

Lamb and Lion Ministries, Inc.
(A Not-for-Profit Organization)
Report on Audit of Financial Statements
For the Years Ended December 31, 2020 and 2019

Lamb and Lion Ministries, Inc.

(A Not-for-Profit Organization)

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*John F. Coggin CPA PLLC
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Lamb and Lion Ministries, Inc. (a-not-for-profit organization)
Princeton, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Lamb and Lion Ministries, Inc. (a Texas not-for-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lamb and Lion Ministries, Inc. (a Texas not-for-profit organization) as of December 31, 2020 and 2019, and the changes in its net assets and its cash flow for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 2 to the financial statements, for the year ended December 31, 2018, Lamb and Lion Ministries, Inc. adopted new accounting guidance *Accounting Standards Update No. 2016-14, "Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities"*. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink, appearing to read "John F. Coggin CPA PLLC". The signature is written in a cursive, flowing style.

John F. Coggin CPA PLLC
Houston, TX
January 31, 2021

Lamb and Lion Ministries, Inc.
Statement of Financial Position
December 31, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash & Cash Equivalents	\$ 1,433,521	\$ 517,392
Inventory – Publications	131,032	141,190
Prepays	10,205	8,729
Utility Deposits	125	125
Total Current Assets	<u>1,574,883</u>	<u>667,436</u>
Capital Assets:		
Land	22,500	22,500
Buildings	659,765	659,765
Vehicles	54,841	54,841
Furniture & Equipment	520,500	520,500
Accumulated Depreciation	(878,834)	(832,991)
Capital Assets, Net	<u>378,772</u>	<u>424,615</u>
Total Assets	<u>\$ 1,953,655</u>	<u>\$ 1,092,051</u>
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 70,994	\$ 110,110
Compensated Absences	20,268	20,895
Total Current Liabilities	<u>91,262</u>	<u>131,005</u>
Total Liabilities	<u>91,262</u>	<u>131,005</u>
Net Assets:		
Without Donor Restrictions	1,716,844	904,273
With Donor Restrictions	145,549	56,773
Total Net Assets	<u>1,862,393</u>	<u>961,046</u>
Total Liabilities and Net Assets	<u>\$ 1,953,655</u>	<u>\$ 1,092,051</u>

The notes to the financial statements are an integral part of this statement

Lamb and Lion Ministries, Inc.
Statement of Activities
For the Years Ended December 31, 2020 and 2019

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES				
Sales	492,724	-	492,724	486,837
Contributions	3,077,569	364,175	3,441,744	2,792,375
Other Income	147,000	-	147,000	60,280
Net Assets Released from Restriction:				
Satisfaction of Program Restrictions	275,399	(275,399)	-	-
Total Revenues	<u>3,992,692</u>	<u>88,776</u>	<u>4,081,468</u>	<u>3,339,492</u>
EXPENSES:				
Program Activities:				
Outreach Services	2,504,868	-	2,504,868	2,850,429
Missions	329,837	-	329,837	574,566
Total Program	<u>2,834,705</u>	<u>-</u>	<u>2,834,705</u>	<u>3,424,995</u>
Support Activities:				
Administration	328,411	-	328,411	311,840
Fund Raising	17,005	-	17,005	15,352
Total Support Activities	<u>345,416</u>	<u>-</u>	<u>345,416</u>	<u>327,192</u>
Total Expenses	<u>3,180,121</u>	<u>-</u>	<u>3,180,121</u>	<u>3,752,187</u>
Change in Net Assets	812,571	88,776	901,347	(412,695)
Net Assets – Beginning	<u>904,273</u>	<u>56,773</u>	<u>961,046</u>	<u>1,373,741</u>
Net Assets - Ending	<u>1,716,844</u>	<u>145,549</u>	<u>1,862,393</u>	<u>961,046</u>

