

**NEW LIFE MINISTRIES**  
**FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2024**



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## INDEPENDENT AUDITORS' REPORT

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To the Board of Directors  
New Life Ministries  
Lake Forest, California

### Opinion

We have audited the financial statements of New Life Ministries (the "Ministry") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets (deficit), functional expenses, and cash flows for the year 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 Ministry as of December 31, 2024, and the results of its operations and its cash flows for the year 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 (GAAS). 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 the Ministry and to meet our other 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.

### Changes in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended December 31, 2023, the Ministry adopted new accounting guidance for Accounting Standards Update 2016-13, *Financial Instruments - Current Expected Credit Losses (CECL)* (Topic 326). Our opinion is not modified with respect to these matters.

### 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 Ministry's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### 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 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.

In performing an audit in accordance with GAAS, 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 the Ministry'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 Ministry'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.

Report on Summarized Comparative Information

We have previously audited the Ministry’s December 31, 2023 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated July 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Saville CPAs & Advisors, LLC*

Saville CPAs & Advisors, LLC  
Dallas, Texas

July 21, 2025

NEW LIFE MINISTRIES  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2024

*(with summarized financial information for the year ended December 31, 2023)*

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 564,741	\$ 737,995
Receivables	175,047	55,215
Prepaid expenses	42,956	49,134
Inventory, net	77,602	79,447
Short-term deposits	133,303	23,025
Total current assets	<u>993,649</u>	<u>944,816</u>
PROPERTY AND EQUIPMENT, NET	59,120	70,614
OTHER ASSETS		
Operating lease right-of-use assets, net	297,291	511,057
Long-term investments	266,444	182,017
Deposits	18,848	18,848
Total other assets	<u>582,583</u>	<u>711,922</u>
TOTAL ASSETS	<u>\$ 1,635,352</u>	<u>\$ 1,727,352</u>
<u>LIABILITIES AND NET ASSETS (DEFICIT)</u>		
CURRENT LIABILITIES		
Current portion of operating lease liabilities	\$ 213,766	\$ 213,766
Current portion of finance lease liabilities	9,867	10,884
Unearned program fees	306,726	105,667
Accounts payable	761,261	676,107
Accrued expenses	524,100	592,774
Total current liabilities	<u>1,815,720</u>	<u>1,599,198</u>
NONCURRENT LIABILITIES		
Operating lease liabilities, net of current portion	83,524	297,291
Finance lease liabilities, net of current portion	18,021	13,628
Deferred compensation	96,000	-
Total noncurrent liabilities	<u>197,545</u>	<u>310,919</u>
TOTAL LIABILITIES	2,013,265	1,910,117
NET ASSETS (DEFICIT)		
Without donor restrictions	(926,859)	(389,496)
With donor restrictions	548,946	206,731
Total net assets (deficit)	<u>(377,913)</u>	<u>(182,765)</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 1,635,352</u>	<u>\$ 1,727,352</u>

See accompanying independent auditors' report and notes.

NEW LIFE MINISTRIES  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)  
FOR THE YEAR ENDED DECEMBER 31, 2024  
*(with summarized financial information for the year ended December 31, 2023)*

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023
REVENUE AND PUBLIC SUPPORT				
Contributions	\$ 5,106,200	\$ 546,420	\$ 5,652,620	\$ 6,018,097
Program fees	1,701,364	-	1,701,364	2,426,852
Product sales	182,219	-	182,219	152,120
Commissions and contracts	3,259	-	3,259	2,686
Investment income	17,973	-	17,973	12,506
Net assets released from restrictions	204,205	(204,205)	-	-
Total revenue and public support	7,215,220	342,215	7,557,435	8,612,261
EXPENSES				
Program services	5,594,674	-	5,594,674	6,774,870
Management and general	1,144,193	-	1,144,193	1,038,922
Fundraising	1,013,716	-	1,013,716	960,463
Total expenses	7,752,583	-	7,752,583	8,774,255
CHANGES IN NET ASSETS (DEFICIT)	(537,363)	342,215	(195,148)	(161,994)
NET ASSETS (DEFICIT), beginning of year	(389,496)	206,731	(182,765)	(20,771)
NET ASSETS (DEFICIT), end of year	<u>\$ (926,859)</u>	<u>\$ 548,946</u>	<u>\$ (377,913)</u>	<u>\$ (182,765)</u>

See accompanying independent auditors' report and notes.

