

Light of Life Ministries, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information

Years Ended September 30, 2020 and 2019
with Independent Auditor's Report

MaherDuessel

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LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

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Independent Auditor's Report

**Board of Directors
Light of Life Ministries, Inc.**

We have audited the accompanying consolidated financial statements of Light of Life Ministries, Inc. (a nonprofit organization) and Affiliates, which comprise the consolidated statements of financial position as of September 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Light of Life Ministries, Inc. and Affiliates as of September 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information, is fairly stated in all material respects, in relation to the consolidated financial statements as a whole.

Mahe Duessel

Pittsburgh, Pennsylvania
May 12, 2021

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
Assets		
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Current assets:		
Cash and cash equivalents	\$ 2,356,402	\$ 3,286,776
Restricted cash, construction	4,077,730	-
Restricted cash, client accounts	27,169	35,240
Grants and accounts receivable	120,551	62,806
Pledges receivable	990,054	595,918
Inventory	314,615	353,997
Prepaid expenses	351,273	179,304
Total current assets	8,237,794	4,514,041
Noncurrent assets:		
Note receivable	5,013,750	-
Pledges receivable, net	776,368	736,162
Investments:		
Investments, at fair value	663,422	1,793,386
Certificates of deposit	250,000	250,000
Total investments	913,422	2,043,386
Fixed assets at cost:		
Land	286,864	286,864
Buildings and improvements	3,215,351	3,196,340
Equipment	421,952	431,124
Vehicles	162,031	126,351
Construction in progress	6,376,512	1,372,300
Total fixed assets at cost	10,462,710	5,412,979
Less: accumulated depreciation	2,032,067	1,902,098
Net fixed assets	8,430,643	3,510,881
Total noncurrent assets:	15,134,183	6,290,429
Total Assets	\$ 23,371,977	\$ 10,804,470
Liabilities and Net Assets		
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Liabilities:		
Current liabilities:		
Accounts payable	\$ 1,547,417	\$ 556,932
Restricted cash, client accounts	27,169	35,240
Accrued payroll and payroll taxes	126,584	91,404
Refundable advance	690,100	-
Other current liabilities	9,796	1,862
Total current liabilities	2,401,066	685,438
Noncurrent liabilities:		
Loan payable	7,260,000	-
Total Liabilities	9,661,066	685,438
Net Assets:		
Without donor restrictions:		
Board-designated	2,523,995	2,523,995
Undesignated	10,252,981	4,903,369
Total without donor restrictions	12,776,976	7,427,364
With donor restrictions	933,935	2,691,668
Total Net Assets	13,710,911	10,119,032
Total Liabilities and Net Assets	\$ 23,371,977	\$ 10,804,470

See accompanying notes to consolidated financial statements.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
Net Assets Without Donor Restrictions:		
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Support and revenues:		
Contributions	\$ 6,747,345	\$ 5,545,887
Government grants	174,483	151,233
In-kind and food contributions	1,957,396	1,174,711
Capital campaign contributions	-	441,800
Special events	374,795	411,541
Program fees	9,851	27,562
Investment income	83,681	80,241
Miscellaneous	102,190	22,813
Released from restrictions	5,198,408	1,210,688
	<u>14,648,149</u>	<u>9,066,476</u>
 Expenses:		
Program:		
Mission	6,365,527	5,528,631
Management and general	884,890	573,771
Fundraising	2,048,120	1,836,489
	<u>9,298,537</u>	<u>7,938,891</u>
 Total expenses	<u>9,298,537</u>	<u>7,938,891</u>
 Change in Net Assets Without Donor Restrictions	<u>5,349,612</u>	<u>1,127,585</u>
 Net Assets With Donor Restrictions:		
<hr/>		
Grants/contributions	250,727	213,552
Capital campaign contributions	3,189,948	3,675,404
Net assets released from restrictions	(5,198,408)	(1,210,688)
	<u>(1,757,733)</u>	<u>2,678,268</u>
 Change in Net Assets With Donor Restrictions	<u>(1,757,733)</u>	<u>2,678,268</u>
 Change in Net Assets	<u>3,591,879</u>	<u>3,805,853</u>
 Net Assets:		
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Beginning of year	10,119,032	6,313,179
End of year	<u>\$ 13,710,911</u>	<u>\$ 10,119,032</u>

See accompanying notes to consolidated financial statements.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2020

	Totals	Mission Program	Management and General	Fundraising
Direct expenses:				
Salaries	\$ 2,935,041	\$ 1,984,966	\$ 480,951	\$ 469,124
Benefits	926,051	700,327	103,375	122,349
Food	954,384	953,902	-	482
In-kind donation expense	1,226,583	1,226,583	-	-
Building and occupancy costs	353,373	334,929	14,833	3,611
Depreciation	129,969	105,474	16,082	8,413
Client costs	326,812	326,766	46	-
Insurance	65,436	53,712	6,704	5,020
Professional fees	38,130	5,345	32,185	600
Vehicle and travel	55,676	42,512	10,627	2,537
Telephone	79,218	61,732	9,007	8,479
Equipment	89,973	72,002	9,355	8,616
Supplies	100,444	92,513	2,810	5,121
Training	42,259	14,668	26,465	1,126
Postage	32,817	14,092	3,812	14,913
Direct mail	523,587	36,766	-	486,821
Contracted services	788,208	132,738	91,032	564,438
Advertising	62,839	595	-	62,244
Special events	148,456	204	-	148,252
Program donations	142,832	140,700	132	2,000
Interest	21,175	21,175	-	-
Miscellaneous	255,274	43,826	77,474	133,974
Total expenses	<u>\$ 9,298,537</u>	<u>\$ 6,365,527</u>	<u>\$ 884,890</u>	<u>\$ 2,048,120</u>

See accompanying notes to consolidated financial statements.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2019