The notes to the financial statements are an integral part of this statement

Lamb and Lion Ministries, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Activities			Supporting Activities			Total
	Outreach Services	Missions	Programs Subtotal	Administration	Fund Raising	Supporting Subtotal	
Expenses:							
Minister Salaries & Benefits	276,985	63,920	340,905	76,703	8,523	85,226	426,131
Staff Salaries	538,968	-	538,968	152,016	-	152,016	690,984
Other Benefits	47,981	-	47,981	17,746	-	17,746	65,727
Main Office Building	27,092	-	27,092	2,388	874	3,262	30,354
Director's Office	5,030	-	5,030	-	-	-	5,030
Outreach Director's Home	4,326	-	4,326	-	-	-	4,326
Storage Building	2,856	-	2,856	-	-	-	2,856
Video Studio	5,128	-	5,128	-	316	316	5,444
Property	5,243	-	5,243	519	-	519	5,762
Furniture	623	-	623	-	-	-	623
Equipment	15,851	-	15,851	-	-	-	15,851
Vehicles	4,738	-	4,738	-	-	-	4,738
Media Outreach	1,000,681	-	1,000,681	-	-	-	1,000,681
Magazine	42,722	8,750	51,472	-	-	-	51,472
Books	30,530	-	30,530	-	-	-	30,530
Other Publications	45,232	-	45,232	-	-	-	45,232
Internet/WWW	5,531	-	5,531	-	-	-	5,531
Conferences & Pilgrimage	8,007	-	8,007	-	-	-	8,007
Meetings & Seminars	2,460	-	2,460	-	237	237	2,697
Domestic Missions	-	21,609	21,609	-	-	-	21,609
Foreign Missions	-	234,537	234,537	-	-	-	234,537
Communications	110,981	-	110,981	32,563	6,169	38,732	149,713
Benevolence	-	1,021	1,021	-	-	-	1,021
Supplies	6,166	-	6,166	670	678	1,348	7,514
Computer Software	156,868	-	156,868	7,555	-	7,555	164,423
Mileage	1,455	-	1,455	-	208	208	1,663
Publications – General	213	-	213	-	-	-	213
Promotions	11,184	-	11,184	-	-	-	11,184
Professional Services	19,968	-	19,968	24,705	-	24,705	44,673
Miscellaneous	82,206	-	82,206	13,546	-	13,546	95,752
Depreciation	45,843	-	45,843	-	-	-	45,843
Total Expenses	<u>2,504,868</u>	<u>329,837</u>	<u>2,834,705</u>	<u>328,411</u>	<u>17,005</u>	<u>345,416</u>	<u>3,180,121</u>

The notes to the financial statements are an integral part of this statement

Lamb and Lion Ministries, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2019

	Program Activities			Supporting Activities			Total
	Outreach Services	Missions	Programs Subtotal	Administration	Fund Raising	Supporting Subtotal	
Expenses:							
Minister Salaries & Benefits	260,099	60,023	320,122	72,027	8,003	80,030	400,152
Staff Salaries	555,241	-	555,241	156,606	-	156,606	711,847
Other Benefits	57,757	-	57,757	21,363	-	21,363	79,120
Main Office Building	26,168	-	26,168	2,307	844	3,151	29,319
Director's Office	3,555	-	3,555	-	-	-	3,555
Outreach Director's Home	7,021	-	7,021	-	-	-	7,021
Storage Building	2,372	-	2,372	-	-	-	2,372
Video Studio	4,954	-	4,954	-	305	305	5,259
Property	5,741	-	5,741	568	-	568	6,309
Furniture	1,746	-	1,746	-	-	-	1,746
Equipment	24,212	-	24,212	-	-	-	24,212
Vehicles	6,822	-	6,822	-	-	-	6,822
Media Outreach	1,318,914	-	1,318,914	-	-	-	1,318,914
Magazine	34,949	7,158	42,107	-	-	-	42,107
Books	16,548	-	16,548	-	-	-	16,548
Other Publications	69,923	-	69,923	-	-	-	69,923
Internet/WWW	4,980	-	4,980	-	-	-	4,980
Conferences & Pilgrimage	126,320	-	126,320	-	-	-	126,320
Meetings & Seminars	2,095	-	2,095	-	202	202	2,297
Domestic Missions	-	21,003	21,003	-	-	-	21,003
Foreign Missions	-	486,250	486,250	-	-	-	486,250
Communications	84,961	-	84,961	24,928	4,723	29,651	114,612
Benevolence	-	132	132	-	-	-	132
Supplies	7,650	-	7,650	831	841	1,672	9,322
Computer Software	16,273	-	16,273	784	-	784	17,057
Mileage	3,034	-	3,034	-	434	434	3,468
Publications – General	176	-	176	-	-	-	176
Promotions	50,146	-	50,146	-	-	-	50,146
Professional Services	14,100	-	14,100	17,445	-	17,445	31,545
Miscellaneous	91,115	-	91,115	14,981	-	14,981	106,096
Depreciation	53,557	-	53,557	-	-	-	53,557
Total Expenses	<u>2,850,429</u>	<u>574,566</u>	<u>3,424,995</u>	<u>311,840</u>	<u>15,352</u>	<u>327,192</u>	<u>3,752,187</u>

