

**RENEW INTERNATIONAL**  
**(A nonprofit organization)**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED**

**JUNE 30, 2024, AND 2023**

To the Board of Trustees of  
RENEW International  
1232 George Street  
Plainfield, NJ 07062

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of RENEW International (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024 and 2023, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RENEW International as of June 30, 2024 and 2023, and the results of their activities and their cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America.

### **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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RENEW International 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 these 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 RENEW International's ability to continue as a going concern for the next year.



## 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 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 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 RENEW International 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 financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about RENEW International'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.



Max Bussel and Company  
South Plainfield, New Jersey

September 20, 2024

**RENEW INTERNATIONAL**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 83,463	\$ 111,153
Accounts receivable, net	33,410	112,648
Inventory	143,313	154,722
Marketable securities - endowment	2,006,374	2,855,795
Prepaid expenses	2,419	5,184
	<u>2,268,979</u>	<u>3,239,502</u>
<b>Property, furniture and equipment</b>		
Land	150,000	150,000
Building and improvements	388,169	388,169
Furniture and equipment	132,052	132,052
	<u>670,221</u>	<u>670,221</u>
Less: accumulated depreciation	448,199	431,833
	<u>222,022</u>	<u>238,388</u>
<b>Other assets</b>		
Intangible assets	829,419	829,419
Less: accumulated amortization	799,355	685,497
Total intangible assets, net	<u>30,064</u>	<u>143,922</u>
Operating lease right-of-use assets	22,252	42,831
	<u>52,316</u>	<u>186,753</u>
<b>Total assets</b>	<u>\$ 2,543,317</u>	<u>\$ 3,664,643</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Current portion of long term debt	\$ 1,309,097	\$ 1,033,363
Accrued expenses and accounts payable	184,403	180,875
Refundable advances	3,719	67,774
Deferred revenue	12,175	77,121
Current portion of operating lease liabilities	7,517	21,435
	<u>1,516,911</u>	<u>1,380,568</u>
Operating lease liabilities, less current portion	14,735	21,396
	<u>1,531,646</u>	<u>1,401,964</u>
<b>Total liabilities</b>	<u>1,531,646</u>	<u>1,401,964</u>
<b>Net assets</b>		
Without donor restrictions	1,011,671	2,262,679
With donor restrictions	-	-
	<u>1,011,671</u>	<u>2,262,679</u>
<b>Total net assets</b>	<u>1,011,671</u>	<u>2,262,679</u>
<b>Total liabilities and net assets</b>	<u>\$ 2,543,317</u>	<u>\$ 3,664,643</u>

See accompanying notes to financial statements.

**RENEW INTERNATIONAL  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues</b>			
Process fees	\$ 121,010	\$ -	\$ 121,010
Publications	155,186	-	155,186
Development	342,360	125,955	468,315
Investment and other income (excluding endowment accounts)	4,014	-	4,014
Net assets released from restrictions - satisfaction of purpose	<u>125,955</u>	<u>(125,955)</u>	<u>-</u>
Total support and revenues	<u>748,525</u>	<u>-</u>	<u>748,525</u>
<b>Expenses</b>			
Process costs	1,605,032	-	1,605,032
Development	391,977	-	391,977
General and administrative	<u>193,103</u>	<u>-</u>	<u>193,103</u>
Total expenses	<u>2,190,112</u>	<u>-</u>	<u>2,190,112</u>
<b>Income (loss) from operations</b>	(1,441,587)	-	(1,441,587)
Endowment income (loss) [schedule annexed]	<u>190,579</u>	<u>-</u>	<u>190,579</u>
<b>Changes in net assets</b>	(1,251,008)	-	(1,251,008)
<b>Net assets as of beginning of year</b>	<u>2,262,679</u>	<u>-</u>	<u>2,262,679</u>
<b>Net assets as of end of year</b>	<u>\$ 1,011,671</u>	<u>\$ -</u>	<u>\$ 1,011,671</u>

See accompanying notes to financial statements.