NEW LIFE MINISTRIES  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
*(with summarized financial information for the year ended December 31, 2023)*

	Program Services		Supporting Services			
	Media Ministries and Resource Center	Workshops and Other Operating Programs	Management and General	Fundraising	2024 Total	2023
Salaries and benefits						
Salaries	\$ 1,123,078	\$ 525,519	\$ 410,654	\$ 511,152	\$ 2,570,403	\$ 2,695,258
Other employee benefits	175,116	105,518	117,578	100,881	499,093	526,737
NLL program broadcast	1,654,917	-	-	395	1,655,312	2,016,425
Advertising and promotion	40,324	50,263	9,500	8,500	108,587	137,459
Bank fees	-	-	126,207	-	126,207	133,987
Business insurance	13,186	250	69,937	-	83,373	79,839
Business travel	5,431	78,644	10,802	10,267	105,144	191,731
Contract services	160,456	5,640	-	22,925	189,021	198,602
Depreciation and amortization	18,828	8,810	6,884	8,569	43,091	56,379
Equipment rental	(57)	5,000	-	9,589	14,532	37,234
Equipment repairs and maintenance	2,601	-	-	-	2,601	2,352
Information technology	208,692	80,141	48,899	59,816	397,548	369,346
Interest expense	-	-	3,014	-	3,014	1,205
Loss on contractual obligation	-	107,897	-	-	107,897	-
Occupancy costs:						
Rent	81,563	39,299	81,607	13,055	215,524	203,416
Telephone and utilities	9,991	4,143	4,334	-	18,468	21,328
Maintenance and repairs	-	120	19,144	-	19,264	19,382
Office expenses	1,958	2,664	9,379	1,577	15,578	21,679
Other expenses	31,622	28,165	132,455	7,446	199,688	220,875
Postage and shipping	14,474	15,220	2,348	41,192	73,234	170,320
Printing	2,372	3,025	466	75,393	81,256	146,762
Product costs and premiums	104,597	14,781	-	19,305	138,683	162,387
Professional fees for services	5,000	579,079	90,985	22,850	697,914	742,777
Program supplies, facility, and catering	774	285,573	-	100,804	387,151	618,775
TOTAL	<u>\$ 3,654,923</u>	<u>\$ 1,939,751</u>	<u>\$ 1,144,193</u>	<u>\$ 1,013,716</u>	<u>\$ 7,752,583</u>	<u>\$ 8,774,255</u>

See accompanying independent auditors' report and notes.

NEW LIFE MINISTRIES  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
*(with summarized financial information for the year ended December 31, 2023)*

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets (deficit)	\$ (195,148)	\$ (161,994)
Adjustments to reconcile change in net assets (deficit) to net cash used in operating activities:		
Depreciation and amortization	30,631	43,919
Amortization of operating lease right-of-use assets	213,766	213,766
Amortization of finance lease right-of-use assets	12,460	12,460
Realized and unrealized losses (gains) on investments	6,757	(6,585)
Reinvestment of interest and dividends	(8,230)	(5,293)
Loss on disposal of asset	1,466	370
Changes in operating account balances:		
Receivables	(119,832)	223,498
Prepaid expenses	6,178	(2,320)
Inventory	1,845	23,549
Deposits	(110,278)	61,499
Unearned program fees	201,059	(350,972)
Accounts payable	85,154	120,587
Accrued expenses	(68,674)	(17,086)
Deferred compensation	96,000	-
Operating lease liability	(213,766)	(213,766)
Net cash used in operating activities	<u>(60,612)</u>	<u>(58,368)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(17,206)	(14,297)
Proceeds from disposals of property and equipment	-	1,136
Purchase of long-term investments	(96,000)	(68,401)
Proceeds from sale of long-term investments	13,046	65,075
Net cash used in investing activities	<u>(100,160)</u>	<u>(16,487)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on finance lease liabilities	(12,482)	(12,482)
Net cash used in financing activities	<u>(12,482)</u>	<u>(12,482)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(173,254)	(87,337)
CASH AND CASH EQUIVALENTS, beginning of year	<u>737,995</u>	<u>825,332</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 564,741</u>	<u>\$ 737,995</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 3,131</u>	<u>\$ 1,404</u>
Financing lease right-of-use asset and lease liability obtained from lease commencement and modifications	<u>\$ 15,859</u>	<u>\$ 27,891</u>