The notes to the financial statements are an integral part of this statement

Lamb and Lion Ministries, Inc.
Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2020	2019
Cash Flows from Operating Activities:		
Cash Received from Contributors, Sales and Other Income	4,081,468	3,324,994
Cash Paid to Suppliers	(1,982,497)	(2,509,096)
Cash Paid to Employees	(1,182,842)	(1,191,119)
Net Cash Provided/(Used) by Operating Activities	916,129	(375,221)
Cash Flows from Capital Activities:		
Purchase of Capital Assets	-	(29,484)
Net Cash Provided/(Used) by Capital Activities	-	(29,484)
Net Increase/(Decrease) in Cash	916,129	(404,705)
Cash & Cash Equivalents – Beginning of Year	517,392	922,097
Cash & Cash Equivalents – End of Year	1,433,521	517,392
Reconciliation of Change in Net Assets to Net Cash Provided/(Used) by Operating Activities:		
Change in Net Assets	901,347	(412,695)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	45,843	53,557
(Increase)/Decrease in Inventory	10,158	(15,652)
(Increase)/Decrease in Prepays	(1,476)	5,321
Increase/(Decrease) in Account Payable	(39,841)	(5,320)
Increase/(Decrease) in Deferred Revenue	98	(432)
Net Cash Provided/(Used) by Operating Activities	916,129	(375,221)

The notes to the financial statements are an integral part of this statement

LAMB AND LION MINISTRIES
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 1 – Ministry

The Lamb and Lion Ministries, Inc. (“Ministry”) was founded in 1980 as a non-denominational independent ministry. The ministry does not seek to convert people to any particular church. The ministry is governed by a Board of twenty-two Trustees who come from a variety of Christian fellowships. The Trustees establish all the policies of the Ministry and meet regularly to review the Ministry’s operations.

The ministry currently operates from its sole location in Texas with the administration and management of the Ministry located in Princeton, Texas.

The ministry believes in operating debt free. Accordingly, the ministry has ended every year of its operations since its founding in 1980 with all its bills paid in full. All the ministry’s land, buildings and equipment are paid for in full.

Note2 – Significant Accounting Policies

Reporting

The Ministry prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Ministry are described subsequently to enhance the usefulness and understandability of the financial statements.

The Board requires reporting amounts for the Ministry’s total assets, liabilities, and net assets in a statement of financial position; reporting the change in the Ministry’s net assets in a statement of activities; and reporting the change in its cash and cash equivalents in a statement of cash flows.

The Board also requires classification of the Ministry’s net assets and its revenues, expenses, gains, and losses based on the existence or absences of donor-imposed restrictions. Information about the nature and amounts of different types of donor-imposed restrictions shall be displayed in the notes to the financial statements. At December 31, 2020, the Ministry had \$145,549 net assets with donor restrictions, and \$56,773 at December 31, 2019.

Basis of Accounting

The Ministry prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of as-sets and liabilities at the date of the financial statements. On an ongoing basis, the Ministry’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Ministry’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

LAMB AND LION MINISTRIES
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 2 – Significant Accounting Policies, continued

Net Assets without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Ministry, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets with Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Ministry must continue to use the resources in accordance with the donor's instructions.

The Ministry's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds and its beneficial interest in a perpetual charitable trust held by a bank trustee.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Ministry, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Cash and Cash Equivalents

Cash equivalents are short term, interest-bearing highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. The Ministry maintains cash balances at financial institutions located in McKinney, Terrell and Royse City, Tx. Deposit accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account. The balances occasionally could exceed those limits.

Accounts Receivable

Accounts receivable, if any, are unconditional promises to give that are recognized as revenue when the promise is received. Accounts receivable that are expected to be collected in less than one year are reported at net realizable value. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicated that payment is merely postponed. As of December 31, 2020, and 2019 there were not accounts receivable.

LAMB AND LION MINISTRIES
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 2 – Significant Accounting Policies, continued

Budget

The Ministry prepares a budget to monitor its financial activities.

Inventory

Inventories are stated at cost. Inventory consists of product supplies and finished products.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year payment is due, and therefore are reported as restricted until the payment is due, unless the continuation is clearly intended to support activities of the current fiscal year, that is, until all conditions on which they depend are substantially met.

Gift-in-kind Contributions

The Ministry receives contributions in a form other than cash or investments. These are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the Ministry receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of the gift, provided that the value of the asset and its estimated useful life meets the Ministry's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar contribution conditions.

The Ministry benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Ministry's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. GAAP allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided contribution, require specialized skills, and are provided by individuals possessing those skills

Expense Recognition and Allocation

The cost of providing the Ministry's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits and payroll taxes are allocated based on management estimates and financial reports prepared by the Ministry. The management estimates are averaged to determine grant percentages of cost allocations.
- Occupancy, depreciation, and amortization, and interest are allocated based upon management estimates and reports prepared by the Ministry. The management estimates are averaged to determine grant percentages for allocation costs.

LAMB AND LION MINISTRIES
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 2 – Significant Accounting Policies, continued

- Telephone and internet services, insurance, and supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis of management estimates for each area and are averaged for cost allocations to each program and supporting activity.

Every three years, or more often when new space or programs are added, the bases on which costs are allocated are evaluated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Ministry.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Ministry generally does not conduct its fundraising activities in conjunction with its other activities.

