

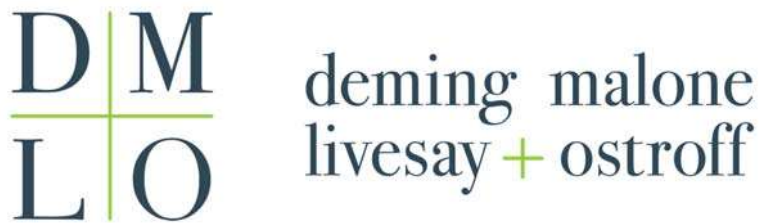
**LIFEHOUSE, INC.**

**FINANCIAL STATEMENTS**  
**(Reviewed)**

**Years Ended December 31, 2022 and 2021**

## Table of Contents

	Page
<b>Independent Accountants' Review Report</b>	1 and 2
<b>Financial Statements</b>	
Statements of financial position	3
Statements of activities	4
Statements of functional expenses	5
Statements of cash flows	6
Notes to financial statements	7 - 11



## **Independent Accountants' Review Report**

To the Board of Directors  
Lifehouse, Inc.  
Louisville, Kentucky

We have reviewed the accompanying financial statements of Lifehouse, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year 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 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 these 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 financial statements that are free from material misstatement whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. 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 review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Report on 2021 Financial Statements**

The financial statements of Lifehouse, Inc. as of December 31, 2021, were reviewed by other accountants whose report dated June 19, 2022, stated that based on their procedures, they are not aware of any material modification that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Deming, Malone, Leisner & Petroff*

Louisville, Kentucky  
April 18, 2023

**LIFEHOUSE, INC.**

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2022 and 2021

See Independent Accountants' Review Report

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 872,926	\$ 729,410
Cash - custodial funds	6,895	8,243
Contribution and grant receivables	1,176	9,735
Prepaid expenses	1,424	1,412
Property and equipment, net	<u>659,130</u>	<u>680,829</u>
<b>Total assets</b>	<u>\$ 1,541,551</u>	<u>\$ 1,429,629</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 2,245	\$ 5,913
Accrued expenses	19,990	11,433
Custodial funds	<u>6,895</u>	<u>8,243</u>
<b>Total liabilities</b>	<u>29,130</u>	<u>25,589</u>
<b>Net Assets</b>		
Without donor restrictions	1,433,369	1,363,833
With donor restrictions	<u>79,052</u>	<u>40,207</u>
<b>Total net assets</b>	<u>1,512,421</u>	<u>1,404,040</u>
<b>Total liabilities and net assets</b>	<u>\$ 1,541,551</u>	<u>\$ 1,429,629</u>

See Notes to Financial Statements.

**LIFEHOUSE, INC.**

**STATEMENTS OF ACTIVITIES**

Years Ended December 31, 2022 and 2021  
See Independent Accountants' Review Report

	2022		2021	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
		Total		Total
<b>Revenues and Support</b>				
Contributions and grants	\$ 499,506	\$ 79,176	\$ 578,682	\$ 46,735
Special events	91,047		91,047	56,168
Interest income	747		747	228
Other income	1,480		1,480	1,614
Net assets released from restrictions:				
Purpose restrictions	40,331	(40,331)	111,981	(111,981)
<b>Total revenues and support</b>	<u>633,111</u>	<u>38,845</u>	<u>671,956</u>	<u>(65,246)</u>
<b>Expenses</b>				
Program	356,419		356,419	272,716
Management and general	65,315		65,315	68,433
Fund-raising	141,841		141,841	99,972
<b>Total expenses</b>	<u>563,575</u>		<u>563,575</u>	<u>441,121</u>
<b>Net change in net assets</b>	69,536	38,845	108,381	(65,246)
Net assets at beginning of year	<u>1,363,833</u>	<u>40,207</u>	<u>1,404,040</u>	<u>105,453</u>
Net assets at end of year	<u>\$ 1,433,369</u>	<u>\$ 79,052</u>	<u>\$ 1,512,421</u>	<u>\$ 40,207</u>
			<u>\$ 1,363,833</u>	<u>\$ 1,404,040</u>
			<u>\$ 250,085</u>	<u>\$ 184,839</u>
			<u>\$ 1,113,748</u>	<u>\$ 1,219,201</u>
			<u>\$ 1,363,833</u>	<u>\$ 1,404,040</u>

See Notes to Financial Statements.

