

**NEW LIFE MINISTRIES**  
**FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2021**



## INDEPENDENT AUDITORS' REPORT

---

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, 2021, 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, 2021, 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.

### 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.

The financial statements include certain prior year summarized comparative information in total, not by net asset classification. This information is not presented in sufficient detail to conform with GAAP. Accordingly, such information should be read in conjunction with the Ministry's financial statements for the year ended December 31, 2020, from which the summarized information is derived.

*Saville, Dodgen & Co.*

Saville, Dodgen & Company, P.L.L.C.  
Dallas, Texas

June 29, 2022

NEW LIFE MINISTRIES  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021,  
*(with summarized financial information as of December 31, 2020)*

	2021	2020
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,424,122	\$ 824,986
Receivables	20,275	61,714
Prepaid expenses	47,154	32,352
Inventory	110,787	98,847
Total current assets	1,602,338	1,017,899
PROPERTY AND EQUIPMENT, net	113,607	83,430
OTHER ASSETS		
Long-term investments	185,889	198,888
Deposits	69,961	75,844
Total other assets	255,850	274,732
TOTAL ASSETS	\$ 1,971,795	\$ 1,376,061
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Capital lease obligation, current portion	\$ 13,262	\$ 11,353
Unearned program fees	88,202	105,333
Accounts payable	203,200	379,231
Accrued expenses	581,283	478,984
Total current liabilities	885,947	974,901
NONCURRENT LIABILITIES		
Capital lease obligation, net of current portion	11,676	22,209
TOTAL LIABILITIES	897,623	997,110
NET ASSETS		
Without donor restrictions	773,222	38,717
With donor restrictions	300,950	340,234
Total net assets	1,074,172	378,951
TOTAL LIABILITIES AND NET ASSETS	\$ 1,971,795	\$ 1,376,061

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, 2021,  
*(with summarized financial information for the year ended December 31, 2020)*

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020
<b>REVENUE AND PUBLIC SUPPORT</b>				
Contributions	\$ 6,284,362	\$ 250,044	\$ 6,534,406	\$ 6,502,193
Program fees	1,782,474	-	1,782,474	1,687,455
Product sales	156,320	-	156,320	145,084
Commissions and contracts	3,643	-	3,643	17,678
Investment income (loss)	(13,541)	18,086	4,545	6,741
Net assets released from restrictions	307,414	(307,414)	-	-
Total revenue and public support	<u>8,520,672</u>	<u>(39,284)</u>	<u>8,481,388</u>	<u>8,359,151</u>
<b>EXPENSES</b>				
Program services	5,793,592	-	5,793,592	4,948,967
Management and general	920,081	-	920,081	919,745
Fundraising	1,072,494	-	1,072,494	891,730
Total expenses	<u>7,786,167</u>	<u>-</u>	<u>7,786,167</u>	<u>6,760,442</u>
CHANGES IN NET ASSETS	734,505	(39,284)	695,221	1,598,709
NET ASSETS (DEFICIT), beginning of year	<u>38,717</u>	<u>340,234</u>	<u>378,951</u>	<u>(1,219,758)</u>
NET ASSETS, end of year	<u>\$ 773,222</u>	<u>\$ 300,950</u>	<u>\$ 1,074,172</u>	<u>\$ 378,951</u>

See accompanying independent auditors' report and notes.

NEW LIFE MINISTRIES  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021,  
*(with summarized financial information for the year ended December 31, 2020)*

