

Light of Life Ministries, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information

Years Ended September 30, 2021 and 2020
with Independent Auditor's Report

MaherDuessel

Pursuing the profession while promoting the public good©
www.md-cpas.com

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

TABLE OF CONTENTS

Independent Auditor's Report

Consolidated Financial Statements:

Consolidated Statements of Financial Position	1
Consolidated Statements of Activities	2
Consolidated Statements of Functional Expenses:	
- Year Ended September 30, 2021	3
- Year Ended September 30, 2020	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6

Supplementary Information:

Consolidating Schedules of Financial Position:	
- September 30, 2021	24
- September 30, 2020	26
Consolidating Schedules of Activities:	
- Year Ended September 30, 2021	28
- Year Ended September 30, 2020	29

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. and Affiliates, which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, 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, 2021 and 2020, 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.

Maher Duessel

Pittsburgh, Pennsylvania
December 20, 2021

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2021 AND 2020

	2021	2020
Assets		
<hr/>		
Current assets:		
Cash and cash equivalents	\$ 6,401,989	\$ 2,356,402
Restricted cash, New Market Tax Credit	153,292	4,077,730
Restricted cash, client accounts	16,966	27,169
Grants and accounts receivable	127,105	120,551
Pledges receivable	641,213	990,054
Inventory	60,842	314,615
Prepaid expenses	354,387	351,273
Total current assets	7,755,794	8,237,794
Noncurrent assets:		
Note receivable	5,013,750	5,013,750
Pledges receivable, net	477,559	776,368
Investments:		
Investments, at fair value	345,073	663,422
Certificates of deposit	-	250,000
Total investments	345,073	913,422
Fixed assets at cost:		
Land	286,864	286,864
Buildings and improvements	11,020,521	3,215,351
Equipment	994,063	421,952
Vehicles	187,433	162,031
Construction in progress	908,018	6,376,512
Total fixed assets at cost	13,396,899	10,462,710
Less: accumulated depreciation	2,338,126	2,032,067
Net fixed assets	11,058,773	8,430,643
Total noncurrent assets	16,895,155	15,134,183
Total Assets	\$ 24,650,949	\$ 23,371,977
Liabilities and Net Assets		
<hr/>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 339,921	\$ 1,547,417
Restricted cash, client accounts	16,966	27,169
Accrued payroll and payroll taxes	182,300	126,584
Refundable advance	62,131	690,100
Other current liabilities	6,843	9,796
Total current liabilities	608,161	2,401,066
Noncurrent liabilities:		
Loans payable	7,260,000	7,260,000
Total Liabilities	7,868,161	9,661,066
Net Assets:		
Without donor restrictions:		
Board-designated	2,500,000	2,523,995
Undesignated	12,150,812	10,252,981
Total without donor restrictions	14,650,812	12,776,976
With donor restrictions	2,131,976	933,935
Total Net Assets	16,782,788	13,710,911
Total Liabilities and Net Assets	\$ 24,650,949	\$ 23,371,977

See accompanying notes to consolidated financial statements.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES

SEPTEMBER 30, 2021 AND 2020

	2021	2020
Net Assets Without Donor Restrictions:		
<hr/>		
Support and revenues:		
Contributions	\$ 8,327,981	\$ 6,747,345
Government grants	247,466	174,483
In-kind and food contributions	1,609,568	1,957,396
Special events	129,731	374,795
Program fees	7,616	9,851
Investment income	75,934	83,681
Food truck, net	(23,745)	(2,888)
Miscellaneous	34,417	101,881
Released from restrictions	673,546	5,198,408
	<hr/>	<hr/>
Total support and revenues	11,082,514	14,644,952
Expenses:		
Program:		
Mission	6,372,776	6,365,527
Management and general	1,034,800	884,890
Fundraising	1,801,102	2,044,923
	<hr/>	<hr/>
Total expenses	9,208,678	9,295,340
Change in Net Assets Without Donor Restrictions	<hr/>	<hr/>
	1,873,836	5,349,612
Net Assets With Donor Restrictions:		
<hr/>		
Grants/contributions	370,570	250,727
Capital campaign contributions	1,501,017	3,189,948
Net assets released from restrictions	(673,546)	(5,198,408)
	<hr/>	<hr/>
Change in Net Assets With Donor Restrictions	1,198,041	(1,757,733)
Change in Net Assets	3,071,877	3,591,879
Net Assets:		
<hr/>		
Beginning of year	13,710,911	10,119,032
End of year	<hr/>	<hr/>
	\$ 16,782,788	\$ 13,710,911