	Totals	Mission Program	Management and General	Fundraising
Direct expenses:				
Salaries	\$ 2,555,712	\$ 1,969,810	\$ 267,293	\$ 318,609
Benefits	858,955	669,424	79,798	109,733
Food	667,501	666,026	8	1,467
In-kind donation expense	470,643	470,643	-	-
Building and occupancy costs	389,520	381,170	4,586	3,764
Depreciation	116,557	105,285	6,338	4,934
Client costs	378,864	378,864	-	-
Insurance	51,366	45,399	4,022	1,945
Professional fees	25,624	-	25,624	-
Vehicle and travel	57,245	50,341	5,664	1,240
Telephone	92,285	71,483	10,161	10,641
Equipment	128,265	108,155	8,420	11,690
Supplies	62,930	56,780	5,067	1,083
Training	50,235	21,366	20,719	8,150
Postage	36,103	709	1,090	34,304
Direct mail	780,052	56,071	-	723,981
Contracted services	582,852	168,096	67,231	347,525
Advertising	30,463	-	-	30,463
Special events	147,114	-	-	147,114
Program donations	276,454	273,404	-	3,050
Interest	-	-	-	-
Miscellaneous	180,151	35,605	67,750	76,796
Total expenses	<u>\$ 7,938,891</u>	<u>\$ 5,528,631</u>	<u>\$ 573,771</u>	<u>\$ 1,836,489</u>

See accompanying notes to consolidated financial statements.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
Cash Flows From Operating Activities:		
Change in net assets	\$ 3,591,879	\$ 3,805,853
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	129,969	116,557
Net unrealized (gain) loss on investments	341	(6,984)
Change in:		
Grants and accounts receivable	(57,745)	60,310
Pledges receivable	(434,342)	(1,332,080)
Inventory	39,382	(248,549)
Prepaid expenses	(171,969)	(2,850)
Accounts payable	990,485	367,063
Accrued payroll and payroll taxes	35,180	(8,227)
Refundable advance	690,100	-
Other current liabilities	7,934	1,862
Total adjustments	1,229,335	(1,052,898)
Net cash provided by (used in) operating activities	4,821,214	2,752,955
Cash Flows From Investing Activities:		
Purchase of investments	(2,113,445)	(2,521,698)
Sale of investments	3,243,068	3,697,923
Leverage loan - NMTC	(5,013,750)	-
Purchase of property, equipment, and improvements	(5,049,731)	(1,186,252)
Net cash provided by (used in) investing activities	(8,933,858)	(10,027)
Cash Flows From Financing Activities:		
Borrowings on loans payable	7,260,000	-
Net Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash and Cash Equivalents	3,147,356	2,742,928
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents:		
Beginning of year	3,286,776	543,848
End of year	\$ 6,434,132	\$ 3,286,776
Supplemental Information:		
Interest paid	\$ 21,175	\$ -

See accompanying notes to consolidated financial statements.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

1. Organization

Light of Life Ministries, Inc. was incorporated in 1952 as a faith-based Non-Profit Pennsylvania Corporation to provide food for the hungry, shelter for the homeless, and life transforming recovery services to people in need who desire to change their lives. Programs and services include counseling, job and life skills training, recovery courses, referrals for mental health care, and other supportive services. Light of Life Ministries, Inc.'s mission is to act as caregiver, advocate, and leader on behalf of the poor, hungry, and homeless in Greater Pittsburgh, and to serve as the region's organization of choice for urban mission work. As part of the mission, Light of Life Ministries, Inc. believes all citizens need to be made aware of the plight of the hungry, homeless, and troubled people of the area. Light of Life Ministries, Inc. is supported primarily by donor contributions located in Southwestern Pennsylvania.

L2 Community Support (L2CS) is a nonprofit publicly supported, charitable corporation incorporated under the laws of the Commonwealth of Pennsylvania. L2CS began operations in July 2016. L2CS is governed by a five-member Board of Directors. The Board of Directors is appointed by a majority of the Board of Directors of Light of Life Ministries, Inc, a Pennsylvania Nonprofit Corporation, and no member may serve on the Board of Directors without being so appointed. Light of Life Ministries, Inc. is considered a separate, but related nonprofit, and is considered to have a controlling financial interest in L2CS as a result of its ability to appoint all of the Board of Directors of L2CS. L2CS services the needs of the poor and homeless by providing emergency shelter, housing, and residential services to the homeless and persons with chronic mental illness. Residential services include, but are not limited to, teaching and assisting eligible individuals how to live independently in the community, how to prepare meals, budget money, and manage medications. Light of Life Ministries, Inc. provides services and rental space to L2CS so it can conduct its charitable activities, and all budgetary arrangements between the two organizations are overseen and approved by Allegheny County, Pennsylvania.

Light of Life Support Corporation (LOLSC) is a Type I supporting organization incorporated under the laws of the Commonwealth of Pennsylvania. LOLSC began operations in May 2020. LOLSC is governed by a five-member Board of Directors. The Board of Directors is appointed by a majority of the Board of Directors of Light of Life Ministries, Inc., a Pennsylvania Nonprofit Corporation, and no member may serve on the Board of Directors without being so appointed. Light of Life Ministries, Inc. is considered a separate, but related nonprofit, and is considered to have a controlling financial interest in LOLSC as a result of its ability to appoint all of the Board of Directors of LOLSC. LOLSC is organized and will be operated at all times exclusively for the benefit of, to perform the functions of, and/or carry out the purposes of Light of Life Ministries, Inc.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

The September 30, 2020 consolidated financial statements of Light of Life Ministries, Inc. and Affiliates (Corporation) include the following corporations: Light of Life Ministries, Inc., L2CS, and LOLSC. The September 30, 2019 consolidated financial statements of Light of Life Ministries, Inc. and Affiliate (Corporation) include the following corporations: Light of Life Ministries, Inc. and L2CS. Light of Life Ministries, Inc. contributed \$190,000 and \$360,796, respectively, to L2CS to support L2CS operations until the grant revenue was received during the years ended September 30, 2020 and 2019. No contributions were made by Light of Life Ministries, Inc. to LOLSC during the years ended September 30, 2020 and 2019.

