



AMOR MINISTRIES

FINANCIAL STATEMENTS

DECEMBER 31, 2023

WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

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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, 2023, 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, 2023, 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

We have previously audited the Amor Ministries' financial statements for the year ended December 31, 2022, and we expressed an unmodified opinion on those financial statements in our report dated September 14, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Evergreen Alliance

Los Alamitos, California
August 1, 2024

AMOR MINISTRIES
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

	December 31,	
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 362,109	\$ 321,100
Accounts receivable	200	--
Investments	2,881	1,565
Inventory	4,046	3,500
Total Current Assets	369,236	326,165
PROPERTY AND EQUIPMENT, NET	200,055	211,602
TOTAL ASSETS	\$ 569,291	\$ 537,767
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 9,222	\$ 7,321
Employee-related accrued expenses	48,427	32,831
Deferred revenue	5,000	5,120
Note payable to related party, current	27,684	9,553
Total Current Liabilities	90,333	54,825
NON-CURRENT LIABILITIES		
Note payable to related party, net of current portion	--	28,368
TOTAL LIABILITIES	90,333	83,193
NET ASSETS WITHOUT DONOR RESTRICTIONS	478,958	454,574
TOTAL NET ASSETS	478,958	454,574
TOTAL LIABILITIES AND NET ASSETS	\$ 569,291	\$ 537,767

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

AMOR MINISTRIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>December 31,</u>	
			<u>2023</u>	<u>2022</u>
REVENUE AND SUPPORT				
Grants and contributions	\$ 991,328	\$ 75,651	\$ 1,066,979	\$ 1,464,005
Mission trip fees, net	2,095,636	--	2,095,636	1,464,664
In-kind contributions	5,800	--	5,800	5,860
Employee Retention Credits	--	--	--	217,820
Forgiveness of PPP loan	--	--	--	275,920
Amor store, net	31,156	--	31,156	24,193
Investment income, net	(6,261)	--	(6,261)	(4,018)
Gain on disposal of assets	--	--	--	6,447
Other income	2,055	--	2,055	845
Net assets released from restrictions	<u>75,651</u>	<u>(75,651)</u>	<u>--</u>	<u>--</u>
TOTAL REVENUE AND SUPPORT	3,195,365	--	3,195,365	3,455,736
EXPENSES				
Program services	2,648,587	--	2,648,587	2,472,827
Supporting services:				
Management and general	471,572	--	471,572	416,975
Fundraising	<u>50,822</u>	<u>--</u>	<u>50,822</u>	<u>57,061</u>
TOTAL EXPENSES	<u>3,170,981</u>	<u>--</u>	<u>3,170,981</u>	<u>2,946,863</u>
CHANGE IN NET ASSETS	24,384	--	24,384	508,873
NET ASSETS AT BEGINNING OF YEAR	<u>454,574</u>	<u>--</u>	<u>454,574</u>	<u>(54,299)</u>
NET ASSETS AT END OF YEAR	<u>\$ 478,958</u>	<u>\$ --</u>	<u>\$ 478,958</u>	<u>\$ 454,574</u>

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

AMOR MINISTRIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>December 31,</u>	
				<u>2023</u>	<u>2022</u>
PERSONNEL EXPENSES					
Salaries and wages	\$ 534,003	\$ 198,531	\$ 35,198	\$ 767,732	\$ 775,824
Employee benefits and taxes	<u>65,613</u>	<u>61,711</u>	<u>8,464</u>	<u>135,788</u>	<u>129,765</u>
TOTAL PERSONNEL EXPENSES	599,616	260,242	43,662	903,520	905,589
OTHER EXPENSES					
Advertising and promotion	1,658	66	--	1,724	2,136
Bank and merchant fees	--	21,658	--	21,658	20,271
Building materials	637,503	--	--	637,503	600,262
Camp expenses	1,269,733	--	--	1,269,733	982,400
Contributions	28,164	--	--	28,164	64,244
Depreciation	17,347	--	--	17,347	32,313
Insurance	13,809	44,424	--	58,233	67,411
Interest	--	1,464	--	1,464	3,038
License fees	269	977	4,068	5,314	4,974
Occupancy	--	30,741	--	30,741	31,693
Office expenses	1,771	26,868	437	29,076	34,601
Other	74	7,238	--	7,312	5,476
Professional fees	26,388	72,056	1,549	99,993	116,302
Tortugas sports program	21,421	--	--	21,421	14,824
Travel	30,834	5,838	1,106	37,778	51,496
Unrelated business income taxes	--	--	--	--	9,833
TOTAL OTHER EXPENSES	<u>2,048,971</u>	<u>211,330</u>	<u>7,160</u>	<u>2,267,461</u>	<u>2,041,274</u>
TOTAL EXPENSES	<u>\$ 2,648,587</u>	<u>\$ 471,572</u>	<u>\$ 50,822</u>	<u>\$ 3,170,981</u>	<u>\$ 2,946,863</u>

