

The logo for Lifehouse Maternity Home features the word "Lifehouse" in a large, blue, serif font. Behind the letters "i" and "f" is a stylized sunburst graphic composed of several yellow and orange rays of varying lengths. Below "Lifehouse" is the phrase "Maternity Home" in a smaller, blue, serif font.

# Lifehouse

## Maternity Home

**Lifehouse, Inc.**

**Independent Accountants' Review Report**

**And Financial Statements**

**For the Years Ended**

**December 31, 2020 and 2019**

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## **Independent Accountants' Review Report**

Board of Directors  
Lifehouse, Inc.

We have reviewed the accompanying financial statements of Lifehouse, Inc. (a not-for-profit organization) which comprise the statements of financial position as of December 31, 2020 and 2019 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with accounting principles generally accepted in the United States of America.

*Baldwin CPAs, PLLC*

Louisville, Kentucky  
July 16, 2021

**Lifehouse, Inc.**  
**Statements of Financial Position**  
**December 31, 2020 and 2019**

	2020	2019
<b>Assets</b>		
Cash	\$ 636,639	\$ 478,675
Promise to give	8,100	-
Prepaid expenses	1,455	788
Land, building and equipment, net	605,796	624,315
<b>Total Assets</b>	\$ 1,251,990	\$ 1,103,778
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 7,193	\$ 4,671
Accrued expenses and withholdings	10,194	9,542
Custodial funds	15,402	2,935
<b>Total Liabilities</b>	32,789	17,148
 <b>Net Assets</b>		
Without donor restrictions	1,113,748	1,086,630
With donor restrictions	105,453	-
<b>Total Net Assets</b>	1,219,201	1,086,630
<b>Total Liabilities and Net Assets</b>	\$ 1,251,990	\$ 1,103,778

**Lifehouse, Inc.**  
**Statements of Activities**  
**For the Years Ended December 31, 2020 and 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>						
Contributions and grants	\$ 481,910	\$ 105,453	\$ 587,363	\$ 459,581	\$ -	\$ 459,581
Interest income	696	-	696	2,499	-	2,499
Realized gain from sale of investments	-	-	-	306	-	306
Special event income	34,438	-	34,438	24,030	-	24,030
Special event expense	(8,665)	-	(8,665)	(6,692)	-	(6,692)
<b>Total Revenue and Support</b>	<b>508,379</b>	<b>105,453</b>	<b>613,832</b>	<b>479,724</b>	<b>-</b>	<b>479,724</b>
<b>Net Assets Released from Restrictions</b>						
Restrictions satisfied by payments	-	-	-	8,607	(8,607)	-
<b>Total Revenue, Support and Reclassifications</b>	<b>508,379</b>	<b>105,453</b>	<b>613,832</b>	<b>488,331</b>	<b>(8,607)</b>	<b>479,724</b>
<b>Expenses</b>						
Program services	290,273	-	290,273	280,183	-	280,183
Management and general	70,681	-	70,681	76,432	-	76,432
Fund raising	120,307	-	120,307	81,486	-	81,486
<b>Total Expenses</b>	<b>481,261</b>	<b>-</b>	<b>481,261</b>	<b>438,101</b>	<b>-</b>	<b>438,101</b>
<b>Change in Net Assets</b>	<b>27,118</b>	<b>105,453</b>	<b>132,571</b>	<b>50,230</b>	<b>(8,607)</b>	<b>41,623</b>
Net Assets at Beginning of Year	1,086,630	-	1,086,630	1,036,400	8,607	1,045,007
<b>Net Assets at End of year</b>	<b>\$ 1,113,748</b>	<b>\$ 105,453</b>	<b>\$ 1,219,201</b>	<b>\$ 1,086,630</b>	<b>\$ -</b>	<b>\$ 1,086,630</b>

See accompanying notes and independent accountants' review report.

