



AMOR MINISTRIES

FINANCIAL STATEMENTS

DECEMBER 31, 2022

WITH SUMMARY COMPARATIVE INFORMATION FOR 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Amor Ministries:

Opinion

We have audited the accompanying financial statements of Amor Ministries (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Amor Ministries as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Amor Ministries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Amor Ministries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 Amor Ministries' 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 Amor Ministries' 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.

Report on Summarized Comparative Information

The Amor Ministries' 2021 financial statements were audited by a predecessor auditor who expressed an unmodified audit opinion on those financial statements in a report dated September 19, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Evergreen Alliance

Los Alamitos, California
September 14, 2023

AMOR MINISTRIES
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021

	December 31,	
	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 321,100	\$ 294,648
Investments	1,565	17,488
Inventory	3,500	10,000
Prepaid expenses	--	25,425
Total Current Assets	326,165	347,561
PROPERTY AND EQUIPMENT, NET	211,602	220,946
TOTAL ASSETS	\$ 537,767	\$ 568,507
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 7,321	\$ 37,047
Employee-related accrued expenses	32,831	16,342
Accrued unrelated business income taxes	--	28,000
Deferred revenue	5,120	218,601
Note payable to related party, current	9,553	8,975
Paycheck Protection Program (PPP) loan	--	275,920
Total Current Liabilities	54,825	584,885
NON-CURRENT LIABILITIES		
Note payable to related party, net of current portion	28,368	37,921
TOTAL LIABILITIES	83,193	622,806
NET ASSETS WITHOUT DONOR RESTRICTIONS	454,574	(54,299)
TOTAL NET ASSETS	454,574	(54,299)
TOTAL LIABILITIES AND NET ASSETS	\$ 537,767	\$ 568,507

The accompanying notes are an integral part of these financial statements.

AMOR MINISTRIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARY COMPARATIVE INFORMATION FOR 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>December 31,</u>	
			<u>2022</u>	<u>2021</u>
REVENUE AND SUPPORT				
Grants and contributions	\$ 1,456,590	\$ --	\$ 1,456,590	\$ 1,335,997
Mission trip fees	1,464,664	--	1,646,664	119,277
In-kind contributions	5,860	--	5,860	--
Employee Retention Credits	217,820	--	217,820	--
Forgiveness of PPP loan	275,920	--	275,920	275,920
Amor store, net	24,193	--	24,193	--
Financial services income	--	--	--	106,850
Investment income, net	(4,018)	--	(4,018)	--
Gain (loss) on disposal of assets	6,447	--	6,447	(27,764)
Other income	8,260	--	8,260	37,307
Net assets released from restrictions	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL REVENUE AND SUPPORT	3,455,736	--	3,455,736	1,847,587
EXPENSES				
Program services	2,472,827	--	2,472,827	1,267,672
Supporting services:				
Management and general	416,975	--	416,975	622,152
Fundraising	<u>57,061</u>	<u>--</u>	<u>57,061</u>	<u>208,705</u>
TOTAL EXPENSES	<u>2,946,863</u>	<u>--</u>	<u>2,946,863</u>	<u>2,098,529</u>
CHANGE IN NET ASSETS	508,873	--	508,873	(250,942)
NET ASSETS AT BEGINNING OF YEAR	<u>(54,299)</u>	<u>--</u>	<u>(54,299)</u>	<u>196,643</u>
NET ASSETS AT END OF YEAR	<u>\$ 454,574</u>	<u>\$ --</u>	<u>\$ 454,574</u>	<u>(\$ 54,299)</u>

The accompanying notes are an integral part of these financial statements.