See accompanying notes to consolidated financial statements.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2021

	Totals	Mission Program	Management and General	Fundraising
Direct expenses:				
Salaries	\$ 2,962,889	\$ 2,020,439	\$ 523,740	\$ 418,710
Benefits	976,303	660,652	192,207	123,444
Food	1,177,040	1,177,040	-	-
In-kind donation expense	824,380	824,380	-	-
Building and occupancy costs	380,710	346,147	23,988	10,575
Depreciation	306,059	242,579	34,939	28,541
Client costs	246,952	246,913	-	39
Insurance	111,850	83,608	25,236	3,006
Professional fees	41,362	550	40,812	-
Vehicle and travel	59,947	49,020	9,686	1,241
Telephone	110,528	73,264	24,330	12,934
Equipment	95,273	48,109	31,982	15,182
Supplies	122,878	116,045	3,315	3,518
Training	27,720	14,063	13,322	335
Postage	165,784	64,704	1,648	99,432
Contracted services	1,156,240	286,207	86,507	783,526
Advertising	79,619	17,535	-	62,084
Special events	47,278	-	-	47,278
Program donations	-	-	-	-
Interest	72,600	72,600	-	-
Miscellaneous	243,266	28,921	23,088	191,257
Total expenses	<u>\$ 9,208,678</u>	<u>\$ 6,372,776</u>	<u>\$ 1,034,800</u>	<u>\$ 1,801,102</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	\$ 2,933,081	\$ 1,984,966	\$ 480,951	\$ 467,164
Benefits	925,907	700,327	103,375	122,205
Food	954,317	953,902	-	415
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	64,763	53,712	6,704	4,347
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	100,344	92,513	2,810	5,021
Training	42,259	14,668	26,465	1,126
Postage	32,817	14,092	3,812	14,913
Contracted services	1,311,795	169,504	91,032	1,051,259
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	255,021	43,826	77,474	133,721
Total expenses	<u>\$ 9,295,340</u>	<u>\$ 6,365,527</u>	<u>\$ 884,890</u>	<u>\$ 2,044,923</u>

See accompanying notes to consolidated financial statements.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

SEPTEMBER 30, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	\$ 3,071,877	\$ 3,591,879
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	306,059	129,969
Net unrealized (gain) loss on investments	407	341
Change in:		
Grants and accounts receivable	(6,554)	(57,745)
Pledges receivable	647,650	(434,342)
Inventory	253,773	39,382
Prepaid expenses	(3,114)	(171,969)
Accounts payable	(1,207,496)	990,485
Accrued payroll and payroll taxes	55,716	35,180
Refundable advance	(627,969)	690,100
Other current liabilities	(2,953)	7,934
Total adjustments	(584,481)	1,229,335
Net cash provided by (used in) operating activities	2,487,396	4,821,214
Cash Flows From Investing Activities:		
Purchase of investments	(623)	(2,113,445)
Sale of investments	568,565	3,243,068
Leverage loan - NMTC	-	(5,013,750)
Purchase of property, equipment, and improvements	(2,959,529)	(5,049,731)
Proceeds from disposal of property, equipment, and improvements	25,340	-
Net cash provided by (used in) investing activities	(2,366,247)	(8,933,858)
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	121,149	3,147,356
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents:		
Beginning of year	6,434,132	3,286,776
End of year	\$ 6,555,281	\$ 6,434,132
Reconciliation to Statement of Financial Position:		
Cash and cash equivalents	\$ 6,401,989	\$ 2,356,402
Restricted cash, New Market Tax Credit	153,292	4,077,730
	\$ 6,555,281	\$ 6,434,132
Supplemental Information:		
Interest paid	\$ 72,600	\$ 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, 2021 AND 2020

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, 2021 AND 2020

The September 30, 2021 and 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.

Light of Life Ministries, Inc. contributed \$322,514 and \$190,000, respectively, to L2CS to support L2CS operations until the grant revenue was received during the years ended September 30, 2021 and 2020. During the years ended September 30, 2021 and 2020, intercompany receivables and payables totaled \$0 and \$1,427, respectively, between Light of Life Ministries, Inc. and L2CS.

