



December 31, 2020

# Priests for Life, Inc. Audited Financial Statements

TSC Enterprise, LLC Independent Auditors

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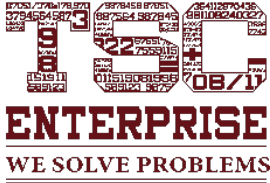
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Priests for Life, Inc.  
Titusville, FL

### Opinion

We have audited the accompanying financial statements of Priests for Life, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Priests for Life, Inc. as of December 31, 2020, and the changes in its net assets 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Priests for Life, Inc. 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 Priests for Life, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

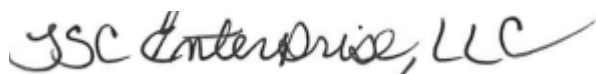
## Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that 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, including omissions, 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 Priests for Life, Inc.'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 Priests for Life, Inc.'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.



TSC Enterprise, LLC  
Suitland, MD  
May 25, 2023

TSC Enterprise, LLC

CPAS: Never underestimate the value.

Certified Public Accountants

**PRIESTS FOR LIFE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**ON DECEMBER 31, 2020**

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**ASSETS**

Current Assets:

Cash and Cash Equivalents		\$ 1,560,578
Investments (Note 3)		30,260
Accounts Receivable		
Contributions	557,793	
Pledges (Note 4)	1,251,836	
Total Accounts Receivable		1,809,629
Employee Loans		106,999
Total Current Assets		3,507,466

Cash and Cash Equivalents Restricted

(Note 2)		325,000
Property and Equipment Net (Note 5)		3,085,946
Religious Articles (Note 2)		54,850

<b>Total Assets</b>		<b>6,973,262</b>
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**LIABILITIES AND NET ASSETS**

Current Liabilities:

Accounts Payable and Accrued Expenses		410,650
Paycheck Protection Program Loan (Note 6)		443,837
Mortgage Payable - Current Portion (Note 7)		1,240,500
Total Current Liabilities		2,094,987
<b>Total Liabilities</b>		<b>2,094,987</b>

**Net Assets:**

Without Donor Restrictions	3,301,439	
With Donor Restrictions (Note 8)	1,576,836	
<b>Total Net Assets</b>		<b>4,878,275</b>

<b>Total Liabilities and Net Assets</b>		<b>\$ 6,973,262</b>
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*The accompanying notes are an integral part of these financial statements.*

**PRIESTS FOR LIFE, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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<b>Support, Revenue and Gains</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Contributions and Grants	\$ 8,942,994	\$ 1,576,836	\$ 10,519,830
Investment Income (Note 3)	6,536	-	6,536
Net Assets Released from Restrictions:			
Expiration of Time Restrictions (Note 8)	1,068,000	(1,068,000)	-
<b>Total Support, Revenue and Gains</b>	<b>10,017,530</b>	<b>508,836</b>	<b>10,526,366</b>
 <b>Expenses</b>			
Program Services/ Education	6,550,884	-	6,550,884
Management and General	1,402,399	-	1,402,399
Fundraisng	883,533	-	883,533
<b>Total Expenses</b>	<b>8,836,816</b>	<b>-</b>	<b>8,836,816</b>
 Change in Net Assets	 1,180,714	 508,836	 1,689,550
Net Assets – Beginning of Year	2,120,725	1,068,000	3,188,725
<b>Net Assets – End of Year</b>	<b>\$ 3,301,439</b>	<b>\$ 1,574,836</b>	<b>\$ 4,878,275</b>