	Program Services		Supporting Services			2021 Total	2020
	Media Ministries and Resource Center	Workshops and Other Operating Programs	Management and General	Fundraising			
Salaries and benefits							
Salaries	\$ 1,010,222	\$ 470,463	\$ 309,734	\$ 448,884	\$ 2,239,303	\$ 1,999,859	
Other employee benefits	197,615	90,855	104,210	90,316	482,996	390,950	
Radio/TV broadcast	2,237,141	-	-	2,696	2,239,837	1,730,004	
Advertising and promotion	26,281	16,845	-	4,289	47,415	62,495	
Bank fees	-	-	115,140	-	115,140	172,557	
Business insurance	13,688	-	65,761	-	79,449	80,559	
Business travel and meals	11,682	49,717	19,593	48,332	129,324	54,492	
Contract services	131,460	7,180	17,545	1,344	157,529	123,525	
Depreciation and amortization	20,434	9,516	6,265	9,080	45,295	34,982	
Equipment rental	1,922	824	138	7,500	10,384	19,870	
Information technology	196,468	80,586	44,635	64,670	386,359	351,416	
Interest	-	-	3,095	-	3,095	5,518	
Equipment repairs and maintenance	3,489	-	-	-	3,489	244	
Occupancy costs							
Maintenance and repairs	-	564	9,579	-	10,143	19,178	
Rent	88,035	36,164	71,358	11,811	207,368	239,345	
Telephone and utilities	12,796	4,098	3,233	277	20,404	61,163	
Office expenses	7,498	6,157	10,946	2,544	27,145	23,012	
Other expenses	29,258	5,675	69,614	45,204	149,751	80,739	
Postage and shipping	43,947	62,576	3,811	71,036	181,370	135,332	
Printing and publications	5,383	15,362	513	82,487	103,745	107,811	
Product costs and premiums	70,806	62,697	-	48,734	182,237	172,943	
Professional fees for services	29,393	553,888	64,911	4,000	652,192	671,488	
Program supplies, facility, and catering	55	182,852	-	129,290	312,197	222,960	
<b>TOTAL</b>	<b>\$ 4,137,573</b>	<b>\$ 1,656,019</b>	<b>\$ 920,081</b>	<b>\$ 1,072,494</b>	<b>\$ 7,786,167</b>	<b>\$ 6,760,442</b>	

See accompanying independent auditors' report and notes.

NEW LIFE MINISTRIES  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021,  
*(with summarized financial information for the year ended December 31, 2020)*

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 695,221	\$ 1,598,709
Adjustments to reconcile change in net assets (deficit) to net cash provided (used) by operating activities:		
Depreciation and amortization	45,296	34,982
(Gain)/Loss on disposal of assets	1,974	(1,923)
Donations of marketable securities	-	(58,654)
Realized and unrealized (gains) losses on marketable securities	3,150	(1,133)
Reinvestment of interest and dividends	(5,380)	(4,418)
Changes in operating account balances:		
Accounts receivable	41,439	(50,254)
Prepaid expenses	(14,802)	2,807
Inventory	(11,940)	10,969
Deposits	5,883	(24,549)
Unearned program fees	(17,132)	(11,575)
Accounts payable	(176,031)	(1,005,549)
Accrued expenses	102,299	(6,741)
Net cash provided by operating activities	669,977	482,671
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of marketable securities	-	58,654
Purchase of property and equipment	(56,820)	(40,264)
Disposals of property and equipment	(17,267)	-
Purchase of long-term investments	(146,548)	(207,913)
Proceeds from long-term investments	161,777	224,400
Net cash provided by/(used in) investing activities	(58,858)	34,877
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capital lease obligation	(11,983)	(13,278)
Net cash used in financing activities	(11,983)	(13,278)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	599,136	504,270
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	824,986	320,716
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 1,424,122	\$ 824,986
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ 3,095	\$ 5,518
Noncash investing or financing transactions		
Acquisition of property and equipment through capital lease obligations	\$ 3,360	\$ 17,000

See accompanying independent auditors' report and notes.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

---

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 252 stations nationally in addition to SiriusXM, the Ministry’s phone app and website. Resources are offered through NLM’s call center, website, 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)

---

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.

At December 31, 2021, the Ministry's cash accounts exceeded federally insured limits by approximately \$523,100.

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 statement of activities and changes in net assets. Interest and dividend income is also reported in the statement of activities.

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.

Receivables

Accounts receivable consists of amounts due from a landlord reimbursement of HVAC upgrades as part of a tenant improvement allowance, proceeds in transit related to a stock sale, and expenses to be reimbursed related to speaking engagements. Accounts that are outstanding longer than the payment terms are considered past due. Provisions for uncollectible accounts are provided at the time the realization of a specific receivable becomes doubtful. As a result, the accounts receivable balance decreases substantially. No provision was deemed necessary for the years ended December 31, 2021 and 2020.

