



Lifehouse, Inc.
Independent Accountants' Review Report
And Financial Statements
For the Years Ended
December 31, 2021 and 2020

Contents

	Page
Independent Accountants' Review Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6



www.baldwincpas.com

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, 2021 and 2020 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.

We are required to be independent of Lifehouse, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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
June 19, 2022

Lifehouse, Inc.
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Cash	\$ 737,653	\$ 636,639
Promises to give	9,735	8,100
Prepaid expenses	1,412	1,455
Land, building and equipment, net	680,829	605,796
Total Assets	\$ 1,429,629	\$ 1,251,990
 Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 5,913	\$ 7,193
Accrued expenses and withholdings	11,433	10,194
Custodial funds	8,243	15,402
Total Liabilities	25,589	32,789
 Net Assets		
Without donor restrictions	1,363,833	1,113,748
With donor restrictions	40,207	105,453
Total Net Assets	1,404,040	1,219,201
Total Liabilities and Net Assets	\$ 1,429,629	\$ 1,251,990

Lifehouse, Inc.
Statements of Activities
For the Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Contributions and grants	\$ 521,215	\$ 46,735	\$ 567,950	\$ 481,910	\$ 105,453	\$ 587,363
Interest income	228	-	228	696	-	696
Special event income	56,168	-	56,168	34,438	-	34,438
Special event expense	(16,320)	-	(16,320)	(8,665)	-	(8,665)
Miscellaneous income	1,614	-	1,614	-	-	-
Total Revenue and Support	562,905	46,735	609,640	508,379	105,453	613,832
Net Assets Released from Restrictions						
Restrictions satisfied by payments	111,981	(111,981)	-	-	-	-
Total Revenue, Support and Reclassifications	674,886	(65,246)	609,640	508,379	105,453	613,832
Expenses						
Program services	272,716	-	272,716	290,273	-	290,273
Management and general	68,433	-	68,433	70,681	-	70,681
Fund raising	83,652	-	83,652	120,307	-	120,307
Total Expenses	424,801	-	424,801	481,261	-	481,261
Change in Net Assets	250,085	(65,246)	184,839	27,118	105,453	132,571
Net Assets at Beginning of Year	1,113,748	105,453	1,219,201	1,086,630	-	1,086,630
Net Assets at End of year	\$ 1,363,833	\$ 40,207	\$ 1,404,040	\$ 1,113,748	\$ 105,453	\$ 1,219,201

See accompanying notes and independent accountants' review report

Lifehouse, Inc.
Statements of Functional Expenses
For the Years Ended December 31, 2021 and 2020

	2021				2020			
	Program	Management & General	Fund Raising	Total	Program	Management & General	Fund Raising	Total
Salaries and wages	\$ 189,848	\$ 40,873	\$ 59,477	\$ 290,198	\$ 205,729	\$ 41,695	\$ 76,439	\$ 323,863
Payroll taxes	14,428	3,127	4,550	22,105	15,786	3,199	5,865	24,850
Benefits	2,730	592	861	4,183	3,204	649	1,191	5,044
Resident education and assistance	3,585	-	-	3,585	7,736	-	-	7,736
Professional fees	-	10,813	-	10,813	-	12,777	-	12,777
Office expenses	1,664	361	524	2,549	903	183	335	1,421
Supplies	407	-	-	407	394	-	-	394
Printing and postage	7,678	1,664	2,421	11,763	5,968	1,210	2,217	9,395
Telephone	2,662	577	840	4,079	2,407	488	894	3,789
Insurance	11,339	1,254	-	12,593	9,244	1,031	-	10,275
Utilities	9,464	1,078	-	10,542	9,820	1,093	-	10,913
Repairs and maintenance	1,895	-	-	1,895	1,856	30	-	1,886
Conferences, travel, and dues	4,230	917	1,334	6,481	4,308	873	1,600	6,781
Bank fees	8	4,967	-	4,975	-	5,393	-	5,393
Taxes and licenses	1,233	-	-	1,233	1,009	47	-	1,056
Marketing	3	-	13,645	13,648	-	-	31,098	31,098
Miscellaneous	272	8	-	280	2,236	-	668	2,904
Depreciation	21,270	2,202	-	23,472	19,673	2,013	-	21,686
Special event direct expenses	-	-	16,320	16,320	-	-	8,665	8,665
Total expenses by function	272,716	68,433	99,972	441,121	290,273	70,681	128,972	489,926
Less special event direct expenses	-	-	(16,320)	(16,320)	-	-	(8,665)	(8,665)
Total expenses on statement of activities	\$ 272,716	\$ 68,433	\$ 83,652	\$ 424,801	\$ 290,273	\$ 70,681	\$ 120,307	\$ 481,261
% of total expenses	64.20%	16.11%	19.69%	100.00%	60.32%	14.69%	24.99%	100.00%

