Life Action Ministries

Financial Report
with Additional Information
May 31, 2022

Contents

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Independent Auditor's Report

To the Board of Directors
Life Action Ministries

Opinion

We have audited the financial statements of Life Action Ministries (the "Organization"), which comprise the statement of financial position as of May 31, 2022 and 2021 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of May 31, 2022 and 2021 and the changes in its net assets, functional expenses, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor’s Responsibilities for the Audits 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 auditor's 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 audits conducted in accordance with GAAS 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.

To the Board of Directors
Life Action Ministries

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Organization'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 the Organization'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

September 9, 2022

Statement of Financial Position

May 31, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	$ 3,317,014	$ 3,173,343
Investments (Note 3)	3,555,446	2,000,411
Receivables:		
Accounts receivable	26,770	49,693
Contributions receivable (Note 2)	227,800	9,000
Inventories	255,566	297,461
Prepaid and other	81,159	42,056
Property and equipment - Net (Note 4)	6,297,711	6,354,014
Total assets	**$ 13,761,466**	**$ 11,925,978**
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 490,443	$ 434,239
Contract liabilities	1,194,722	675,705
Employee health plan (Note 8)	116,197	100,411
Compensation-related accrued liabilities and other liabilities	286,422	269,819
Paycheck Protection Program refundable advance (Note 5)	-	1,565,717
Total liabilities	2,087,784	3,045,891
Net Assets		
Without donor restrictions	11,175,614	8,666,636
With donor restrictions (Note 7)	498,068	213,451
Total net assets	11,673,682	8,880,087
Total liabilities and net assets	**$ 13,761,466**	**$ 11,925,978**

See notes to financial statements.

Statement of Activities and Changes in Net Assets

Years Ended May 31, 2022 and 2021

	2022	2021
Changes in Net Assets without Donor Restrictions		
Revenue and support:		
Registrations and fees	$ 1,572,001	$ 342,385
Sales of publications and merchandise (direct costs of $457,439 and $444,850 for the years ended May 31, 2022 and 2021, respectively, included in program services)	1,078,743	979,405
Contributions	16,707,364	13,857,256
Paycheck Protection Program grant revenue (Note 5)	1,565,717	-
Investment (loss) income	(82,004)	42,004
Gain on sale of property and equipment	10,708	11,230
Miscellaneous income	106,754	77,538
Total revenue and support	20,959,283	15,309,818
Net assets released from restrictions	67,683	368,458
Total revenue, support, and net assets released from restrictions	21,026,966	15,678,276
Expenses:		
Program services	15,206,579	12,613,982
Support services:		
Management and general	2,384,103	2,053,270
Fundraising	927,306	730,903
Total expenses	18,517,988	15,398,155
Increase in Net Assets without Donor Restrictions	2,508,978	280,121
Changes in Net Assets with Donor Restrictions		
Contributions	354,169	69,063
Investment (loss) income	(1,869)	852
Net assets released from restrictions	(67,683)	(368,458)
Increase (Decrease) in Net Assets with Donor Restrictions	284,617	(298,543)
Increase (Decrease) in Net Assets	2,793,595	(18,422)
Net Assets - Beginning of year	8,880,087	8,898,509
Net Assets - End of year	**$ 11,673,682**	**$ 8,880,087**

See notes to financial statements.

Statement of Functional Expenses

Year Ended May 31, 2022

	Program Services	Support Services: Management and General	Support Services: Fundraising	Total
Salaries	$ 6,580,974	$ 1,245,051	$ 403,760	$ 8,229,785
Employee benefits	647,348	217,850	41,795	906,993
Payroll taxes	397,507	74,241	24,868	496,616
Total salaries and related expenses	7,625,829	1,537,142	470,423	9,633,394
Radio	994,821	-	-	994,821
Cost of sales	457,392	-	47	457,439
Marketing and promotions	83,387	2,991	1,970	88,348
Internet	244,211	23,581	6,485	274,277
Travel	1,052,928	104,005	128,317	1,285,250
Contract and professional services	1,439,513	231,647	102,168	1,773,328
Printing	379,068	21,637	74,102	474,807
Postage and shipping	343,845	22,644	34,578	401,067
Supplies	971,978	78,407	23,924	1,074,309
Occupancy	388,342	31,102	10,375	429,819
Repairs and maintenance	231,077	13,760	3,595	248,432
Telephone	26,572	29,741	1,913	58,226
Insurance	54,290	20,814	1,808	76,912
Rent	139,923	6,509	2,971	149,403
Depreciation	393,673	51,028	17,078	461,779
Donated materials and gifts	282,231	17,700	8,759	308,690
Miscellaneous	97,499	191,395	38,793	327,687
Total functional expenses	**$ 15,206,579**	**$ 2,384,103**	**$ 927,306**	**$ 18,517,988**

