



LIFE CENTERS, INC.

Financial Statements
With Independent Accountant's Review
Report

June 30, 2025 and 2024

LIFE CENTERS, INC.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Life Centers, Inc.
Indianapolis, Indiana

We have reviewed the accompanying financial statements of Life Centers, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Life Centers, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Indianapolis, Indiana
September 19, 2025

LIFE CENTERS, INC.

Statements of Financial Position

	June 30,	
	2025	2024
ASSETS:		
Cash and cash equivalents	\$ 928,047	\$ 334,797
Cash restricted for West Center relocation	106,695	-
Total cash and restricted cash	<u>1,034,742</u>	<u>334,797</u>
Investments	-	1,000,000
Prepaid expenses	49,874	45,472
Inventory	215,202	90,985
Operating leases right-of-use assets-net	334,601	487,166
Leasehold improvements and equipment-net	<u>336,053</u>	<u>410,724</u>
Total Assets	<u>\$ 1,970,472</u>	<u>\$ 2,369,144</u>
LIABILITIES AND NET ASSETS:		
Accounts payable	\$ 62,743	\$ 23,778
Accrued expenses	84,315	92,441
Operating leases liabilities	<u>352,627</u>	<u>512,167</u>
Total liabilities	<u>499,685</u>	<u>628,386</u>
Net assets:		
Without donor restrictions	1,364,092	1,740,758
With donor restrictions for West Center relocation	<u>106,695</u>	<u>-</u>
Total net assets	<u>1,470,787</u>	<u>1,740,758</u>
Total Liabilities and Net Assets	<u>\$ 1,970,472</u>	<u>\$ 2,369,144</u>

See independent accountant's review report and accompanying notes

LIFE CENTERS, INC.

Statements of Activities

	Years Ended June 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Special event support	\$ 152,045	\$ -	\$ 152,045	\$ 204,788	\$ -	\$ 204,788
Less: costs of direct benefits to donors	(104,529)	-	(104,529)	(66,194)	-	(66,194)
Special event support-net	47,516	-	47,516	138,594	-	138,594
Contributions	1,655,677	106,695	1,762,372	1,614,232	-	1,614,232
Grants	22,597	-	22,597	178,825	-	178,825
Contributions of non-financial assets	822,391	-	822,391	618,132	-	618,132
Loss on disposal of leasehold improvements	-	-	-	(12,230)	-	(12,230)
Other income	22,826	-	22,826	20,436	-	20,436
Interest income	66,435	-	66,435	43,417	-	43,417
	2,637,442	106,695	2,744,137	2,601,406	-	2,601,406
RECLASSIFICATIONS:						
Net assets released from restriction by satisfaction of purpose restrictions	-	-	-	-	-	-
EXPENSES:						
Program services	2,286,313	-	2,286,313	2,179,685	-	2,179,685
Supporting activities:						
General and administrative	397,697	-	397,697	364,376	-	364,376
Fundraising	330,098	-	330,098	294,591	-	294,591
Total Expenses	3,014,108	-	3,014,108	2,838,652	-	2,838,652
Change in Net Assets	(376,666)	106,695	(269,971)	(237,246)	-	(237,246)
Net Assets, Beginning of Year	1,740,758	-	1,740,758	1,978,004	-	1,978,004
Net Assets, End of Year	\$ 1,364,092	\$ 106,695	\$ 1,470,787	\$ 1,740,758	\$ -	\$ 1,740,758

See independent accountant's review report and accompanying notes

LIFE CENTERS, INC.

Statements of Cash Flows

	Years Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (269,971)	\$ (237,246)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	77,043	66,307
Contributions collected for West Center relocation	(106,695)	-
Loss on disposal of leasehold improvements	-	12,230
Donated fixed assets	-	(71,154)
Changes in:		
Prepaid expenses	(4,402)	(16,828)
Inventory	(124,217)	57,777
Operating lease right-of-use asset	(6,975)	(828)
Accounts payable	38,965	5,126
Accrued expenses	(8,126)	20,128
Net Cash Used in Operating Activities	(404,378)	(164,488)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment	-	(1,000,000)
Redemption of investment	1,000,000	500,000
Purchases of leasehold improvements and equipment	(2,372)	(234,445)
Net Cash Provided by (Used in) by Investing Activities	997,628	(734,445)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions collected for West Center relocation	106,695	-
Net Cash Provided by Financing Activities	106,695	-
Net Change in Cash and Cash Equivalents and Restricted Cash	699,945	(898,933)
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	334,797	1,233,730
Cash and Cash Equivalents and Restricted Cash, End of Year	\$ 1,034,742	\$ 334,797

See independent accountant's review report and accompanying notes

LIFE CENTERS, INC.