**RENEW INTERNATIONAL  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues</b>			
Process fees	\$ 141,740	\$ -	\$ 141,740
Publications	236,089	-	236,089
Development	303,895	324,599	628,494
Investment and other income (excluding endowment accounts)	5,487	-	5,487
Net assets released from restrictions - satisfaction of purpose	324,599	(324,599)	-
Total support and revenues	<u>1,011,810</u>	<u>-</u>	<u>1,011,810</u>
<b>Expenses</b>			
Process costs	1,763,487	-	1,763,487
Development	299,802	-	299,802
General and administrative	191,568	-	191,568
Total expenses	<u>2,254,857</u>	<u>-</u>	<u>2,254,857</u>
<b>Income (loss) from operations</b>	(1,243,047)	-	(1,243,047)
Endowment income (loss) [schedule annexed]	247,329	-	247,329
<b>Changes in net assets</b>	(995,718)	-	(995,718)
<b>Net assets as of beginning of year</b>	<u>3,258,397</u>	<u>-</u>	<u>3,258,397</u>
<b>Net assets as of end of year</b>	<u>\$ 2,262,679</u>	<u>\$ -</u>	<u>\$ 2,262,679</u>

See accompanying notes to financial statements.

**RENEW INTERNATIONAL**  
**STATEMENTS OF CASH FLOWS FROM OPERATIONS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net income from operations	\$ (1,441,587)	\$ (1,243,047)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	16,366	16,812
Amortization	113,858	46,066
(Increase) decrease in operating assets:		
Accounts receivable, net	79,238	(85,564)
Inventory	11,409	7,255
Prepaid expenses	2,765	5,804
Operating lease right-of-use assets	20,579	(42,831)
(Decrease) increase in operating liabilities:		
Accrued expenses and accounts payable	3,528	63,928
Refundable advances	(64,055)	401
Deferred revenue	(64,946)	(2,895)
Operating lease liabilities	(20,579)	42,831
Net cash provided by (used in) operating activities	<u>(1,343,424)</u>	<u>(1,191,240)</u>
Cash flows from investing activities:		
Capital expenditures	<u>-</u>	<u>(30,922)</u>
Net cash used in investing activities	<u>-</u>	<u>(30,922)</u>
Cash flows from financing activities:		
Net proceeds from short-term debt	275,734	812,405
Transfers from / (to) endowment account - net	<u>1,040,000</u>	<u>250,000</u>
Net cash provided by financing activities	<u>1,315,734</u>	<u>1,062,405</u>
Increase (Decrease) in cash and cash equivalents	(27,690)	(159,757)
Cash and cash equivalents at July 1	<u>111,153</u>	<u>270,910</u>
Cash and cash equivalents at June 30	<u>\$ 83,463</u>	<u>\$ 111,153</u>
Supplementary information:		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

## RENEW INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS

#### NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Organization and Nature of Activities

RENEW International (RENEW) is a Catholic nonprofit corporation that fosters spiritual formation and renewal through pastoral programs, publications, workshops, pastoral consulting and webinars. RENEW serves the Church through dioceses, parishes, and individual Catholics, focusing on the power of small groups to transform parish life and form disciples of Jesus. RENEW provides support materials and formation for parish and small-group leaders. Many of its resources are available in multiple languages, including Spanish, Portuguese, Chinese, and Vietnamese; the South Africa mission provides small-group materials in English, Afrikaans, Xhosa, and Siswati. RENEW, whose foundation was inspired by the Second Vatican Council, embraces the 21st century synodal model of the Church.

RENEW offers parish-based and diocese-wide programs and processes that include *Parish Catalyst* (parish pastoral leadership), *Why Catholic?* (the *Catechism*), *Be My Witness* (the New Evangelization), *ARISE* (personal faith formation), *Grateful Living* (stewardship), and others. RENEW also offers digital sacramental-preparation programs: *Baptism Matters* and *Eucharist Matters*. Other publications include seasonal programs: *Lenten Longings/Reflexiones en Cuaresma*, *LIVE LENT!* and *Open Your Hearts* for Lent; and *Advent Awakenings/Reflexiones en Adviento*, *Advent: The Lord is Near* and *Waiting with Joy!* for Advent.