During the years ended September 30, 2020 and 2019, intercompany receivables and payables totaled approximately \$1,400 and \$0 between Light of Life Ministries and L2CS. During the years ended September 30, 2020 and 2019, intercompany receivables and payables totaled approximately \$3.2 million and \$0 between Light of Life Ministries, Inc. and LOLSC related to the construction of the Voegtly Mission. These contributions, as well as all significant inter-entity balances and transactions, have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accrual basis of accounting is followed by the Corporation as applicable to not-for-profit organizations. Accordingly, revenues and support are recorded when earned and expenses are recognized when the liabilities are incurred.

The Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions:

Net assets without donor restrictions are the net assets that are not subject to donor-imposed stipulations. Certain net assets in the amount of \$2,523,995 for the years ended September 30, 2020 and 2019, without donor restrictions, have been designated by the Board of Directors (Board) for building and program expansion.

Net assets with donor restrictions are the net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature and result from contributions or other inflows of assets limited by donor stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Corporation pursuant to those stipulations. Other donor-imposed restrictions are perpetual in

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

nature, where the donor stipulates that resources are maintained in perpetuity. The Corporation does not have any net assets with donor restrictions held in perpetuity for the years ending September 30, 2020 and 2019.

Cash and Cash Equivalents

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

Restricted Cash – Construction

Funds held for the purpose of capital construction costs include cash and cash equivalents of \$4,077,730 and \$0 for September 30, 2020 and 2019, respectively. These funds represent amounts received from the execution of the New Market Tax Credit to be utilized for the construction of the Voegtly Mission.

Restricted Cash – Funds Held for Clients

Funds held for clients include cash and cash equivalents of \$27,169 and \$35,240 for September 30, 2020 and 2019, respectively. These funds represent clients' personal funds held on their behalf and provided to the clients as needed. An offsetting liability is recorded for these funds, as the Corporation is only the custodian of these funds.

Grants and Accounts Receivable

Grants and accounts receivable represent amounts due from funding sources for eligible expenditures incurred prior to reimbursement. Management has determined that no allowances were considered necessary at September 30, 2020 and 2019. All receivables are expected to be collected in one year.

Pledges Receivable

Pledges receivable are recorded as without donor restrictions and with donor restrictions and are recorded at fair value. When estimating the fair value of the pledge's receivable, management considers each pledge instrument individually. The relationship with the donor, the donor's history of making timely payments, and the donor's overall creditworthiness are considered and incorporated into a fair value measurement computed using present value techniques.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

Investments

Investments are recorded at their fair value. Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Note Receivable

The note receivable represents a leverage loan that was made as part of the New Markets Tax Credit (NMTC) transaction discussed in Note 13. The note matures on December 31, 2047 and has a fixed interest rate of 1.438%. Quarterly interest-only payments are due until March 15, 2028, at which time quarterly principal and interest payments begin. The note is secured by a security interest in the membership interests of the qualified Community Development Entities (CDEs) discussed in Note 13. The note is stated at the amount of unpaid principal. Management has determined that no allowance is considered necessary.

Land, Buildings and Improvements, and Equipment

Land, buildings and improvements, and equipment are stated at cost, less accumulated depreciation. Acquisitions of property and equipment in excess of \$2,000 are capitalized. Maintenance, repairs, and acquisitions less than \$2,000 are charged to expense. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Donated equipment is recorded at fair value at the time of donation. Depreciation expense was \$129,969 and \$116,557 for the years ended September 30, 2020 and 2019, respectively.

Inventory

Inventory, which consist of undistributed donated clothing and toiletries for the homeless ministry, are reported at amounts that approximate fair value on the date of donation. The Corporation values the clothing at the average local thrift store price and toiletries are valued at the price per pound established by Feeding America.

Contributions and Revenue Recognition

Contributions are recognized when a donor makes an unconditional promise to give and are recorded as with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

until the conditions on which they depend have been substantially met. Conditional grants received in advance are recorded as refundable advances. Other than cost-reimbursable government grants treated as conditional grants discussed below, there were no conditional promises to give at September 30, 2020 and 2019.

The Corporation reports gifts of land, buildings, and equipment as support without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of services shall be recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Corporation benefits from many hours of donated services that do not meet these criteria of revenue recognition yet are vital to the Corporation.

A portion of the Corporation's revenue is derived from cost-reimbursable government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as grant revenue when the Corporation has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Corporation was awarded cost-reimbursable grants of \$143,425 and \$144,663 that have not been recognized at September 30, 2020 and 2019 because qualifying expenditures have not yet been incurred.

The Corporation had no material revenue subject to Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 606 (see adopted accounting standards section below) during the years ended September 30, 2020 and 2019.

Income Taxes

Light of Life Ministries, Inc., L2CS, and LOLSC are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and have been classified as organizations that are not private foundations. Light of Life Ministries, Inc., L2CS, and LOLSC annually file a Form 990 as applicable.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

Cost Allocation Plan

All expenses not charged directly to a program are allocated per the Corporation's cost allocation plan. The cost allocation plan uses direct expenses, hours of service, number of computers, square footage, and other sources as a basis in developing the cost allocation plan.

Estimates

The preparation of financial statements in accordance 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.

Concentration of Risk Factors

The Corporation's main source of revenue is earned through contributions from the Allegheny County (County) area. Thus, economic and demographic influences of individuals, corporations, and foundations in the County area have a substantial impact on the Corporation's operations. Additionally, the Corporation receives revenue from governmental grants and contracts. These governmental grants and contracts are entered into annually and could be significantly changed based upon government spending patterns.