**LIFEHOUSE, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

Years Ended December 31, 2022 and 2021

See Independent Accountants' Review Report

	2022			2021				
	Program	Management and General	Fund-raising	Total	Program	Management and General	Fund-raising	Total
Salaries and wages	\$ 260,519	\$ 26,941	\$ 71,792	\$ 359,252	\$ 189,848	\$ 40,873	\$ 59,477	\$ 290,198
Payroll taxes	19,850	2,053	5,471	27,374	14,428	3,127	4,550	22,105
Workers compensation	3,122	287	179	3,588	2,730	592	861	4,183
Resident education and assistance	5,846			5,846	3,585			3,585
Professional fees	270	18,397		18,667		10,813		10,813
Office expense	3,722	4,268	704	8,694	3,304	361	524	4,189
Printing and postage	261	262	11,314	11,837	7,678	1,664	2,421	11,763
Telephone	3,016	955	991	4,962	2,662	577	840	4,079
Insurance	11,619	1,068	668	13,355	11,339	1,254		12,593
Utilities	14,191	1,316	820	16,327	9,464	1,078		10,542
Repairs and maintenance	5,023	298	276	5,597	1,895			1,895
Conferences, travel and dues	6,486	1,227	3,668	11,381	4,230	917	1,334	6,481
Bank fees		3,537	1,711	5,248	8	4,967		4,975
Marketing	14		6,107	6,121	3		5,097	5,100
Grant writer			8,499	8,499			8,548	8,548
Contract labor			1,203	1,203				
Other		2,639		2,639	272	8		280
Special events			27,145	27,145			16,320	16,320
Depreciation	22,480	2,067	1,293	25,840	21,270	2,202		23,472
	<u>\$ 356,419</u>	<u>\$ 65,315</u>	<u>\$ 141,841</u>	<u>\$ 563,575</u>	<u>\$ 272,716</u>	<u>\$ 68,433</u>	<u>\$ 99,972</u>	<u>\$ 441,121</u>

See Notes to Financial Statements.

**LIFEHOUSE, INC.**

**STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2022 and 2021  
See Independent Accountants' Review Report

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Net change in net assets	\$ 108,381	\$ 184,839
Adjustments to reconcile net change in net assets to net cash provided by operating activities:		
Depreciation	25,840	23,472
(Increase) decrease in assets:		
Contribution and grant receivables	8,559	(1,635)
Prepaid expenses	(12)	43
Increase (decrease) in liabilities:		
Accounts payable	(3,668)	(1,280)
Accrued expenses	8,557	1,239
Custodial funds	<u>(1,348)</u>	<u>(7,159)</u>
<b>Net cash provided by operating activities</b>	<u>146,309</u>	<u>199,519</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	<u>(4,141)</u>	<u>(98,505)</u>
<b>Net cash used in investing activities</b>	<u>(4,141)</u>	<u>(98,505)</u>
<b>Net change in cash and cash equivalents</b>	142,168	101,014
Cash and cash equivalents at beginning of year	<u>737,653</u>	<u>636,639</u>
Cash and cash equivalents at end of year	<u>\$ 879,821</u>	<u>\$ 737,653</u>

See Notes to Financial Statements.



## LIFEHOUSE, INC.

### NOTES TO FINANCIAL STATEMENTS

#### Note 1. Description of Organization and Summary of Significant Accounting Policies

##### Description of Organization:

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

A significant portion of the Organization's funding is received from donor contributions and grants.

##### Summary of significant accounting policies:

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representations of the Organization's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

##### Net assets:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-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 restrictions.

**Net assets with donor restrictions:** Net assets subject to donor-imposed restrictions. Some 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

##### Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

### Revenue recognition:

Contributions and grants received and unconditional promises to give are measured at their fair values and reported as an increase in net assets when received. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, 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.

The Organization records contributed services that require specific expertise and would normally have been purchased at fair value. Contributed services that do not meet these requirements are not reflected in the financial statements.

Special events revenue is presented net of costs on the statement of activities. The exchange portion of special events revenue is one performance obligation and is recognized at a point in time when direct benefits are provided to the donor.

The Organization reports donor restricted contributions whose restrictions are met in the same reporting period as support without donor restriction.

