



LifeSanta

Financial Statements

As of December 31, 2023 and 2022

and for the Year Ended December 31, 2023

(Together with Independent Auditor's Report)

## **Independent Auditor's Report**

### **To the Board of Directors of LifeSanta**

#### **Opinion**

We have audited the accompanying financial statements of LifeSanta (the Organization) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LifeSanta as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Freitas Financial*

Freitas Financial, LLC  
7/01/2024

## Statements of Financial Position

---

As of December 31,

	<b>2023</b>	<b>2022</b>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 31,390	\$ 2,504
Accounts receivable	70	-
Other current assets	20,892	3,621
Total Assets	<u>\$ 52,352</u>	<u>\$ 6,125</u>
<b><u>Liabilities and Net Assets</u></b>		
Liabilities:		
Accounts payable	\$ 2,597	\$ -
Total Liabilities	<u>2,597</u>	<u>-</u>
Commitments and contingencies	-	-
Net Assets:		
Net assets without donor restrictions	49,755	6,125
Net assets with donor restrictions	-	-
Total net assets	<u>49,755</u>	<u>6,125</u>
Total liabilities and net assets	<u>\$ 52,352</u>	<u>\$ 6,125</u>

## Statement of Activities

---

**For the Year  
Ending December  
31, 2023**

---

**Change in net assets without donor restrictions:**

Revenues, support, and interest:

Contributions	\$ 198,545
Contributions of nonfinancial assets	2,625
Interest	<u>1</u>
Total revenues, support, and interest	<u>201,171</u>

Expenses:

Promote health, welfare, and wellbeing	61,504
Promote kindness and love	2,015
Move forward in service	64,214
Fundraising	28,705
Management and general	<u>1,103</u>
Total expenses	<u>157,541</u>

Change in net assets without donor restrictions	43,630
-------------------------------------------------	--------

Net assets at beginning of year	<u>6,125</u>
---------------------------------	--------------

Net assets at end of year	<u>\$ 49,755</u>
---------------------------	------------------

## Statements of Functional Expenses

	Program Services				Supporting Services		
	Promote - Health, Welfare, and Wellbeing	Promote - Kindness and Love	Promote - Move Forward in Service	Total	Management and General	Fundraising	Total
Contract and professional fees	\$ 60,323	\$ 2,000	\$ 2,687	\$ 65,010	\$ -	\$ 14,200	\$ 79,210
Awards and grants to others	-	-	50,000	50,000	-	-	50,000
Advertising and marketing costs	-	-	2,625	2,625	-	8,424	11,049
Travel costs	1,106	-	7,155	8,261	-	3,096	11,357
Supplies	-	-	1,225	1,225	428	-	1,653
Other	75	15	522	612	675	2,985	4,272
Total Expenses	\$ 61,504	\$ 2,015	\$ 64,214	\$ 127,733	\$ 1,103	\$ 28,705	\$ 157,541

See accompanying notes to financial statements

## Statement of Cash Flows

---

**For the Year  
Ended December  
31, 2023**

---

**Cash flows from operating activities:**

Change in net assets	\$ 43,630
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:	
Changes in operating assets and liabilities	
Accounts receivable	(70)
Other current assets	(17,271)
Accounts payable	2,597
Net cash and cash equivalents provided by operating activities	<u>28,886</u>

**Cash flows used in investing activities:**

Net cash and cash equivalents used in investing activities	<u>-</u>
------------------------------------------------------------	----------

**Cash flows used in financing activities:**

Net cash and cash equivalents used in financing activities	<u>-</u>
------------------------------------------------------------	----------

Net change in cash and cash equivalents	28,886
-----------------------------------------	--------

Cash and cash equivalents at beginning of year	<u>2,504</u>
------------------------------------------------	--------------

Cash and cash equivalents at end of year	<u>\$ 31,390</u>
------------------------------------------	------------------

### 1. Organization and Nature of Activities

LifeSanta (the Organization), a nonprofit corporation, was incorporated on June 17, 2021. The Organization exists to do good “*for goodness’ sake*” and to perpetuate kindness in communities and between individuals through acts of service.

The Organization is governed by an independent, volunteer Board of Directors who oversees the Organization’s operations. Revenues to support the Organization are primarily received from contributions of cash, materials, and services.

The Organization is primarily dependent upon contributions to be able to fund its operations, therefore, to provide future services, the Organization will need to continue to receive contributions.

The accompanying financial statements have been prepared in accordance with standards for not-for-profit organizations adopted by the Financial Accounting Standards Board (FASB). They are stated on the accrual basis of accounting whereby expenses are recorded when incurred, contributions are recorded when notice is received, and grant revenues are recorded when earned.

### 2. Summary of Significant Accounting Policies

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Financial Statement Presentation

The Organization reports its financial position and activities according to two classes of net assets:

*Net Assets without Donor Restrictions* – Net assets without donor restrictions can be spent by the Organization at its discretion and are subject to self-imposed limits by action of the Board of Directors. Board-designated net assets may be earmarked for future programs, investment, contingencies, purchase or construction of fixed assets, or other uses. As of December 31, 2023 and 2022, there were no board-designated net assets.