*The accompanying notes are an integral part of these financial statements.*

**PRIESTS FOR LIFE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services/ Education	Management and General	Fundraising	Total
Salaries	\$ 1,664,858	\$ 360,165	\$ -	\$ 2,025,023
Payroll Taxes	-	145,130	-	145,130
Fringe Benefits	435,470	152,267	-	587,737
Professional Fundraising Fees	-	-	210,000	210,000
Accounting/Auditing Fees	32,250	10,750	-	43,000
IT Systems	110,765	65,385	-	176,150
Legal Fees	220,074	73,358	-	293,432
Internal Development	236,872	35,047	-	271,919
Strategic Planning	133,594	14,844	-	148,438
Management Advisory	421,460	10,547	-	432,007
Grants	336,333	-	-	336,333
Office Supplies	-	64,913	-	64,913
Communication	44,125	48,535	-	92,660
Postage and Shipping	176,333	40,868	665,498	882,699
Occupancy	53,863	-	-	53,863
Interest	56,476	28,333	-	84,809
Maintenance and Repairs	-	125,648	-	125,648
Travel	224,335	-	-	224,335
Insurance	48,525	16,212	-	64,737
Advertising and Marketing	82,827	-	-	82,827
Printing and Publications	965,874	-	-	965,874
Credit Card/Bank Charges	50,602	152,880	-	203,482
Conferences and Meetings	35,334	1,930	-	37,264
Dues and Subscriptions	27,249	9,473	-	36,722
List Acquisition	-	-	8,035	8,035
Media Campaign	358,171	-	-	358,171
Audio/ Video Tapes	131,478	-	-	131,478
Clergy Fax/E-Mail Blasts	519,562	-	-	519,562
Depreciation and Amortization	184,454	46,114	-	230,568
<b>Total Expenses by Function</b>	<b>\$ 6,550,884</b>	<b>\$ 1,402,399</b>	<b>\$ 883,533</b>	<b>\$ 8,836,816</b>

*The accompanying notes are an integral part of these financial statements.*

**PRIESTS FOR LIFE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Changes in Net Assets	\$	1,689,550
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and Amorization		230,568
Net Realized and Unrealized (Gain) on Investments		338
Donated Securities		(26,704)
<b>(Increase) Decrease in Assets:</b>		
Contributions Receivable		100,136
Pledges Receivable		(183,836)
<b>Increase (Decrease) in Liabilities:</b>		
Accounts Payable and Accrued Expenses		(392,921)
Total Adjustments		(272,419)
<b>Net Cash Provided by Operating Activities</b>		<b>1,417,131</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Acquisition of Property and Equipment		(347,362)
Employee Loans		(6,057)
<b>Net Cash (Used) by Investing Activities</b>		<b>(353,419)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Proceeds from PPP Loan		443,837
Principal Payments – Loan Payable		(3,803)
Principal Payments – Mortgage Payable		(26,567)
<b>Net Cash (Used) by Financing Activities</b>		<b>413,467</b>

<b>Net Increase in Cash and Cash Equivalents</b>		<b>1,477,179</b>
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Cash and Cash Equivalents – Beginning of Year (Unrestricted)		408,399
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<b>CASH AND CASH EQUIVALENTS – END OF YEAR</b>	<b>\$</b>	<b>1,885,578</b>
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*The accompanying notes are an integral part of these financial statements.*



**PRIESTS FOR LIFE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 1 ORGANIZATION AND PURPOSE**

Priests for Life, Inc. was originally formed on December 21, 1990, exclusively for charitable and education purposes, in order to end abortion in the United States. More specifically, Priests for Life, Inc. was formed to educate, support, and encourage Roman Catholic clergy in their teaching about the intrinsic value of each and every human life, and to assist them in the role of preaching about the protection of human life from abortion and euthanasia, in the context of a consistent ethic of life. Priests for Life, Inc. also functions in a spirit of ecumenical and inter-religious collaboration, willingly assisting clergy and laity of all religions in their efforts to defend human life.

Priests for Life, Inc. is supported primarily through donor contributions.

Effective October 25, 2017, Priests for Life, Inc. moved its operations from Staten Island, New York to Titusville, Florida.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting:**

Priests for Life, Inc. prepares its financial statements in accordance with accounting principles accepted in the United States of America, which involves the application of accrual basis accounting. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

**Basis of Presentation:**

Priests for Life, Inc. reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Net Assets Without Donor Restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Priests for Life, Inc. These net assets may be used at the discretion of Priests for Life Inc.'s Management and Board of Directors.

**Net Assets with Donor Restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Priests for Life, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**PRIESTS FOR LIFE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**Public Support and Revenue:**

**Contributions:**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to years in which the promises are received to discount the amounts. Conditional promises to give are recognized when the conditions on which they are dependent are substantially satisfied.

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose 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.