- RENEW has published, and is now distributing free of charge, *Many Voices, One Spirit* and its Spanish-language counterpart, *Muchas voces, un solo espíritu*, a six-session faith-sharing resource designed to help engage in productive conversations about topics that have become divisive in the Church and in society at large. The project was funded by a grant from the Catholic Communication Campaign of the U.S. Conference of Catholic Bishops.
- In light of the Church's focus on Eucharistic renewal, RENEW published *Eucharist: The Real Presence of Christ*, which was inspired by the work of Father Ronald Rolheiser, OMI. This is a 12-session program that emphasizes that the identification of the Eucharist as the body and blood of Christ is not figurative but literally true. The author, Tania M. Geist, also explores, with examples from her personal experience, many facets of the rituals and language associated with the sacrament.
- In 2021, RENEW published *Grateful Living* and *Vivir agradecido*, a faith-sharing process developed in cooperation with the Diocese of Jefferson City, where it was first used by small Christian communities. Since then, the process has been revised and expanded for sale to a wider audience, and both new books have been published.
- In cooperation with the Catholic Apostolate Center, RENEW has developed *Walking to Emmaus*, a faith-sharing resource that focuses on accompaniment, which refers to walking with and supporting someone on his or her spiritual journey.
- RENEW published Book Two of *Mark: Growing in Faith*, which completes the *RENEW Scripture Series* resources on the Synoptic Gospels.
- Another project completed was *Advent: The Lord is Near* for Year C, a resource that has been printed.

Now in development are an updated version of *Beyond Black and White*, a faith-sharing book on racial harmony originally published by RENEW in 1999, and a program designed to help small groups observe the Jubilee (Holy Year) proclaimed by Pope Francis for 2025. All new RENEW publications are presented with Spanish translations and acculturation in mind.

The RENEW website and bookstore now display a new and fresh design—including a new logo—that has resulted from months of work by the RENEW staff and outside consultant. During the second half of the fiscal year, bookstore sales began to show increased activity.



## RENEW INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS

#### NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Organization and Nature of Activities (continued)

RENEW's *Parish Catalyst* process helps parishes experience renewal through collaborative learning, pastoral leadership, and strategic planning. During fiscal year 2024, RENEW hosted five in-person Learning Community meetings and two virtual meetings. Two Learning Communities were completed, one in person for parishes in the Archdiocese of Newark and one virtual for the dioceses of Trenton and Rockford. A workshop for parishes in the Orlando, Florida area was conducted in person. There were also two *Parish Catalyst* webinars during the period—"Leading from the Second Chair" and "Eucharistic Revival."

In fiscal year 2024, RENEW hosted a variety of webinars and virtual faith-sharing events. For Advent 2023, we offered a four-week virtual faith-sharing series with sessions each week in English, Spanish, Haitian-Creole, and a special group for CUSA participants. The English-language sessions were led by Deacon Charles Paolino, author of the faith-sharing book *Advent: The Lord is Near* and managing editor at RENEW. For Lent 2024, we offered virtual faith-sharing in three languages using RENEW's faith-sharing book *Open Our Hearts* by Sister Donna Ciangio, O.P. The English sessions featured a rotating series of hosts including Sister Donna, author of the book.

Our offerings also included the following:

- "Goodbye Fear: Hello Connection," a three-part mini-series led by Loretta Pehanich, author of the RENEW resource *Women in Conversation*.
- A webinar on the Eucharistic Revival.
- "The Death Penalty is a Pro-Life Issue," a webinar with Sister Helen Prejean, C.S.J., author of RENEW's faith-sharing book *Dignity and the Death Penalty: Evolution of Catholic Teaching*.
- A two-part webinar, "Receive who you are," with Tania M. Geist, author of RENEW's new faith-sharing book, *Eucharist: The Real Presence of Christ*.
- A three-part webinar series focused on the Synod and the impact of small Christian communities.
- "Making Great Decisions," a webinar on connecting faith and work with Chris Lowney, author of the RENEW faith-sharing book *What, Me Holy?* and the inspiration for RENEW's book *Balancing Faith & Work: The Dynamic Leader*.
- An Earth Day webinar, "Planet vs. Plastics: Making a Material Difference in a Material World".
- Several informational webinars to promote RENEW's parish- and diocese-based processes.

The complete catalog of programs, publications, and resources – for 2024 and beyond, is being compiled, curated, and updated at the time of this report.

The RENEW staff in Plainfield continues to work with RENEW Africa, based in Port Elizabeth, South Africa, providing print files as well as information to support local RENEW leadership with their on-the-ground efforts in South African dioceses. Father Ludwe Jayiya, director of the ministry in South Africa, has been traveling throughout the region to bolster pastoral activity and the availability of resources for small Christian communities.

##### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States (U.S. GAAP). The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of RENEW and changes therein are classified as follows:

## RENEW INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS

#### NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### **Basis of Presentation (continued)**

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of RENEW. RENEW's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets that are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of RENEW or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

##### **Revenue Recognition**

Funding for RENEW's activities is achieved almost entirely through foundation, corporate and other support, contributions, and in-kind contributions, including unconditional promises to give. These donations provide funding to be used to support the mission of RENEW. As the donors are not receiving a benefit as a result of these transactions, the donations are considered to be contributions to RENEW. Some contributions require that funds be expended for a specific purpose, and are considered to be net assets with donor restrictions.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers, which provided a five-step analysis of contracts to determine when and how revenue is recognized and replaced most existing revenue recognition guidance in U.S. GAAP. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity received or expect to receive.

RENEW adopted ASC 606 using the modified retrospective method. The adoption of ASC 606 did not have a material effect on the financial statements of RENEW upon adoption.

## RENEW INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS

#### NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Revenue Recognition (continued)

As part of the adoption of ASC 606, RENEW elected to use the following transition practical expedients: (1) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate; and (2) ASC 606 was applied only to contracts that were not completed at the initial date of adoption. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients. There were no significant changes that resulted from adoption and, therefore, there was no adjustment to the net assets balance on the date of adoption. RENEW does not expect the adoption of the new assets on an ongoing basis.

RENEW earns revenue from special events and contributions. Revenue related to special events is recognized when or as the performance obligations in each contract are satisfied for the amount of consideration RENEW expects to be entitled to receive for the related service.

RENEW records special events revenue equal to contribution revenue less the cost of direct benefits to donors which is included in special events revenue on the consolidated statement of activities and changes in net assets. The recognition of revenue is conditional on the event taking place, as this is the point in time when the performance obligation of hosting the event occurs, and attendees can no longer request a refund for their purchases.

##### Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses, and the related disclosures of contingent assets and contingent liabilities at the date of the financial statements. RENEW evaluates these estimates and judgments on an ongoing basis and bases their estimates on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. Actual results may differ materially from these estimates under different assumptions or conditions.

##### Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions. Net assets with donor restrictions, depend on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

## RENEW INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS

#### NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Reclassifications

Certain amounts from prior year's financial statements have been reclassified to conform to current year's presentation. The reclassifications had an immaterial impact on operations as previously reported.

##### Advertising

RENEW expenses advertising costs as they are incurred. Advertising costs for the years ended June 30, 2024, and June 30, 2023, were \$58,294 and \$85,767 respectively.

##### Intangible Assets

RENEW has adopted ASC 350 which requires that intangible assets no longer be amortized to earnings, but instead be tested for impairment on an annual basis and between annual tests, if events occur or circumstances change, that would more likely than not reduce the fair value below its carrying amount. In addition, ASC 350 requires that the impairment test be performed through the application of a fair value test, as opposed to the undiscounted cash flow approach previously used by RENEW to evaluate impairment under the previous guidance. Intangible assets with finite lives will continue to be amortized over their useful lives and reviewed for impairment.

Total amortization expense for the years ended June 30, 2024, and 2023 was \$113,858 and \$46,066 respectively.

##### Inventory

RENEW's inventory is valued at the lower of cost or market value.

##### Donations and Grants

Donations and grants received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted donations and grants are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is and reported in the statement of activities as net assets released from restrictions.

##### Donated Services

RENEW receives a nominal amount of donated services to assist in providing the programs to Catholic parishes and dioceses.

No amounts have been recognized in the statement of activities because the criteria for recognition under the guidelines of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards have not been satisfied.

## RENEW INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS

#### NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### **Income Taxes**

RENEW is included in the United States Conference of Catholic Bishops Group Ruling and in the Official Catholic Directory and is therefore exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

##### **Cash and Cash Equivalents**

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than one year.

##### **Fair Value of Financial Instruments**

RENEW's financial instruments consist of cash and cash equivalents, trade accounts receivable, marketable securities, investments, accounts payable and accrued expenses. The carrying values of these financial instruments approximate their fair values. RENEW establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

##### **Marketable Securities**

RENEW records investments in marketable securities with readily determinable market value and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included as supplementary information in the Schedules of Endowment Income.