### Cash, cash equivalents and restricted cash:

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The following provides a reconciliation of cash, cash equivalents and restricted cash reported on the statements of financial position to the amount reported on the statement of cash flows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$872,926	\$729,410
Cash – custodial funds	<u>6,895</u>	<u>8,243</u>
	<u>\$879,821</u>	<u>\$737,653</u>

### Contribution and grant receivables:

The valuation of contribution and grant receivables is based on a detailed analysis of past due accounts and the history of uncollectible accounts. The Organization periodically reviews doubtful receivables to determine if write-offs are necessary. There was no allowance for receivables as of December 31, 2022 and 2021.

## NOTES TO FINANCIAL STATEMENTS

### **Property and equipment:**

Property and equipment are stated at cost, if purchased, or fair value as of date of donation, if donated. The Organization's policy is to capitalize asset purchases exceeding \$750. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the respective assets ranging from 3 to 39 years.

### **Custodial funds:**

Custodial funds consist of cash held in accounts for the Organization's residents.

### **Income taxes:**

The Organization is exempt from federal, state, and local income taxes as a not-for-profit organization described under Internal Revenue Code Section 501(c)(3). In addition, the Organization 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). The Organization files an informational tax return in the U.S. federal jurisdiction and with the Kentucky Office of Attorney General.

As of December 31, 2022 and 2021, the Organization did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the year then ended.

### **Functional allocation of expenses:**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Certain expenses are allocated on a square footage basis or on the basis of estimates of time and effort.

### **Subsequent events:**

Subsequent events have been evaluated through April 18, 2023, which is the date the financial statements were available to be issued.

### **Reclassifications:**

Certain reclassifications have been made to the 2021 financial statements to conform to current year presentation. There was no change in net assets as a result of the reclassifications.

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. Liquidity and Availability**

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the December 31, 2022 and 2021 statements of financial position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$872,926	\$729,410
Contribution and grant receivables	1,176	9,735
Less funds with donor restrictions	<u>(79,052)</u>	<u>(40,207)</u>
	<u>\$795,050</u>	<u>\$698,938</u>

The Organization manages its liquidity and reserves following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs.

**Note 3. Contribution and Grant Receivables**

All contribution and grant receivables are due within one year of the statement of financial position. Contribution and grant receivables consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Jamie Parsley Family Foundation		\$2,535
Good Samaritan Ministries	\$1,176	2,200
Republic Bank	<u>          </u>	<u>5,000</u>
	<u>\$1,176</u>	<u>\$9,735</u>

**Note 4. Property and Equipment**

Property and equipment consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Land and buildings	\$ 870,453	\$ 870,453
Equipment	<u>36,221</u>	<u>32,080</u>
	906,674	902,533
Less accumulated depreciation	<u>(247,544)</u>	<u>(221,704)</u>
	<u>\$ 659,130</u>	<u>\$ 680,829</u>
Depreciation expense	<u>\$ 25,840</u>	<u>\$ 23,472</u>

**NOTES TO FINANCIAL STATEMENTS**

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

Net assets are restricted for the following at December 31:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Kitchen remodel		\$ 7,786
Furniture and equipment	\$ 3,000	2,535
Earn While You Learn	5,500	
House moms	15,000	
Education and case management	<u>52,552</u>	<u>29,886</u>
	<u>76,052</u>	<u>40,207</u>
Subject to passage of time:		
General operations	<u>3,000</u>	_____
	<u>\$79,052</u>	<u>\$40,207</u>

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors.

**Note 6. Small Business Administration Loan**

In March 2021, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of \$67,300. The loan bore interest at a fixed rate of 1.0% per annum, with deferred interest, had a term of two years, and was unsecured and guaranteed by the U.S. Small Business Administration. The loan was subject to forgiveness under the Paycheck Protection Program upon the Organization’s request to the extent that the loan proceeds were used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, mortgage interest and rent incurred by the Organization. The Organization applied for and received forgiveness of the loan from the Small Business Administration on September 14, 2021. The Organization recognized \$67,300 as a grant in the statements of activities for the year ended December 31, 2021 in accordance with FASB ASC 958 accounting for conditional contributions.

**Note 7. Concentrations**

The Organization maintains its cash at various financial institutions. The total balance of accounts at each institution is insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization also has funds held in Insured Cash Sweep (ICS) accounts which are fully insured. At December 31, 2022, the Organization’s uninsured cash balance totaled approximately \$195,000.