See accompanying independent auditors' report and notes.



NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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1) NATURE OF ORGANIZATION

New Life Ministries (the “Ministry”) was founded March 26, 1993 and is chartered in the state of California. The Ministry was organized to provide low cost resources and counseling based in Christianity to interested persons.

New Life Ministries produces ‘*New Life LIVE!*’ a nationally syndicated, interactive talk radio program. The program deals with mental health, emotional, relational, and spiritual issues from a biblical perspective. The program is aired on 268 stations nationally in addition to SiriusXM, the Ministry’s phone app, website, and podcast on various platforms. Resources are offered through the Ministry’s call center, website, phone app, and other social media platforms where interested parties can access book, audio, or video resources. For those whose needs exceed the scope of these resources, additional help is offered through the Ministry’s other programs which include in-person and video conference workshops, a network of Christian counselors, and coaching groups.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are presented on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (GAAP). As required by GAAP, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions include those economic resources of the Ministry that are expendable for any purpose in performing the primary objectives of the Ministry.

Net assets with donor restrictions include those assets whose use by the Ministry is limited by donor-imposed stipulations that expire through either the passage of time or actions of the Ministry.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, 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 such estimates.

See accompanying independent auditors’ report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Ministry considers cash and highly liquid investments with an original maturity date of less than three months to be cash equivalents.

Concentration of Credit Risk

The Ministry has a concentration of credit risk for cash deposits maintained at certain financial institutions which, at times, are in excess of insured limits set by the Federal Deposit Insurance Corporation or the National Credit Union Administration. The Ministry has not experienced any losses in such accounts and believes that they are not exposed to any significant credit risk related to cash.

At December 31, 2024, the Ministry's cash accounts exceeded federally insured limits by approximately \$320,600.

Investments

Investments in equity securities with readily determinable fair values and all debt securities are reported at fair value. Donated investments are recorded at fair value on the date of the gift. Unrealized and realized gains and losses are reported as increases or decreases in net assets within the statements of activities and changes in net assets (deficit). Interest and dividend income is also reported in the statements of activities and changes in net assets (deficit).

Accounts Receivable

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, which replaces the existing incurred loss impairment model with an expected credit loss model and requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses.

The Ministry adopted Topic 326 effective January 1, 2023. The impact of the adoption was not considered material to the financial statements. No provision was deemed necessary for the years ended December 31, 2024 and 2023.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Expenses

Prepaid expenses primarily consisted of amounts paid in advance for insurance, rent, materials for future events, booth fees for upcoming conferences, and postage.

Inventory

Inventory which consisted primarily of books, tapes, and disks, is stated at the lower of average cost or net realizable value. The Ministry annually evaluates their inventory for obsolescence. Provision for obsolete inventory is recorded at the time when inventory becomes obsolete. The provision for obsolete inventory amounted to \$15,945 for the years ended December 31, 2024 and 2023.

Property and Equipment

Acquisitions of property and equipment, including assets held under finance leases, are capitalized based on analysis of the cost and expected useful life of the asset. Maintenance, repairs, and renewals which do not materially prolong the useful lives of the assets are charged to expense as incurred. Property and equipment are carried at cost or, if donated, at fair value on the date of donation. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets, which generally ranges from three to five years for furniture and equipment, two years for software, and the shorter of useful life or lease term for leasehold improvements.

