

**LIFE SERVICES FOR
THE HANDICAPPED, INC.**

**Financial Statements
For the Years Ended
December 31, 2022
and
December 31, 2021**

Independent Auditor's Report

To the Board of Directors
Life Services for the Handicapped, Inc.

Opinion

We have audited the accompanying financial statements of Life Services for the Handicapped, Inc. ("Life Services"), which comprise the statement of financial position as of December 31, 2022 and December 31, 2021 and the related statements of activities, functional expenses and cash flows for the years 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 Life Services as of December 31, 2022 and December 31, 2021 and the results of its activities 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Life Services 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 Life Services' 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 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 Life Services' 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 Life Services' 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.

Cordun O'Meara McIntyre & Donnelly LLP

June 8, 2023

LIFE SERVICES FOR THE HANDICAPPED, INC.

Statement of Financial Position

Assets

	December 31	
	2022	2021
Cash and cash equivalents	\$ 28,268	\$ 28,763
Investments, at fair value	1,000,759	779,088
Accounts receivable	100,751	105,397
Investments, at fair value – held in trust for others	12,067,708	15,445,716
Investments, at fair value – held in trust with LLC for other	1,925,172	-
Prepaid expenses	35,178	36,150
Total assets	\$15,157,836	\$16,395,114

Liabilities and Net Assets

Liabilities

Line of credit	\$ 49,000	\$ 49,000
Accounts payable and accrued expenses	111,651	131,839
Deferred revenue	33,223	29,222
Funds held in trust for others	12,067,708	15,445,716
Funds held in trust with LLC for other	1,925,172	-
PPP loan	-	44,737
Total liabilities	14,186,754	15,700,514

Net assets

Without donor restrictions	486,403	666,639
With donor restrictions	484,679	27,961
Total net assets	971,082	694,600

Total liabilities and net assets	\$15,157,836	\$16,395,114
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See notes to financial statements.

LIFE SERVICES FOR THE HANDICAPPED, INC.

Statement of Activities

	Year Ended December 31			
	2022		2021	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
Support and revenue				
Contributions	\$ 45,257	\$ -	\$ 45,257	\$ 56,357
Bequests	3,664	474,625	478,289	-
Client direct services	497,215	-	497,215	326,700
Client trust fees	120,940	-	120,940	128,593
Membership fees	53,024	-	53,024	80,258
Investment return, net	(106,334)	(6,926)	(113,260)	2,338
PPP loan forgiveness	44,737	-	44,737	42,642
Other	39,364	-	39,364	388
Net assets released from restrictions	<u>10,981</u>	<u>(10,981)</u>	<u>-</u>	<u>7,434</u>
Total support and revenue	<u>708,848</u>	<u>456,718</u>	<u>1,165,566</u>	<u>720,427</u>
Expenses				
Program services	805,811	-	805,811	626,103
Supporting activities				
Management and general	54,200	-	54,200	85,090
Fundraising	29,073	-	29,073	30,880
Total expenses	<u>889,084</u>	<u>-</u>	<u>889,084</u>	<u>742,073</u>
Increase (decrease) in net assets	(180,236)	456,718	276,482	(21,646)
Net assets, beginning of year	<u>666,639</u>	<u>27,961</u>	<u>694,600</u>	<u>688,285</u>
Net assets, end of year	<u>\$ 486,403</u>	<u>\$ 484,679</u>	<u>\$ 971,082</u>	<u>\$ 666,639</u>
			<u>(5,096)</u>	<u>33,057</u>
			<u>715,331</u>	<u>\$ 27,961</u>
				<u>\$ 694,600</u>

See notes to financial statements.

LIFE SERVICES FOR THE HANDICAPPED, INC.

