



Empowering Lives

INTERNATIONAL

EMPOWERING LIVES INTERNATIONAL

Financial Statements
With Independent Accountants'
Review Report

June 30, 2022 and 2021

EMPOWERING LIVES INTERNATIONAL

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Empowering Lives International
Upland, California

We have reviewed the accompanying financial statements of Empowering Lives International, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

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

We are required to be independent of Empowering Lives International and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

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

Capin Crouse LLP

Brea, California
November 29, 2022

EMPOWERING LIVES INTERNATIONAL

Statements of Financial Position

	June 30,	
	<u>2022</u>	<u>2021</u>
ASSETS:		
Cash	\$ 1,786,371	\$ 1,234,957
Investments	34,544	25,130
Other assets	<u>3,260</u>	<u>4,242</u>
Total Assets	<u>\$ 1,824,175</u>	<u>\$ 1,264,329</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accrued expenses	\$ 55,437	\$ 41,208
Total liabilities	<u>55,437</u>	<u>41,208</u>
Net assets:		
Net assets without donor restrictions	536,283	457,495
Net assets with donor restrictions	<u>1,232,455</u>	<u>765,626</u>
Total net assets	<u>1,768,738</u>	<u>1,223,121</u>
Total Liabilities and Net Assets	<u>\$ 1,824,175</u>	<u>\$ 1,264,329</u>

See accompanying notes and independent accountants' review report

EMPOWERING LIVES INTERNATIONAL

Statements of Activities

	Year Ended June 30,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Contributions	\$ 677,922	\$ 1,858,972	\$ 2,536,894	\$ 868,215	\$ 1,337,628	\$ 2,205,843
Other income	1,280	-	1,280	13,024	-	13,024
Net assets released from purpose restrictions	1,392,143	(1,392,143)	-	1,391,445	(1,391,445)	-
Total Support, Revenue, and Reclassifications	2,071,345	466,829	2,538,174	2,272,684	(53,817)	2,218,867
EXPENSES:						
Program services	1,730,803	-	1,730,803	1,699,340	-	1,699,340
Supporting activities:						
General and administrative	158,649	-	158,649	145,668	-	145,668
Fundraising	103,105	-	103,105	73,749	-	73,749
	261,754	-	261,754	219,417	-	219,417
Total Expenses	1,992,557	-	1,992,557	1,918,757	-	1,918,757
Change in Net Assets	78,788	466,829	545,617	353,927	(53,817)	300,110
Net Assets, Beginning of Period	457,495	765,626	1,223,121	103,568	819,443	923,011
Net Assets, End of Period	\$ 536,283	\$ 1,232,455	\$ 1,768,738	\$ 457,495	\$ 765,626	\$ 1,223,121

See accompanying notes and independent accountants' review report

EMPOWERING LIVES INTERNATIONAL

Statements of Cash Flows

	Year Ended June 30,	
	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 545,617	\$ 300,110
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net change in:		
Other assets	982	15,981
Accrued expenses	14,229	310
Net Cash Provided by Operating Activities	<u>560,828</u>	<u>316,401</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Contributions of investments	(35,914)	(25,130)
Proceeds from sale of investments	26,500	-
Net Cash Used in Investing Activities	<u>(9,414)</u>	<u>(25,130)</u>
Change in Cash and Cash Equivalents	551,414	291,271
Cash and Cash Equivalents, Beginning of Period	<u>1,234,957</u>	<u>943,686</u>
Cash and Cash Equivalents, End of Period	<u>\$ 1,786,371</u>	<u>\$ 1,234,957</u>

See accompanying notes and independent accountants' review report

EMPOWERING LIVES INTERNATIONAL

Notes to Financial Statements

June 30, 2022 and 2021

1. NATURE OF ORGANIZATION:

Empowering Lives International (ELI) is a not-for-profit corporation incorporated in the State of California. The purpose of ELI is to evangelize, train, educate, and share the gospel of Jesus Christ through humanitarian projects among the poor in eastern Africa and throughout the world. ELI is affiliated with three organizations in eastern Africa. These organizations have independent boards of directors and do not meet the criteria for consolidation and are not included in these financial statements.

ELI is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), and comparable state laws. However, ELI is subject to federal income tax on any unrelated business taxable income. In addition, ELI is not classified as a private foundation under Section 509(a) of the Code. Contributions to ELI by the public are deductible for income tax purposes.

Income for ELI primarily consists of contributions from individuals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of ELI have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies adopted by ELI are described below.

CASH

Cash consists of cash on deposit at a banking institution. These accounts may, at times, exceed federally insured limits. As of June 30, 2022 and 2021, ELI's cash balances exceeded federally insured limits by approximately \$703,000 and \$230,000, respectively. ELI has not experienced any losses related to these accounts.

INVESTMENTS

Investments are recorded at fair value on the purchase date or donation date. The fair value of stocks and mutual funds are based on quoted market prices. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

Investment income and realized and unrealized gains and losses are included in other income without donor restrictions unless a donor restricts their use.

NET ASSETS

The net assets of ELI are reported in the following two classes:

Net assets without donor restrictions are those resources not restricted by donor; however, their use may, at times, be limited by board designation.