Notes to Financial Statements

June 30, 2025 and 2024

1. NATURE OF ORGANIZATION:

Life Centers, Inc. (Life Centers), formerly known as Central Indiana Crisis Pregnancy Center, Inc., is an Indiana nonprofit corporation and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Life Centers' mission is to affirm the value of life by providing a network of care to those experiencing pregnancy related decisions and by compassionately presenting Biblical truth resulting in changed lives to the glory of God.

Life Centers conducts its mission from five locations in Hamilton and Marion counties. Life Centers network of care service includes pregnancy testing, ultrasound procedure, personal counseling, parental education, and material supports consisting of baby supplies and clothing for those that participate in the program. Life Centers' services are provided from a Christian and pro-life perspective. All program services are provided free of charge.

Life Centers is a member of the Evangelical Council for Financial Accountability (ECFA). Support for Life Centers comes in the form of contributions from individuals, churches, and other organizations in central Indiana. Life Centers also receives contributions of non-financial assets such as baby supplies, clothing, and other items. Hundreds of volunteers donate time each year in the areas of counseling and administrative support. Life Centers conducts a "Celebration of Life" event in the fall as its primary fundraising special event.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASU).

USE OF ESTIMATES

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts for revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to contributions of non-financial assets and allocation of functional expenses.

LIFE CENTERS, INC.

Notes to Financial Statements

June 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND CREDIT RISK

Cash and cash equivalents and restricted cash include cash and all highly liquid investments with an original maturity of 90 days or less. As of June 30, 2025 and 2024, approximately \$17,000 and \$85,000, respectively, was not covered by FDIC Insurance. During the year ended June 30, 2025, Life Centers began utilizing an insured deposit program whereby most of the cash is fully insured by FDIC. Cash received from the Indiana Association of Pregnancy Centers is reported as other income and is required to be maintained in a separate bank account. As of June 30, 2025 and 2024, the account had approximately \$20,000 and \$94,000, respectively. Restricted cash is held for the West Center relocation.

INVESTMENT AND CREDIT RISK

Investments consist of a certificate of deposit (CD) recorded at cost as of June 30, 2024. The CD was not covered by FDIC Insurance as of June 30, 2024. The CD matured during the year ended June 30, 2025.

INVENTORY

Life Centers receives contributions of non-financial assets which are recorded as part of inventory which is then distributed to its clients. Inventory consists of diapers, cans of formula, clothing, furniture, and other miscellaneous baby items. Contributed inventory is recorded at estimated fair market value on the date of the gift. When needed, Life Centers also purchases similar inventory which is distributed to its clients. Inventory is stated at the lower of cost or net realizable value, with the cost determined by using the first-in, first-out (FIFO) basis. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statements of activities in the period in which it occurs.

OPERATING LEASES

Life Centers leases office spaces. Life Centers determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, Life Centers uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Life Centers' lease agreements do not contain any material residual value guarantees or material restrictive covenants. See Note 4.

LIFE CENTERS, INC.

Notes to Financial Statements

June 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LEASEHOLD IMPROVEMENTS, EQUIPMENT, AND DEPRECIATION

Items in excess of \$1,000 are capitalized as leasehold improvements and equipment are reported at cost or, if donated, at market value on the date of donation. Donated leasehold improvements and equipment are reported as without donor restrictions unless explicit donor stipulations specify how the assets must be used. Depreciation expense totaled \$77,043 and \$66,307 for the years ended June 30, 2025 and 2024, respectively. Depreciation is reported on the straight-line basis based on the useful lives of the assets or initial lease terms as follows:

Leasehold improvements	3 to 5 years
Furniture and equipment	3 to 10 years

The carrying values of leasehold improvements and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of leasehold improvements and equipment impairment during the years ended June 30, 2025 and 2024.

NET ASSETS

The financial statements report amounts by class of net assets.

Net assets without donor restrictions are currently available for ministry purposes under the direction of the board and management.

Net assets with donor restrictions are contributions with donor stipulations for specific operating purposes or programs or not currently available for use until commitments regarding their use have been fulfilled.