Adopted Accounting Standards

The provisions of these Standards Updates have been adopted and incorporated into these financial statements.

FASB Accounting Standards Codification Topic 606, *"Revenue from Contracts with Customers,"* as amended, which supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. As discussed above, the Corporation had no material revenue subject to FASB Accounting Standards Codification Topic 606 during the years ended September 30, 2020 and 2019.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

ASU 2016-18, *“Statement of Cash Flows (Topic 230): Restricted Cash.”* The amendments require that the statement of cash flows explain the change during the period in the total cash and cash equivalents including the changes of those amounts generally described as restricted cash or restricted cash equivalents. We have adopted these provisions in the accompanying financial statements.

ASU 2018-08, *“Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958).”* The amendments provide guidance for characterizing grants and similar contracts with government agencies and others as reciprocal transactions (exchanges) or nonreciprocal transactions (contributions) and distinguishing between conditional and unconditional contributions. Implementation of these amendments had no impact on the financial statements.

Pending Accounting Standards Updates

FASB has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of these updates on the financial statements.

ASU 2016-02, *“Leases (Topic 842),”* is effective, as delayed, for the financial statements for the year beginning after December 15, 2021. These amendments and related amendments will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

ASU 2016-13, *“Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,”* is effective, as delayed, for the financial statements for the year beginning after December 15, 2022. These amendments and related amendments require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. This includes loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash.

ASU 2018-13, *“Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820),”* is effective for the financial statements for the year beginning after December 15, 2019. The amendments remove and modify certain fair value hierarchy leveling disclosures.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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ASU 2018-15, *“Customers Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract,”* is effective for reporting periods beginning after December 15, 2020. The amendments align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing costs incurred to develop or obtain internal-use software.

ASU 2018-18, *“Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606,”* is effective for reporting periods beginning after December 15, 2020. The amendments affect entities holding financial assets and net investment in leases that are not accounted for at fair value through net income.

ASU 2018-14, *“Compensation – Retirement Benefits-Defined Benefit Plans (Subtopic 715-20): Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans,”* is effective for reporting periods beginning after December 15, 2021. The amendments modify disclosure requirements from Subtopic 715-20 and clarify the disclosure requirements in paragraph 715-20-50-3.

ASU 2020-07, *“Not-For-Profit Entities (Subtopic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets,”* is effective for reporting periods beginning after June 15, 2021. The amendments in this update address presentation and disclosure of contributed nonfinancial assets.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor’s Report date, which is the date the financial statements were available to be issued.

3. Description of Programs and Supporting Services

The following is a description of the Corporation’s main programs and supporting services:

Mission Programs

The Corporation operates a long-term (12 months or more) recovery program for men, women, and children, in addition to outreach services that provide for the direct care of the needy and homeless populations. These include: a comprehensive recovery program consisting of transitional housing, counseling, education, work training, individual case management, and health care referrals; and Samaritan ministries providing meals, emergency

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shelter, chapel services, and community outreach. The goal of these programs is to equip people to transform their lives and function as productive employees, competent parents, and healthy, self-sufficient citizens to the greatest extent possible.

4. Deposits

Cash is held in banks that carry FDIC insurance. Book balance and bank balance of all cash and cash equivalents at September 30, 2020 are \$6,461,301 and \$6,598,288, respectively. Of the bank balance of \$6,598,288, \$1,159,453 was insured by the FDIC. Book balance and bank balance of all cash and cash equivalents at September 30, 2019 are \$3,322,016 and \$3,510,512, respectively. Of the bank balance of \$3,510,512, \$813,213 was insured by the FDIC. It is the opinion of management that the solvency of the financial institutions is not of particular concern at this time.

5. Investments, at Fair Value

The fair value of the investments as of September 30, 2020 and 2019 is \$663,422 and \$1,793,386, respectively.

The total returns on investments for the years ended September 30, 2020 and 2019 are summarized below:

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 84,022	\$ 73,257
Unrealized gain (loss)	<u>(341)</u>	<u>6,984</u>
Investment gain (loss) recognized	<u>\$ 83,681</u>	<u>\$ 80,241</u>

Accounting principles generally accepted in the United States of America establish a fair value hierarchy that prioritizes the inputs used to determine fair value and requires the Corporation to classify assets and liabilities carried at fair value based on observability of these inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy defined by the topic are:

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Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reported date. Financial assets utilizing Level 1 inputs include active exchange-traded equity securities.

Level 2: Pricing inputs are other than the quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these assets and liabilities includes items for which quoted prices are available but traded less frequently and items that are fair-valued using other financial instruments, the parameters of which can be directly observed.

Level 3: Assets and liabilities that have little to no pricing observability as of the reported date. These items do not have two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation. Level 3 inputs include all inputs that do not meet the requirements of Level 1 or Level 2.

The Corporation had no investments using Level 3 inputs at September 30, 2020 and 2019.

The following table sets forth by level, within the fair value hierarchy, the Corporation's assets at fair value as of September 30, 2020 and 2019:

	2020			2019		
	Total	Level 1	Level 2	Total	Level 1	Level 2
Mutual funds - short obligation	\$ 596,941	\$ 596,941	\$ -	\$ 539,544	\$ 539,544	\$ -
Equity	830	830	-	842	842	-
Cash and cash alternatives:						
Money market	65,651	65,651	-	497	497	-
Certificates of deposit	-	-	-	1,252,503	-	1,252,503
Total	<u>\$ 663,422</u>	<u>\$ 663,422</u>	<u>\$ -</u>	<u>\$ 1,793,386</u>	<u>\$ 540,883</u>	<u>\$ 1,252,503</u>

Investments for the year ended September 30, 2019 include various certificates of deposit. The certificates of deposit are FDIC insured. The certificates of deposit bear interest ranging from 2.40% to 2.60%. There are penalties for early withdrawal; however, any penalty for early withdrawal would not have a material effect on the financial statements.

