

Life NETWORK

LIFE NETWORK, INC.

Financial Statements
With Independent Auditors' Report

December 31, 2023 and 2022

LIFE NETWORK, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Life Network, Inc.
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of Life Network, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Life Network Inc., as of December 31, 2023 and 2022, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Life Network Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Life Network Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Life Network, Inc.
Colorado Springs, Colorado

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Life Network, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Life Network, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Capin Crouse LLP

Colorado Springs, Colorado
May 13, 2024

LIFE NETWORK, INC.

Statements of Financial Position

	December 31,	
	2023	2022
ASSETS:		
Cash and cash equivalents	\$ 891,477	\$ 2,063,925
Prepaid expenses and other assets	75,781	67,889
Grant receivable	-	27,076
Designated cash	1,729,187	1,090,500
Cash restricted for capital projects	308,100	-
Investments	517,162	504,951
Gift-in-kind inventory	233,322	192,902
Operating lease–right-of-use asset	417,317	560,825
Property and equipment–net	3,706,586	1,473,028
Total Assets	\$ 7,878,932	\$ 5,981,096
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other liabilities	\$ 221,121	\$ 149,406
Accrued expenses	140,399	126,351
Operating lease obligations	409,038	560,267
Total liabilities	770,558	836,024
Net assets:		
Without donor restrictions:		
Operating	5,030,568	4,054,572
Board designated	1,729,187	1,090,500
	6,759,755	5,145,072
With donor restrictions	348,619	-
Total net assets	7,108,374	5,145,072
Total Liabilities and Net Assets	\$ 7,878,932	\$ 5,981,096

See notes to financial statements

LIFE NETWORK, INC.

Statements of Activities

	Year Ended December 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Donations	\$ 2,487,353	\$ 450,699	\$ 2,938,052	\$ 2,512,110	\$ 57,446	\$ 2,569,556
Special events	1,237,064	-	1,237,064	1,316,586	-	1,316,586
Gift-in-kind contributions	929,683	-	929,683	814,113	-	814,113
Thrift store sales revenue	739,666	-	739,666	614,866	-	614,866
Employee retention credit income	587,808	-	587,808	-	-	-
Grants	179,900	325,133	505,033	18,000	490,750	508,750
Program and other income	136,184	-	136,184	70,290	-	70,290
Donated services	72,518	-	72,518	79,009	-	79,009
Total Revenue and Support	6,370,176	775,832	7,146,008	5,424,974	548,196	5,973,170
NET ASSETS RELEASED:						
From purpose restrictions	427,213	(427,213)	-	633,809	(633,809)	-
EXPENSES:						
Program services:						
Thrift store	1,425,160	-	1,425,160	1,215,976	-	1,215,976
Outreach	2,701,938	-	2,701,938	2,344,953	-	2,344,953
	4,127,098	-	4,127,098	3,560,929	-	3,560,929
Supporting activities:						
General and administrative	324,859	-	324,859	214,046	-	214,046
Fundraising	730,749	-	730,749	530,482	-	530,482
	1,055,608	-	1,055,608	744,528	-	744,528
Total Expenses	5,182,706	-	5,182,706	4,305,457	-	4,305,457
Change in Net Assets	1,614,683	348,619	1,963,302	1,753,326	(85,613)	1,667,713
Net Assets, Beginning of Year	5,145,072	-	5,145,072	3,391,746	85,613	3,477,359
Net Assets, End of Year	\$ 6,759,755	\$ 348,619	\$ 7,108,374	\$ 5,145,072	\$ -	\$ 5,145,072

See notes to financial statements

LIFE NETWORK, INC.

Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services:			Supporting Activities:			Total
	Thrift Store	Outreach	Total Program Services	General and Administrative	Fundraising	Total Supporting Activities	
Salaries and benefits	\$ 336,652	\$ 1,618,906	\$ 1,955,558	\$ 243,897	\$ 316,641	\$ 560,538	\$ 2,516,096
Cost of goods sold	792,589	58,774	851,363	-	-	-	851,363
Occupancy and office expense	62,722	155,933	218,655	26,339	122,432	148,771	367,426
Facilities	191,726	99,925	291,651	18,691	18,433	37,124	328,775
Advertising and publications	25,868	131,611	157,479	-	165,282	165,282	322,761
Professional services	-	261,138	261,138	15,520	17,009	32,529	293,667
Events and conferences	-	156,788	156,788	2,296	73,426	75,722	232,510
Curriculum and program supplies	11,540	97,285	108,825	-	-	-	108,825
Depreciation	-	71,621	71,621	11,937	11,937	23,874	95,495
Travel	-	29,777	29,777	3,547	2,115	5,662	35,439
Food and hospitality	4,063	20,180	24,243	2,632	3,474	6,106	30,349
	<u>\$ 1,425,160</u>	<u>\$ 2,701,938</u>	<u>\$ 4,127,098</u>	<u>\$ 324,859</u>	<u>\$ 730,749</u>	<u>\$ 1,055,608</u>	<u>\$ 5,182,706</u>

See notes to financial statements

LIFE NETWORK, INC.

Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services:			Supporting Activities:			Total
	Thrift Store	Outreach	Total Program Services	General and Administrative	Fundraising	Total Supporting Activities	
Salaries and benefits	\$ 279,716	\$ 1,330,596	\$ 1,610,312	\$ 137,635	\$ 218,422	\$ 356,057	\$ 1,966,369
Cost of goods sold	653,062	61,872	714,934	-	-	-	714,934
Occupancy and office expense	45,212	143,690	188,902	24,778	88,050	112,828	301,730
Facilities	196,378	105,299	301,677	21,218	20,867	42,085	343,762
Advertising and publications	21,129	87,745	108,874	-	92,976	92,976	201,850
Professional services	12,000	241,438	253,438	5,269	25,840	31,109	284,547
Events and conferences	69	159,687	159,756	848	65,374	66,222	225,978
Curriculum and program supplies	5,513	82,992	88,505	-	-	-	88,505
Food and hospitality	2,897	23,142	26,039	7,086	3,602	10,688	36,727
Depreciation	-	66,633	66,633	11,106	11,106	22,212	88,845
Training	-	15,216	15,216	3,139	1,301	4,440	19,656
Travel	-	17,860	17,860	1,503	1,480	2,983	20,843
Interest	-	8,783	8,783	1,464	1,464	2,928	11,711
	<u>\$ 1,215,976</u>	<u>\$ 2,344,953</u>	<u>\$ 3,560,929</u>	<u>\$ 214,046</u>	<u>\$ 530,482</u>	<u>\$ 744,528</u>	<u>\$ 4,305,457</u>

See notes to financial statements

LIFE NETWORK, INC.

Statements of Cash Flows

	Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,963,302	\$ 1,667,713
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Reinvested interest	(12,211)	-
Depreciation	95,495	88,845
Loss on disposal of property and equipment	-	16,622
Non-cash lease expense	(7,721)	(558)
Contributions restricted for long-term purposes	(308,100)	-
Change in operating assets and liabilities:		
Prepaid expenses and other assets	(7,892)	(1,000)
Pledge receivable	-	30,000
Grant receivable	27,076	(27,076)
Gift-in-kind inventory	(40,420)	(63,321)
Accounts payable and other liabilities	55,610	19,639
Accrued expenses	14,048	14,939
Net Cash Provided by Operating Activities	1,779,187	1,745,803
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	-	(504,951)
Purchases of property and equipment	(2,267,344)	(122,428)
Net Cash Used by Investing Activities	(2,267,344)	(627,379)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long-term purposes	308,100	-
Payments on notes payable	-	(396,114)
Net Cash Provided (Used) by Financing Activities	308,100	(396,114)
Net Change in Cash, Cash Equivalents, Cash Restricted for Capital Projects, and Designated Cash	(180,057)	722,310
Cash, Cash Equivalents, Cash Restricted for Capital Projects, and Designated Cash, Beginning of Year	3,154,425	2,432,115
Cash, Cash Equivalents, Cash Restricted for Capital Projects, and Designated Cash, End of Year	\$ 2,974,368	\$ 3,154,425
CASH, CASH EQUIVALENTS, CASH RESTRICTED FOR CAPITAL PROJECTS, AND DESIGNATED CASH CONSIST OF:		
Cash and cash equivalents	\$ 891,477	\$ 2,063,925
Designated cash	1,729,187	1,090,500
Cash restricted for capital projects	308,100	-
	\$ 2,928,764	\$ 3,154,425
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest	\$ -	\$ 11,711
Right-of-use assets obtained in exchange for operating lease obligations	\$ -	\$ 680,645
Additions of property and equipment in accounts payable	\$ 72,667	\$ 56,562

See notes to financial statements

LIFE NETWORK, INC.