Statement of Functional Expenses
Year Ended December 31, 2022
(with Summarized Comparative Totals for Year Ended December 31, 2021)

	<u>Supporting Activities</u>			<u>2022</u> <u>Total</u>	<u>2021</u> <u>Total</u>
	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and</u> <u>General</u>	<u>Fundraising</u>		
Payroll and related					
Salaries and wages	\$ 294,803	\$ 24,165	\$ 18,687	\$ 337,655	\$ 311,793
Payroll taxes and employee benefits	<u>43,442</u>	<u>3,564</u>	<u>2,756</u>	<u>49,762</u>	<u>46,215</u>
Total payroll and related	338,245	27,729	21,443	387,417	358,008
Direct client services	225,026	-	-	225,026	123,633
Professional fees - client advocates	134,920	-	-	134,920	114,215
Professional fees – other	22,025	22,662	3,237	47,924	69,143
Professional developments	500	-	-	500	551
Public information/annual luncheon	11,568	-	-	11,568	7,372
Rent and occupancy	5,799	644	-	6,443	7,984
Insurance	9,096	746	576	10,418	7,901
Office supplies and maintenance	3,252	267	206	3,725	2,896
Postage and delivery	884	73	56	1,013	1,142
Travel and transportation	32,219	86	67	32,372	29,496
Payroll processing	6,073	498	385	6,956	7,952
Bank service charges	4,235	347	268	4,850	3,913
Miscellaneous	<u>11,969</u>	<u>1,148</u>	<u>2,835</u>	<u>15,952</u>	<u>7,867</u>
Total expenses	<u>\$ 805,811</u>	<u>\$ 54,200</u>	<u>\$ 29,073</u>	<u>\$ 889,084</u>	<u>\$ 742,073</u>

See notes to financial statements.

LIFE SERVICES FOR THE HANDICAPPED, INC.

Statement of Functional Expenses
Year Ended December 31, 2021

	<u>Program Services</u>	<u>Supporting Activities</u>		<u>Total</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Payroll and related				
Salaries and wages	\$ 256,783	\$ 36,516	\$ 18,494	\$ 311,793
Payroll taxes and employee benefits	<u>38,001</u>	<u>5,452</u>	<u>2,762</u>	<u>46,215</u>
Total payroll and related	294,784	41,968	21,256	358,008
Direct client services	123,633	-	-	123,633
Professional fees - client advocates	114,215	-	-	114,215
Professional fees - other	24,899	38,714	5,530	69,143
Professional developments	551	-	-	551
Public information/annual luncheon	7,372	-	-	7,372
Rent and occupancy	7,186	798	-	7,984
Insurance	6,507	926	468	7,901
Office supplies and maintenance	2,385	339	172	2,896
Postage and delivery	940	134	68	1,142
Travel and transportation	29,246	166	84	29,496
Payroll processing	6,549	931	472	7,952
Bank service charges	3,223	458	232	3,913
Miscellaneous	<u>4,613</u>	<u>656</u>	<u>2,598</u>	<u>7,867</u>
Total expenses	<u>\$ 626,103</u>	<u>\$ 85,090</u>	<u>\$ 30,880</u>	<u>\$ 742,073</u>

See notes to financial statements.

LIFE SERVICES FOR THE HANDICAPPED, INC.

Statement of Cash Flows

	Year Ended	
	December 31	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 276,482	\$ (26,742)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Realized and unrealized (gain) loss on investments	132,549	(70,318)
PPP loan forgiveness	(44,737)	(42,642)
(Increase) decrease in assets		
Accounts receivable	4,646	(26,029)
Prepaid expenses	972	(2,119)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(20,188)	21,386
Deferred revenue	<u>4,001</u>	<u>(7,790)</u>
Net cash provided by (used in) operating activities	<u>353,725</u>	<u>(154,254)</u>
Cash flows from investing activities		
Proceeds from sale of investments	408,601	101,957
Purchases of investments	<u>(762,821)</u>	<u>(48,554)</u>
Net cash provided by (used in) investing activities	<u>(354,220)</u>	<u>53,403</u>
Cash flows from financing activities		
Proceeds from PPP loans	-	44,737
Proceeds from line of credit	49,000	69,000
Repayment of line of credit	<u>(49,000)</u>	<u>(20,000)</u>
Net cash provided by financing activities	<u>-</u>	<u>93,737</u>
Net (decrease) in cash and cash equivalents	(495)	(7,114)
Cash and cash equivalents, beginning of year	<u>28,763</u>	<u>35,877</u>
Cash and cash equivalents, end of year	<u>\$ 28,268</u>	<u>\$ 28,763</u>

See notes to financial statements.