Light of Life Ministries, Inc. transferred capital assets totaling approximately \$8 million to LOLSC during the year ended September 30, 2021 related to the Voegtly Mission. Additionally, a lease agreement was entered into for the Voegtly Mission between Light of Life Ministries, Inc and LOLSC. Rental expense/income for the entities was \$67,500 and \$0, respectively, for the years ended September 30, 2021 and 2020. Future minimum lease payments are as follows:

<u>Year ending Septemeber 30,</u>	<u>Total</u>
2022	\$ 90,000
2023	90,000
2024	90,000
2025	90,000
2026	90,000
Thereafter	<u>6,432,500</u>
	<u>\$ 6,882,500</u>

LOLSC contributed \$13,050 and \$0, respectively, to Light of Life Ministries, Inc during the years ended September 30, 2021 and 2020. During the years ended September 30, 2021 and 2020, intercompany receivables and payables totaled approximately \$0 and \$3.2 million 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.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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 \$2,500,000 and \$2,523,995, respectively, for the years ended September 30, 2021 and 2020, 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 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, 2021 and 2020.

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 – New Market Tax Credits

Funds held for the purpose of new market tax credit related costs include cash and cash equivalents of \$153,292 and \$4,077,730 for September 30, 2021 and 2020, 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.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Restricted Cash – Funds Held for Clients

Funds held for clients include cash and cash equivalents of \$16,966 and \$27,169 for September 30, 2021 and 2020, 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, 2021 and 2020. 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.

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.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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 \$306,059 and \$129,969 for the years ended September 30, 2021 and 2020, 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 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, 2021 and 2020.

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

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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 consolidated statements of financial position. The Corporation was awarded cost-reimbursable grants of \$144,727 and \$143,425 that were not received as of year ended September 30, 2021 and 2020, respectively. These grants have not been recognized at September 30, 2021 and 2020 because qualifying expenditures have not yet been incurred.

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.

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, 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.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Concentration of Risk Factors

The Corporation's main source of revenue is earned through contributions from the Southwestern Pennsylvania area. Thus, economic and demographic influences of individuals, corporations, and foundations in this 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.

Reclassification

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

Adopted Accounting Standard

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

ASU 2018-13, "*Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820)*." The amendments remove and modify certain fair value hierarchy leveling disclosures. The implementation of these amendments was applied retrospectively to all periods presented. Implementation resulted in financial statement disclosure modifications only.

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.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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 2018-15, *“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.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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 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, 2021 are \$6,572,247 and \$6,691,667, respectively. Of the bank balance of \$6,691,667, \$408,966 was insured by the FDIC. 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. It is the opinion of management that the solvency of the financial institutions is not of particular concern at this time.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

5. Investments, at Fair Value

The fair value of the investments as of September 30, 2021 and 2020 is \$345,073 and \$663,422, respectively.

The total returns on investments for the years ended September 30, 2021 and 2020 are summarized below:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 4,243	\$ 62,994
Interest - NMTC	72,098	21,028
Unrealized gain (loss)	<u>(407)</u>	<u>(341)</u>
Investment gain (loss) recognized	<u>\$ 75,934</u>	<u>\$ 83,681</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:

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.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

The Corporation had no investments using Level 2 or 3 inputs at September 30, 2021 and 2020. The following table sets forth by level, within the fair value hierarchy, the Corporation's assets at fair value as of September 30, 2021 and 2020:

	2021		2020	
	Total	Level 1	Total	Level 1
Mutual funds - short obligation	\$ 331,638	\$ 331,638	\$ 596,941	\$ 596,941
Equity	12,621	12,621	830	830
Money market	814	814	65,651	65,651
Total	<u>\$ 345,073</u>	<u>\$ 345,073</u>	<u>\$ 663,422</u>	<u>\$ 663,422</u>

6. Certificates of Deposit

Investments for the year ended September 30, 2020 include one certificate of deposit in the amount of \$250,000 with original maturity of 18 month. The certificate of deposit was FDIC insured. The certificate of deposit bore interest at 1.80%. This certificate of deposit matured during the year ended September 30, 2021.