Notes to Financial Statements

December 31, 2023 and 2022

1. NATURE OF ORGANIZATION:

Life Network, Inc. (Life Network) is a nonprofit corporation organized under the laws of the State of Colorado and does business as the Colorado Springs Pregnancy Center and Education for a Lifetime. Life Network also operates the Family Thrift Store, located in Colorado Springs, Colorado.

Life Network is a sanctity of human life ministry that impacts and transforms people with the love of Christ. Life Network provides pregnancy and post-abortion counseling as well as relationships, healthy sexuality education, and suicide prevention messages to the Colorado Springs community.

Life Network is operated as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), and comparable state laws. However, Life Network is subject to federal income tax on any unrelated business taxable income. Life Network is not a private foundation under Section 509(a) of the IRC. Life Network's primary source of support and revenue is from contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Life Network maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH, CASH EQUIVALENTS, CASH RESTRICTED FOR CAPITAL PROJECTS, AND DESIGNATED CASH

Cash, cash equivalents, cash restricted for capital projects, and designated cash contain checking accounts, savings accounts, and highly liquid investments with original maturities of three months or less. As of December 31, 2023 and 2022, the amount exceeding the federally insured limits was approximately \$1,430,000 and \$3,452,000, respectively. Designated cash consists of amounts set aside by the board for specific projects. Cash restricted for capital projects are amounts restricted by donors for the capital campaign not yet spent.

INVESTMENTS

Investments consist of a certificate of deposit. Certificates of deposit are reported at cost plus accrued interest and have original maturities of greater than ninety days.

GRANT RECEIVABLE

Grant receivable consists of funds that were spent as part of a reimbursable grant that had not yet been reimbursed at year end. Subsequent to December 31, 2022, the outstanding amount was received; therefore, no allowance for doubtful accounts was recorded as of December 31, 2022.

LIFE NETWORK, INC.

Notes to Financial Statements

December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

GIFT-IN-KIND INVENTORY

Gift-in-kind inventory consist of donated merchandise, such as clothing and miscellaneous items, the majority of which is sold in the thrift store. It also consists of items donated for the baby boutique, which are then donated to mothers in need. All such inventory is recorded at its estimated fair value at the date of the donation and reported at its carrying amount thereafter.

OPERATING LEASE–RIGHT OF USE ASSETS AND OBLIGATIONS

Life Network adopted Accounting Standards Update (ASU) 2016-02 and its related amendments as of January 1, 2022, which resulted in the recognition of an operating lease-right of use asset and an operating lease obligation. Life Network elected to adopt the transition relief provisions from ASU 2018-11, *Leases (Topic 842): Targeted Improvements* and recorded the impact of adoption as of January 1, 2022, without restating any prior-year amounts. Life Network also elected to separate lease and non-lease components and to exclude leases with terms less than 12 months. The additional lease disclosures can be found in Note 5.

PROPERTY AND EQUIPMENT–NET

Property and equipment is recorded at cost. Donated items are recorded at their fair market value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives (currently three to forty years) of the related assets. Life Network capitalizes fixed asset purchases exceeding \$2,500, with lesser amounts expensed in the year purchased.

CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets as follows:

Net assets without donor restrictions are those currently available at the discretion of management for use in Life Network's operations and those resources designated by the board for specific purposes or projects. Board designated funds consisted of:

	December 31,	
	2023	2022
Building fund	\$ 1,690,687	\$ 1,000,000
Contingency fund	38,500	38,500
Budget reserves	-	52,000
	<u>\$ 1,729,187</u>	<u>\$ 1,090,500</u>

Net assets with donor restrictions are restricted by donors for specific operating purposes or until time restrictions have been met.