In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Change in Accounting Principles

The Ministry implemented FASB ASU No. 2016-14 in 2018, applying the changes retrospectively. The new standards change the following aspects of the financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The format of the statement of cash flows has changed to the direct method of reporting cash flows from operations, which we believe to be more understandable for the users of our financial statements
- The financial statements include a disclosure about liquidity and availability of resources

The changes had the following effect on net assets at December 31, 2017:

Net Assets Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets	\$ 1,324,334	\$ -
Temporarily restricted net assets	49,407	-
Permanently restricted net assets	-	-
Net assets without donor restrictions	-	1,324,334
Net assets with donor restrictions	-	49,407
Total net assets	\$ 1,373,741	\$ 1,373,741

Tax Status

The Ministry is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Ministry are tax deductible to donors under Section 170 of the IRC. The Ministry is not classified as a private foundation. If it is probable that an uncertain tax position will result in a material liability and the amount of the liability can be estimated, the estimated liability is accrued. If the Ministry were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. As of December 31, 2020, and 2019, there were no uncertain tax positions.

LAMB AND LION MINISTRIES
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 3 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 are:

Financial assets:	
Cash and cash equivalents	1,433,521
Account receivable, net	-
Short-term investments	-
Other receivable	-
Total financial assets	1,433,521
Less financial assets held to meet donor-imposed restrictions:	145,549
Less financial assets net receivable within one year:	-
Amount available for general expenditures within one year	1,287,972

The above table would reflect donor restricted and board designated funds as unavailable because it is the Ministry's intention to invest those resources for the long-term support of the Ministry. However, in the case of need, the Board of Directors could appropriate resources from either the donor-restricted funds available for general use.

Note 4 – Fair Value Measurements

The Ministry reports fair value measures of its assets and liabilities using a three-level hierarchy that priority the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the Ministry has access at the measurement date
- Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets in markets that are not active;
 - Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

When available, the Ministry measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that the ministry is required to measure at fair value (for example, unconditional promises to give and in-kind-contributions).

LAMB AND LION MINISTRIES
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2020 and 2019

Note 4 – Fair Value Measurements, Continued

The primary uses of fair value measures in the Ministry’s financial statements are

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.
- Recurring measurement of short-term investments.
- Recurring measurement of endowment and long-term investments.
- Recurring measurement of beneficial interests in trusts.

Note 5 – Capital Assets

All capital assets are stated at cost if the item was purchased, or at fair value at date of acquisition if the asset was donated. Items with a cost greater than \$1,000 are capitalized. A summary of capital assets is as follows:

	<u>Depreciation Method</u>	<u>12/31/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>12/31/2020</u>
Land		22,500			22,500
Library		10,979			10,979
Paintings	15-40 yr. S/L	1,500			1,500
Buildings	5 yr. S/L	659,764			659,764
Vehicles	4-10 yr. S/L	54,841			54,841
Equipment	5-15 yr. S/L	479,352			479,352
Furniture		28,670			28,670
		1,257,606	-	-	1,257,606
Accumulated Depreciation		(832,991)	(45,843)	-	(878,834)
		<u>424,615</u>	<u>(45,843)</u>	<u>-</u>	<u>378,772</u>

Note 6 – Accrued Vacation and Sick Leave

Vacation and sick leave are not paid upon termination; however, employees are entitled to outstanding bonus leave. The liability for bonus leaves at December 31, 2020 and 2019 as \$20,268 and \$20,895, respectively

Note 7 – Operating Leases

The ministry entered into an operating lease on December 12, 2016, with Pitney Bowes, for Digital Meter. The monthly lease payments are \$231 and are billed quarterly for \$693. The lease term is for sixty months.

Future minimum lease payments are as follows:

Year Ending December 31,			
2021	\$	2,772	
2022		2,772	If Renewed
2023		2,772	If Renewed
Total	<u>\$</u>	<u>8,316</u>	

Note 8 – Commitments and Contingencies

The Ministry, in its ordinary day to day business practices, enters into agreements with various suppliers and vendors. There are no long-term purchase commitments and no liability from any long-term contracts. However, disagreements could occur with vendors and suppliers that could disrupt day to day activity. The Ministry is of the belief that there are no disagreements and no potential threat to the Ministry’s business activity.

LAMB AND LION MINISTRIES
NOTES TO FINANCIAL STATEMENTS
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Note 9 – Related Party Transactions

There were no related party transactions between the Ministry and its Board or officers

Note 10 – Concentrations of Risk

A significant portion, approximately 75.2%, of the Ministry's annual funding comes from undesignated gifts from individuals and entities with 12.1% derived from sales of publications.

As such, the Ministry's ability to generate resources via contributions is dependent upon the economic health of the area and of the State of the contributors.

Note 11 – Retirement Plans

The Ministry has no retirement plans in place.

Note 12 – Subsequent Events

Subsequent events have been evaluated through January 31, 2021, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.