**Revenues:**

Dividend and interest income on investments are recognized when earned.

**Use of Estimates:**

The preparation of financial statements in conformity with accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies 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.

**Cash and Cash Equivalents:**

Priests for life, Inc. considers all short-term investments purchased with a maturity of three (3) months or less to be cash equivalents.

**PRIESTS FOR LIFE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**Investments:**

Investments in marketable securities with readily determinable fair values are reported at fair value based on quoted market prices for identical securities in active markets. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as an increase or decrease in unrestricted net assets unless the income or loss is restricted by donor or law.

**Fair Value Measurements:**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

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 inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect management's judgement about the assumptions that market participants would use in pricing the asset or liability. (See also Note 3).

**Religious Articles:**

Priests for Life, Inc. capitalizes acquisitions of valuable religious articles. Accessions are capitalized at cost if purchased and at appraised or fair value at date of accession if received by donation. In accordance with FASB ASC 360-958, "Recognition of Depreciation by Not-for-profit Organizations," (formerly Financial Accounting Standards (SFAS) No. 93), Priests for Life, Inc. has not recorded depreciation on its acquired religious articles.

**Property & Equipment:**

Acquisitions of property and equipment in excess of \$1,000 are capitalized and recorded at cost. Donated assets are recorded at fair value at the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

**PRIESTS FOR LIFE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**Donated Services:**

No amounts have been reflected in the accompanying financial statements for donated services. Priests for Life, Inc. generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Priests for Life, Inc. with specific programs, campaign solicitations and various committee assignments.

**Functional Allocation of Expenses:**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Priests for Life, Inc. allocates certain expenses based on specific identification. Allocation of remaining expenses to program services, management and general and fundraising are based on activity as determined by Management.

**Income Taxes:**

Priests for Life, Inc. is exempt from Federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and, therefore, has made no provision for Federal income taxes in the accompanying financial statements. In addition, Priests for Life, Inc. qualifies for the charitable contribution deduction under Section 170(b) (1) (A) (vi) and has been determined by the Internal Revenue Service not to be "private foundation" within the meaning of Section 509(a) (1) of the Internal Revenue Code.

Priests for Life, Inc. regularly reviews and evaluates its tax positions taken in previously filed information returns with regards to issues affecting its tax-exempt status, unrelated business income and other related matters. All significant tax positions have been considered by Management. It has been determined that it is more likely than not that all tax positions previously taken would be sustained upon examination by a taxing authority.

Accordingly, Priests for Life, Inc. has concluded that no tax benefits or liabilities are required to be recognized in the accompanying financial statements.

Priests for Life, Inc. files Federal Form 990, "Return of Organization Exempt from Income Taxes," which is an information return and is subject to examination by the Internal Revenue Services ("IRS") generally for three (3) years after the return is filed.

As of the report date, Federal Form 990 for the years ended December 31, 2017, through 2019 are open to examination by the IRS. No returns are currently under examination by the IRS.

**PRIESTS FOR LIFE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**New Accounting Pronouncements:**

The Financial Accounting Standards Board has issued *Accounting Standards Update (ASU) 2016-18, Restricted Cash*, to address the diversity in practice of how changes in restricted cash are presented on the Statement of Cash Flows. This ASU is applicable for the Organization's fiscal year ending December 31, 2020. The new standard requires that the Statement of Cash Flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Organizations are also required to reconcile such total to amounts on the Statement of Financial Position and disclose the nature of the restrictions.

During the year ended December 31, 2020, Priests for Life, Inc. received a \$325,000 restricted contribution from a donor with the stipulation that the amount be used to pay off the mortgage on the building when it became due. The mortgage was paid off on June 29, 2021. (See also Notes 7 and 12).

In March 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update No. 2016-02, *Leases*, as a new topic, Accounting Standards Codification 842. The objective of ASU No. 2016-02 is to increase transparency and comparability among organizations by reorganizing lease assets and lease liabilities on the statement of financial position and by disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021, and shall be applied either using a full retrospective or modified retrospective approach. Early adoption is permitted.

Priests for Life is currently evaluating the impact on the results of operations, financial condition and cash flows and has not determined the impact of its financial statements at this time.