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Expenses

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

Inventory

Inventory, consisting 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 provided at the time the inventory becomes obsolete. The provision for obsolete inventory amounted to \$15,945 for the years ended December 31, 2021 and 2020.

Property and Equipment

Acquisitions of property and equipment, including assets held under capital 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 three to five years for leasehold improvements.

Donated Property

The Ministry reports gifts of land, buildings, and equipment 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.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits

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

Capital Leases

Assets held under capital leases are recorded at the lower of the net present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease. Amortization expense is computed using the straight-line method over the useful lives of the assets and is included in depreciation and amortization expense.

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 statement of activities as net assets released from restrictions.

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.

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021 and 2020 amounted to \$22,851 and \$21,060, respectively.

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.

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

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.

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, 2021 and 2020.

- *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 compensation 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 the estimated usage.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Account Pronouncements

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the Ministry for fiscal year 2022. Early adoption is permitted. The Ministry is currently evaluating the new guidance and has not determined the impact this standard may have on its financial statements.

3) INVESTMENTS

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

	2021	2020
Cash and money market funds	\$ 7,095	\$ 9,760
Mutual funds	149,805	102,703
Exchange traded funds	28,989	86,425
	\$ 185,889	\$ 198,888

4) FAIR VALUE MEASUREMENTS

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

Description	Fair Value Measurements at December 31, 2021 Using:			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash and money market funds	\$ 7,095	\$ -	\$ -	\$ 7,095
Mutual funds	149,805	-	-	149,805
Exchange traded funds	28,989	-	-	28,989
Investments at fair value	\$ 185,889	\$ -	\$ -	\$ 185,889

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4) FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Measurements at December 31, 2020 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	\$ 9,760	\$ -	\$ -	\$ 9,760
Mutual funds	102,703	-	-	102,703
Exchange traded funds	86,425	-	-	86,425
Investments at fair value	\$ 198,888	\$ -	\$ -	\$ 198,888

The Ministry has no financial instruments which were categorized using Level 3 inputs as of December 31, 2021 and 2020.

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, 2021 and 2020.

5) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2021	2020
Furniture, fixtures, and equipment	\$ 257,918	\$ 312,238
Software	295,169	295,169
Leasehold improvements	78,613	78,613
Property and equipment, at cost	631,700	686,020
Less: accumulated depreciation and amortization	(518,093)	(602,590)
Property and equipment, net	\$ 113,607	\$ 83,430

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 amounted to \$45,296 and \$34,982, respectively.

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

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 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.

Investment income and appreciation 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 is as follows:

Endowment Fund Type	December 31, 2021		Total
	Without Donor Restrictions	With Donor Restrictions	
General endowment	\$ -	\$ 185,889	\$ 185,889
Total endowment assets	\$ -	\$ 185,889	\$ 185,889

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6) ENDOWMENTS (CONTINUED)

Endowment Fund Type	December 31, 2020		Total
	Without Donor Restrictions	With Donor Restrictions	
General endowment	\$ -	\$ 198,888	\$ 198,888
Total endowment assets	\$ -	\$ 198,888	\$ 198,888

Changes in endowment net assets for the years ended December 31, 2021 and 2020 are as follows:

	December 31, 2021		Total
	Without Donor Restrictions	With Donor Restrictions	
Endowment net assets, January 1, 2021	\$ -	\$ 198,888	\$ 198,888
Investment return:			
Investment income (loss)	-	4,057	4,057
Total investment return	-	202,945	202,945
Contributions	-	-	-
Expenditure of endowment assets	-	(17,056)	(17,056)
Endowment net assets, December 31, 2021	\$ -	\$ 185,889	\$ 185,889

	December 31, 2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Endowment net assets, January 1, 2020	\$ -	\$ 209,824	\$ 209,824
Investment return:			
Investment income (loss)	-	5,553	5,553
Total investment return	-	215,377	215,377
Contributions	-	-	-
Expenditure of endowment assets	-	(16,489)	(16,489)
Endowment net assets, December 31, 2020	\$ -	\$ 198,888	\$ 198,888