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6. Certificates of Deposit

Investments for the year ended September 30, 2020 and 2019 include one certificate of deposit in the amount of \$250,000 with original maturity of 18 month. The certificate of deposit is FDIC insured. The certificate of deposit bears interest at 1.80%. There is a penalty for early withdrawal; however, any penalty for early withdrawal would not have a material effect on the financial statements.

7. Pledges Receivable

Pledges receivable are as follows at September 30, 2020:

<u>Years ending September 30</u>	<u>Amount</u>
2021	\$ 990,054
2022	484,367
2023	167,870
2024	<u>150,056</u>
	1,792,347
Less - allowance for uncollectability	<u>(25,925)</u>
	<u>\$ 1,766,422</u>

Financial instruments, including pledges receivable, are valued under the fair market value hierarchy as Level 1, Level 2, and Level 3, as previously discussed in Note 5. As the Corporation's pledges receivable have no significant observable inputs, they are all classified as Level 3.

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The following table summarizes the changes in fair values associated with Level 3 pledges receivable:

September 30, 2018 balance	\$ -
Pledges committed	1,807,861
Collection of pledges	<u>475,781</u>
September 30, 2019 balance	<u>\$ 1,332,080</u>
September 30, 2019 balance	\$ 1,332,080
Pledges committed	1,310,880
Collection of pledges	<u>876,538</u>
September 30, 2020 balance	<u>\$ 1,766,422</u>

Pledges receivable of \$1,792,347 and \$1,314,274 of the total pledges receivable balance relates to the Corporation's Capital Campaign for Homeless Recovery for the years ended September 30, 2020 and 2019, respectively. Uncollectible pledges receivable are expected to be minimal and, therefore, an allowance for uncollectible pledges receivable of \$25,925 and \$8,000 is recorded as of September 30, 2020 and 2019, respectively.

8. Pension Plan

The Corporation has a voluntary-contributory defined contribution retirement plan (retirement plan) covering substantially all of its employees. The Corporation will match an employee deferral up to 4%, although the employee can defer any amount up to IRS limits. Expenses under the retirement plan for the years ended September 30, 2020 and 2019 were \$63,353 and \$66,627, respectively.

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9. Net Assets With Donor Restrictions

Net assets with donor restrictions held for purpose restrictions for September 30, 2020 and 2019 consist of:

	2020	2019
Chaplaincy	\$ -	\$ 2,146
Education and employment	-	676
Food	5,340	9,217
Capital campaign - building project	868,175	2,679,629
Emergency shelter	40,257	-
Outreach	13,163	-
Programs	7,000	-
	<u>\$ 933,935</u>	<u>\$ 2,691,668</u>

Net assets of \$5,198,408 and \$1,210,688 were released from donor restrictions during the fiscal years ended September 30, 2020 and 2019, respectively, by incurring expenses satisfying the restricted purpose.

10. Contingencies

The Corporation is currently receiving revenue under grants and contracts from governmental agencies. Certain of these grants and contracts provide for retroactive repayments of any unexpended revenue based upon an audit of the Corporation's costs of providing the services. Management is of the opinion that adjustments, if any, would not be significant.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

11. Fixed Assets

	September 30, 2019	Additions	Deletions/ Transfers	September 30, 2020
Land	\$ 286,864	\$ -	\$ -	\$ 286,864
Buildings and improvements	3,196,340	19,011	-	3,215,351
Equipment	431,124	-	(9,172)	421,952
Vehicles	126,351	35,680	-	162,031
Construction in progress	1,372,300	5,017,272	(13,060)	6,376,512
	5,412,979	5,071,963	(22,232)	10,462,710
Accumulated depreciation	(1,902,098)	(129,969)	-	(2,032,067)
	\$ 3,510,881	\$ 4,941,994	\$ (22,232)	\$ 8,430,643

	September 30, 2018	Additions	Deletions/ Transfers	September 30, 2019
Land	\$ 72,756	\$ 214,108	\$ -	\$ 286,864
Buildings and improvements	3,107,924	88,416	-	3,196,340
Equipment	406,945	24,179	-	431,124
Vehicles	119,351	7,000	-	126,351
Construction in progress	519,751	856,572	(4,023)	1,372,300
	4,226,727	1,190,275	(4,023)	5,412,979
Accumulated depreciation	(1,785,541)	(116,557)	-	(1,902,098)
	\$ 2,441,186	\$ 1,073,718	\$ (4,023)	\$ 3,510,881

The Corporation has included in Buildings and Improvements a building purchased for mission programs and its applicable improvements. However, as this building is not yet being utilized for the intended mission purpose, and therefore, not yet placed in service, no depreciation has been taken. The building has a carrying value of \$926,202 as of both September 30, 2020 and 2019.

Construction in progress for the years ended September 30, 2020 and 2019 primarily related to construction and improvements for the Voegtly Avenue and Ridge Avenue Properties. As of September 30, 2020 and 2019, \$1,809,719 and \$0, respectively, remain committed under contracts to these activities.

Depreciation expense for the years ended September 30, 2020 and 2019 was \$129,969 and \$116,557, respectively.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

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12. Unemployment Compensation Reserve

The Corporation has elected to self-insure against its unemployment claims and has entered into an unemployment savings program with First Nonprofit, LLC. The Corporation makes quarterly payments into its unemployment savings plan as directed by First Nonprofit, LLC and uses the funds to create a reserve from which unemployment claims are paid when incurred. The Corporation is responsible for all claims up to a maximum of \$77,798, and First Nonprofit, LLC is responsible for all claims exceeding \$77,798, up to a maximum of \$227,798.

The balance in the reserve account was \$66,427 at September 30, 2020 and \$56,300 at September 30, 2019, and earns interest on the average quarterly balance of approximately 2%. The balance is included in prepaid expenses on the statements of financial position. When the Corporation has claims in excess of the reserve account, the Corporation is charged an interest rate of 2%. The Corporation has the option to withdraw the reserve funds from the plan at their discretion.