Statement of Functional Expenses

Year Ended May 31, 2021

	Program Services	Support Services: Management and General	Support Services: Fundraising	Total
Salaries	$ 6,051,762	$ 1,126,207	$ 356,086	$ 7,534,055
Employee benefits	581,587	188,722	37,532	807,841
Payroll taxes	331,437	75,925	20,843	428,205
Total salaries and related expenses	6,964,786	1,390,854	414,461	8,770,101
Radio	1,047,139	-	-	1,047,139
Cost of sales	444,850	-	-	444,850
Marketing and promotions	40,451	3,275	1,316	45,042
Internet	186,410	28,436	6,756	221,602
Travel	365,565	33,551	20,507	419,623
Contract and professional services	841,545	142,011	70,184	1,053,740
Printing	350,409	7,687	78,967	437,063
Postage and shipping	219,970	23,622	27,853	271,445
Supplies	719,313	81,589	18,738	819,640
Occupancy	389,835	31,061	22,523	443,419
Repairs and maintenance	257,320	23,218	6,956	287,494
Telephone	37,653	32,800	2,603	73,056
Insurance	44,933	17,321	1,115	63,369
Rent	89,154	4,465	3,383	97,002
Depreciation	390,772	53,633	17,878	462,283
Donated materials and gifts	158,374	11,560	6,614	176,548
Miscellaneous	65,503	168,187	31,049	264,739
Total functional expenses	**$ 12,613,982**	**$ 2,053,270**	**$ 730,903**	**$ 15,398,155**

See notes to financial statements.

Statement of Cash Flows

Years Ended May 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ 2,793,595	$ (18,422)
Adjustments to reconcile increase (decrease) in net assets to net cash and cash equivalents from operating activities:		
Depreciation	461,779	462,283
Gain on sale of property and equipment	(10,708)	(11,230)
Realized and unrealized loss (gain) on investments	127,816	(24,189)
Donated property and equipment	-	(240,339)
Donated investments	(290,943)	(231,849)
Recognition of revenue from Paycheck Protection Program refundable advance	(1,565,717)	-
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Accounts receivable	22,923	33,092
Contributions receivable	(218,800)	136,800
Inventories	41,895	80,319
Prepaid expenses and other	(39,103)	20,423
Accounts payable and accrued expenses	56,204	5,493
Contract liabilities	519,017	169,590
Employee health plan	15,786	32,033
Compensation-related accrued liabilities and other liabilities	16,603	74,310
Net cash and cash equivalents provided by operating activities	1,930,347	488,314
Cash Flows from Investing Activities		
Purchase of property and equipment	(408,110)	(270,559)
Proceeds from disposition of property and equipment	13,342	19,143
Purchases of investments	(1,693,899)	(2,889,167)
Proceeds from sales and maturities of investments	301,991	3,030,395
Net cash and cash equivalents used in investing activities	(1,786,676)	(110,188)
Net Increase in Cash and Cash Equivalents	143,671	378,126
Cash and Cash Equivalents - Beginning of year	3,173,343	2,795,217
Cash and Cash Equivalents - End of year	**$ 3,317,014**	**$ 3,173,343**

See notes to financial statements.

Note 1 - Nature of Business

Life Action Ministries (the "Organization") is a Christian organization that creates innovative ministry contexts and resources to help Christ-followers grow spiritually in their relationship with Jesus and their ability to live like Him. Currently, its activities include ministry teams that travel to local churches; a retreat center dedicated to strengthening vocational ministers; a camp that offers year-round programming related to the family; collegiate outreach that focuses on helping young believers experience their faith; an international women's ministry and syndicated radio program; and an array of print, web, and media resources.

Note 2 - Significant Accounting Policies

Cash Equivalents

The Organization considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

Concentration of Credit Risk

The Organization places no limit on the amount of cash that may be deposited with any one financial institution. Approximately 53 percent of the Organization's cash and investments are deposited with one financial institution. The Organization evaluates the financial institutions with which it deposits funds; however, it is not practical to insure all cash deposits.

Investments

The Organization accounts for its investments in mutual funds at fair value using readily determinable fair values, with gains and losses included in the statement of activities and changes in net assets. Certificates of deposit and money market funds are recorded at cost.