7. Pledges Receivable

Pledges receivable are as follows at September 30, 2021:

Years ending September 30,	Amount
2022	\$ 641,213
2023	296,733
2024	205,714
2025	<u>1,037</u>
	1,144,697
Less - allowance for uncollectability	<u>(25,925)</u>
	<u>\$ 1,118,772</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.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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

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>
September 30, 2020 balance	\$ 1,766,422
Pledges committed	399,305
Collection of pledges	<u>1,046,955</u>
September 30, 2021 balance	<u>\$ 1,118,772</u>

Pledges receivable of \$1,144,697 and \$1,792,347 of the total pledges receivable balance relates to the Corporation's Capital Campaign for Homeless Recovery for the years ended September 30, 2021 and 2020, respectively. Uncollectible pledges receivable are expected to be minimal and, therefore, an allowance for uncollectible pledges receivable of \$25,925 is recorded as of September 30, 2021 and 2020.

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, 2021 and 2020 were \$48,882 and \$63,353, respectively.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

9. Net Assets With Donor Restrictions

Net assets with donor restrictions held for purpose restrictions for September 30, 2021 and 2020 consist of:

	2021	2020
Food	\$ 26,769	\$ 5,340
Capital campaign - building project	1,993,318	868,175
Emergency shelter	-	40,257
Outreach	-	13,163
Women and Children Programs	43,072	-
	68,817	7,000
	<u>\$ 2,131,976</u>	<u>\$ 933,935</u>

Net assets of \$673,546 and \$5,198,408 were released from donor restrictions during the fiscal years ended September 30, 2021 and 2020, 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.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

11. Fixed Assets

	September 30, 2020	Additions/ Transfers	Deletions/ Transfers	September 30, 2021
Land	\$ 286,864	\$ -	\$ -	\$ 286,864
Buildings and improvements	3,215,351	7,805,170	-	11,020,521
Equipment	421,952	572,111	-	994,063
Vehicles	162,031	25,402	-	187,433
Construction in progress	6,376,512	2,910,752	(8,379,246)	908,018
	<u>10,462,710</u>	<u>11,313,435</u>	<u>(8,379,246)</u>	<u>13,396,899</u>
Accumulated depreciation	<u>(2,032,067)</u>	<u>(306,059)</u>	<u>-</u>	<u>(2,338,126)</u>
	<u>\$ 8,430,643</u>	<u>\$ 11,007,376</u>	<u>\$ (8,379,246)</u>	<u>\$ 11,058,773</u>

	September 30, 2019	Additions/ Transfers	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
	<u>5,412,979</u>	<u>5,071,963</u>	<u>(22,232)</u>	<u>10,462,710</u>
Accumulated depreciation	<u>(1,902,098)</u>	<u>(129,969)</u>	<u>-</u>	<u>(2,032,067)</u>
	<u>\$ 3,510,881</u>	<u>\$ 4,941,994</u>	<u>\$ (22,232)</u>	<u>\$ 8,430,643</u>

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, 2021 and 2020.

Construction in progress for the years ended September 30, 2021 and 2020 primarily related to construction and improvements for the Voegtly Street and Ridge Avenue Properties. As of September 30, 2021 and 2020, \$3,625,637 and \$1,809,719, respectively, remain committed under contracts to these activities.

Depreciation expense for the years ended September 30, 2021 and 2020 was \$306,059 and \$129,969, respectively.

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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 \$84,021, and First Nonprofit, LLC is responsible for all claims exceeding \$84,021, up to a maximum of \$234,021.

The balance in the reserve account was \$59,941 at September 30, 2021 and \$72,951 at September 30, 2020, 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 Street 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 transferred the Voegtly Street Mission facility to LOLSC during the year ended September 30, 2021, once construction was substantially complete. LOLSC is leasing the Mission facility back to the Corporation as noted in Note 1.

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

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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 Street 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>
2022	\$ -	\$ -	\$ -
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027 - 2031	1,000,344	891,025	109,319
2032 - 2036	1,226,274	1,188,191	38,083
Thereafter	<u>5,033,382</u>	<u>2,934,534</u>	<u>2,098,848</u>
	<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 had 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 Street, for \$900,000, with the interest rate of

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

4.00%. This line of credit was collaterally secured by the Corporations grant proceeds. As of September 30, 2021, both lines of credit were closed.

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.