SUPPORT, REVENUE, AND RECLASSIFICATION

Contributions and grants (as no grants received were considered exchange transactions) are reported when made, which is generally when cash is received, unconditional promises are made, or ownership of donated assets is transferred to Life Centers. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Bequests are reported as support at the time Life Centers has an established right to the bequest and proceeds are measurable. All amounts received that are restricted for future periods or by the donor for specific purposes are reported as support with donor restrictions that increase those net asset classes. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Reclassifications represent net assets released when expenses have been incurred in satisfaction of those donor restrictions. Interest and other income are reported as income, at the point in time, when earned.

LIFE CENTERS, INC.

Notes to Financial Statements

June 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CONTRIBUTIONS OF NON-FINANCIAL ASSETS

Contributions of non-financial assets for donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Life Centers. Life Centers' ministry could not be fully achieved without the dedicated efforts of many volunteers. Some of these donated services are not recognized as contributions in the financial statements since the recognition criteria was not met. For the donated services that are recognized, Life Centers uses a reputable salary website to determine the median wage per hour for the below services in the region. The value of these contributed services used are below:

	Years Ended June 30,	
	2025	2024
Counselors - per hour	\$ 31	\$ 29
Ultrasound technicians - per hour	\$ 41	\$ 41
Radiologists - per hour	\$ 244	\$ 216

Donated services that are recognized as contributions of non-financial assets, have a corresponding expense allocated to program expenses when the items are given to those in need.

Life Centers also receives donations of clothing, toys and blankets, packs of diapers and wipes, cans of formula and other baby food, and miscellaneous baby items. The items are recognized at estimated wholesale prices. The value range of the items received are below:

Clothing (received individually or in bulk)	\$2 - \$50
Toys and blankets	\$1 - \$30
Diapers and wipes	\$0.25 - \$4.50
Cans of formula and other baby food	\$1- \$27
Ultrasound machines	\$23,718
Miscellaneous baby items	\$10- \$90

Donated items are recognized as contributions of non-financial assets, with a corresponding expense allocated to program expenses when the items are given to those in need.

EXPENSES

Expenses are reported when incurred and reported on the functional basis in the statements of activities. Advertising was approximated \$42,000 and \$71,000 for the years ended June 30, 2025 and 2024, respectively, and was all expensed as incurred. Directly identifiable expenses are charged to programs and supporting services. Personnel expenses and employee and volunteer expenses have been allocated based on estimates of time and effort spent in each functional area. Occupancy expenses have been allocated on a squared footage basis. Life Centers incurred no joint costs for the years ended June 30, 2025 and 2024.

LIFE CENTERS, INC.

Notes to Financial Statements

June 30, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

RECLASSIFICATIONS

Certain reclassifications were made to prior year balances to conform with current year presentation.

3. LIQUIDITY AND FINANCIAL ASSET AVAILABILITY:

The following reflects Life Centers' financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	June 30,	
	2025	2024
Financial assets, end of year		
Cash and cash equivalents	\$ 928,047	\$ 334,797
Cash restricted for West Center relocation	106,695	-
Investments	-	1,000,000
	<u>1,034,742</u>	<u>1,334,797</u>
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restrictions by donor with time or purpose restrictions	<u>(106,695)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 928,047</u>	<u>\$ 1,334,797</u>

Life Centers is substantially supported by contributions, which at times are received with restrictions. Those contributions with donor restrictions require resources to be used in a particular manner or in a future period. Life Centers must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of Life Centers' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

LIFE CENTERS, INC.

Notes to Financial Statements

June 30, 2025 and 2024

4. OPERATING LEASE RIGHT-OF-USE ASSETS AND LIABILITIES:

Life Centers leases seven properties under noncancelable operating leases expiring on various dates from August 2023 through October 2028. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease terms on the inception date of the lease and range from 0.14% to 3.72%. The operating right-of-use assets and operating lease liabilities were as follows:

	June 30,	
	2025	2024
Operating leases right-of-use assets	\$ 334,601	\$ 487,166
Operating leases liabilities	\$ 352,627	\$ 512,167
Operating lease costs	\$ 164,934	\$ 179,813
Weighted-average discount rate	2.92%	2.80%
Weighted-average remaining lease term (in years)	2.57	3.31

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

Years Ending June 30,	
2026	\$ 153,468
2027	120,955
2028	77,907
2029	16,000
	368,330
Less: imputed interest	(15,703)
	\$ 352,627

5. LEASEHOLD IMPROVEMENTS AND EQUIPMENT—NET:

Leasehold improvements and equipment-net consists of:

	June 30,	
	2025	2024
Leasehold improvements	\$ 371,867	\$ 371,867
Furniture and equipment	446,001	443,629
	817,868	815,496
Less accumulated depreciation	(481,815)	(404,772)
	\$ 336,053	\$ 380,671

LIFE CENTERS, INC.