LIFE NETWORK, INC.

Notes to Financial Statements

December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE

Donations and grants are recorded when made, which may be when cash or other assets are received or unconditionally promised. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Life Network reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Life Network reports expirations of donor restrictions when the donated long-lived assets are placed in service. Special events consist of donations related to two special events, the Walk and the Gala.

Gift-in-kind contributions consist of donated merchandise, such as clothing, and baby and miscellaneous items, which is sold in the thrift store and used in the ministry. All contributions are recorded at the estimated fair value at the date of the donation and reported at the carrying amount thereafter. The actual sale price or the wholesale values for similar products in the United States are used to determine, measure, and record fair value of these contributions. No donor imposed restrictions were associated with these contributed assets. See Note 8 for the major categories of gift-in-kind contributions.

Thrift store sales consist of product sales and are recognized when the products are sold, net of returns and discounts. The majority of these sales represent sales of the items that were donated and recognized as gift-in-kind contributions. While the contributions and sales are related to the same product, this is in accordance with accounting principles generally accepted and would have to be purchased by Life Network if they were not donated.

Life Network received Employee Retention Credits (ERC) of \$587,808, which are included in the statements of activities for the year ended December 31, 2023. Life Network calculated these credits based on qualified wages. Laws and regulations concerning government programs, including the ERC, established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act are complex and subject to varying interpretation. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge Life Network's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon Life Network.

Program and other income mainly consists of conference and event income, which is recorded when the event or conference occurs, upon satisfaction of the performance obligation.

LIFE NETWORK, INC.

Notes to Financial Statements

December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, continued

Donated services consist of volunteer nurses and doctors who donate their time and expertise to provide medical care to clients of Life Network. These services are recorded at a rate of \$75 per hour and recognized when the service is provided. Donated services also consist of facility improvements that were made during the year. These facility improvements are valued based on the actual rates the vendor would normally charge. Only professional services are recorded at their estimated fair market values. See Note 10 for the major categories of donated services. For all other donated services Life Network does not record contribution revenue as these services do not meet the criteria to be recorded under accounting standards. However, of the total 467 volunteers across all programs of Life Network, there were just under 26,000 volunteer hours that didn't meet the definition of contributed services for recording purposes.

Expenses are reported when costs are incurred in accordance with the accrual basis of accounting.

FUNCTIONAL ALLOCATION OF EXPENSES

The statements of activities and functional expenses report certain categories of expenses that are attributable to program or support activities of Life Network. These expenses include facility costs and depreciation and amortization, which are allocated based on square footage occupancy. Salaries and benefits are allocated based on time and effort, and costs of other categories are allocated based on the purpose of the expense.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects Life Network's financial assets reduced by amounts not available for general use because of contractual, donor-imposed restrictions, or board designations within one year of the statement of financial position date:

	December 31,	
	2023	2022
Financial Assets:		
Cash and cash equivalents	\$ 891,477	\$ 2,063,925
Grant receivable	-	27,076
Designated cash	1,729,187	1,090,500
Cash restricted for long-term purposes	308,100	-
Investments	517,162	504,951
Less those unavailable for general expenditures within one year due to:		
Board designated for specific purposes	(1,729,187)	(1,090,500)
Cash restricted for long-term purposes	(308,100)	-
	<u>\$ 1,408,639</u>	<u>\$ 2,595,952</u>

Life Network structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Life Network's goal is to maintain financial assets to meet 60 days of operating expenses. Management monitors cash flows closely through board meetings and detailed financial analysis.

LIFE NETWORK, INC.

Notes to Financial Statements

December 31, 2023 and 2022

4. GIFT-IN-KIND INVENTORY:

Gift-in-kind inventory included in the financial statements consists of:

	December 31,	
	2023	2022
Clothing	\$ 98,729	\$ 64,188
Baby blankets, clothing, toys, and books	53,233	48,573
Baby formula, diapers, and wipes	31,035	30,820
Books, media, and games	19,749	22,587
Shoes and accessories	20,760	16,464
Furniture and hardware	8,619	7,765
Linens and other	1,197	2,505
	<u>\$ 233,322</u>	<u>\$ 192,902</u>

5. OPERATING LEASE—RIGHT-OF-USE ASSETS AND OBLIGATIONS:

Life Network leases office space under a noncancelable operating lease. This lease had an original maturity date in 2023 that contains an option for renewal for an additional 3 years expiring in 2026. As of December 31, 2022, this additional term was included in the operating lease calculations as management expected to exercise this extension. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term as of adoption date. Monthly payments under this lease as of December 31, 2023 totals \$12,301 with an annual 3% increase in payment amounts and a discount rate of 1.37%.