The following reflects the Corporation's financial assets (cash and cash equivalents, grants and accounts receivable, current pledges receivable, and investments) as of September 30, 2021 and 2020, expected to be available within one year to meet the cash needs for general expenditures:

	<u>2021</u>	<u>2020</u>
Financial assets, at year-end	\$ 7,515,380	\$ 4,380,429
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Designated by the Board	(2,500,000)	(2,523,995)
Restricted by donor with purpose restrictions	<u>(2,131,976)</u>	<u>(933,935)</u>
Financial asset available to meet cash needs for general expenditures within one year	<u>\$ 2,883,404</u>	<u>\$ 922,499</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, 2021 AND 2020

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. In February 2021, the PPP loan was forgiven in its entirety and has been included as grant revenue within the accompanying consolidated statements of activities for the year ended September 30, 2021.

18. Subsequent Event

Subsequent to year-end, in November 2021, the Corporation approved the creation of a new entity, Light of Life Support Corporation 2 (LOLSC2), to receive a NMTC transaction for the renovation of the Ridge Place Building. Once all necessary documentation has been filed for the creation of this entity Light of Life Ministries, Inc. will transfer the Ridge Place Building real estate to LOLSC2.

SUPPLEMENTARY INFORMATION

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

YEAR ENDED SEPTEMBER 30, 2021

Assets	Light of Life Ministries, Inc.	L2 Community Support	Light of Life Support Corporation	Subtotal	Eliminations	Total
Current assets:						
Cash and cash equivalents	\$ 6,378,381	\$ 23,608	\$ -	\$ 6,401,989	\$ -	\$ 6,401,989
Restricted cash, New Market Tax Credit	-	-	153,292	153,292	-	153,292
Restricted cash, client accounts	16,966	-	-	16,966	-	16,966
Due from Light of Life	-	-	-	-	-	-
Grants and accounts receivable	81,028	46,077	-	127,105	-	127,105
Pledges receivable	641,213	-	-	641,213	-	641,213
Inventory	60,842	-	-	60,842	-	60,842
Prepaid expenses	343,907	10,152	328	354,387	-	354,387
Total current assets	7,522,337	79,837	153,620	7,755,794	-	7,755,794
Noncurrent assets:						
Note receivable	5,013,750	-	-	5,013,750	-	5,013,750
Pledges receivable, net of allowance	477,559	-	-	477,559	-	477,559
Investments:						
Investments, at fair value	8,364,351	-	-	8,364,351	(8,019,278)	345,073
Certificates of deposit	-	-	-	-	-	-
Total investments	8,364,351	-	-	8,364,351	(8,019,278)	345,073
Fixed assets at cost:						
Land	72,756	-	214,108	286,864	-	286,864
Buildings and improvements	3,215,350	-	7,805,171	11,020,521	-	11,020,521
Equipment	994,063	-	-	994,063	-	994,063
Vehicles	187,433	-	-	187,433	-	187,433
Construction in progress	908,018	-	-	908,018	-	908,018
Total fixed assets at cost	5,377,620	-	8,019,279	13,396,899	-	13,396,899
Less: accumulated depreciation	2,224,301	-	113,825	2,338,126	-	2,338,126
Net fixed assets	3,153,319	-	7,905,454	11,058,773	-	11,058,773
Total noncurrent assets	17,008,979	-	7,905,454	24,914,433	(8,019,278)	16,895,155
Total Assets	\$ 24,531,316	\$ 79,837	\$ 8,059,074	\$ 32,670,227	\$ (8,019,278)	\$ 24,650,949

LIGHT OF LIFE MINISTRIES, INC. AND AFFILIATES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

YEAR ENDED SEPTEMBER 30, 2021

(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	\$ 320,914	\$ 19,007	\$ -	\$ 339,921	\$ -	\$ 339,921
Restricted cash, client accounts	16,966	-	-	16,966	-	16,966
Accrued payroll and payroll taxes	182,300	-	-	182,300	-	182,300
Refundable advance	62,131	-	-	62,131	-	62,131
Due to Light of Life	-	-	-	-	-	-
Due to affiliates	-	-	-	-	-	-
Other current liabilities	6,843	-	-	6,843	-	6,843
Total current liabilities	589,154	19,007	-	608,161	-	608,161
Noncurrent liabilities:						
Loan payable	-	-	7,260,000	7,260,000	-	7,260,000
Total Liabilities	589,154	19,007	7,260,000	7,868,161	-	7,868,161
Net Assets:						
Without donor restrictions:						
Board-designated	2,500,000	-	-	2,500,000	-	2,500,000
Undesignated	19,310,186	60,830	799,074	20,170,090	(8,019,278)	12,150,812
Total without donor restrictions	21,810,186	60,830	799,074	22,670,090	(8,019,278)	14,650,812
With donor restrictions	2,131,976	-	-	2,131,976	-	2,131,976
Total Net Assets	23,942,162	60,830	799,074	24,802,066	(8,019,278)	16,782,788
Total Liabilities and Net Assets	\$ 24,531,316	\$ 79,837	\$ 8,059,074	\$ 32,670,227	\$ (8,019,278)	\$ 24,650,949