13. New Markets Tax Credit

In June 2020, PNC New Markets Investment Partners, LLC (PNC), a subsidiary of The PNC Financial Services Group, made a New Markets Tax Credit (NMTC) investment to facilitate the acquisition, construction, development, and leasing of the Voegtly Avenue Mission facility. The NMTC program provides tax incentives for lending institutions with federal tax liabilities by investing in a qualified Community Development Entity (CDE). The funds invested in the CDE are then lent to qualified businesses.

In order to meet the leveraged structure for purposes of generating NMTCs, the Corporation provided \$5,013,750 from investment funds. These funds were loaned to the LOL Voegtly Investment Fund, LLC (Fund), which is wholly owned by PNC.

The Corporation created LOLSC to be the qualified active low-income community business (QALICB) for this project and will transfer the Voegtly Avenue Mission facility to LOLSC once construction is substantially complete. LOLSC will then be leasing the Mission facility back to the Corporation.

The NMTC requires a seven-year compliance period, at the end of which PNC will have the right for six months to put its interest in the Fund to the Corporation, or its assignee, ("Put Option Purchaser") for a payment equal to \$1,000 plus costs (if any). The Corporation (or its

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assignee) shall have a call option at fair market value for six months in the event that the put option is not exercised.

14. Loans Payable

In connection with the NMTC, LOLSC received four loans from Qualified Community Development Entities (CDEs) totaling \$7,260,000 for the acquisition, construction, development, and leasing of the Voegtly Avenue Mission facility. The loans mature on December 31, 2054 and have a fixed interest rate of 1.00%. Quarterly interest-only payments are due until March 5, 2028, at which time quarterly principal payments begin. The loans are secured by the mortgage and other loan documents.

Beginning March 15, 2028, future debt principal payments will be offset by principal payments received from the note receivable discussed in Note 2. Future debt and note receivable principal payments are as follows:

	<u>Debt Principal</u>	<u>Note Receivable *</u>	<u>Net</u>
2021	\$ -	\$ -	\$ -
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026 - 2030	762,353	663,450	98,903
2031 - 2035	1,214,088	1,171,257	42,831
Thereafter	5,283,559	3,179,043	2,104,516
	<u>\$ 7,260,000</u>	<u>\$ 5,013,750</u>	<u>\$ 2,246,250</u>

* Represents December 31 year-end balances

15. Lines of Credit

The Corporation has one operating line of credit with a regional financial institution: \$350,000 with an interest rate of 4.25%. Additionally, the Corporation entered into a line of credit agreement in July 2019 to defray certain costs of renovation and construction to the building and premises located at Voegtly Avenue, for \$900,000, with the interest rate of 4.00%. This

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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line of credit is collaterally secured by the Corporations grant proceeds. As of September 30, 2020 and 2019, the outstanding balance of the lines of credit was \$0.

16. Liquidity and Availability

The Corporation manages its liquid resources by focusing on fundraising efforts to ensure the entity has adequate contributions and grants to cover the programs that are being conducted. The Corporation prepares very detailed budgets and has been very active in fundraising as well as cost management to ensure the entity remains liquid. Additionally, as noted in Note 15, the Corporation has two lines of credit on which it can draw.

The following reflects the Corporation's financial assets (cash and cash equivalents, grants and accounts receivable, pledges receivable, and investments) as of September 30, 2020 and 2019, expected to be available within one year to meet the cash needs for general expenditures:

	<u>2020</u>	<u>2019</u>
Financial assets, at year-end	\$ 5,156,797	\$ 6,725,048
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Designated by the Board	(2,523,995)	(2,523,995)
Restricted by donor with purpose restrictions	<u>(933,935)</u>	<u>(2,691,668)</u>
Financial asset available to meet cash needs for general expenditures within one year	<u>\$ 1,698,867</u>	<u>\$ 1,509,385</u>

17. Paycheck Protection Program

In April 2020, the Corporation 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 \$690,100 (PPP Loan). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first ten months (after the end of the covered period) of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Corporation's request to the

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Corporation. The PPP loan is being treated as a conditional federal grant for which all conditions have not yet been met as of September 30, 2020. Therefore, the PPP loan proceeds are shown as a refundable advance in the accompanying statements of financial position. Subsequent to the year ended September 30, 2020, the Corporation applied for and received forgiveness of the PPP Loan in its entirety.

18. Risks and Uncertainties

The coronavirus pandemic remains a rapidly evolving situation. The extent of the impact of the coronavirus on the Corporation and financial results will depend on future developments, including the duration and spread of the outbreak within the markets in which the Corporation operates, the related impact on the federal budget, and the state of Pennsylvania's budget, all of which are highly uncertain.