AMOR MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARY COMPARATIVE INFORMATION FOR 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>December 31,</u>	
				<u>2022</u>	<u>2021</u>
PERSONNEL EXPENSES					
Salaries and wages	\$ 613,424	\$ 115,370	\$ 47,030	\$ 775,824	\$ 904,539
Employee benefits and taxes	71,579	53,901	4,285	129,765	206,964
TOTAL PERSONNEL EXPENSES	<u>685,003</u>	<u>169,271</u>	<u>51,315</u>	<u>905,589</u>	<u>1,111,503</u>
OTHER EXPENSES					
Advertising and promotion	2,092	44	--	2,136	20,018
Bank and merchant fees	--	20,271	--	20,271	--
Bad debt	--	--	--	--	3,530
Building materials	600,262	--	--	600,262	122,570
Camp expenses	986,969	--	--	986,969	24,034
Contributions	64,244	--	--	64,244	38,815
Depreciation	17,057	15,256	--	32,313	23,259
Insurance	24,080	43,331	--	67,411	18,647
Interest	--	3,038	--	3,038	209
License fees	--	1,222	3,752	4,974	--
Mission trips	--	--	--	--	41,381
Occupancy	--	31,693	--	31,693	80,507
Office expenses	1,663	32,733	205	34,601	67,531
Other	139	5,337	--	5,476	115,035
Professional fees	34,580	75,670	1,483	111,733	285,587
Tortugas sports program	14,824	--	--	14,824	46,791
Travel	41,914	9,276	306	51,496	99,112
Unrelated business income taxes	--	9,833	--	9,833	--
TOTAL OTHER EXPENSES	<u>1,787,824</u>	<u>247,704</u>	<u>5,746</u>	<u>2,041,274</u>	<u>987,026</u>
TOTAL EXPENSES	<u>\$ 2,472,827</u>	<u>\$ 416,975</u>	<u>\$ 57,061</u>	<u>\$ 2,946,863</u>	<u>\$ 2,098,529</u>

The accompanying notes are an integral part of these financial statements.

AMOR MINISTRIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 508,873	(\$ 250,942)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Donated securities	(1,994)	(3,008)
Realized and unrealized loss (gain) on investments	1,506	(6,586)
Depreciation	32,313	23,259
(Gain) loss on disposal of assets	(6,447)	27,764
Forgiveness of PPP loan	(275,920)	(275,920)
Forgiveness of related party loan	--	(50,000)
Change in operating assets and liabilities:		
Unconditional promises to give	--	3,530
Inventory	6,500	--
Prepaid expenses	25,425	(4,165)
Accounts payable and accrued expenses	(29,726)	(44,520)
Employee-related accrued expenses	16,489	--
Accrued unrelated business income taxes	(28,000)	--
Deferred revenue	(213,481)	(130,664)
Net Cash Provided By (Used In) Operating Activities	35,538	(711,252)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	16,434	--
Purchases of investments	(23)	--
Proceeds from sales of property and equipment	10,172	4,000
Purchases of property and equipment	(26,694)	(14,886)
Net Cash Used In Investing Activities	(111)	(10,886)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program (PPP) loan	--	275,920
Repayments on notes payable to related party	(8,975)	--
Net Cash (Used In) Provided By Financing Activities	(8,975)	275,920
NET CHANGE IN CASH AND CASH EQUIVALENTS	26,452	(446,218)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	294,648	740,866
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 321,100	\$ 294,648
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 3,038	\$ 209
Cash paid for income taxes	\$ 28,000	\$ 62,000
Noncash investing transactions	NONE	NONE
Noncash financing transactions	NONE	NONE

The accompanying notes are an integral part of these financial statements.

**AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARY COMPARATIVE INFORMATION FOR 2021**

NOTE 1 – Organization

Amor Ministries (Amor or the Organization) was founded in 1980 by Gayla Cooper and Scott Congdon with a desire to touch the lives of families at the point of their greatest need. Since 1980, Amor has been providing more than 20,000 new homes for needy families. Using a network of local churches and pastors, Amor connects people from different countries to achieve its mission to keep families together. Groups from all over the world travel on short-term trips annually and join in groups or teams to construct homes for the impoverished. Approximately 2,877 people participated in Amor mission trips in 2022; all participants went on trips to locations in Mexico and South Africa. In 2021, approximately 201 people participated in Amor mission trips. All participants went on trips to locations in Mexico in 2021.

The purpose of the Amor mission trip is to provide people an opportunity to live the life of service to which we are all called, and to make a direct impact on the physical and spiritual needs of the poor. Most often this means providing suitable shelter, but also includes providing enough food to get through the week, a backpack full of school supplies, clothing and Christmas presents during the winter season as well as other vital household items. Ultimately, Amor’s varied programs reach the poor and satisfy their mission to provide educational and mission experiences that radically change people, eradicate spiritual and physical poverty, and sustain the church to impact the world in the future.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation of Financial Statements

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with United States Generally Accepted Accounting Principles (US GAAP). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a full comparison of operations year over year. Accordingly, these comparative financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with an original maturity of three months or less when purchased, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

**AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARY COMPARATIVE INFORMATION FOR 2021**

NOTE 2 – Summary of Significant Accounting Policies *(continued)*

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair value in the statement of financial position, and changes in fair value are reported as investment return in the statement of activities. Information about the fair value of investments is discussed in Note 4.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest and dividends are recorded when earned.

