



LIFE NETWORK, INC.

Financial Statements  
With Independent Auditors' Report

December 31, 2024 and 2023



# **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, 2024 and 2023, 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, 2024 and 2023, 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.



Colorado Springs, Colorado  
May 9, 2025

# LIFE NETWORK, INC.

## Statements of Financial Position

	December 31,	
	2024	2023
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 267,140	\$ 891,477
Prepaid expenses and other assets	74,015	75,781
Designated cash	2,193,409	1,729,187
Cash restricted for capital projects	-	308,100
Investments	959,051	517,162
Gift-in-kind inventory	296,916	233,322
Operating lease–right-of-use asset	271,890	417,317
Property and equipment–net	5,284,676	3,706,586
	<u>5,284,676</u>	<u>3,706,586</u>
<b>Total Assets</b>	<u><u>\$ 9,347,097</u></u>	<u><u>\$ 7,878,932</u></u>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable and other liabilities	\$ 362,258	\$ 221,121
Accrued expenses	198,167	140,399
Operating lease obligations	264,589	409,038
<b>Total liabilities</b>	<u>825,014</u>	<u>770,558</u>
Net assets:		
Without donor restrictions:		
Operating	6,162,462	5,030,568
Board designated	2,193,409	1,729,187
	<u>8,355,871</u>	<u>6,759,755</u>
With donor restrictions	166,212	348,619
<b>Total net assets</b>	<u>8,522,083</u>	<u>7,108,374</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 9,347,097</u></u>	<u><u>\$ 7,878,932</u></u>

See notes to financial statements

# LIFE NETWORK, INC.

## Statements of Activities

Year Ended December 31,						
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Donations	\$ 2,743,570	\$ 1,418,592	\$ 4,162,162	\$ 2,487,353	\$ 450,699	\$ 2,938,052
Special events	1,157,274	-	1,157,274	1,237,064	-	1,237,064
Gift-in-kind contributions	1,069,968	-	1,069,968	929,683	-	929,683
Thrift store sales revenue	776,770	-	776,770	739,666	-	739,666
Grants	90,150	100,000	190,150	179,900	325,133	505,033
Program and other income	122,416	-	122,416	136,184	-	136,184
Donated services	114,362	-	114,362	72,518	-	72,518
Employee retention credit income	-	-	-	587,808	-	587,808
Total Revenue and Support	<u>6,074,510</u>	<u>1,518,592</u>	<u>7,593,102</u>	<u>6,370,176</u>	<u>775,832</u>	<u>7,146,008</u>
<b>NET ASSETS RELEASED:</b>						
From purpose restrictions	<u>1,700,999</u>	<u>(1,700,999)</u>	<u>-</u>	<u>427,213</u>	<u>(427,213)</u>	<u>-</u>
<b>EXPENSES:</b>						
Program services:						
Thrift store	1,760,317	-	1,760,317	1,425,160	-	1,425,160
Outreach	3,113,603	-	3,113,603	2,701,938	-	2,701,938
	<u>4,873,920</u>	<u>-</u>	<u>4,873,920</u>	<u>4,127,098</u>	<u>-</u>	<u>4,127,098</u>
Supporting activities:						
General and administrative	401,432	-	401,432	324,859	-	324,859
Fundraising	904,041	-	904,041	730,749	-	730,749
	<u>1,305,473</u>	<u>-</u>	<u>1,305,473</u>	<u>1,055,608</u>	<u>-</u>	<u>1,055,608</u>
Total Expenses	<u>6,179,393</u>	<u>-</u>	<u>6,179,393</u>	<u>5,182,706</u>	<u>-</u>	<u>5,182,706</u>
Change in Net Assets	1,596,116	(182,407)	1,413,709	1,614,683	348,619	1,963,302
Net Assets, Beginning of Year	<u>6,759,755</u>	<u>348,619</u>	<u>7,108,374</u>	<u>5,145,072</u>	<u>-</u>	<u>5,145,072</u>
Net Assets, End of Year	<u>\$ 8,355,871</u>	<u>\$ 166,212</u>	<u>\$ 8,522,083</u>	<u>\$ 6,759,755</u>	<u>\$ 348,619</u>	<u>\$ 7,108,374</u>

See notes to financial statements

# LIFE NETWORK, INC.

## Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services:			Supporting Activities:			
	Thrift Store	Outreach	Total Program Services	General and Administrative	Fundraising	Total Supporting Activities	Total
Salaries and benefits	\$ 460,377	\$ 1,935,949	\$ 2,396,326	\$ 282,361	\$ 381,345	\$ 663,706	\$ 3,060,032
Cost of goods sold	912,396	87,014	999,410	-	-	-	999,410
Occupancy and office expense	129,566	268,290	397,856	65,697	120,934	186,631	584,487
Advertising and publications	37,473	158,190	195,663	262	274,036	274,298	469,961
Facilities	191,655	109,518	301,173	17,684	17,684	35,368	336,541
Events and conferences	-	142,129	142,129	-	85,329	85,329	227,458
Professional services	9,396	161,143	170,539	4,210	3,158	7,368	177,907
Curriculum and program supplies	15,686	97,923	113,609	-	-	-	113,609
Depreciation	-	68,525	68,525	11,421	11,421	22,842	91,367
Gifts, meals, and hospitality	3,701	46,859	50,560	7,119	7,295	14,414	64,974
Travel and training	67	38,063	38,130	12,678	2,839	15,517	53,647
	<u>\$ 1,760,317</u>	<u>\$ 3,113,603</u>	<u>\$ 4,873,920</u>	<u>\$ 401,432</u>	<u>\$ 904,041</u>	<u>\$ 1,305,473</u>	<u>\$ 6,179,393</u>