See accompanying notes and independent accountants' review report

Lifehouse, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 184,839	\$ 132,571
Adjustments to reconcile change in net assets to net cash provided in operating activities:		
Depreciation	23,472	21,686
(Increase) decrease in operating assets:		
Promises to give	(1,635)	(8,100)
Prepaid expenses	43	(667)
Increase (decrease) in operating liabilities:		
Accounts payable	(1,280)	2,522
Accrued expenses and withholdings	1,239	652
Custodial funds	(7,159)	12,467
	<u>199,519</u>	<u>161,131</u>
Cash Flows from Investing Activities		
Purchase of equipment	(98,505)	(3,167)
	<u>(98,505)</u>	<u>(3,167)</u>
Net Cash Used by Investing Activities		
	<u>(98,505)</u>	<u>(3,167)</u>
Net Increase in Cash	101,014	157,964
Cash at Beginning of Year	636,639	478,675
	<u>636,639</u>	<u>478,675</u>
Cash at End of Year	<u>\$ 737,653</u>	<u>\$ 636,639</u>

Lifehouse, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

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, 2021 and 2020

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 in 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 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, 2021 and 2020

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 – Concentrations 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 that exceeds federally insured limits was \$118,097 and \$135,248, as of December 31, 2021 and 2020, respectively.

Note 3 – Promises to Give

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

	2021	2020
Presbyterian Women	\$ -	\$ 8,100
Jamie Parsley Family Foundation	2,535	-
Good Samaritan Ministries	2,200	-
Republic Bank	5,000	-
	\$ 9,735	\$ 8,100

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

Lifehouse, Inc.
Notes to Financial Statements (Continued)
December 31, 2021 and 2020

Note 4 – Land, Building and Equipment

On December 31, 2021 and 2020, the cost and accumulated depreciation of land, building and equipment were as follows:

	<u>2021</u>	<u>2020</u>
Land and buildings	\$ 870,453	\$ 779,185
Equipment	32,080	24,843
Less: accumulated depreciation	<u>(221,704)</u>	<u>(198,232)</u>
Land, building and equipment, net	<u>\$ 680,829</u>	<u>\$ 605,796</u>
Depreciation expense	<u>\$ 23,472</u>	<u>\$ 21,686</u>

Note 5 – Net Assets with Donor Restrictions

Net assets with donor restriction are restricted for the following purposes as of December 31, 2021:

	<u>2021</u>	<u>2020</u>
Purpose Restriction:		
Kitchen remodel	\$ 7,786	\$ 99,852
Furniture and equipment	2,535	3,601
Education	<u>29,886</u>	<u>2,000</u>
Total net assets with donor restrictions	<u>\$ 40,207</u>	<u>\$ 105,453</u>

Note 6 – Liquidity and Availability

The following table reflects Lifehouse's financial assets as of December 31, 2021 and 2020 available for general expenditure within one year.

	<u>2021</u>	<u>2020</u>
Cash	\$ 737,653	\$ 636,639
Promises to give	<u>9,735</u>	<u>8,100</u>
	<u>\$ 747,388</u>	<u>\$ 644,739</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.

Lifehouse, Inc.
Notes to Financial Statements (Continued)
December 31, 2021 and 2020

Note 7 – Debt

In April 2020, Lifehouse received \$50,600 in loan funding from the Paycheck Protection Program (PPP), established pursuant to the recently enacted CARES Act and administered by the U.S. Small Business Administration (SBA). The loan proceeds have been used to cover payroll costs, mortgage interest, and rent. The loan is eligible for forgiveness as part of the CARES Act if certain requirements currently in effect are met. Lifehouse continues to evaluate the requirements of the CARES Act that allow for forgiveness; and anticipates the loan to be entirely forgiven pursuant to loan forgiveness standards currently in effect and therefore has recorded the loan under ASC 958-605, *Not-for-Profit Entities: Revenue Recognition* as a conditional contribution. Lifehouse anticipated meeting the forgiveness requirements. Based on the forgiveness requirements met, \$50,600 has been recognized as a grant in the statement of activities for the year ended December 31, 2020. Lifehouse received forgiveness of the PPP loan on April 7, 2021.

In March 2021, Lifehouse received \$67,300 in loan funding from the Paycheck Protection Program (the “PPP II”), established pursuant to the recently enacted CARES Act and administered by the U.S. Small Business Administration (SBA). The loan proceeds have been used to cover payroll costs, mortgage interest, and rent. The loan is eligible for forgiveness as part of the CARES Act if certain requirements currently in effect are met. Lifehouse continues to evaluate the requirements of the CARES Act that allow for forgiveness; and anticipates the loan to be entirely forgiven pursuant to loan forgiveness standards currently in effect and therefore has recorded the loan under ASC 958-605, *Not-for-Profit Entities: Revenue Recognition* as a conditional contribution. Lifehouse received forgiveness of the PPP II loan on September 14, 2021. Lifehouse recognized \$67,300 as a grant in the statement of activities for the year ended December 31, 2021.

Note 8 – 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 the Company’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Company’s employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Company’s future financial condition, results of operations and cash flows is uncertain.

Note 9 – Subsequent Events

Management has evaluated subsequent events for recognition or disclosure in the financial statements through June 19, 2022, which was the date at which the financial statements were available to be issued.