Inventory

Inventory consists of apparel, snacks and other travel goods, and is recorded at the lower of cost and net realizable value on a first-in, first-out (FIFO) basis.

Property and Equipment

The Organization's policy is to capitalize asset additions over \$1,000. Property and equipment are stated at cost, with the exception of donated equipment, which is recorded at fair market value on the date received. Depreciation has been provided on the straight-line method over the estimated useful lives of the assets, which are generally three to thirty-nine years. Expenditures for repairs and maintenance are expensed as incurred.

Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

In-Kind Goods, Professional Services and Use of Facilities

Contributed goods and facilities are recorded at fair value at the date of donation. Contributed professional services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. During the year ended December 31, 2022, the Organization received \$5,860 in contributed goods. There were no contributed goods during the year ended December 31, 2021. Refer to Note 9 for additional information.

**AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARY COMPARATIVE INFORMATION FOR 2021**

NOTE 2 – Summary of Significant Accounting Policies *(continued)*

Classification of Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor or grantor restrictions. Some donor-imposed restrictions are temporary in nature, for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, for example stipulating those resources be maintained in perpetuity. Law may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, laws extend to donor-imposed restrictions. The expirations of donor-imposed restrictions are recognized when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

As of December 31, 2022 and 2021, the Organization did not have any net assets with donor restrictions.

Advertising and Promotion

Advertising and promotion expenditures are charged to operations when incurred. Advertising and promotion expense for the years ended December 31, 2022 and 2021 was \$2,136 and \$20,018, respectively.

Income Tax Status

The Organization received tax-exempt status from the Internal Revenue Service and Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code and Revenue and Taxation Code Section 23701d, respectively.

Since the Organization is exempt from federal and state income tax liability, no provision is made for current or deferred income taxes. The Organization uses the same accounting methods for tax and financial reporting. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt information returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARY COMPARATIVE INFORMATION FOR 2021

NOTE 2 – Summary of Significant Accounting Policies *(continued)*

Income Tax Status (continued)

The Organization is subject to income tax on net income that is derived from business activities unrelated to their exempt purpose. The Organization filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income for the year ended December 31, 2021. There was no unrelated business taxable income for the year ended December 31, 2022.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could differ from such estimates and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentrations are managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by the Organization and the Board of Directors. Although fair values of investments are subject to fluctuations on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Accounting Pronouncements Adopted

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 is aimed to improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. ASU 2020-07 became effective for nonpublic business entities for the annual reporting period beginning after June 15, 2021.

In February 2016, the FASB issued ASU 2016-02, *Leases*. ASU 2016-02 requires entities to recognize all leased assets on the statement of financial position with a corresponding liability resulting in a gross up of the statement of financial position. Entities will also be required to present additional disclosures regarding the nature and extent of leasing activities. ASU 2016-02 became effective for nonpublic business entities for the annual reporting period beginning after December 15, 2021.

**AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARY COMPARATIVE INFORMATION FOR 2021**

NOTE 2 – Summary of Significant Accounting Policies *(continued)*

Reclassifications

Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation.

Subsequent Events

The Organization has evaluated subsequent events through September 14, 2023, which is the date the financial statements were available to be issued for the year ended December 31, 2022, and noted no items to disclose.

NOTE 3 – Liquidity and Availability

Financial assets available for general expenditures within one year are as follows as of December 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 321,100	\$ 294,648
Investments	<u>1,565</u>	<u>17,488</u>
Total financial assets available within one year	<u>\$ 322,665</u>	<u>\$ 312,136</u>

The Organization manages liquidity through review of budget to actual amounts and forecasted cash flows. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Organization has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses. Additionally, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization is in the process of restoring cash reserves with the goal of having 6 months of basic operational expenses in savings.

AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARY COMPARATIVE INFORMATION FOR 2021

NOTE 4 – Fair Value Measurement

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell assets in an orderly transaction in the principal, most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the assets, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the assets based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

- *Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets that the Organization has the ability to access at the measurement date.
- *Level 2* inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- *Level 3* inputs are unobservable inputs for the asset.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk or liquidity profile of the asset.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2022:

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Stocks	\$ 1,565	\$ 1,565	\$ --	\$ --

AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARY COMPARATIVE INFORMATION FOR 2021

NOTE 4 – Fair Value Measurement (continued)

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2021:

	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Stocks	\$ 10,299	\$ 10,299	\$ --	--
Mutual funds	4,097	4,097	--	--
Exchange traded funds	3,092	3,092	--	--
Total	<u>\$ 17,488</u>	<u>\$ 17,488</u>	<u>--</u>	<u>--</u>

NOTE 5 – Property and Equipment

Property and equipment are summarized as follows at December 31:

	<u>2022</u>	<u>2021</u>
Buildings	\$ 36,000	\$ 36,000
Leasehold improvements	77,620	169,855
Furniture and equipment	76,175	92,450
Vehicles	<u>427,020</u>	<u>454,248</u>
	616,815	752,553
Less accumulated depreciation	<u>(547,639)</u>	<u>(674,033)</u>
	69,176	78,520
Land	<u>142,426</u>	<u>142,426</u>
Total	<u>\$ 211,602</u>	<u>\$ 220,946</u>

Depreciation expense was \$32,313 and \$23,259 for the years ended December 31, 2022 and 2021, respectively.

AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARY COMPARATIVE INFORMATION FOR 2021

NOTE 6 – Paycheck Protection Program (PPP) Loans

In each April 2020 and March 2021, the Organization received loan proceeds in the amounts of \$275,920 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provided for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest were forgivable after eight or twenty-four weeks as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintained its payroll levels. In March 2021 and March 2022, the Organization’s applications for forgiveness were approved and the full amount of the PPP loans were recognized as extinguishment of debt revenue on the statements of activities during each year.

While the Organization currently believes that the loan forgiveness was based on meeting the eligibility criteria, the Small Business Administration (SBA) reserves the right to re-review the loan application and subsequent forgiveness within six years following the date of loan forgiveness.

NOTE 7 – Employee Retention Credit

Management determined that the Organization was eligible for the Employee Retention Credit (ERC) under the CARES Act. \$217,820 of ERC funds were received during the year ended December 31, 2022. While the Organization currently believes that the credits were based on meeting the eligibility criteria, the Internal Revenue Service (IRS) reserves the right to review the supporting calculations within five years following the date of receipt.

NOTE 8 – Notes Payable To Related Parties

The Organization entered into agreements with the former CEO of the Organization and a family member related to the former CEO to obtain a note payable from each individual. On December 9, 2021, the former CEO forgave the \$50,000 note payable. There were no payments made on the other note payable during 2021, however payments resumed in January 2022. Note payable consists of the following at December 31:

	2021	2020
Note payable to related party, payable in semi-monthly installments of \$485, plus interest at 6.25% due September 2024	\$ 37,921	\$ 46,896

**AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARY COMPARATIVE INFORMATION FOR 2021**

NOTE 8 – Notes Payable To Related Parties (continued)

Future maturities of outstanding notes payable are as follows:

<u>For the year ending December 31,</u>	
2022	\$ 9,553
2023	<u>28,368</u>
Total	<u>\$ 37,921</u>

Interest expense for the years ended December 31, 2022 and 2021 was \$3,038 and \$209, respectively.

NOTE 9 – In-Kind Goods, Professional Services and Use of Facilities

The Organization’s financial statements include the following in-kind contribution revenue for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Donated vehicle	\$ 5,860	\$ --

Donated goods received by the Organization during the fiscal year ended December 31, 2022 were provided without donor restrictions. The value of donated goods was estimated based on comparable sales of similar items at fair value within the market available to the Organization.

NOTE 10 – Functional Expenses

The costs of program activities and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural and functional classification detail of expenses. Certain costs have been allocated among the programs and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits and taxes, advertising and promotion, depreciation, insurance, license fees, office expenses, other, professional fees, and travel, which are allocated on the basis of estimates of time and effort.

NOTE 11 – Retirement Plan

The Organization administers, for all eligible employees, an Internal Revenue Code 403(b) SIMPLE IRA plan. The Organization does not currently match contributions of employees.

**AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARY COMPARATIVE INFORMATION FOR 2021**

NOTE 12 – Related Party

The Organization is contracted to receive professional services from a company that is owned by members of the leadership team at the Organization. Total fees paid to this company were \$7,379 and \$1,736 during the years ended December 31, 2022 and 2021, respectively.