See notes to financial statements

# LIFE NETWORK, INC.

## Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services:			Supporting Activities:			
	Thrift Store	Outreach	Total Program Services	General and Administrative	Fundraising	Total Supporting Activities	Total
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
Advertising and publications	25,868	131,611	157,479	-	165,282	165,282	322,761
Facilities	191,726	99,925	291,651	18,691	18,433	37,124	328,775
Events and conferences	-	156,788	156,788	2,296	73,426	75,722	232,510
Professional services	-	261,138	261,138	15,520	17,009	32,529	293,667
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
Gifts, meals, and hospitality	4,063	20,180	24,243	2,632	3,474	6,106	30,349
Travel and training	-	29,777	29,777	3,547	2,115	5,662	35,439
	<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.

## Statements of Cash Flows

	Year Ended December 31,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,413,709	\$ 1,963,302
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Reinvested interest	(41,889)	(12,211)
Depreciation	91,367	95,495
Gift-in-kind contributions of inventory	(975,173)	(892,876)
Non-cash lease expense	978	(7,721)
Contributions restricted for long-term purposes	(1,404,385)	(308,100)
Change in operating assets and liabilities:		
Prepaid expenses and other assets	1,766	(7,892)
Grant receivable	-	27,076
Gift-in-kind inventory	911,579	852,456
Accounts payable and other liabilities	6,145	55,610
Accrued expenses	57,768	14,048
Net Cash Provided by Operating Activities	<u>61,865</u>	<u>1,779,187</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(400,000)	-
Purchases of property and equipment	(1,534,465)	(2,312,948)
Net Cash Used by Investing Activities	<u>(1,934,465)</u>	<u>(2,312,948)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contributions restricted for long-term purposes	1,404,385	308,100
Net Cash Provided by Financing Activities	<u>1,404,385</u>	<u>308,100</u>
Net Change in Cash, Cash Equivalents, Cash Restricted for Capital Projects, and Designated Cash	(468,215)	(225,661)
Cash, Cash Equivalents, Cash Restricted for Capital Projects, and Designated Cash, Beginning of Year	<u>2,928,764</u>	<u>3,154,425</u>
Cash, Cash Equivalents, Cash Restricted for Capital Projects, and Designated Cash, End of Year	<u><u>\$ 2,460,549</u></u>	<u><u>\$ 2,928,764</u></u>
<b>CASH, CASH EQUIVALENTS, CASH RESTRICTED FOR CAPITAL PROJECTS, AND DESIGNATED CASH CONSIST OF:</b>		
Cash and cash equivalents	\$ 267,140	\$ 891,477
Designated cash	2,193,409	1,729,187
Cash restricted for capital projects	-	308,100
	<u><u>\$ 2,460,549</u></u>	<u><u>\$ 2,928,764</u></u>
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Additions of property and equipment in accounts payable	<u><u>\$ 207,659</u></u>	<u><u>\$ 72,667</u></u>

See notes to financial statements

# **LIFE NETWORK, INC.**

## **Notes to Financial Statements**

December 31, 2024 and 2023

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, 2024 and 2023, the amount exceeding the federally insured limits was approximately \$1,320,000 and \$1,430,000, 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. Certificates of deposit mature during the year ended December 31, 2025 and earn interest at 4.75%.

# LIFE NETWORK, INC.

## Notes to Financial Statements

December 31, 2024 and 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### GIFT-IN-KIND INVENTORY

Gift-in-kind inventory consists 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 recognizes the assets and liabilities that arise from leases in the statements of financial position. Life Network has 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, including repairs, 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,	
	2024	2023
Building fund	\$ 1,921,429	\$ 1,690,687
Contingency fund	271,980	38,500
	<u>\$ 2,193,409</u>	<u>\$ 1,729,187</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, 2024 and 2023

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:**

#### **SUPPORT AND REVENUE**

Donations 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. Contributions related to these events are recorded when made.

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.

Grant income is recorded when received or unconditionally promised. Conditional grants are recorded when conditions are met.

Donated services consist of donated labor provided to Life Network by individuals possessing specialized skills, which would need to be purchased if not contributed, and is recorded at fair value. These 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 rates ranging between \$50-\$150 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 498 volunteers across all programs of Life Network, there were just over 28,000 volunteer hours that didn't meet the definition of contributed services for recording purposes.