Notes to Financial Statements

June 30, 2025 and 2024

6. CONTRIBUTIONS OF NON-FINANCIAL ASSETS:

Contributions of non-financial assets consists of:

	<u>Years Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Contributed non-financial assets:		
Clothing	\$ 238,354	\$ 8,938
Diapers and wipes	40,885	7,593
Tiny tot packages	21,259	77,834
Formula and baby food	2,954	9,372
Ultrasound machines	-	71,154
Miscellaneous baby items	138,268	78,610
	<u>441,720</u>	<u>253,501</u>
Donated services	380,671	364,631
	<u>\$ 822,391</u>	<u>\$ 618,132</u>

LIFE CENTERS, INC.

Notes to Financial Statements

June 30, 2025 and 2024

7. FUNCTIONAL ALLOCATION OF EXPENSES:

The following table presents expenses by both their nature and function for the year ended June 30, 2025:

	Program Services	Supporting Activities		Costs of Direct Benefit to Donors	Total
		General and Administrative	Fundraising		
Personnel expenses	\$ 1,100,744	\$ 188,699	\$ 283,048	\$ -	\$1,572,491
Employee and volunteer expense	380,671	33,243	-	-	413,914
Supplies	373,665	16,997	739	-	391,401
Occupancy expense	199,162	59,490	-	-	258,652
Professional service fees	105,019	43,928	-	-	148,947
Depreciation	45,455	31,588	-	-	77,043
Advertising	-	21,444	3,550	-	24,994
Other costs	81,597	2,308	42,761	104,529	231,195
Total functional expenses	2,286,313	397,697	330,098	104,529	3,118,637
Less costs of direct benefit to donors netted against support on the statements of activities	-	-	-	(104,529)	(104,529)
Total expenses on the statements of activities	\$ 2,286,313	\$ 397,697	\$ 330,098	\$ -	\$3,014,108

LIFE CENTERS, INC.

Notes to Financial Statements

June 30, 2025 and 2024

7. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

The following table presents expenses by both their nature and function for the year ended June 30, 2024:

	Program Services	Supporting Activities		Costs of Direct Benefit to Donors	Total
		General and Administrative	Fundraising		
Personnel expenses	\$ 984,290	\$ 168,735	\$ 253,103	\$ -	\$1,406,128
Employee and volunteer expense	364,631	24,540	-	-	389,171
Supplies	315,223	22,727	988	-	338,938
Occupancy expense	211,880	63,289	-	-	275,169
Professional service fees	137,452	47,865	-	-	185,317
Depreciation	39,121	27,186	-	-	66,307
Advertising	63,187	4,970	2,840	-	70,997
Other costs	63,901	5,064	37,660	66,194	172,819
Total functional expenses	2,179,685	364,376	294,591	66,194	2,904,846
Less costs of direct benefit to donors netted against support on the statements of activities	-	-	-	(66,194)	(66,194)
Total expenses on the statements of activities	\$ 2,179,685	\$ 364,376	\$ 294,591	\$ -	\$2,838,652

8. EMPLOYEE BENEFITS:

RETIREMENT PLAN

Life Centers established a 403(b) savings plan whereby employees may elect to make contributions pursuant to a salary reduction agreement, upon meeting age and length-of-service requirements. Annually, Life Centers determines a maximum matching level. Matching contributions of approximately \$39,700 and \$81,000 were made to the plan during the years ended June 30, 2025 and 2024, respectively.

OTHER BENEFITS

Life Centers provides its full-time employees with group life term insurance, group dental and vision, and long-term disability. Participants should refer to the respective plan agreements and employee manual for a more complete description of the benefit provisions. Total expenses incurred by Life Centers for these benefits were approximately \$16,700 and \$14,900 for the years ended June 30, 2025 and 2024, respectively.

LIFE CENTERS, INC.

Notes to Financial Statements

June 30, 2025 and 2024

9. COMMITMENTS:

Life Centers enters into contractual agreements for its annual Celebration of Life event. These agreements require Life Centers to pay speaker fees, food costs, and other expenses in conjunction with the event. Noncancelable commitments as of June 30, 2025, are approximated at \$111,000.

10. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 19, 2025, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.