	December 31,	
	2023	2022
Operating lease right-of-use assets	\$ 417,317	\$ 560,825
Operating lease liabilities	\$ 409,038	\$ 560,267
Operating lease costs	\$ 150,328	\$ 150,328
Short-term lease costs	\$ 9,658	\$ 6,402
Weighted-average discount rate	1.37%	1.37%
Weighted-average remaining lease term	2.78 years	3.72 years

LIFE NETWORK, INC.

Notes to Financial Statements

December 31, 2023 and 2022

5. OPERATING LEASE–RIGHT-OF-USE ASSETS AND OBLIGATIONS, continued:

Future minimum lease payments required under the operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Year Ending December 31,</u>	
2024	\$ 134,340
2025	152,806
2026	<u>130,506</u>
	417,652
Less imputed interest	<u>(8,614)</u>
	<u>\$ 409,038</u>

6. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net, consists of:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Land	\$ 166,211	\$ 166,211
Buildings and improvements	1,957,348	1,936,330
Furniture and equipment	<u>186,935</u>	<u>151,056</u>
	2,310,494	2,253,597
Less accumulated depreciation	<u>(874,195)</u>	<u>(780,569)</u>
	1,436,299	1,473,028
Plus construction in process	<u>2,224,683</u>	<u>-</u>
	<u>\$ 3,660,982</u>	<u>\$ 1,473,028</u>

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions as of December 31, 2023 consisted of \$40,519 for the Galley pregnancy center and \$308,100 for renovations to the Eastside campus. There were no net assets with donor restrictions as of December 31, 2022.

LIFE NETWORK, INC.

Notes to Financial Statements

December 31, 2023 and 2022

8. GIFT-IN-KIND CONTRIBUTIONS AND DONATED SERVICES:

Major categories of gift-in-kind contributions consist of:

	Year Ended December 31,	
	2023	2022
Clothing	\$ 475,858	\$ 394,015
Books, media, and games	124,265	113,055
Shoes and accessories	113,200	90,263
Furniture and hardware	108,392	104,691
Linens and other	43,226	42,876
Baby blankets, clothing, toys, and books	37,022	44,227
Baby formula, diapers, and wipes	27,720	24,986
	<u>\$ 929,683</u>	<u>\$ 814,113</u>

Donated services consist of:

	Year Ended December 31,	
	2023	2022
Medical services	\$ 53,907	\$ 58,127
Other professional services	18,611	20,882
	<u>\$ 72,518</u>	<u>\$ 79,009</u>

9. RETIREMENT PLAN:

Life Network offers employees a SIMPLE IRA plan, and has elected to contribute matching contributions of up to 3% of their qualifying employee compensation for the years ended December 31, 2023 and 2022. Employer contributions are immediately vested upon contribution. The employer match for the years ended December 31, 2023 and 2022 was \$19,040 and \$15,050, respectively.

LIFE NETWORK, INC.

Notes to Financial Statements

December 31, 2023 and 2022

10. JOINT COSTS:

Accounting standards require all costs which contain any fundraising appeal to be allocated to fundraising unless all of the following three tests are met: purpose, audience, and content. Life Network incurs costs for their Gala event that include fundraising functions. These costs are referred to as joint costs and are allocated to program services and fundraising. Joint cost allocations are:

	Year Ending December 31,	
	2023	2022
Program services	\$ 93,402	\$ 104,613
Fundraising	40,029	46,895
	<u>\$ 133,431</u>	<u>\$ 151,508</u>

11. SUBSEQUENT EVENTS:

Subsequent events were evaluated through May 13, 2024, which is the date the financial statements were available to be issued.