Donated Property

The Ministry reports gifts of equipment and furniture as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Ministry reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Impairment of Long-Lived Assets

The Ministry reviews potential impairments of long-lived assets when there is evidence that events or changes in circumstances have made the recovery of an asset's carrying value unlikely. An impairment loss is recognized if the sum of the expected, undiscounted future cash flow is less than the net book value of the asset. Generally, the amount of the impairment loss is measured as the excess of the net book value of the assets over the estimated fair value. For the years ended December 31, 2024 and 2023, no impairment of long-lived assets was necessary.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits

The Ministry had short-term deposits related to events scheduled to take place in the subsequent year. The Ministry also had long-term deposits with buildings in which they currently have operating leases for office space.

Leases

At the inception of an arrangement, the Ministry determines whether the arrangement is or contains a lease based on the unique facts and circumstances present in the arrangement. Leases with a term greater than one year are recognized on the statements of financial position as a right-of-use asset and as short-term and/or long-term lease liabilities, as applicable.

Operating and finance lease liabilities and their corresponding right-of-use assets are initially recorded based on the present value of lease payments over the expected remaining lease term. As a result, the Ministry utilizes the private company practical expedient to utilize the risk free discount rate for present value calculations on all leases.

The Ministry has elected not to recognize leases with an original term of one year or less on the statements of financial position. The Ministry typically only includes an initial lease term in its assessment of a lease arrangement. Options to renew a lease are not included in the Ministry's assessment unless there is reasonable certainty that the Ministry will renew.

Support

The Ministry records contributions at the date received at fair value. The Ministry reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated asset. When a donor stipulation expires, that is, when the purpose or time restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets (deficit) as net assets released from restrictions.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognized at a Point in Time

Program fees include revenue from workshops and events, outpatient registration, and group coaching services. These events occur over a short duration of time, from beginning to end. Revenue from program fees is recognized at the time the event occurs.

Product sales include the sale of books, workbooks, audio tapes, video tapes, compact discs, kits, and a limited amount of apparel and coffee mugs. Revenue from product sales is recognized at the time the product is shipped.

Unearned Program Fees

The Ministry records payments made in advance by attendees to its workshops and seminars as unearned program fees. These amounts are recognized as revenue when the event takes place.

Federal Income Taxes

The Ministry is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is made in these financial statements.

Retirement Plan

Employees of the Ministry participate in a defined contribution plan which is qualified under Section 401(k) of the Internal Revenue Code. The Ministry's contribution to the plan is discretionary. Total matching contributions for the years ended December 31, 2024 and 2023 amounted to \$27,298 and \$24,722, respectively.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Assets and Liabilities

The Ministry measures and discloses certain financial assets and liabilities at fair value. GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

*Level 1* - Quoted prices in active markets for identical assets or liabilities.

*Level 2* - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

*Level 3* - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of assets and liabilities within the fair value hierarchy. Because of the long-term nature of certain assets and liabilities measured at fair value as well as differences in the availability of market prices and market liquidity over their terms, inputs for some assets and liabilities may fall into any one of the three levels in the fair value hierarchy. GAAP requires these assets and liabilities to be classified in the lowest level in the hierarchy for which inputs are significant to the fair value measurement; a portion of that measurement may be determined using inputs from a higher level in the hierarchy.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide array of factors. In certain cases, the inputs used to measure fair value may fall into different levels of the hierarchy. For disclosure purposes, the level in the hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement. The estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Assets and Liabilities (Continued)

To the extent that a specific valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. As such, the degree of judgment exercised by the Ministry in determining fair value is greatest for investments in Level 3.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024 and 2023.

- *Cash and money market funds.* Cash equivalent holdings are valued at cost, which approximates fair value.
- *Mutual funds of registered investment companies.* Valued at the daily closing price as reported by the fund. Mutual funds held by the Ministry are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value to transact at that price. The mutual funds held by the Ministry are deemed to be actively traded.
- *Exchange-traded funds.* Funds that invest in a variety of assets traded on an active market. These funds are valued at the daily closing price reported on the public stock exchange.