##### **Deferred Revenue**

Deferred revenue is comprised primarily of amounts billed by RENEW to its dioceses and parishes as it pertains to its Why Catholic, ARISE, Parish Catalyst and Grateful Living: The Joy of Stewardship processes. RENEW bills each diocese and parish annually (or in installments) for its services and then prorates the revenue earned on a monthly basis.

##### **Functional Allocation of Expenses**

The costs of providing the various processes and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the processes benefited. General and administrative expenses are those not directly identifiable with any specific function, but which provide for the overall support and direction of RENEW.

#### NOTE B – CONCENTRATION OF CREDIT RISK

The total cash held by RENEW at any time may exceed amounts that are not covered by insurance provided by the federal government. It is the opinion of management that the solvency of the referenced financial institutions is not of particular concern currently.

## RENEW INTERNATIONAL

### NOTES TO FINANCIAL STATEMENTS

#### NOTE C – ACCOUNTS RECEIVABLE

Accounts receivable June 30, 2024, and 2023 were \$33,410 and \$112,648 respectively. RENEW analyzes its aged accounts receivable on a regular basis and has determined that no allowance for doubtful accounts is necessary.

#### NOTE D - REFUNDABLE ADVANCES

Refundable advances are grants or contributions received from donors that have not been recognized as revenue because the conditions of the grant or contribution have not been met as of June 30, 2024. When the conditions of a grant or contribution are met revenue is recognized at that time.

#### NOTE E – RETIREMENT ARRANGEMENT WITH STAFF EMPLOYEES

RENEW offers its lay employees' participation in the Roman Catholic Archdiocese of Newark Pension Plan, which is a defined benefit plan sponsored by the Roman Catholic Archdiocese of Newark. The plan is designed to provide retirement income to supplement the benefits payable from the Social Security Administration and personal investments. The full cost of the plan is assumed by RENEW. Contributions from employees are neither required nor permitted. Full time lay employees who customarily work 35 hours per week or more are eligible to participate in the pension plan on the first day of the month that coincides with or immediately follows the date they complete five years of service. Employees do not have to enroll to become a participant; they are automatically covered and are 100% vested when the eligibility requirements are met. The total expense under the plan was \$23,750 and \$16,968 for the years ended June 30, 2024, and 2023, respectively.

RENEW also offers its lay employees' participation in a 403(b)-retirement fund. Employee contributions are voluntary. RENEW offers a 25% matching of the employees' annual contribution up to a maximum \$1,000 per year per employee. RENEW's expense for the 403(b) plan for the years ended June 30, 2024, and 2023 were \$4,961 and \$4,420 respectively.

#### NOTE F – COMMITMENTS

RENEW has entered into several office equipment lease obligations that expire at various times from 2023 through 2028. Total lease payments for the years ended June 30, 2024 and 2023 was \$42,042 and \$39,663 respectively.

RENEW determines if an arrangement is a lease at inception. Its material lease contracts are generally for office equipment, and the determination of whether such contracts contain leases generally does not require significant estimates or judgments.

Operating leases result in the recognition of right-of-use ("ROU") assets and lease liabilities on the balance sheet. ROU assets represent RENEW's right to use the leased asset for the lease term and lease liabilities represent its obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of RENEW's leases do not provide an implicit rate, we use our estimated applicable federal rates at the commencement date to determine the present value of lease payments. The operating lease ROU assets also include any lease payments made and exclude lease incentives. RENEW's lease terms may include options, at its sole discretion, to extend or terminate the lease that we are reasonably certain to exercise. The amount of payments associated with such options reflected in the "Maturity of lease liabilities" table below is not material. Most real estate leases include one or more options to renew, with renewal terms that can extend the lease term from 1 to 10 years or more. Lease expense is recognized on a straight-line basis over the lease term.

Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense on such leases is recognized on a straight-line basis over the lease term.

**RENEW INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F – COMMITMENTS (continued)**

Maturity of lease liabilities for the year ended:

June 30, 2025	\$ 42,042
June 30, 2026	42,042
June 30, 2027	42,042
June 30, 2028	<u>23,767</u>
Total	149,893
Less: present value discount	<u>(12,906)</u>
Present value of lease obligations	<u>\$ 136,987</u>

**NOTE G - FUNDRAISING REVENUE**

For the years ended June 30, 2024, and 2023, total net fundraising revenue is listed below. RENEW's primary source of net fundraising is the annual dinner gala.