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. The purpose of the standard is to provide guidance in regard to recognizing contributions in nonprofit organizations. This standard is conceptually consistent with ASU 2014-09 Topic 606, *Revenue from Contracts with Customers*, which requires revenue to be recognized when performance obligations are satisfied. ASU 2018-08 requires contribution revenue recognition when conditions are met.

Other than providing more detailed disclosures, the adoption of this standard did not have a material impact on the accompanying financial statements.

**PRIESTS FOR LIFE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 3**      **INVESTMENTS**

Investments are reported at fair value based upon quoted market values. On December 31, 2020, investments are comprised of:

Mutual Funds	\$ 3,563
Money Market Funds	541
Common Stock	15,970
Exchange Traded Funds	10,186
	<hr/>
	<b>\$ 30,260</b>

Investment income for the year ended December 31, 2020, is comprised of:

Interest, dividends, and other investment income	\$ 6,198
Total net realized and unrealized gains (losses) on investments	338
	<hr/>
	<b>\$ 6,536</b>

Generally accepted accounting principles include a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

On December 31, 2020, the fair values of investments are based on Level 1 measurements.

**NOTE 4**      **PLEDGES RECEIVABLE**

As of December 31, 2020, pledges receivable consists of unconditional promises to give by individual donors for the period through December 31, 2021, and total \$1,251,836.

Priests for Life, Inc. has recognized these promises as contributions with donor restrictions in the accompanying financial statements. (See also Note 8).

**PRIESTS FOR LIFE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 5**      **PROPERTY AND EQUIPMENT**

As of December 31, 2020, property and equipment consists of the following:

Land	\$	234,000
Building and Improvements		2,432,019
Computer Equipment and Software		1,423,394
Furniture and Fixtures		292,003
Office Equipment		45,424
Telephone and Video Equipment		65,977
Automobiles		48,748
		<u>4,541,565</u>
Less: Accumulated Depreciation and Amortization		<u>(1,455,619)</u>
	\$	<u><u>3,085,946</u></u>

Depreciation and amortization expense totaled \$230,568 for the year ended December 31, 2020.

**NOTE 6**      **Paycheck Protection Program (“PPP”) Loan**

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief and Economic Security (the “CARES Act”), which, outlines the provisions of the Paycheck Protection Program (the “PPP”). Priests for Life Inc. determined that it met the criteria to be eligible to obtain a loan under the PPP because, in light of the COVID-19 outbreak and the uncertainty of related economic conditions, the loan was necessary to support Priests for Life, Inc.’s ongoing operations. On April 30, 2020, Priests for Life, Inc. was able to obtain a U.S. Small Business Administration loan in the amount of \$443,837.

**PRIESTS FOR LIFE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 7**      **MORTGAGE PAYABLE**

On June 29, 2016, Priests for Life, Inc. purchased the land and building (“Property”) located at 5211 South Washington Avenue, Titusville, Florida.

Priests for Life, Inc. acquired the Property by signing a promissory note (“Note”) to the Seller in the amount of \$1,450,000. The term of the Note is sixty (60) months from the closing date with consecutive monthly installments of principal and interest, some of which will be deferred during the initial eighteen (18) months of the loan and some of which shall be accompanied by principal curtailment payments.

Payments under the Note shall be amortized over 300 months at the rate of six percent (6%) per annum with the first payment due on August 1, 2016, and monthly thereafter until June 1, 2021 (“Maturity Date”) at which time all unpaid principal, accrued interest, cost and expenses under the terms of the Note shall be paid in full.

The Note is secured by a mortgage lien on the Property, improvements (hereafter situated in whole or in part on the Property), appurtenances and tangible property owned by Priests for Life, Inc.

