



**empowering lives**  
INTERNATIONAL

## EMPOWERING LIVES INTERNATIONAL

Financial Statements  
With Independent Accountant's Review Report

June 30, 2019 and 2018

# EMPOWERING LIVES INTERNATIONAL

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## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

Board of Directors  
Empowering Lives International  
Upland, California

We have reviewed the accompanying statements of financial position of Empowering Lives International as of June 30, 2019 and 2018, 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 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 taken 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 the 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.

### ***Accountant's 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 conclusions.

### ***Accountant's Conclusion***

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

Board of Directors  
Empowering Lives International  
Upland, California

***Emphasis of Matter***

Empowering Lives International has adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, as described in Note 2. This has had a material effect on the presentation of the June 30, 2019 and 2018 financial statements. Our conclusion is not modified in respect to this matter.

*Capin Crouse LLP*

Brea, California  
December 18, 2019

# EMPOWERING LIVES INTERNATIONAL

## Statements of Financial Position

	June 30,	
	2019	2018
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 621,569	\$ 620,871
Other assets	17,391	6,991
Property and equipment-net	-	508
Total Assets	<u>\$ 638,960</u>	<u>\$ 628,370</u>
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accrued expenses	<u>\$ 10,288</u>	<u>\$ 10,774</u>
	<u>10,288</u>	<u>10,774</u>
Net assets:		
Net assets without donor restrictions	235,521	259,896
Net assets with donor restrictions	<u>393,151</u>	<u>357,700</u>
	<u>628,672</u>	<u>617,596</u>
Total Liabilities and Net Assets	<u>\$ 638,960</u>	<u>\$ 628,370</u>

See accompanying notes and independent accountants' review report

# EMPOWERING LIVES INTERNATIONAL

## Statements of Activities

	Year Ended June 30,					
	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Contributions	\$ 397,414	\$ 1,354,535	\$ 1,751,949	\$ 649,345	\$ 1,194,254	\$ 1,843,599
Other income	31,798	-	31,798	650	-	650
Net assets released from restrictions:						
Release of restrictions	1,319,084	(1,319,084)	-	1,234,289	(1,234,289)	-
Total Support, Revenue, and Reclassifications	<u>1,748,296</u>	<u>35,451</u>	<u>1,783,747</u>	<u>1,884,284</u>	<u>(40,035)</u>	<u>1,844,249</u>
EXPENSES:						
Program services	<u>1,496,678</u>	<u>-</u>	<u>1,496,678</u>	<u>1,377,916</u>	<u>-</u>	<u>1,377,916</u>
Supporting activities:						
General and administrative	194,668	-	194,668	191,693	-	191,693
Fundraising	81,325	-	81,325	61,828	-	61,828
	<u>275,993</u>	<u>-</u>	<u>275,993</u>	<u>253,521</u>	<u>-</u>	<u>253,521</u>
Total Expenses	<u>1,772,671</u>	<u>-</u>	<u>1,772,671</u>	<u>1,631,437</u>	<u>-</u>	<u>1,631,437</u>
Change in Net Assets	(24,375)	35,451	11,076	252,847	(40,035)	212,812
Net Assets, Beginning of Period	<u>259,896</u>	<u>357,700</u>	<u>617,596</u>	<u>7,049</u>	<u>397,735</u>	<u>404,784</u>
Net Assets, End of Period	<u>\$ 235,521</u>	<u>\$ 393,151</u>	<u>\$ 628,672</u>	<u>\$ 259,896</u>	<u>\$ 357,700</u>	<u>\$ 617,596</u>

See accompanying notes and independent accountants' review report

# EMPOWERING LIVES INTERNATIONAL

## Statements of Cash Flows

	Year Ended June 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 11,076	\$ 212,812
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	508	706
Net change in:		
Other assets	(10,400)	1,114
Accrued expenses	(486)	(1,204)
Net Cash Provided by Operating Activities	698	213,428
Change in Cash and Cash Equivalents	698	213,428
Cash and Cash Equivalents, Beginning of Period	620,871	407,443
Cash and Cash Equivalents, End of Period	\$ 621,569	\$ 620,871

See accompanying notes and independent accountants' review report

# EMPOWERING LIVES INTERNATIONAL

## Notes to Financial Statements

June 30, 2019 and 2018

### 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 four 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 law(s). 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 AND CASH EQUIVALENTS

For statements of financial position and cash flow purposes, cash and cash equivalents consist of cash on deposit at a banking institution. These accounts may, at times, exceed federally insured limits. ELI has not experienced any losses related to these accounts.