Allocation of Functional Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort; information technology costs, which are allocated based on headcount as well as depreciation and amortization; and occupancy, which are allocated on a square footage basis. Other expenses, such as marketing fees and materials, are allocated based on estimated usage.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3) LONG-TERM INVESTMENTS

Long-term investments of the Ministry are stated at fair value. The following describes the components of the Ministry's investments at December 31:

	2024	2023
Cash and money market funds	\$ 14,567	\$ 5,007
Mutual funds	217,868	138,528
Exchange traded funds	34,009	38,482
Long-term investments at fair value	<u>\$ 266,444</u>	<u>\$ 182,017</u>

4) FAIR VALUE MEASUREMENTS

The following is a summary of the categorization within the fair value hierarchy of the Ministry's financial assets measured at fair value:

Fair Value Measurements at December 31, 2024 Using:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and money market funds	\$ 14,567	\$ -	\$ -	\$ 14,567
Mutual funds	217,868	-	-	217,868
Exchange traded funds	34,009	-	-	34,009
Investments at fair value	<u>\$ 266,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,444</u>

Fair Value Measurements at December 31, 2023 Using:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and money market funds	\$ 5,007	\$ -	\$ -	\$ 5,007
Mutual funds	138,528	-	-	138,528
Exchange traded funds	38,482	-	-	38,482
Investments at fair value	<u>\$ 182,017</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,017</u>

See accompanying independent auditors' report.



NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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4) FAIR VALUE MEASUREMENTS (CONTINUED)

The Ministry has no financial instruments which were categorized using Level 3 inputs at December 31, 2024 and 2023.

The Ministry recognizes transfer between levels in the fair value hierarchy as of the end of the reporting period. There were no transfers between levels for the years ended December 31, 2024 and 2023.

5) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2024	2023
Furniture, fixtures, and equipment	\$ 280,216	\$ 285,509
Software	318,957	318,957
Leasehold improvements	62,541	62,541
Property and equipment, at cost	661,714	667,007
Less: accumulated depreciation and amortization	(602,594)	(596,393)
Property and equipment, net	<u>\$ 59,120</u>	<u>\$ 70,614</u>

Depreciation and amortization expense for the years ended December 31, 2024 and 2023 amounted to \$43,091 and \$59,180, respectively.

6) ENDOWMENTS

The Ministry's endowment assets consist of funds established for any of the Ministry's charitable purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has determined that it would be desirable for the Ministry to preserve, on a long-term basis, the original value of a contribution of a donor-restricted endowment fund as of the gift date, subject to any express language in the applicable endowment agreement indicating otherwise and pursuant to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA" or the "Act"). Notwithstanding the foregoing, this determination is not intended to, and shall not, affect the Ministry's authority under the Act to spend amounts from an endowment fund on a short-term basis, even if the market value of the endowment fund is below the original value of the contributions by the donors. As a result of this determination, the Ministry classifies as net assets with donor restrictions (a) the original value of gifts contributed to a donor-restricted endowment fund and (b) the original value of subsequent gifts to a donor-restricted endowment fund.

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6) ENDOWMENTS (CONTINUED)

Investment income (loss) and appreciation (depreciation) related to the donor-restricted endowment funds are classified as net assets with donor-restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by the Act. Most of those net assets are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. In accordance with UPMIFA, the Ministry considers the following factors in making a determination to appropriate or accumulate endowment funds:

1. The duration and preservation of the endowment assets
2. The purposes of the Ministry and the donor-restricted endowments
3. General economic conditions
4. The possible effects of inflation and deflation
5. Other resources of the Ministry
6. The investment policies of the Ministry

A summary of the Ministry's endowment assets by net asset class was as follows at:

Endowment Fund Type	December 31, 2024		Total
	Without Donor Restrictions	With Donor Restrictions	
General endowment	\$ -	\$ 162,595	\$ 162,595
Total endowment assets	<u>\$ -</u>	<u>\$ 162,595</u>	<u>\$ 162,595</u>
Endowment Fund Type	December 31, 2023		Total
	Without Donor Restrictions	With Donor Restrictions	
General endowment	\$ -	\$ 166,839	\$ 166,839
Total endowment assets	<u>\$ -</u>	<u>\$ 166,839</u>	<u>\$ 166,839</u>