# **LIFE NETWORK, INC.**

## **Notes to Financial Statements**

December 31, 2024 and 2023

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:**

#### **SUPPORT AND REVENUE, continued**

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. There is no accounts receivable or deferred revenue related to this income.

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. The ERC was recognized as grant revenue during December 31, 2023, when Life Network met all conditions and barriers related to the ERC funds. 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.

Expenses, including advertising, are reported when costs are incurred in accordance with the accrual basis of accounting. Advertising expenses totaled \$153,088 and \$128,305 during the years ended December 31, 2024 and 2023, respectively.

#### **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.

# LIFE NETWORK, INC.

## Notes to Financial Statements

December 31, 2024 and 2023

### 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 statements of financial position date:

	December 31,	
	2024	2023
Financial Assets:		
Cash and cash equivalents	\$ 267,140	\$ 891,477
Designated cash	2,193,409	1,729,187
Cash restricted for long-term purposes	-	308,100
Investments	959,051	517,162
Less those unavailable for general expenditures within one year due to:		
Board designated for specific purposes	(2,193,409)	(1,729,187)
Cash restricted for long-term purposes	-	(308,100)
	<u>\$ 1,226,191</u>	<u>\$ 1,408,639</u>

Life Network has certain donor-restricted net assets that are available for general expenditures within one year of December 31, 2024 and 2023, because the restrictions are expected to be met by conducting the normal activities of Life Network in the coming year. 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.

### 4. GIFT-IN-KIND INVENTORY:

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

	December 31,	
	2024	2023
Clothing	\$ 144,269	\$ 98,729
Baby blankets, clothing, toys, and books	62,930	53,233
Baby formula, diapers, and wipes	21,653	31,035
Books, media, and games	25,709	19,749
Shoes and accessories	21,347	20,760
Furniture and hardware	16,597	8,619
Linens and other	4,411	1,197
	<u>\$ 296,916</u>	<u>\$ 233,322</u>

# LIFE NETWORK, INC.

## Notes to Financial Statements

December 31, 2024 and 2023

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

Life Network leases retail space under a noncancelable operating lease expiring in 2026. 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, 2024 total \$12,670 with an annual 3% increase in payment amounts and a discount rate of 1.37%.

	December 31,	
	2024	2023
Operating lease right-of-use assets	\$ 271,890	\$ 417,317
Operating lease liabilities	\$ 264,589	\$ 409,038
Operating lease costs	\$ 150,328	\$ 150,328
Short-term lease costs	\$ -	\$ 9,658
Weighted-average discount rate	1.37%	1.37%
Weighted-average remaining lease term	1.81 years	2.78 years

# LIFE NETWORK, INC.

## Notes to Financial Statements

December 31, 2024 and 2023

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>	
2025	\$ 140,135
2026	<u>130,506</u>
	270,641
Less imputed interest	<u>(6,052)</u>
	<u>\$ 264,589</u>

6. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net, consists of:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Land	\$ 333,349	\$ 166,211
Buildings and improvements	2,845,902	1,957,348
Furniture and equipment	<u>211,558</u>	<u>186,935</u>
	3,390,809	2,310,494
Less accumulated depreciation	<u>(961,337)</u>	<u>(874,195)</u>
	2,429,472	1,436,299
Plus construction in process	<u>2,855,204</u>	<u>2,270,287</u>
	<u>\$ 5,284,676</u>	<u>\$ 3,706,586</u>

Construction in progress consists of costs incurred for the Eastside thrift store and associated administrative offices not yet placed in service.

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions as of December 31, 2024 and 2023 consisted of \$150,748 and \$308,100 for the Eastside campus renovations and \$15,464 and \$40,519 for the initial pregnancy centers, respectively.



# LIFE NETWORK, INC.

## Notes to Financial Statements

December 31, 2024 and 2023

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

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

	Year Ended December 31,	
	2024	2023
Clothing	\$ 557,944	\$ 475,858
Books, media, and games	147,837	124,265
Shoes and accessories	122,326	113,200
Furniture and hardware	87,322	108,392
Baby blankets, clothing, toys, and books	79,473	37,022
Linens and other	66,708	43,226
Baby formula, diapers, and wipes	8,358	27,720
	<u>\$ 1,069,968</u>	<u>\$ 929,683</u>

Donated services consist of:

	Year Ended December 31,	
	2024	2023
Medical services	\$ 99,916	\$ 53,907
Other professional services	14,446	18,611
	<u>\$ 114,362</u>	<u>\$ 72,518</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, 2024 and 2023. Employer contributions are immediately vested upon contribution. The employer match for the years ended December 31, 2024 and 2023 was \$26,855 and \$19,040 respectively.

# LIFE NETWORK, INC.

## Notes to Financial Statements

December 31, 2024 and 2023

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 and Walk events 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,	
	2024	2023
Program services	\$ 134,159	\$ 93,402
Fundraising	113,685	40,029
	<u>\$ 247,844</u>	<u>\$ 133,431</u>

11. SUBSEQUENT EVENTS:

Subsequent events were evaluated through May 9, 2025, which is the date the financial statements were available to be issued.