Net assets with donor restrictions include donor-restricted contributions for specific programs and other projects.

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Notes to Financial Statements

June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SUPPORT, REVENUE, AND EXPENSES

Contributions

Contributions are recorded when made, which may be when cash and other assets are received or unconditionally promised. 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 satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor.

Other Income

Other income consists mainly of investment income and is recorded when earned.

Expenses

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

3. LIQUIDITY AND FUNDS AVAILABLE:

ELI has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flow closely through regular board reporting and detailed financial analysis. Financial assets consist of cash and investments, and the aggregate amount available to meet cash needs for general expenditures within one year of June 30, 2022 and 2021, was approximately \$1,821,000 and \$1,260,000, respectively. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. None of the financial assets are subject to restrictions from donors or other contractual obligations which would make them unavailable for general expenditure within one year of the statement of financial position dates.

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Notes to Financial Statements

June 30, 2022 and 2021

4. INVESTMENTS:

Investments consist of the following:

	June 30	
	2022	2021
Equities:		
Domestic stock	\$ 10,023	\$ 5,040
International stock	3,054	1,474
Mutual funds	4,221	17,766
	<u>17,298</u>	<u>24,280</u>
Cash and cash equivalents	<u>17,246</u>	<u>850</u>
	<u>\$ 34,544</u>	<u>\$ 25,130</u>

ELI uses appropriate valuation techniques to determine the fair value of investments based on inputs available. ELI uses a three-tier hierarchy, as determined at the end of the reporting period, which prioritizes the inputs used in measuring fair value. Level 1 fair value measurements are determined by using quoted prices in active markets for identical assets. Level 2 fair value measurements are determined by using significant other observable inputs, and Level 3 fair value measurements are determined by using significant unobservable inputs. When available, ELI measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

All investments, except cash and cash equivalents, fall into the Level 1 hierarchy at June 30, 2022 and 2021. The value of assets in the Level 1 hierarchy are based on observable inputs, such as quoted prices in active markets. Cash and cash equivalents are not subject to the fair value hierarchy.

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Notes to Financial Statements

June 30, 2022 and 2021

5. NET ASSETS:

Net assets consist of:

	June 30,	
	2022	2021
Without donor restrictions		
Undesignated	\$ 36,283	\$ (42,505)
Board-designated for the following purposes:		
Orphan and vulnerable child ministry	300,000	300,000
Non-orphan and vulnerable child ministry	200,000	200,000
	<u>\$ 536,283</u>	<u>\$ 457,495</u>
With donor restrictions		
Orphan's hope	\$ 522,500	\$ -
Children's homes	439,957	448,451
Long-term staff	110,762	69,563
African community empowerment	78,825	163,647
Clean water projects	78,270	79,365
DR Congo	2,141	4,600
	<u>\$ 1,232,455</u>	<u>\$ 765,626</u>

6. CONCENTRATION:

For the years ended June 30, 2022 and 2021, the top two donors contributed approximately 24% and 13%, respectively, of total contributions. Organizational implications of these concentrations are recognized by ELI and reported to the board of directors.

7. FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various program services and supporting activities have been summarized on a functional basis on the statements of activities, which reports certain categories of expenses that are attributable to more than one program or supporting function. Accordingly, certain costs have been allocated among the program services and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include categories such as salaries and benefits, professional services and development, and occupancy and supplies and other. Allocations are based on estimates of purpose, time, and utilization. Furthermore, there are no joint costs that have been allocated among the program services, and general and administrative, and fundraising functions.

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Notes to Financial Statements

June 30, 2022 and 2021

7. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

The tables below present expenses by functional allocation as well as by natural classification:

	Year Ended June 30, 2022			
	Program Activities	Supporting Activities		Total
		General and Administrative	Fundraising	
Grant expense	\$ 1,149,095	\$ -	\$ -	\$ 1,149,095
Salaries and benefits	495,497	106,524	72,944	674,965
Professional services and development	47,520	28,148	18,726	94,394
Occupancy, supplies, and other	38,691	23,977	11,435	74,103
	\$ 1,730,803	\$ 158,649	\$ 103,105	\$ 1,992,557

	Year Ended June 30, 2021			
	Program Activities	Supporting Activities		Total
		General and Administrative	Fundraising	
Grant expense	\$ 1,246,645	\$ -	\$ -	\$ 1,246,645
Salaries and benefits	420,005	83,689	46,384	550,078
Professional services and development	21,488	25,419	23,305	70,212
Occupancy, supplies, and other	11,202	36,560	4,060	51,822
	\$ 1,699,340	\$ 145,668	\$ 73,749	\$ 1,918,757

8. RELATED PARTY TRANSACTIONS:

Program services include disbursements made directly to the affiliated African ministries to help meet their defined purposes. For the years ended June 30, 2022 and 2021, disbursements were approximately \$1,149,000 and \$1,057,000, respectively. There were no payables or receivables between ELI and its affiliates as of June 30, 2022 and 2021.

During the years ended June 30, 2022 and 2021, the total amounts contributed by board members were approximately \$32,000 and \$59,000, respectively.

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through November 29, 2022, which is the date the financial statements were available to be issued.