The Organization will match 100 percent of the employee's contribution up to a maximum contribution of 3 percent of the employee's annual compensation. Additionally, the Organization may make an additional discretionary employer contribution to the plan. Matching contributions under the plan were $62,603 and $58,994 during the fiscal years ended June 30, 2023 and 2022, respectively.

10. RELATED-PARTY TRANSACTIONS

The Religion News Association (RNA) is a membership organization for journalists involved in religion reporting in the news media. The Organization is considered a Type 1 supporting organization for the RNA under code Section 509(a)(3) of the Internal Revenue Code. Fifty-one percent of the directors on the Organization's board are appointed by RNA.

During the fiscal years ended June 30, 2023 and 2022, the Organization recorded expenses to RNA for $0 and $6,550, respectively, out of scholarship funds and $6,963 and $1,812, respectively, out of grant funds for conference expenses, travel and training. The Organization also recorded expenses of $16,816 and $12,200, respectively, for a sponsorship and conference registrations. RNA remitted to the Organization $2,075 and $1,186, respectively, of funds solicited and received on their behalf for scholarship donations during the fiscal years ended June 30, 2023 and 2022.

11. IN-KIND CONTRIBUTIONS

The Organization received in-kind contributions during the fiscal years ended June 30, as follows:

	2023	2022
Donated advertising	$ 112,230	$ 102,527
Donated services	12,000	3,000
	$ 124,230	$ 105,527

The contributions above were recognized within revenue. Unless otherwise noted, in-kind contributions did not have donor-imposed restrictions. All in-kind contributions were utilized by the Organization to support its mission of advancing public understanding of religion by means of publications and other media sources.

The Organization receives advertisements free of charge. The Organization uses third-party sources representing wholesale values that would be received for selling similar advertising spots in the United States. The amount of donated services above represents wages paid to interns of the Organization from an unrelated entity during the fiscal years ended June 30, 2023 and 2022, respectively.

12. EMPLOYEE RETENTION TAX CREDIT

The Employee Retention Tax Credit (ERTC) was established by the CARES Act and further amended by the American Rescue Plan Act. The Organization determined that they qualified for an ERTC of $242,000 based on a reduction in gross receipts and contracted with an outside company to assist with the filing of ERTC. The Organization recognized revenue related to ERTC of $182,000 and $60,000 during the fiscal years ended June 30, 2022 and 2021, respectively. These amounts were reported within grant revenue in the consolidated statements of activities during the respective fiscal years mentioned above. Of the total ERTC claimed, $242,000 had not been received by the Organization as of June 30, 2022, and $65,808 had not been received by the Organization as of June 30, 2023. These amounts are reported within grants and contributions receivable in the accompanying consolidated statements of financial position. Subsequent to yearend and as of the date of this report, an additional $34,281 has been received by the Organization.

The ERTC is subject to IRS audit for a period of up to five years. If the IRS subsequently determines the Organization did not qualify for the ERTC, the refunds claimed, as well as applicable penalties and interest, would be payable to the federal government.

13. ADOPTION OF NEW ACCOUNTING STANDARD

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among 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 asses the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022, and evaluated leases existing at, or entered into after, July 1, 2022, (the beginning of the period of adoption) with certain practical expedients available.

The implementation of the standard did not have an impact on the Organization’s consolidated financial statements.

14. PAYCHECK PROTECTION PROGRAM

In January 2021, the Organization qualified and was approved for a second loan pursuant to the Paycheck Protection Program (PPP), a program implemented by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economy Securities Act, from a qualified lender, for an aggregate principal amount of $213,671. This PPP loan bore interest at a fixed rate of 1.0%, had a term of two years, and was unsecured and guaranteed by the SBA. The principal amount of this loans was subject to forgiveness under the program upon the Organization's request to the extent that proceeds were used to pay expenses as permitted by the SBA, which included payroll, covered rent and mortgage obligations, and covered utility payments incurred by the Organization during the specified time frame per the SBA. This PPP loan was forgiven in January 2022 and was recognized within grant revenue for financial statement reporting purposes for the fiscal year ended June 30, 2022.

15. COLLABORATIVE ARRANGEMENT

During the year ended June 30, 2019, the Organization initiated a Global Religion Journalism Initiative. As a part of this initiative, the Organization entered into a collaboration agreement with another entity to assist in the generation of content to be published and the distribution and marketing of such content produced. The Organization and other entity each had legal right and title to content produced and had granted the other a paid up, royalty-free license to use the other's content. Revenues generated under this program were to be shared between the Organization and other entity based upon agreed upon allocation percentages which was generally either 50/50, 60/40 or 40/60 depending on the revenue generated and is presented as revenue from collaboration arrangement in the accompanying consolidated statements of activities.

The agreement governing the revenue share and commitments ended December 31, 2021.