Accounts Receivable

Accounts receivable consist of anticipated reimbursements for costs advanced to customers by the Organization. Based on management's review of outstanding receivable balances and historical collection information, management's best estimate is that all balances will be collected. Accordingly, the Organization has not established an allowance for doubtful accounts. The Organization did not recognize impairment losses on accounts receivable in 2022 or 2021. At June 1, 2020, accounts receivable amounted to $82,785.

Contributions Receivable

Contributions receivable result from unconditional promises to contribute funds and are recorded at the net present value of the expected cash flows. Contributions receivable at May 31, 2022 and 2021 are expected to be collected within one year. As of May 31, 2022 and 2021, the Organization deemed all contributions receivable collectible.

Inventories

Inventories are stated at the lower of cost or net realizable value, with cost determined on the first-in, first-out (FIFO) method. Inventories consist primarily of religious books, compact discs, and digital video discs.

Property and Equipment

Property and equipment are recorded at cost. The fair value of donated assets is similarly capitalized. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

Note 2 - Significant Accounting Policies (Continued)

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, wherein the donor has stipulated the funds be maintained in perpetuity. There are no funds to be maintained in perpetuity as of May 31, 2022 and 2021.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Revenue Recognition

The Organization generates registration and fee revenue from activities of the ministry road teams, which travel to local churches; a retreat center dedicated to strengthening vocational ministries; and a camp with year-round programming. In addition, the Organization has sales of publications or merchandise in an array of print, web, and media resources.

For registration and fees, the Organization has a performance obligation to host church evangelistic events, ministerial retreat events at The Lodge, family camp events at Life Action Camp, and women's retreat events. The Organization's obligation to host includes providing the materials, facilities, amenities, and staff to execute the described events and provide the agreed-upon evangelistic, educational, and recreational activities at a designated date, duration, and location.

All revenue for these events is recognized during the event, as the benefit is simultaneously being received by the participant.

Under the typical payment terms, the registrant pays for the event in advance according to established fee schedules. All payments are nonrefundable and nontransferable.

For sales of publications, the Organization has performance obligations for delivering ordered publications and materials to the consumer. Revenue is recognized upon shipment of the products to the consumer. The shipment event is the primary evaluation factor for recognizing revenue.

Under the typical payment terms, the customer pays for the publication or material at the time the order is placed. Prices are established from published price lists. Sales terms allow for a right of return.

Cash payments received in advance of the Organization satisfying the performance obligation are recorded as contract liabilities on the statement of financial position. The changes in contract liabilities are caused by normal timing differences between the satisfaction of performance obligations and customer payments.

Note 2 - Significant Accounting Policies (Continued)

Contributions

Unconditional promises to give cash and other assets to the Organization are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the year in which the contributions are received are reported as contributions without donor restrictions in the accompanying financial statements.

The Organization reports gifts of property and equipment as contributions without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. 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 long those long-lived assets must be maintained, the Organization reports the expiration of donor restrictions when the assets are placed in service.

Contribution revenue from related parties, mainly officers and the board of directors, represents approximately 4 and 8 percent of total contributions and grants for the years ended May 31, 2022 and 2021, respectively.

Promotion and Advertising Expenses

Promotion and advertising costs are expensed as incurred.

Retirement Plan

The Organization sponsors two separate 401(k) plans for full-time employees who become eligible after working 360 hours in three consecutive months of employment or the completion of one year of service defined as 1,000 hours. The plans provide for a matching contribution by the Organization of 100 percent of employee contributions up to 3 percent of the employees' compensation. The amounts charged to expense during the years ended May 31, 2022 and 2021 amounted to $121,127 and $118,872, respectively.

Income Taxes

The Organization is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, contributions to the Organization are deductible by the donor for federal income tax purposes.

Functional Allocation of Expenses

Costs of providing the various programs and other activities have been reported on a functional basis in the statements of activities and changes in net assets and functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and related expenses are allocated on the basis of time and effort. Other expenses that are not directly attributable to a certain function, such as some occupancy, utilities, training, professional services, insurance, and supplies, are also allocated on the basis of time and effort. Costs have been allocated between the various program and support services based on estimates, as determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Note 2 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 9, 2022, which is the date the financial statements were available to be issued.

Upcoming Accounting Pronouncement

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions charities and other not-for-profit organizations receive, known as gifts in kind (GIKs). Contributed nonfinancial assets will be reported by category within the financial statements, and there will be additional disclosures included for each category, including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and a description of the fair value techniques used to arrive at a fair value measurement. The new guidance will be effective for the Organization's year ending May 31, 2023 and will be applied using the retrospective method.