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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6) ENDOWMENTS (CONTINUED)

Changes in endowment net assets for the years ended December 31, 2024 and 2023 were as follows:

	<u>December 31, 2024</u>		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2024	\$ -	\$ 166,839	\$ 166,839
Investment return:			
Net investment income (loss)	-	9,736	9,736
Expenditure of endowment assets	-	(13,980)	(13,980)
Endowment net assets, December 31, 2024	<u>\$ -</u>	<u>\$ 162,595</u>	<u>\$ 162,595</u>
	<u>December 31, 2023</u>		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2023	\$ -	\$ 166,813	\$ 166,813
Investment return:			
Net investment income (loss)	-	13,286	13,286
Expenditure of endowment assets	-	(13,260)	(13,260)
Endowment net assets, December 31, 2023	<u>\$ -</u>	<u>\$ 166,839</u>	<u>\$ 166,839</u>

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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6) ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

The Ministry has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, endowment assets are invested in a manner that, over a long-term investment horizon, is intended to produce results that at a minimum equal inflation, administrative costs, and management fees, while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy long-term return objectives, the Ministry relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Ministry targets a diversified asset allocation that places emphasis on investments in growth, income, and inflation protection assets to achieve its long-term return objectives within prudent risk constraints.

Erosion of Corpus, Spending Policy, and How the Investment Objectives Relate to Spending Policy

The bequest allowed for a 7% annual distribution to support the Ministry and its programs. The Ministry has a policy of appropriating its annual distributions for charitable purposes, and general Ministry operating costs. In monitoring this policy, the Ministry considers the long-term expected return on its endowments. Although the Ministry has adopted investment and spending policies, the investment returns may not be equal to the amount of the 7% annual distribution. In accordance with the donor-restricted endowment, the amounts of annual distributions could erode the original corpus of the endowment.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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7) NET ASSETS

At December 31, 2024 and 2023, net assets (deficit) consisted of restricted contributions to be used for the following purposes:

	<u>2024</u>	<u>2023</u>
Net deficit without donor restrictions	\$ (926,859)	\$ (389,496)
Net assets with donor restrictions:		
Collected funds:		
Scholarship funds	311,351	30,416
Every Man's Battle	75,000	-
GrowthSeekers	-	9,476
Endowment funds:		
General endowment*	<u>162,595</u>	<u>166,839</u>
Total net assets with donor restrictions	<u>548,946</u>	<u>206,731</u>
Total net assets (deficit)	<u><u>\$ (377,913)</u></u>	<u><u>\$ (182,765)</u></u>

\*expendable annually at 7% to support the Ministry and its programs.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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8) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Ministry's financial assets at December 31, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position sheet date.

Financial assets, at December 31, 2024	\$ 1,006,232
Less those unavailable for general expenditures within one year, due to:	
Restricted by donor with time or purpose restrictions	(548,946)
Cash payments required for lease obligations	<u>(223,633)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 233,653</u>

The financial assets at year-end include cash and cash equivalents, investments, and receivables. The Ministry is substantially supported by highly liquid cash contributions that are without restriction. As such, the Ministry has historically been able to cover any general expenditures with the financial assets on hand.

9) LEASES

The Ministry leases its facilities under non-cancelable operating leases. At December 31, 2024, maturity dates for leasing arrangements ranged from February 2026 to September 2026. During the years ended December 31, 2024 and 2023, monthly payment amounts ranged from \$2,350 to \$8,692, respectively.

