



# Empowering Lives

INTERNATIONAL

Financial Statements  
With Independent Accountants'  
Review Report

June 30, 2021 and 2020

# 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, 2021 and 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. 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 engagement 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 review.

### ***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  
December 10, 2021

# EMPOWERING LIVES INTERNATIONAL

## Statements of Financial Position

	June 30,	
	<u>2021</u>	<u>2020</u>
ASSETS:		
Cash	\$ 1,234,957	\$ 943,686
Investments	25,130	-
Other assets	4,242	20,223
Total Assets	<u>\$ 1,264,329</u>	<u>\$ 963,909</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accrued expenses	\$ 41,208	\$ 40,898
Total liabilities	<u>41,208</u>	<u>40,898</u>
Net assets:		
Net assets without donor restrictions	457,495	103,568
Net assets with donor restrictions	765,626	819,443
Total net assets	<u>1,223,121</u>	<u>923,011</u>
Total Liabilities and Net Assets	<u>\$ 1,264,329</u>	<u>\$ 963,909</u>

See accompanying notes and independent accountants' review report

# EMPOWERING LIVES INTERNATIONAL

## Statements of Activities

	Year Ended June 30,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE, AND RECLASSIFICATIONS:</b>						
Contributions	\$ 868,215	\$ 1,337,628	\$ 2,205,843	\$ 636,183	\$ 1,515,499	\$ 2,151,682
Federal grant	-	-	-	-	69,432	69,432
Other income	13,024	-	13,024	25,312	-	25,312
Net assets released from purpose restrictions	1,391,445	(1,391,445)	-	1,158,639	(1,158,639)	-
<b>Total Support, Revenue, and Reclassifications</b>	<b>2,272,684</b>	<b>(53,817)</b>	<b>2,218,867</b>	<b>1,820,134</b>	<b>426,292</b>	<b>2,246,426</b>
<b>EXPENSES:</b>						
Program services	1,699,340	-	1,699,340	1,698,476	-	1,698,476
Supporting activities:						
General and administrative	145,668	-	145,668	155,580	-	155,580
Fundraising	73,749	-	73,749	98,031	-	98,031
	219,417	-	219,417	253,611	-	253,611
<b>Total Expenses</b>	<b>1,918,757</b>	<b>-</b>	<b>1,918,757</b>	<b>1,952,087</b>	<b>-</b>	<b>1,952,087</b>
Change in Net Assets	353,927	(53,817)	300,110	(131,953)	426,292	294,339
Net Assets, Beginning of Period	103,568	819,443	923,011	235,521	393,151	628,672
Net Assets, End of Period	<b>\$ 457,495</b>	<b>\$ 765,626</b>	<b>\$ 1,223,121</b>	<b>\$ 103,568</b>	<b>\$ 819,443</b>	<b>\$ 923,011</b>

See accompanying notes and independent accountants' review report

# EMPOWERING LIVES INTERNATIONAL

## Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 300,110	\$ 294,339
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Forgiveness of Paycheck Protection Program loan	-	(69,432)
Net change in:		
Other assets	15,981	(2,832)
Accrued expenses	310	30,610
Net Cash Provided by Operating Activities	316,401	252,685
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Contributions of investments	(25,130)	-
Net Cash Used in Investing Activities	(25,130)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Paycheck Protection Program loan	-	69,432
Net Cash Provided by Financing Activities	-	69,432
Change in Cash and Cash Equivalents	291,271	322,117
Cash and Cash Equivalents, Beginning of Period	943,686	621,569
Cash and Cash Equivalents, End of Period	\$ 1,234,957	\$ 943,686
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Non-cash financing transaction to recognize forgiveness of Paycheck Protection Program loan	\$ -	\$ 69,432

See accompanying notes and independent accountants' review report

# EMPOWERING LIVES INTERNATIONAL

## Notes to Financial Statements

June 30, 2021 and 2020

### 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, 2021 and 2020, ELI's cash balances exceeded federally insured limits by approximately \$230,000 and \$676,000, 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.

# EMPOWERING LIVES INTERNATIONAL

## Notes to Financial Statements

June 30, 2021 and 2020

### 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.

##### *Paycheck Protection Program*

During the year ended June 30, 2020, ELI received a Paycheck Protection Program loan totaling \$69,432. The loan was eligible for forgiveness based on ELI incurring various qualifying expenses such as normal payroll costs and utilities. Because ELI overcame required barriers related to these funds as of June 30, 2020, the full amount was recorded as a federal grant with donor restrictions on the statements of activities. During the year ended June 30, 2021, ELI received an official notice of forgiveness from the Small Business Administration.

##### *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, 2021 and 2020, was approximately \$1,260,000 and \$944,000, 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.



# EMPOWERING LIVES INTERNATIONAL

## Notes to Financial Statements

June 30, 2021 and 2020

4. INVESTMENTS:

Investments consist of the following:

	June 30	
	2021	2020
Equities:		
Domestic stock	\$ 5,040	\$ -
International stock	1,474	-
Mutual funds	17,766	-
	<u>24,280</u>	<u>-</u>
Cash and cash equivalents	<u>850</u>	<u>-</u>
	<u>\$ 25,130</u>	<u>\$ -</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, 2021 and 2020. 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.

# EMPOWERING LIVES INTERNATIONAL

## Notes to Financial Statements

June 30, 2021 and 2020

5. NET ASSETS:

Net assets consist of:

	June 30,	
	2021	2020
Without donor restrictions		
Undesignated	\$ (42,505)	\$ 103,568
Board-designated for the following purposes:		
Orphan and vulnerable child ministry	300,000	-
Non-orphan and vulnerable child ministry	200,000	-
	<u>\$ 457,495</u>	<u>\$ 103,568</u>
With donor restrictions		
Children's homes	\$ 448,451	\$ 400,493
African community empowerment	163,647	92,847
Clean water projects	79,365	222,020
Long-term staff	69,563	59,919
DR Congo	4,600	44,164
	<u>\$ 765,626</u>	<u>\$ 819,443</u>

6. 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.

# EMPOWERING LIVES INTERNATIONAL

## Notes to Financial Statements

June 30, 2021 and 2020

6. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

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

	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

  

	Year Ended June 30, 2020			
	Program Activities	Supporting Activities		Total
		General and Administrative	Fundraising	
Grant expense	\$ 1,270,475	\$ -	\$ -	\$ 1,270,475
Salaries and benefits	397,044	60,809	39,508	497,361
Professional services and development	17,511	46,584	54,938	119,033
Occupancy, supplies, and other	13,446	48,187	3,585	65,218
	\$ 1,698,476	\$ 155,580	\$ 98,031	\$ 1,952,087

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, 2021 and 2020, disbursements were approximately \$1,057,000 and \$1,093,000, respectively. There were no payables or receivables between ELI and its affiliates as of June 30, 2021 and 2020.

During the years ended June 30, 2021 and 2020, the total amounts contributed by board members were approximately \$59,000 and \$46,000, respectively.

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through December 10, 2021, which is the date the financial statements were available to be issued.