SUPPLEMENTARY INFORMATION

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

YEAR ENDED SEPTEMBER 30, 2020

Assets	Light of Life Ministries, Inc.	L2 Community Support	Light of Life Support Corporation	Subtotal	Eliminations	Total
Current assets:						
Cash and cash equivalents	\$ 2,359,994	\$ (3,592)	\$ -	\$ 2,356,402	\$ -	\$ 2,356,402
Restricted cash, construction	-	-	4,077,730	4,077,730	-	4,077,730
Restricted cash, client accounts	27,169	-	-	27,169	-	27,169
Due from Light of Life	-	1,427	3,161,671	3,163,098	(3,163,098)	-
Grants and accounts receivable	73,172	47,379	-	120,551	-	120,551
Pledges receivable	990,054	-	-	990,054	-	990,054
Inventory	314,615	-	-	314,615	-	314,615
Prepaid expenses	347,379	3,894	-	351,273	-	351,273
Total current assets	4,112,383	49,108	7,239,401	11,400,892	(3,163,098)	8,237,794
Noncurrent assets:						
Note receivable	5,013,750	-	-	5,013,750	-	5,013,750
Pledges receivable, net of allowance	776,368	-	-	776,368	-	776,368
Investments:						
Investments, at fair value	663,422	-	-	663,422	-	663,422
Certificates of deposit	250,000	-	-	250,000	-	250,000
Total investments	913,422	-	-	913,422	-	913,422
Fixed assets at cost:						
Land	286,864	-	-	286,864	-	286,864
Buildings and improvements	3,215,351	-	-	3,215,351	-	3,215,351
Equipment	421,952	-	-	421,952	-	421,952
Vehicles	162,031	-	-	162,031	-	162,031
Construction in progress	6,376,512	-	-	6,376,512	-	6,376,512
Total fixed assets at cost	10,462,710	-	-	10,462,710	-	10,462,710
Less: accumulated depreciation	2,032,067	-	-	2,032,067	-	2,032,067
Net fixed assets	8,430,643	-	-	8,430,643	-	8,430,643
Total noncurrent assets	15,134,183	-	-	15,134,183	-	15,134,183
Total Assets	\$ 19,246,566	\$ 49,108	\$ 7,239,401	\$ 26,535,075	\$ (3,163,098)	\$ 23,371,977

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

YEAR ENDED SEPTEMBER 30, 2020

(Continued)

Liabilities and Net Assets	Light of Life Ministries, Inc.	L2 Community Support	Light of Life Support Corporation	Subtotal	Eliminations	Total
Liabilities:						
Current liabilities:						
Accounts payable	\$ 1,517,834	\$ 29,583	\$ -	\$ 1,547,417	\$ -	\$ 1,547,417
Restricted cash, client accounts	27,169	-	-	27,169	-	27,169
Accrued payroll and payroll taxes	126,584	-	-	126,584	-	126,584
Refundable advance	690,100	-	-	690,100	-	690,100
Due to affiliates	3,163,098	-	-	3,163,098	(3,163,098)	-
Other current liabilities	9,796	-	-	9,796	-	9,796
Total current liabilities	5,534,581	29,583	-	5,564,164	(3,163,098)	2,401,066
Noncurrent liabilities:						
Loan payable	-	-	7,260,000	7,260,000	-	7,260,000
Total Liabilities	5,534,581	29,583	7,260,000	12,824,164	(3,163,098)	9,661,066
Net Assets:						
Without donor restrictions:						
Board-designated	2,523,995	-	-	2,523,995	-	2,523,995
Undesignated	10,254,055	19,525	(20,599)	10,252,981	-	10,252,981
Total without donor restrictions	12,778,050	19,525	(20,599)	12,776,976	-	12,776,976
With donor restrictions	933,935	-	-	933,935	-	933,935
Total Net Assets	13,711,985	19,525	(20,599)	13,710,911	-	13,710,911
Total Liabilities and Net Assets	\$ 19,246,566	\$ 49,108	\$ 7,239,401	\$ 26,535,075	\$ (3,163,098)	\$ 23,371,977

(Concluded)

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

YEAR ENDED SEPTEMBER 30, 2019

Assets	Light of Life Ministries, Inc.	L2 Community Support	Light of Life Support Corporation	Subtotal	Eliminations	Total
Current assets:						
Cash and cash equivalents	\$ 3,139,263	\$ 147,513	\$ -	\$ 3,286,776	\$ -	\$ 3,286,776
Restricted cash, construction	-	-	-	-	-	-
Restricted cash, client accounts	35,240	-	-	35,240	-	35,240
Due from Light of Life	-	-	-	-	-	-
Grants and accounts receivable	16,665	46,141	-	62,806	-	62,806
Pledges receivable	595,918	-	-	595,918	-	595,918
Inventory	353,997	-	-	353,997	-	353,997
Prepaid expenses	178,708	596	-	179,304	-	179,304
Total current assets	4,319,791	194,250	-	4,514,041	-	4,514,041
Noncurrent assets:						
Note receivable	-	-	-	-	-	-
Pledges receivable, net of allowance	736,162	-	-	736,162	-	736,162
Investments:						
Investments, at fair value	1,793,386	-	-	1,793,386	-	1,793,386
Certificates of deposit	250,000	-	-	250,000	-	250,000
Total investments	2,043,386	-	-	2,043,386	-	2,043,386
Fixed assets at cost:						
Land	286,864	-	-	286,864	-	286,864
Buildings and improvements	3,196,340	-	-	3,196,340	-	3,196,340
Equipment	431,124	-	-	431,124	-	431,124
Vehicles	126,351	-	-	126,351	-	126,351
Construction in progress	1,372,300	-	-	1,372,300	-	1,372,300
Total fixed assets at cost	5,412,979	-	-	5,412,979	-	5,412,979
Less: accumulated depreciation	1,902,098	-	-	1,902,098	-	1,902,098
Net fixed assets	3,510,881	-	-	3,510,881	-	3,510,881
Total noncurrent assets	6,290,429	-	-	6,290,429	-	6,290,429
Total Assets	\$ 10,610,220	\$ 194,250	\$ -	\$ 10,804,470	\$ -	\$ 10,804,470

(Continued)

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

YEAR ENDED SEPTEMBER 30, 2019

(Continued)