*Net Assets with Donor Restrictions* – Net assets with donor restrictions include contributions of cash and other assets received with donor stipulations that limit the use of the donated assets, or have been restricted by the donor to be held and invested in perpetuity. When a donor restriction expires or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions.



## **Cash and Cash Equivalents**

From time to time during the year, the Organization's cash balance may exceed federally insured limits. To date, the Organization has not experienced a loss or lack of access to its cash; however, no assurance can be provided that access to the Organization's cash will not be impacted by adverse conditions in the financial markets. The cash equivalents consisted of money market funds.

## **Property and Equipment**

Property and equipment is recorded at cost for purchased assets or fair value at the date of donation for donated assets. Minor replacements, maintenance and repairs, which do not increase the useful lives of the property and equipment, are expensed as incurred. Depreciation and amortization is recorded using the straight-line basis over the estimated useful lives of the assets, ranging from three to seven years. As of December 31, 2023 and 2022, the Organization held no assets classified as Property and Equipment.

## **Contributions and Donor Restrictions**

Contributions received are classified depending on the existence and/or nature of any donor restrictions. Contributions are classified as either "contributions with donor restrictions" or "contributions without donor restrictions" depending on donor-imposed restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), the 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.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are acquired or placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restriction at that time.

## **Contributions of Nonfinancial Assets**

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and assignments; however, those services do not meet the above criteria.

The Organization receives donations from a variety of sources for services and materials in the furtherance of its objectives. The contributions of nonfinancial assets reported in the financial statements consists primarily of the value of leased office space contributed by an entity owned by certain board members and/or officers of the Organization, the value of the donated Managing Director, and the donated use of property used for retreats.

### **Revenue Recognition**

If applicable, revenue related to sales of merchandise is recognized when the Organization has (1) identified the customer contract, (2) identified the performance obligation in the contract, (3) determined the transaction price, (4) allocated the entire transaction price to the single performance obligation and (5) recognized revenue when the performance obligation has been satisfied. In relation to the sale of merchandise, revenue is recognized at a point in time when the merchandise is sold and there is only one single performance obligation. All other revenue for the Organization is contributions.

### **Advertising and Promotion**

The Organization expenses advertising and promotion costs as incurred. Total advertising and promotion expense was \$11,049 and \$235,583 for the years ended December 31, 2023.

### **Program Services**

Health, Welfare, and Wellbeing programs Include activities providing humanitarian relief of basic survival necessities, including shelter, food and water, and health services.

Kindness and Love programs include efforts to generate self-sustaining acts of kindness in communities, doing random acts of goodness in hopes of propagating similar acts of kindness between neighbors.

Move Forward in Service programs include larger events or service projects targeting identified needs in specific communities.

### **Supporting Services**

Management and General: Includes the general operation expenses of the Organization which include expenses relating to finance & accounting, data administration, and office administration.

Fundraising: Includes costs of the to raise money for operations of the Organization. Fundraising activities include cultivating donor relationships, hosting fundraising events, and providing online and social media channels for generating resources.

### **Allocated Administrative Expenses**

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Those expenses include materials and supplies, professional services, and travel.

## Income Taxes

The Organization is organized as a state of Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as being exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as a Organization described in section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private Organization under sections 509(a)(1). The Organization is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. The Organization is subject to taxation on unrelated business income, if any.

As of December 31, 2023, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

## Subsequent Events

Management has evaluated subsequent events through \_\_\_\_\_, 2024 which is the date the financial statements were available to be issued.

## 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statements of financial position, comprise the following as of December 31, 2023:

	2023	2022
Cash and cash equivalents	\$ 31,390	\$ 2,504
Accounts receivable	70	-
Other current assets - undeposited donation receipts	20,892	3,621
Total financial assets	\$ 52,352	\$ 6,125
Financial assets available to be used for general expenditures within one year	\$ 52,352	\$ 6,125

The Organization relies on contributions from third parties. The Organization's management monitors its liquidity and cash flow needs using budgets and projections to help ensure that projected cash inflows are sufficient to cover projected cash outflows.

### **3. Commitments and Contingencies**

In the normal course of operations, the Organization may become party to lawsuits or other claims. Management is not aware of any such claims for which the uninsured amount would be material to the Organization's financial position.

### **4. Contributions of Nonfinancial Assets**

Nonfinancial assets include fixed assets such as land, buildings and equipment; the use of fixed assets or utilities, materials and supplies such as food, clothing or pharmaceuticals; intangible assets; recognized contributed services; and unconditional promises of those assets.

The Organization recognized contributed nonfinancial assets within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed nonfinancial assets in 2023 were comprised of 500 gift cards for distribution in program services.

### **5. Net Assets with Donor Restrictions**

As of December 31, 2023, there were no net assets with donor restrictions.

### **6. Subsequent Events**

In March 2024, the Organization determined that it would complete all open projects for which it had received funding. At the conclusion of those projects, the organization will be dissolved, and according to its bylaws the remaining net assets will be distributed to other charitable organizations.