The Ministry leases office equipment under finance lease agreements with maturity dates through February 2029. Monthly payment amounts range from \$70 to \$367. The finance lease right-of-use assets are included in property and equipment on the statements of financial position.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9) LEASES (CONTINUED)

The following table presents the right-of-use assets and short-term and long-term liability amounts recorded on the statements of financial position at December 31, 2024 and 2023:

	<u>December 31, 2024</u>	
	<u>Operating</u>	<u>Finance</u>
<u>Assets</u>		
Right-of-use assets – gross	\$ 925,592	\$ 48,251
Right-of-use assets – accumulated amortization	(628,301)	(20,327)
Right-of-use assets – net	<u>\$ 297,291</u>	<u>\$ 27,924</u>
<u>Liabilities</u>		
Current portion of lease liability	\$ 213,766	\$ 9,867
Long-term lease liability, net of current portion	83,524	18,021
Total lease liability	<u>\$ 297,290</u>	<u>\$ 27,888</u>

  

	<u>December 31, 2023</u>	
	<u>Operating</u>	<u>Finance</u>
<u>Assets</u>		
Right-of-use assets – gross	\$ 925,592	\$ 48,251
Right-of-use assets – accumulated amortization	(414,535)	(23,798)
Right-of-use assets – net	<u>\$ 511,057</u>	<u>\$ 24,453</u>
<u>Liabilities</u>		
Current portion of lease liability	\$ 213,766	\$ 10,884
Long-term lease liability, net of current portion	297,291	13,628
Total lease liability	<u>\$ 511,057</u>	<u>\$ 24,512</u>

The maturity of the Ministry's lease liabilities at December 31, 2024 was as follows:

<u>Years Ending December 31,</u>	<u>Minimum Lease Commitments - Operating</u>	<u>Minimum Lease Commitments - Finance</u>
2025	\$ 228,210	\$ 11,868
2026	89,292	9,832
2027	-	6,403
2028	-	4,404
2029	-	734
Less: imputed interest	(20,212)	(5,353)
Present value of lease liabilities	<u>\$ 297,290</u>	<u>\$ 27,888</u>

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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9) LEASES (CONTINUED)

The remaining weighted average lease terms for operating and finance leases at December 31, 2024 and 2023 were 1.35 years and 2.32 years and 3.1 years and 3.33 years, respectively. The weighted average discount rates used to present value operating and finance leases and related right-of-use assets at December 31, 2024 and 2023 was 1.17% and 1.16% and 1.64% and 1.16%, respectively.

Total lease expense for operating right-of-use assets for the years ended December 31, 2024 and 2023 amounted to \$215,524 and \$203,416, respectively, and was included in the total rent expense. Total lease expense for finance leases for the Ministry amounted to \$12,460 and \$12,460 for amortization of right-of-use assets and \$1,709 and \$1,205 for interest expense on lease liabilities for the years ended December 31, 2024 and 2023, respectively.

10) DEFERRED COMPENSATION ARRANGEMENT

The Organization has entered into a nonqualified deferred compensation arrangement under Internal Revenue Code Section 457(f) with its founder and former CEO. The arrangement provides for annual contributions of \$48,000 per year for a period of 10 years, subject to the Organization or CEO's mutual agreement of the provisions. Although the formal terms of the arrangement include a risk of forfeiture in the event of separation from service before the end of the period, the Board of Directors has indicated its intent to honor the benefit on an annual basis regardless of early retirement. The Organization has determined that the risk of forfeiture is not substantive and therefore is accruing the benefit over the 10-year service period. As of the balance sheet date, the Organization recorded a related liability of \$96,000. The liability is included in the accompanying statement of financial position.

11) SIGNIFICANT RISKS, UNCERTAINTIES, CONTINGENCIES, AND CONCENTRATIONS

The Ministry is highly dependent on contributions and donations. Therefore, the Ministry's programs and activities are affected by the level of donations and related factors, including general economic conditions. Based on these factors, the Ministry may experience substantial period-to-period fluctuations.

The Ministry can be subject to various claims and matters that arise in the ordinary course of its activities. No existing matters are expected to have any material or adverse effect on the Ministry's financial condition at December 31, 2024.

12) SUBSEQUENT EVENTS

We evaluated events that occurred after the balance sheet date through July 21, 2025, which is the date these financial statements were available to be issued, and no subsequent events meeting disclosure criteria were identified.