#### EQUIPMENT AND WEBSITE COSTS

All expenditures of \$500 or more for equipment are capitalized at cost. Donated items are recorded at fair market value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, ranging from three to seven years.

#### 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 be limited by board designation.

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



# EMPOWERING LIVES INTERNATIONAL

## Notes to Financial Statements

June 30, 2019 and 2018

### 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 are recorded when cash or unconditional promises-to-give have been received, or ownership of donated assets is transferred to ELI. Conditional promises-to-give are recognized as revenue when the conditions on which they depend are substantially met.

Contributions are recorded as temporarily restricted if they are received with donor stipulations that limit their use through purpose and/or time restrictions. When donor restrictions expire, that is when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from temporarily restricted to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

For contributions restricted by donors for the acquisition of long-lived assets, the restriction is considered to be met when the funds are expended on the intended purpose.

Other income is recorded when earned. Expenses are recorded when incurred, in accordance with the accrual basis of accounting.

#### RECENTLY ADOPTED ACCOUNTING STANDARD

In 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ELI adopted the provisions of this standard during the year ended June 30, 2019. In addition to the changes in terminology used to describe categories of net assets throughout the consolidated financial statements, new disclosures were added regarding liquidity and funds available (Note 3) and the functional allocation of expenses (Note 5).

### 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 available to meet cash needs for general expenditures within one year was \$621,569, which was the cash balance. None of the assets are subject to donor or other contractual obligations which would make them unavailable for general expenditure within one year of the statement of financial position date.

# EMPOWERING LIVES INTERNATIONAL

## Notes to Financial Statements

June 30, 2019 and 2018

### 4. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following purposes:

	June 30,	
	2019	2018
Water and children's home projects	\$ 265,864	\$ 251,132
Long-term staff	60,919	49,051
Sudan ministry	31,798	-
Tanzania ministry	15,613	2,031
Kenya ministry	14,738	52,486
Short-term missions	4,219	3,000
	<u>\$ 393,151</u>	<u>\$ 357,700</u>

### 5. FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing various program services and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs, such as depreciation and payroll, have been allocated among the program and supporting activities. Currently, there are no joint costs that have been allocated among the program, general and administrative, and fundraising functions.

	Year Ended June 30, 2019			
	Supporting Activities			
	Program Activities	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 313,907	\$ 95,537	\$ 45,494	\$ 454,938
Grant expense	1,168,020	-	-	1,168,020
Office expense	8,098	42,338	35,643	86,079
Occupancy	-	19,566	-	19,566
Insurance	4,648	7,269	-	11,917
Professional services	-	6,817	-	6,817
Depreciation	300	86	122	508
Other expenses	1,705	23,055	66	24,826
	<u>\$ 1,496,678</u>	<u>\$ 194,668</u>	<u>\$ 81,325</u>	<u>\$ 1,772,671</u>

# EMPOWERING LIVES INTERNATIONAL

## Notes to Financial Statements

June 30, 2019 and 2018

### 5. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

	Year Ended June 30, 2018			
	Program Activities	Supporting Activities		Total
		General and Administrative	Fundraising	
Salaries and benefits	\$ 288,146	\$ 87,477	\$ 41,656	\$ 417,279
Grant expense	1,070,663	-	-	1,070,663
Office expense	7,381	26,929	17,940	52,250
Travel and training	7,442	3,529	2,000	12,971
Occupancy	-	18,293	-	18,293
Insurance	3,562	5,571	-	9,133
Professional services	305	14,939	63	15,307
Depreciation	417	120	169	706
Other expenses	-	34,835	-	34,835
	<u>\$ 1,377,916</u>	<u>\$ 191,693</u>	<u>\$ 61,828</u>	<u>\$ 1,631,437</u>

### 6. LEASES:

ELI leases office space under an operating lease with a term through October 2019. Monthly payments under the lease of \$1,025 are made. Total rent expense for the eighteen months ended June 30, 2017 was \$18,450. The future minimum lease payments are \$4,140 for the year ending June 30, 2020.

### 7. 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, 2019 and 2018, were approximately \$1,168,000 and \$1,071,000, respectively. There were no payables or receivables between ELI and its affiliates as of June 30, 2019 and 2018.

### 8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through December 18, 2019, which is the date the financial statements were available to be issued.