(Concluded)

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

(Continued)

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 Light of Life	-	-	-	-	-	-
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 ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2021

	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	\$ 8,341,031	\$ 322,514	\$ -	\$ 8,663,545	\$ (335,564)	\$ 8,327,981
Government grants	65,561	181,905	-	247,466	-	247,466
In-kind and food contributions	1,609,568	-	-	1,609,568	-	1,609,568
Special events	129,731	-	-	129,731	-	129,731
Program fees	7,616	-	-	7,616	-	7,616
Rental income	-	-	67,500	67,500	(67,500)	-
Investment income	75,934	-	-	75,934	-	75,934
Food truck, net	(23,745)	-	-	(23,745)	-	(23,745)
Miscellaneous	90,393	-	842	91,235	(56,818)	34,417
Released from restrictions	673,546	-	-	673,546	-	673,546
Total support and revenues	10,969,635	504,419	68,342	11,542,396	(459,882)	11,082,514
Expenses:						
Program:						
Mission	6,115,395	450,179	199,584	6,765,158	(392,382)	6,372,776
Management and general	1,056,786	12,389	33,125	1,102,300	(67,500)	1,034,800
Fundraising	1,800,556	546	-	1,801,102	-	1,801,102
Total expenses	8,972,737	463,114	232,709	9,668,560	(459,882)	9,208,678
Change in Net Assets Without Donor Restrictions	1,996,898	41,305	(164,367)	1,873,836	-	1,873,836
Net Assets With Donor Restrictions:						
Grants/contributions	370,570	-	-	370,570	-	370,570
Capital campaign contributions	1,501,017	-	-	1,501,017	-	1,501,017
Net assets released from restrictions	(673,546)	-	-	(673,546)	-	(673,546)
Change in Net Assets With Donor Restrictions	1,198,041	-	-	1,198,041	-	1,198,041
Other Changes in Net Assets:						
Transfers with Light of Life Ministries, Inc.	-	-	(7,035,238)	(7,035,238)	7,035,238	-
Transfers with LOL Support Corporation	7,035,238	-	-	7,035,238	(7,035,238)	-
Total Other Changes in Net Assets	7,035,238	-	(7,035,238)	-	-	-
Change in Net Assets	10,230,177	41,305	(7,199,605)	3,071,877	-	3,071,877
Net Assets:						
Beginning of year	13,711,985	19,525	(20,599)	13,710,911	-	13,710,911
Support Corporation - contributed capital	-	-	8,019,278	8,019,278	(8,019,278)	-
End of year	\$ 23,942,162	\$ 60,830	\$ 799,074	\$ 24,802,066	\$ (8,019,278)	\$ 16,782,788

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
Special events	374,795	-	-	374,795	-	374,795
Program fees	9,851	-	-	9,851	-	9,851
Rental income	-	-	-	-	-	-
Investment income	83,681	-	-	83,681	-	83,681
Food truck, net	(2,888)	-	-	(2,888)	-	(2,888)
Miscellaneous	100,875	430	576	101,881	-	101,881
Released from restrictions	5,198,408	-	-	5,198,408	-	5,198,408
Total support and revenues	14,495,358	339,018	576	14,834,952	(190,000)	14,644,952
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	2,044,476	447	-	2,044,923	-	2,044,923
Total expenses	8,968,603	495,562	21,175	9,485,340	(190,000)	9,295,340
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)
Other Changes in Net Assets:						
Transfers with Light of Life Ministries, Inc.	-	-	-	-	-	-
Transfers with L2 Community Support	-	-	-	-	-	-
Transfers with LOL Support Corporation	-	-	-	-	-	-
Total Other Changes in Net Assets	-	-	-	-	-	-
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
Support Corporation - contributed capital	-	-	-	-	-	-
End of year	\$ 13,711,985	\$ 19,525	\$ (20,599)	\$ 13,710,911	\$ -	\$ 13,710,911