LIFE SERVICES FOR THE HANDICAPPED, INC.**Notes to Financial Statements
December 31, 2022 and December 31, 2021****Note 1 – Nature of organization and summary of significant accounting policies**

Life Services for the Handicapped, Inc. (“Life Services”) is concerned for the well-being of individuals with disabilities, mental health diagnosis and other health conditions, particularly when their families can no longer care for them. In addition to supplemental needs trust services, individualized comprehensive care management and advocacy programs are provided upon request.

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets

The net assets of Life Services and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the “Board”) and/or management for general operating purposes.

Net Assets With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Cash equivalents

Life Services considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Accounts receivable

Accounts receivable represent amounts due for client direct services and membership fees, reduced by an allowance for doubtful accounts. An allowance for doubtful accounts is established by management based on historical bad debts, factors related to specific client’s ability to pay and current economic trends. Management has determined that an allowance for doubtful accounts is not required as of December 31, 2022 and December 31, 2021.

Investments

Investments are stated at fair value with gains and losses reported in the statement of activities. Donated investments are reported at the fair market value on the date of donation and thereafter carried in accordance with the above provision.

LIFE SERVICES FOR THE HANDICAPPED, INC.**Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021****Note 1 – Nature of organization and summary of significant accounting policies (continued)**Funds Held in Trust for Others

Life Services' investments include two funds held in trust for the care of individuals with disabilities: (1) Life Services Third Party Funded Trust for People with Disabilities and (2) Life Services First Party Pooled Trust. A pro rata percentage of the costs and the income of the investments is allocated to participants in the investment pools, and beneficiary expenses are paid from each participant's share in the pools.

For the Life Services Third Party Funded Trust, upon the death of the beneficiary all or part of the participant's investment is transferred to Life Services and recognized as support without donor restrictions. Since assets in each participant's investment could be expended on their behalf during their life, the potential remainder receivable to Life Services is indeterminable. Therefore, the entire amount is shown as a liability titled Funds Held in Trust for Others in the accompanying statement of financial position. For most of the Life Services First Party Pooled Trust participants, upon their death, all of the participant's investment is recognized as support with donor restrictions and may only be used for the benefit of other beneficiaries of the Life Services First Party Pooled Trust.

Life Services, at various times, may serve as Trustee, or Successor Trustee on Revocable and Irrevocable Stand-Alone Trusts (standard or Supplemental Needs), with all assets held in trust for the benefit of the donors or the disabled beneficiary. Stand-Alone Supplemental Needs Trust, for a disabled individual, may or may not list Life Services as a remainder beneficiary upon the death of the disabled beneficiary (each agreement is different). In 2022 and 2021, there was only one Stand-Alone Supplemental Needs Trust in this category.

Representative Payee Accounts

During 2022, Life Services was approved by the Social Security Administration to be a corporate representative payee for individuals who were deemed not competent to manage their Social Security income. Life Services agreed to perform these services solely for participants in its Trust services. These funds are required to be held in cash and are used to pay participant expenses.

Co-Trustee/Custodian

Life Services works with an established financial institution to serve as both co-trustee and custodian for all trust investments. The co-trustee also provides accounting and tax support for all funds held in trust and manages the trust fund investments pursuant to the Life Services investment policy.

LIFE SERVICES FOR THE HANDICAPPED, INC.**Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021****Note 1 – Nature of organization and summary of significant accounting policies (continued)**Property and equipment

Property and equipment are stated at cost, or, if donated at the estimated fair market value at the date of donation. Depreciation is computed using straight-line method over the estimated useful lives of the assets. As of December 31, 2022 and December 31, 2021, the property and equipment are fully depreciated.