Note 3 - Investments

Investments stated at May 31 include the following:

	2022	2021
Money market funds - U.S. Treasury obligations	$ 1,912,634	$ 709,524
Mutual funds - At fair value	1,642,812	1,290,887
Total	$ 3,555,446	$ 2,000,411

Note 4 - Property and Equipment

Property and equipment are summarized as follows:

	2022	2021	Depreciable Life - Years
Land and land improvements	$ 2,203,514	$ 2,165,272	15
Buildings and building improvements	8,331,102	8,014,296	3-40
Machinery and equipment	1,886,140	1,860,565	2-10
Transportation equipment	1,602,078	1,480,061	5
Construction in progress	37,663	145,035	-
Total cost	14,060,497	13,665,229	
Less accumulated depreciation	7,762,786	7,311,215	
Net property and equipment	$ 6,297,711	$ 6,354,014	

Depreciation expense for 2022 and 2021 was $461,779 and $462,283, respectively.

Note 5 - Paycheck Protection Program Refundable Advance

The Organization received a Paycheck Protection Program (PPP) term note through one of its financial institutions of $1,565,717. The note was issued pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The note structure required organization officials to certify certain statements that permitted the Organization to qualify for the loan and provides loan forgiveness for a portion or all of the borrowed amount if the Organization uses the loan proceeds for the permitted loan purpose described in the note agreement.

While the legal form of the PPP agreement is a loan, the Organization concluded the loan represents, in substance, a grant that is expected to be forgiven and, therefore, has accounted for the agreement as a conditional contribution. The following measurable barriers must be substantially overcome before the contribution can be considered unconditional and recorded as revenue:

- Incur eligible expenses
- Maintain full-time equivalent counts and salary levels through the eligibility period
- Small Business Administration review and approval of the forgiveness application

Under accounting principles generally accepted in the United States of America (U.S. GAAP), government grants, including certain forgivable government loans, are recognized as income in the period in which an entity has substantially overcome all measurable performance-related barriers necessary to be entitled to keep the grant funds. As of May 31, 2021, the Organization had not received the forgiveness approval, and, therefore, the balance was recognized as a refundable advance liability.

On July 22, 2021, the Organization received the forgiveness approval, and, therefore, the balance was recognized as grant revenue as of May 31, 2022.

Although management considers it probable that the Organization was initially eligible for the loan and forgiveness, the SBA has the ability to review the Organization's loan file for a period subsequent to the date the loan was forgiven and could request additional documentation to support the Organization's initial eligibility for the loan and the request for forgiveness. In the event the SBA subsequently determines the Organization did not meet the initial eligibility requirements for the PPP loan or did not qualify for forgiveness, the SBA may pursue legal remedies at its discretion.

Note 6 - Line of Credit

The Organization has a $500,000 line of credit from a bank, which is secured by all assets of the Organization. The line of credit bears interest at the bank's prime rate less 0.5 percent and renews annually. Per the agreement, the Organization must maintain no less than $1,000,000 in cash accounts or marketable securities. The Organization had no outstanding balances on the line of credit as of May 31, 2022 and 2021.

Note 7 - Net Assets

Net assets with donor restrictions as of May 31 are available for the following purposes:

	2022	2021
Purpose restrictions:		
Reserve for future departmental projects	$ 124,497	$ 56,044
Lodge Scholarship Fund	85,424	81,082
Capital projects	60,347	67,325
Time restrictions - Contributions receivable	227,800	9,000
Total net assets with donor restrictions	$ 498,068	$ 213,451

Note 8 - Employee Health Plans

The Organization offers two health plans to full-time staff. These plans are partially self-insured with a $95,000 stop-loss per participant.

The total amount of claims paid for the years ended May 31, 2022 and 2021 was approximately $836,000 and $841,000, respectively. The premium expenses (net of recoveries) were approximately $167,000 and $198,000 for the years ended May 31, 2022 and 2021, respectively. The employees' portion of these costs was approximately $348,000 and $356,000 for the years ended May 31, 2022 and 2021, respectively. The amount of claims incurred but not reported totals approximately $116,000 and $100,000 as of May 31, 2022 and 2021, respectively, and is reported as employee health plan liability on the statement of financial position.

Note 9 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management’s own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Organization measures the mutual funds and treasury obligations held (see Note 3) at fair value on a recurring basis. The fair value of these investments is based primarily on Level 1 inputs, as described above.