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

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)

---

7) NET ASSETS

At December 31, 2021 and 2020, net assets consisted of restricted contributions to be used for the following purposes:

	2021	2020
Net assets without donor restrictions:	\$ 773,222	\$ 38,717
Total net assets without donor restrictions	773,222	38,717
Net assets with donor restrictions:		
Collected funds:		
Scholarship funds	72,259	90,249
Prison resources	1,088	1,097
Pre-Event Funding	15,000	-
Funding for 2021 hire	26,714	50,000
Endowment funds:		
General endowment*	185,889	198,888
Total net assets with donor restrictions	300,950	340,234
Total net assets	\$ 1,074,172	\$ 378,951

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

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Ministry's financial assets as of the statements of financial position sheet date, 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.

	2021	2020
Financial assets, at year-end	\$ 1,630,286	\$ 1,085,588
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions	(300,950)	(340,234)
Cash payments required for capital lease obligations	(13,262)	(11,353)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,316,074	\$ 734,001

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) LEASE COMMITMENTS

Operating Leases

The Ministry leases its facilities under non-cancelable operating leases. At December 31, 2021, maturity dates for leasing arrangements ranged from February 2022 to September 2026. During December 31, 2021 and 2020, monthly payment amounts ranged from \$2,350 to \$7,955, respectively. Lease expense for the years ended December 31, 2021 and 2020 amounted to \$209,682 and \$244,595, respectively.

The following is a schedule by years of future minimum rental payments as of December 31, 2021:

For the years ending December 31,	Amounts
2022	\$ 210,267
2023	208,640
2024	222,887
2025	228,210
2026	81,678
Total	\$ 951,682

See accompanying independent auditors' report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

9) LEASE COMMITMENTS (CONTINUED)

Capital Leases

The Ministry leases office equipment under capital lease agreements with maturity dates through March 2024. Monthly payment amounts range from \$43 to \$454. The capital leases and accumulated amortization are as follows at December 31:

	2021	2020
Capital lease equipment, at cost	\$ 50,519	\$ 48,273
Less: accumulated amortization	(27,464)	(16,251)
Capital lease equipment, net	\$ 23,055	\$ 32,022

The future minimum lease payments required under these capital leases as of December 31, 2021 are as follows:

	Years ending December 31,	Amounts
	2022	\$ 14,959
	2023	10,681
	2024	1,748
	2025	210
Total minimum lease payments		27,598
Less: Amount representing interest		(2,660)
Present value of net minimum lease payments		24,938
Less: Capital lease obligation, current portion		(13,262)
Capital lease obligation, net of current portion		\$ 11,676

10) SIGNIFICANT RISKS, UNCERTAINTIES, CONTINGENCIES, AND CONCENTRATIONS

In April 2020, the Ministry received approximately \$441,000 in proceeds from a potentially forgivable loan (the “PPP Loan”) as part of the Paycheck Protection Program (the “Program” or “PPP”) established by the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”). Under the CARES Act and the terms of the Program, loan forgiveness is available when the funds are used for eligible expenses, including payroll costs, payments on mortgages, and rent and utility payments made during the loan’s qualifying period.

See accompanying independent auditors’ report.

NEW LIFE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

---

10) SIGNIFICANT RISKS, UNCERTAINTIES, CONTINGENCIES, AND  
CONCENTRATIONS (CONTINUED)

In November, 2020, substantially all of the PPP Loan was approved for forgiveness by the bank. As such, in accordance with Accounting Standards Codification 105, *Generally Accepted Accounting Principles*, and by analogy to IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, the Ministry elected to treat the funds received under the PPP Loan as an in-substance government grant and recognized the funds received as a contribution on the statement of activities and changes in net assets for the year ended December 31, 2020.

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 as of December 31, 2021.

11) SUBSEQUENT EVENTS

We evaluated events that occurred after the balance sheet date through June 29, 2022, which is the date these financial statements were issued, and no subsequent events meeting disclosure criteria were identified.