	<u>2024</u>	<u>2023</u>
Direct fundraising revenue	\$ 284,484	\$ 241,700
Direct fundraising expenses	<u>85,054</u>	<u>65,698</u>
Net fundraising revenue	<u>\$ 199,430</u>	<u>\$ 176,002</u>

**NOTE H - MARKETABLE SECURITIES**

Marketable securities available for sale at June 30, 2024, and 2023 are summarized as follows:

	<u>2024</u>			<u>2023</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gains (Losses)</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gains (Losses)</u>
Marketable Securities - Endowment	<u>\$ 1,508,634</u>	<u>\$ 2,006,374</u>	<u>\$ 497,740</u>	<u>\$ 2,360,018</u>	<u>\$ 2,855,795</u>	<u>\$ 495,777</u>

**RENEW INTERNATIONAL**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE H - MARKETABLE SECURITIES (continued)**

Assets measured at fair value on a recurring basis for each major category are summarized as follows:

	<b>2024</b>	<b>2023</b>
	<u>Endowment</u>	<u>Endowment</u>
Quoted Prices in Active Markets for Identical Assets (Level 1)	\$ 2,006,374	\$ 2,855,795
Significant Other Observable Inputs (Level 2)	-	-
Significant Unobservable Inputs (Level 3)	-	-
Total Marketable Securities Available for Sale	\$ 2,006,374	\$ 2,855,795

**NOTE I - CAPITAL CAMPAIGN**

During the fiscal year ended June 30, 2018, RENEW began a capital campaign in which the specific goal was to increase the Organization's endowment account. For this campaign, RENEW contracted the services of a professional fundraiser. Since the inception of the campaign, RENEW has received pledged contributions in excess of the \$4,000,000 goal, completing the campaign.

**NOTE J - LONG TERM DEBT**

RENEW has a Loan Management Account ("LMA") in which it has pledged its marketable securities in exchange for a line of credit. The LMA has a maximum credit available of \$2,000,000. During the fiscal year ends June 30, 2024 and 2023, RENEW borrowed \$945,000 and \$780,000 principal from the LMA respectively and has accrued interest as of June 30, 2024 of \$114,097. During the fiscal year ended June 30, 2024, RENEW made a principal payment of \$750,000 to the LMA.



**RENEW INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE K - SUBSEQUENT EVENTS**

RENEW has evaluated subsequent events through the time of issuing these financial statements on September 20, 2024. No additional subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements with the exceptions below:

On September 20, 2024, RENEW sold its property located in Plainfield, New Jersey to the Archdiocese of Newark for the amount of \$1,240,000. After closing costs and selling expenses of \$63,392, there will be \$1,176,608 available for use. The funds are intended to be used primarily to pay down the principal on the debt of the LMA.

With the sale of the building, RENEW has also entered into a lease agreement with the Archdiocese of Newark to rent half of the property. The lease terms are for three years with a two-year renewal option. The monthly rent is \$4,800 initially with a 3% increase each year.

To the Board of Trustees of  
RENEW INTERNATIONAL  
1232 George Street  
Plainfield, NJ 07062

### INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Our report on our audit of the basic financial statements of RENEW International for June 30, 2024, and 2023 appears on pages one and two. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information, contained in the following pages, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the audit procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



MAX BUSSEL AND COMPANY

South Plainfield, New Jersey  
September 20, 2024



**RENEW INTERNATIONAL  
SCHEDULES OF ENDOWMENT INCOME  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Interest income	\$ 23,628	\$ 32,715
Dividend income	24,019	28,456
Net gain (loss) on investments	<u>157,032</u>	<u>201,704</u>
Subtotal	204,679	262,875
Less: brokerage fees	<u>14,100</u>	<u>15,546</u>
Net endowment income	190,579	247,329
Beginning balance	<u>2,855,795</u>	<u>2,858,466</u>
Balance before transfers to operating accounts	3,046,374	3,105,795
Transfers from / (to) operating account - net	<u>(1,040,000)</u>	<u>(250,000)</u>
Ending balance	<u>\$ 2,006,374</u>	<u>\$ 2,855,795</u>