**Lifehouse, Inc.**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2020 and 2019**

	2020				2019			
	Program	Management & General	Fund Raising	Total	Program	Management & General	Fund Raising	Total
Salaries and wages	\$ 205,729	\$ 41,695	\$ 76,439	\$ 323,863	\$ 185,528	\$ 40,605	\$ 55,008	\$ 281,141
Payroll taxes	15,786	3,199	5,865	24,850	14,183	3,104	4,206	21,493
Benefits	3,204	649	1,191	5,044	4,693	1,027	1,391	7,111
Contract labor	-	-	-	-	3,294	-	4,687	7,981
Resident education and assistance	7,736	-	-	7,736	1,921	-	-	1,921
Professional fees	-	12,777	-	12,777	-	17,207	-	17,207
Office expenses	903	183	335	1,421	5,963	1,305	1,768	9,036
Supplies	394	-	-	394	594	-	-	594
Printing and postage	5,968	1,210	2,217	9,395	9,414	2,060	2,792	14,266
Telephone	2,407	488	894	3,789	2,956	647	877	4,480
Insurance	9,244	1,031	-	10,275	7,979	1,084	-	9,063
Utilities	9,820	1,093	-	10,913	9,796	1,088	-	10,884
Repairs and maintenance	1,856	30	-	1,886	7,328	360	-	7,688
Conferences, travel, and dues	4,308	873	1,600	6,781	5,719	1,252	1,695	8,666
Bank fees	-	5,393	-	5,393	-	2,144	-	2,144
Taxes and licenses	1,009	47	-	1,056	1,225	441	-	1,666
Marketing	-	-	31,098	31,098	-	-	8,924	8,924
Miscellaneous	2,236	-	668	2,904	-	1,968	138	2,106
Depreciation	19,673	2,013	-	21,686	19,590	2,140	-	21,730
Special event direct expenses	-	-	8,665	8,665	-	-	6,692	6,692
<b>Total expenses by function</b>	<b>290,273</b>	<b>70,681</b>	<b>128,972</b>	<b>489,926</b>	<b>280,183</b>	<b>76,432</b>	<b>88,178</b>	<b>444,793</b>
Less special event direct expenses	-	-	(8,665)	(8,665)	-	-	(6,692)	(6,692)
<b>Total expenses on statement of activities</b>	<b>\$ 290,273</b>	<b>\$ 70,681</b>	<b>\$ 120,307</b>	<b>\$ 481,261</b>	<b>\$ 280,183</b>	<b>\$ 76,432</b>	<b>\$ 81,486</b>	<b>\$ 438,101</b>
<b>% of total expenses</b>	<b>60.32%</b>	<b>14.69%</b>	<b>24.99%</b>	<b>100.00%</b>	<b>63.95%</b>	<b>17.45%</b>	<b>18.60%</b>	<b>100.00%</b>

See accompanying notes and independent accountants' review report.

**Lifehouse, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2020 and 2019**

	2020	2019
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 132,571	\$ 41,623
Adjustments to reconcile change in net assets to net cash provided in operating activities:		
Depreciation	21,686	21,730
Realized and unrealized gain on investments	-	(306)
(Increase) decrease in operating assets:		
Miscellaneous receivables	-	941
Promises to give	(8,100)	-
Prepaid expenses	(667)	(644)
Increase in operating liabilities:		
Accounts payable	2,522	3,540
Accrued expenses and withholdings	652	3,038
Custodial funds	12,467	2,935
	<b>161,131</b>	<b>72,857</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	-	1,696
Proceeds from life insurance policy	-	7,607
Purchase of equipment	(3,167)	(1,650)
	<b>(3,167)</b>	<b>7,653</b>
<b>Net Cash (Used) Provided by Investing Activities</b>		
	<b>(3,167)</b>	<b>7,653</b>
<b>Net Increase in Cash</b>	157,964	80,510
Cash at Beginning of Year	478,675	398,165
<b>Cash at End of Year</b>	<b>\$ 636,639</b>	<b>\$ 478,675</b>

**Lifehouse, Inc.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2020 and 2019**

**Note 1 – Summary of Significant Accounting Policies**

Organization

Lifehouse, Inc. (Lifehouse) is a not-for-profit organization formed for the purpose of helping women through difficult maternity processes including unwanted pregnancies, partner abuse, or financial issues. Their holistic approach helps satisfy mothers' physical and financial needs as well as their mental and spiritual needs.

A significant portion of the Lifehouse's funding is received from donations from businesses, foundations, and individuals.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) with regards to financial statements of Not-for-Profit Organizations. Under this guidance, the organization is required to report information regarding its financial position and activities according to two classes of net assets. A description of the net asset categories follows:

Net assets without donor restrictions: expendable funds that are not subject to donor-imposed stipulations or invested in land, building and equipment.

Net assets with donor restrictions: stipulated by donors for specific operating purposes or are restricted by time.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash Policy

Lifehouse considers all cash in deposit accounts as cash for financial statement purposes.

Promises to Give

Promises to give are recognized when the donor makes a promise to give to Lifehouse that is, in substance, unconditional. Promises to give becoming due in the next year are recorded at net realizable value. Promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.



**Lifehouse, Inc.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2020 and 2019**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Land, Building and Equipment

Lifehouse capitalizes all expenditures for property and equipment more than \$750. Purchased property and equipment are carried at cost. Donated property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Land, buildings, and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets.

Custodial Funds

Custodial funds consist of the cash accounts of Lifehouse's residents.

Revenue Recognition

Contributions and grants are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest, is received and are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions and grants 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 or grant is recognized. All other donor restricted contributions and grants 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 statement of activities as net assets released from restrictions. Conditional promises to give, that is, those with a measurable performance or other barriers, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Special event revenue is recognized when the event occurs.