Liabilities and Net Assets	Light of Life Ministries, Inc.	L2 Community Support	Light of Life Support Corporation	Subtotal	Eliminations	Total
Liabilities:						
Current liabilities:						
Accounts payable	\$ 538,751	\$ 18,181	\$ -	\$ 556,932	\$ -	\$ 556,932
Restricted cash, client accounts	35,240	-	-	35,240	-	35,240
Refundable advance	-	-	-	-	-	-
Due to affiliates	-	-	-	-	-	-
Accrued payroll and payroll taxes	91,404	-	-	91,404	-	91,404
Other current liabilities	1,862	-	-	1,862	-	1,862
Total current liabilities	667,257	18,181	-	685,438	-	685,438
Noncurrent liabilities:						
Loan payable	-	-	-	-	-	-
Total Liabilities	667,257	18,181	-	685,438	-	685,438
Net Assets:						
Without donor restrictions:						
Board-designated	2,523,995	-	-	2,523,995	-	2,523,995
Undesignated	4,727,300	176,069	-	4,903,369	-	4,903,369
Total without donor restrictions	7,251,295	176,069	-	7,427,364	-	7,427,364
With donor restrictions	2,691,668	-	-	2,691,668	-	2,691,668
Total Net Assets	9,942,963	176,069	-	10,119,032	-	10,119,032
Total Liabilities and Net Assets	\$ 10,610,220	\$ 194,250	\$ -	\$ 10,804,470	\$ -	\$ 10,804,470

(Concluded)

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2020

	Light of Life Ministries, Inc.	L2 Community Support	Light of Life Support Corporation	Subtotal	Eliminations	Total
Net Assets Without Donor Restrictions:						
Support and revenues:						
Contributions	\$ 6,747,345	\$ 190,000	\$ -	\$ 6,937,345	\$ (190,000)	\$ 6,747,345
Government grants	25,895	148,588	-	174,483	-	174,483
In-kind and food contributions	1,957,396	-	-	1,957,396	-	1,957,396
Capital campaign contributions	-	-	-	-	-	-
Special events	374,795	-	-	374,795	-	374,795
Program fees	9,851	-	-	9,851	-	9,851
Investment income	83,681	-	-	83,681	-	83,681
Miscellaneous	101,184	430	576	102,190	-	102,190
Released from restrictions	5,198,408	-	-	5,198,408	-	5,198,408
Total support and revenues	14,498,555	339,018	576	14,838,149	(190,000)	14,648,149
Expenses:						
Program:						
Mission	6,046,941	487,411	21,175	6,555,527	(190,000)	6,365,527
Management and general	877,186	7,704	-	884,890	-	884,890
Fundraising	2,047,673	447	-	2,048,120	-	2,048,120
Total expenses	8,971,800	495,562	21,175	9,488,537	(190,000)	9,298,537
Change in Net Assets Without Donor Restrictions	5,526,755	(156,544)	(20,599)	5,349,612	-	5,349,612
Net Assets With Donor Restrictions:						
Grants/contributions	250,727	-	-	250,727	-	250,727
Capital campaign contributions	3,189,948	-	-	3,189,948	-	3,189,948
Net assets released from restrictions	(5,198,408)	-	-	(5,198,408)	-	(5,198,408)
Change in Net Assets With Donor Restrictions	(1,757,733)	-	-	(1,757,733)	-	(1,757,733)
Change in Net Assets	3,769,022	(156,544)	(20,599)	3,591,879	-	3,591,879
Net Assets:						
Beginning of year	9,942,963	176,069	-	10,119,032	-	10,119,032
End of year	<u>\$ 13,711,985</u>	<u>\$ 19,525</u>	<u>\$ (20,599)</u>	<u>\$ 13,710,911</u>	<u>\$ -</u>	<u>\$ 13,710,911</u>

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2019

	Light of Life Ministries, Inc.	L2 Community Support	Light of Life Support Corporation	Subtotal	Eliminations	Total
Net Assets Without Donor Restrictions:						
Support and revenues:						
Contributions	\$ 5,545,887	\$ 360,796	\$ -	\$ 5,906,683	\$ (360,796)	\$ 5,545,887
Government grants	-	151,233	-	151,233	-	151,233
In-kind and food contributions	1,174,711	-	-	1,174,711	-	1,174,711
Capital campaign contributions	441,800	-	-	441,800	-	441,800
Special events	411,541	-	-	411,541	-	411,541
Program fees	27,562	-	-	27,562	-	27,562
Investment income	80,241	-	-	80,241	-	80,241
Miscellaneous	14,354	8,459	-	22,813	-	22,813
Released from restrictions	1,210,688	-	-	1,210,688	-	1,210,688
	<u>8,906,784</u>	<u>520,488</u>	<u>-</u>	<u>9,427,272</u>	<u>(360,796)</u>	<u>9,066,476</u>
Total support and revenues						
Expenses:						
Program:						
Mission	5,266,722	622,705	-	5,889,427	(360,796)	5,528,631
Management and general	562,429	11,342	-	573,771	-	573,771
Fundraising	1,835,448	1,041	-	1,836,489	-	1,836,489
	<u>7,664,599</u>	<u>635,088</u>	<u>-</u>	<u>8,299,687</u>	<u>(360,796)</u>	<u>7,938,891</u>
Total expenses						
Change in Net Assets Without Donor Restrictions	<u>1,242,185</u>	<u>(114,600)</u>	<u>-</u>	<u>1,127,585</u>	<u>-</u>	<u>1,127,585</u>
Net Assets With Donor Restrictions:						
Grants/contributions	213,552	-	-	213,552	-	213,552
Capital campaign contributions	3,675,404	-	-	3,675,404	-	3,675,404
Net assets released from restrictions	(1,210,688)	-	-	(1,210,688)	-	(1,210,688)
	<u>2,678,268</u>	<u>-</u>	<u>-</u>	<u>2,678,268</u>	<u>-</u>	<u>2,678,268</u>
Change in Net Assets With Donor Restrictions						
Change in Net Assets	<u>3,920,453</u>	<u>(114,600)</u>	<u>-</u>	<u>3,805,853</u>	<u>-</u>	<u>3,805,853</u>
Net Assets:						
Beginning of year	6,022,510	290,669	-	6,313,179	-	6,313,179
End of year	<u>\$ 9,942,963</u>	<u>\$ 176,069</u>	<u>\$ -</u>	<u>\$ 10,119,032</u>	<u>\$ -</u>	<u>\$ 10,119,032</u>