Note 10 - Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of May 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2022	2021
Cash and cash equivalents	$ 3,317,014	$ 3,173,343
Accounts receivable	26,770	49,693
Contributions receivable	227,800	9,000
Short-term investments	3,555,446	2,000,411
Financial assets - At year end	7,127,030	5,232,447
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions - Restricted by donor with time or purpose restrictions	270,268	204,451
Financial assets available to meet cash needs for general expenditures within one year	$ 6,856,762	$ 5,027,996

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term Treasury instruments.

The Organization also realizes there could be unanticipated liquidity needs.

The Organization has a committed line of credit in the amount of $500,000 at May 31, 2022, which it could draw upon if needed, as further described in Note 6.

Additional Information

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Independent Auditor's Report on Additional Information

To the Board of Directors
Life Action Ministries

We have audited the financial statements of Life Action Ministries as of and for the years ended May 31, 2022 and 2021 and have issued our report thereon dated September 9, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the 2022 financial statements as a whole. The accompanying statements of financial position by fund and activities and changes in net assets by fund are presented for the purpose of additional analysis and are not a required part of the 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 2022 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2022 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 2022 financial statements as a whole.

Plante & Moran, PLLC

September 9, 2022

Statement of Financial Position by Fund

May 31, 2022

	Life Action	Revive Our Hearts	Eliminating Entries	Total
Assets				
Cash and cash equivalents	$ 1,944,454	$ 1,372,560	$ -	$ 3,317,014
Investments	607,119	2,948,327	-	3,555,446
Receivables:				
Accounts receivable	514,011	182,592	(669,833)	26,770
Contributions receivable	227,800	-	-	227,800
Total receivables	741,811	182,592	(669,833)	254,570
Inventories	87,699	167,867	-	255,566
Prepaid and other	24,174	56,985	-	81,159
Property and equipment - Net	6,199,075	98,636	-	6,297,711
Total assets	**$ 9,604,332**	**$ 4,826,967**	**$ (669,833)**	**$ 13,761,466**
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	$ 489,163	$ 671,113	$ (669,833)	$ 490,443
Contract liabilities	622,938	571,784	-	1,194,722
Employee health plan	116,197	-	-	116,197
Compensation-related accrued liabilities and other liabilities	197,305	89,117	-	286,422
Total liabilities	1,425,603	1,332,014	(669,833)	2,087,784
Net Assets				
Without donor restrictions	7,741,008	3,434,606	-	11,175,614
With donor restrictions	437,721	60,347	-	498,068
Total net assets	8,178,729	3,494,953	-	11,673,682
Total liabilities and net assets	**$ 9,604,332**	**$ 4,826,967**	**$ (669,833)**	**$ 13,761,466**

Life Action Ministries

Statement of Activities and Changes in Net Assets by Fund

Year Ended May 31, 2022

	Life Action	Revive Our Hearts	Total
Changes in Net Assets without Donor Restrictions			
Revenue and support:			
Registration and fees	$ 1,052,145	$ 519,856	$ 1,572,001
Sales of publications and merchandise	110,246	968,497	1,078,743
Contributions	8,496,479	8,210,885	16,707,364
Paycheck Protection Program grant revenue	1,565,717	-	1,565,717
Investment loss	(4,299)	(77,705)	(82,004)
Gain on sale of property and equipment	10,708	-	10,708
Miscellaneous income	77,220	29,534	106,754
Total revenue and support	11,308,216	9,651,067	20,959,283
Net assets released from restrictions	43,596	24,087	67,683
Total revenue, support, and net assets released from restrictions	11,351,812	9,675,154	21,026,966
Expenses:			
Program services	8,270,045	6,936,534	15,206,579
Management and general	1,200,976	1,183,127	2,384,103
Fundraising	417,292	510,014	927,306
Total expenses	9,888,313	8,629,675	18,517,988
Increase in Net Assets without Donor Restrictions	1,463,499	1,045,479	2,508,978
Changes in Net Assets with Donor Restrictions			
Contributions	354,169	-	354,169
Investment loss	(1,869)	-	(1,869)
Net assets released from restrictions	(43,596)	(24,087)	(67,683)
Increase (Decrease) in Net Assets with Donor Restrictions	308,704	(24,087)	284,617
Increase in Net Assets	1,772,203	1,021,392	2,793,595
Net Assets - Beginning of year	6,406,526	2,473,561	8,880,087
Net Assets - End of year	**$ 8,178,729**	**$ 3,494,953**	**$ 11,673,682**