In-kind Materials, Equipment, and Services

Contributions of tangible assets are recognized at their fair market value at date of donation. The amounts are reflected in the accompanying financial statements as an increase the net assets without donor restrictions and are offset by like amounts included in expenses.

Lifehouse receives services from volunteers who give their time to the Lifehouse's programs and fund-raising campaigns, but which do not meet the criteria for financial statement recognition.

Expense Allocation

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, most costs have been allocated among the program and supporting services benefited based on estimates of time and effort. Utility costs and depreciation are allocated on a square footage basis.

**Lifehouse, Inc.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2020 and 2019**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Income Tax Status

Lifehouse is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Lifehouse qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of FASB ASC 740-10 would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities or accrued in the statement of financial position.

**Note 2 – Concentration of Credit Risk**

Cash – Lifehouse cash balances are insured by the Federal Deposit Insurance Corporation. On August 27, 2019, Lifehouse entered an Insured Cash Sweep (ICS) agreement with Republic Bank to ensure all deposits were FDIC insured. The amount of cash more than federally insured limits was \$38,690 and \$0, as of December 31, 2020 and 2019, respectively.

**Note 3 – Promises to Give**

Promises to give consist of the following and are all due within one year:

	2020	2019
Presbyterian Women	\$ 8,100	\$ -

No allowance for uncollectible promises to give is considered necessary because of the type of donors that have made promises to give.

**Note 4 – Land, Building and Equipment**

On December 31, 2020 and 2019, the cost and accumulated depreciation of land, building and equipment were as follows:

	2020	2019
Land and buildings	\$ 779,185	\$ 779,185
Equipment	24,843	21,676
Less: accumulated depreciation	(198,232)	(176,546)
Land, building and equipment, net	\$ 605,796	\$ 624,315
Depreciation expense	\$ 21,686	\$ 21,730

**Lifehouse, Inc.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2020 and 2019**

**Note 5 – Net Assets with Donor Restrictions**

Net assets with donor restriction are restricted for the following purposes as of December 31, 2020:

	<u>2020</u>	<u>2019</u>
Purpose Restriction:		
Kitchen remodel	\$ 99,852	\$ -
Furniture and equipment	3,601	-
Education	<u>2,000</u>	<u>-</u>
 Total net assets with donor restrictions	 <u>\$ 105,453</u>	 <u>\$ -</u>

**Note 6 – Liquidity and Availability**

The following table reflects Lifehouse’s financial assets as of December 31, 2020 and 2019 available for general expenditure within one year.

	<u>2020</u>	<u>2019</u>
Cash	\$ 636,639	\$ 478,675
Promises to give	<u>8,100</u>	<u>-</u>
	<u>\$ 644,739</u>	<u>\$ 478,675</u>

In addition to financial assets available to meet general expenditures over the year, Lifehouse operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient revenues from current and prior years’ gifts.

**Note 7 – Commitments and Contingencies**

The novel coronavirus (COVID-19) was first identified in people in late 2019. COVID-19 spread rapidly throughout the world and, in March 2020, the World Health Organization characterized COVID-19 as a pandemic. It has significantly disrupted supply chains and businesses around the world. The United States and global markets experienced significant volatility in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on Lifehouse’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the clients, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact Lifehouse’s future financial condition, results of operations and cash flows is uncertain.

**Note 8 – Subsequent Events**

In April 2020, Lifehouse received \$50,600 in loan funding from the Paycheck Protection Program (PPP), established pursuant to the recently enacted Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and administered by the U.S. Small Business Administration. The loan proceeds have been used to cover payroll costs and the loan is eligible for forgiveness as part of the CARES Act if certain requirements currently in effect are met. All loan proceeds were spent on eligible costs as of December 31, 2020 and Lifehouse recorded the loan under *ASC 958-605, Not-for-Profit Entities, Revenue Recognition* as a contribution. Lifehouse applied for forgiveness of the PPP loan on April 1, 2021.

**Lifehouse, Inc.**  
**Notes to Financial Statements (Continued)**  
**December 31, 2020 and 2019**

**Note 8 – Subsequent Events (Continued)**

The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (“Appropriations PPP Amendments”) is a pandemic relief portion of the much larger Consolidated Appropriations Act, 2021 (the “CAA”), which was signed by the President on December 27, 2020. The Appropriations PPP Amendments, among other things, permit businesses that had previously received a PPP loan to apply for a second PPP loan subject to generally more restrictive eligibility criteria and reducing the maximum amount of proceeds available. On March 9, 2021, Lifehouse received a second draw PPP loan in the amount of \$67,300 pursuant to the CAA. Lifehouse believes that the loan will be forgiven.

Management has evaluated subsequent events for recognition or disclosure in the financial statements through July 16, 2021, which was the date at which the financial statements were available to be issued.