Contributions and bequests

Contributions are recorded as support when made, which may be when cash is received, unconditionally promised, or ownership of donated assets is transferred. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with temporary donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Unconditional promises to give are recognized as support when the promise is received.

Bequests are recorded as support when a legally binding obligation is received and when a fair value can reasonably be determined.

Revenue recognition

Annual membership fees are charged at predetermined amounts depending on the level of service agreed upon with the client and are recognized monthly over the annual period. All other fees are earned upon completion of service. Fees received in advance are recorded as deferred revenue.

Functional allocation of expenses

The costs of providing the various program services and supporting activities of Life Services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or support activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and maintenance, salaries, payroll taxes and benefits, which are allocated on the basis of estimates of time and effort.

LIFE SERVICES FOR THE HANDICAPPED, INC.

**Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021**

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Use of estimates

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

Concentrations of credit risk

Life Services' financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, investments and accounts receivable. Life Services places its cash with what it believes to be quality financial institutions. Investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to changes in interest rates, market volatility, liquidity and credit risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position as of December 31, 2022. Life Services' accounts receivable is due primarily for expense reimbursements from the trusts. Management monitors the collectability of its accounts receivable. Life Services does not believe that there are significant concentrations of credit risk with respect to its cash, investments and accounts receivable.

Subsequent events

Life Services has evaluated events and transactions for potential recognition of disclosure through June 8, 2023, the date the financial statements were available to be issued.

Note 2 – Liquidity and availability of financial assets

Life Services' working capital and cash flows have seasonal variations during the year attributable to cash receipts from contributions, client direct services and trust fees and membership fees.

The following is a summary of Life Services' financial assets as of December 31, 2022 and December 31, 2021 that are available for general expenditures within one year of the statement of financial position date:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 28,268	\$ 28,763
Investments	1,000,759	779,088
Accounts receivable	<u>100,751</u>	<u>105,397</u>
Sub-total	1,129,778	913,248
Less: Donor restricted cash and investments	<u>(484,679)</u>	<u>(27,961)</u>
Total	<u>\$ 645,099</u>	<u>\$ 885,287</u>

LIFE SERVICES FOR THE HANDICAPPED, INC.

Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

Note 2 – Liquidity and availability of financial assets (continued)

Life Services also has available a \$50,000 revolving line of credit (see note 6) to finance short-term working capital needs that may be drawn upon as necessary.

Note 3 – Investments

Life Services' investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The following table presents the financial assets measured at fair value on a recurring basis and are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value as follows: level 1 consisting of quoted prices in active markets for identical assets; level 2 consisting of significant other observable inputs; and level 3 consisting of significant unobservable inputs.

Investments at fair value as of December 31, 2022 and December 31, 2021 are as follows:

Investments owned by Life Services

	<u>2022</u>	<u>2021</u>	<u>Level</u>
Exchange traded funds			
Equities	\$ 296,692	\$ -	1
Mutual funds			
Equities	207,057	507,125	1
Fixed income	247,641	261,055	1
Alternative	38,976	-	1
Real assets	42,740	-	1
Money market funds	<u>167,653</u>	<u>10,908</u>	1
Total investments	<u>\$ 1,000,759</u>	<u>\$ 779,088</u>	

Investments at fair value held in trust for others

	<u>2022</u>	<u>2021</u>	<u>Level</u>
Mutual funds			
Equities	\$ 7,195,285	\$ 10,398,423	1
Fixed income	3,086,350	4,768,655	1
Alternative	553,825	-	1
Real assets	487,632	-	1
Money market funds	<u>744,616</u>	<u>278,638</u>	1
Total investments held in trust for others	<u>\$ 12,067,708</u>	<u>\$ 15,445,716</u>	

LIFE SERVICES FOR THE HANDICAPPED, INC.

**Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021**

Note 3 – Investments (continued)

Investment performance on funds held by Life Services

Investment return, net for the years ended December 31, 2022 and December 31, 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 26,413	\$ 15,864
Realized and unrealized gain (loss) on the investments	<u>(132,549)</u>	<u>70,318</u>
Sub-total	(106,136)	86,182
Less: investment management fees	<u>(7,124)</u>	<u>(5,789)</u>
Net investment return	<u>\$ (113,260)</u>	<u>\$ 80,393</u>

Note 4 – Investments - held in trust with LLC for other

Life Services is a trustee for a settlor’s supplemental needs trust (the “Trust”), which was established by a settlor and the settlor’s spouse for the benefit of their child. Life Services has an ownership interest of 35% in an LLC, which does not represent a controlling interest in the LLC. The LLC’s assets consist of various investments, the majority of which are mutual funds. Life Services ownership interest is reflected as an asset and an off-setting liability on the statement of financial position. The assets held in the trust with LLC are restricted until the death or disability of the settlor. Upon death or disability of the settlor’s spouse, the trustee services will transfer to Life Services. Life Services has the power to appoint a corporate co-trustee and is granted powers to direct investment choices of the Trust. Upon the death of the settlor’s child, the assets of the Trust will be distributed to beneficiaries of the Trust.

Note 5 – Net assets with donor restrictions

Net assets with donor restrictions consist of funds that are restricted for use in the First Party Pooled Trust to benefit other beneficiaries. The following is a summary of the activity in the net assets with donor restrictions for the years ended December 31, 2022 and December 31, 2021:

Balance at December 31, <u>2021</u>	<u>Additions</u>	<u>Investment Return</u>	<u>Net Assets Released</u>	Balance at December 31, <u>2022</u>
\$ 27,961	\$ 474,625	\$ (6,926)	\$ (10,981)	\$ 484,679
Balance at December 31, <u>2020</u>	<u>Additions</u>	<u>Investment Return</u>	<u>Net Assets Released</u>	Balance at December 31, <u>2021</u>
\$ 33,057	\$ -	\$ 2,338	\$ (7,434)	\$ 27,961

LIFE SERVICES FOR THE HANDICAPPED, INC.**Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021****Note 6 – Line of credit**

Life Services has an unsecured revolving line of credit in the amount of \$50,000. Amounts borrowed under the line of credit require interest at the bank's prime rate plus 1.5%, but will not be less than 3.00% per annum. The interest rate as of December 31, 2022 was 9.0%. The line of credit is due on demand. As of December 31, 2022 and December 31, 2021, there was \$49,000 outstanding on the line of credit. The amount outstanding as of December 31, 2022 was paid in full in April 2023.

Note 7 – SEP-IRA plan

Life Services maintains a SEP-IRA plan for eligible employees. Life Services contributes an amount equal to five percent of the employee's salary. Plan expense for the years ended December 31, 2022 and December 31, 2021 totaled \$17,459 and \$15,252, respectively.

Note 8 – PPP loans**2020 PPP loan**

During 2020, Life Services applied for and received \$42,642 under the Paycheck Protection Program ("PPP") which is a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. Life Services elected to record the proceeds as a liability until the loan was, in part or wholly, forgiven and Life Services was legally released. Life Services has expended the full amount of the loan on purposes consistent with the PPP and maintained its payroll levels. On August 26, 2021, the loan was forgiven in its entirety. The loan forgiveness is reflected as revenue in the 2021 statement of activities.

2021 PPP loan

During May 2021, Life Services received a second PPP loan for \$44,737 under similar terms to the first PPP loan. In May 2022, Life Services applied for forgiveness of the loan. On June 3, 2022, the loan was forgiven in its entirety. The loan forgiveness of the second PPP loan is reflected as revenue in the 2022 statement of activities.

Note 9 – Tax status

Life Services is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, Life Services has also been classified by the Internal Revenue Service to be a public charity, and not a private foundation, within the meaning of Section 509(a)(1) of the Code. Contributions to Life Services are deductible for income tax purposes.