Principal payments on the mortgage note are due as follows:

Year ending December 31, 2020	\$ 1,240,500
Less: Current Portion	<u>(1,240,500)</u>
Long Term Portion	<u><u>\$     -0-</u></u>

Mortgage interest for the year ended December 31, 2020, totaled \$75,301.  
(See also Note 14)



**PRIESTS FOR LIFE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 8**      **NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2020, Net Assets with Donor Restrictions are available for the following purpose:

**Purpose Restrictions:**

Capital Campaign – Mortgage Payoff Contribution      \$ 325,000

**Time Restrictions:**

Pledged Contributions Receivable      \$ 1,251,836  
**\$ 1,576,836**

For the year ended December 31, 2020, net assets released from donor restrictions are as follows:

**Time Restrictions Expired**      **\$ 1,068,000**

(See also Notes 2 and 4)

**NOTE 9**      **EMPLOYEE BENEFIT PLAN**

Priests for Life, Inc. has a tax deferred annuity plan (“Plan”) which qualifies under Section 401(k) of the Internal Revenue Code. The Plan covers all full-time employees. Employees can make contributions to the Plan up to the maximum amount allowed under the law. In addition, Priests for Life, Inc. matches 25% employee contributions made to the Plan. Total pension expense for the year ended December 31, 2020, was \$43,400.

**NOTE 10**      **RELATED PARTY TRANSACTIONS**

One (1) of the officers of the Board of Directors of Priests for Life, Inc. is also an officer of the Board of Directors of Rachel’s Vineyard Ministries and Gospel of Life Ministries, Inc.

During the year ended December 31, 2020, Priests for Life, Inc. donated \$304,203 to Rachel’s Vineyard Ministries and \$255 to Gospel of Life Ministries, Inc.

**PRIESTS FOR LIFE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 11**      **LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following represents Priests for Life, Inc.’s financial assets on December 31, 2020:

Financial assets at year-end:

Cash and Cash Equivalents (unrestricted)	\$ 1,560,578
Investments	30,260
Contributions Receivable	557,793
Pledges Receivable	1,251,836
Employee Loans Receivable	106,999
Total Financial Assets	3,507,466
Less amounts not available to be used within one year	0
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b>\$ 3,507,466</b>

The above reflects the Priests for Life, Inc.’s financial assets as of December 31, 2020.

Since there are no restrictions on these funds, they are all available along with additional funds collected, to meet future financial needs during the next calendar year. As part of Priests for Life, Inc.’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**PRIESTS FOR LIFE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 12**      **CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject Priests for Life to concentration of credit Risk consist principally of cash and cash equivalents. Priests for Life’s cash and cash equivalents are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Priests for Life is exposed to credit risk in the event of default by the financial institutions for amounts that exceed the FDIC limits. As of December 31, 2020, cash and cash equivalents were \$1,560,578. Management has evaluated the credit risk associated to cash accounts exceeding FDIC limits at the financial institutions and does not believe it poses a risk to the Company.

**NOTE 13**      **COVID-19**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on Priests for Life, Inc.’s financial condition, liquidity, and future results of operations.

Priests for Life, Inc.’s operations are heavily dependent on private and public donations from individuals, foundations, and corporations. The outbreak may have a continued adverse impact on economic and market conditions, triggering a period of global, national, and regional economic slowdown. This situation is expected to depress donations during future calendar years. As such, this may hinder Priests for Life, Inc.’s ability to advance its mission. It may also require Priests for Life, Inc. to consider debt restructuring. As such, Priests for Life, Inc.’s financial condition and liquidity may be negatively impacted in future calendar years.

**PRIESTS FOR LIFE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 14**     **SUBSEQUENT EVENTS**

A subsequent event is an event that occurs after a reporting period, but before the financial statements have been issued or are available to be issued. Priests for Life, Inc.'s Management has evaluated events and transactions for potential recognition or disclosure in the accompanying financial statements through May 25, 2023, the date these financial statements were available to be issued. The following have been identified as subsequent events which would require recognition or disclosure:

**Paycheck Protection Program (“PPP”) Loan**

On June 2, 2021, Priests for Life, Inc. was notified by the SBA that the entire PPP loan proceeds of \$443,837 and accrued interest of \$4,779 had been forgiven.

**Mortgage Payable**

As more fully discussed in Note 7 to these financial statements, on June 29, 2016, Priests for Life, Inc. purchased the land and building (Property) located at 5211 South Washington Avenue, Titusville, Florida. Priests for Life, Inc. acquired the Property by signing a promissory note to the seller in the initial amount of \$1,450,000. On June 29, 2021, the then unpaid principal balance of \$1,226,607 was paid to fully satisfy the promissory note.