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

AMOR MINISTRIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 24,384	\$ 508,873
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated securities	(2,850)	(1,994)
Realized and unrealized (gain) loss on investments	(75)	1,506
Donated property and equipment	(5,800)	--
Depreciation	17,347	32,313
Gain on disposal of assets	--	(6,447)
Forgiveness of PPP loan	--	(275,920)
Change in operating assets and liabilities:		
Accounts receivable	(200)	--
Inventory	(546)	6,500
Prepaid expenses	--	25,425
Accounts payable and accrued expenses	1,901	(29,726)
Employee-related accrued expenses	15,596	16,489
Accrued unrelated business income taxes	--	(28,000)
Deferred revenue	(120)	(213,481)
Net Cash Provided By Operating Activities	49,637	35,538
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	1,631	16,434
Purchases of investments	(22)	(23)
Proceeds from sales of property and equipment	--	10,172
Purchases of property and equipment	--	(26,694)
Net Cash Provided By (Used In) Investing Activities	1,609	(111)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on notes payable to related party	(10,237)	(8,975)
Net Cash Used In Financing Activities	(10,237)	(8,975)
NET CHANGE IN CASH AND CASH EQUIVALENTS	41,009	26,452
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	321,100	294,648
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 362,109	\$ 321,100
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 1,464	\$ 3,038
Cash paid for income taxes	NONE	\$ 28,000
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, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

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 3,635 people participated in Amor mission trips in 2023; all participants went on trips to locations in Mexico. Approximately 2,877 people participated in Amor mission trips in 2022; all participants went on trips to locations in Mexico and South Africa.

The purpose of the Amor mission trip is to provide people an opportunity to live the life of service to which we are 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, 2022, 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, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

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.

Accounts Receivable

Accounts receivable consists of amounts due from participants for mission trips, and are stated at the amount that management expects to collect from outstanding balances. Accounts receivable are written off when they are determined to be uncollectable.

Inventory

Inventory consists of apparel, snacks and other travel goods, and is recorded at the lower of cost or 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.

Deferred Revenue

Deferred revenue consists of advance receipts for mission trips that will be recognized during the period in which the trip occurs.

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.

**AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022**

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

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 years ended December 31, 2023, and 2022, the Organization received \$5,800 and \$5,860 in contributed goods, respectively. Refer to Note 10 for additional information.

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, 2023, and 2022, 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, 2023, and 2022, was \$1,724 and \$2,136, respectively.

AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

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

Income Tax Status

The Organization has received tax-exempt status from the Internal Revenue Service and California Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code and under 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.

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.

Reclassifications

Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation. The reclassifications have no impact on previously reported net assets.

Subsequent Events

The Organization has evaluated subsequent events through August 1, 2024, which is the date the financial statements were available to be issued for the year ended December 31, 2023, and noted no items to disclose.

AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

NOTE 3 – Liquidity and Availability

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

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 362,109	\$ 321,100
Investments	2,881	1,565
Accounts receivable	<u>200</u>	<u>--</u>
Total financial assets available within one year	<u>\$ 365,190</u>	<u>\$ 322,665</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. 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 committed to restoring cash reserves with the goal of having 6 months of basic operational expenses in savings.

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.

AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

NOTE 4 – Fair Value Measurement (continued)

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, 2023:

		<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	\$ 2,881	\$ 2,881	\$ --	\$ --

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, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

NOTE 5 – Property and Equipment

Property and equipment are summarized as follows at December 31:

	<u>2023</u>	<u>2022</u>
Buildings	\$ 36,000	\$ 36,000
Leasehold improvements	77,620	77,620
Furniture and equipment	76,175	76,175
Vehicles	<u>432,820</u>	<u>427,020</u>
	622,615	616,815
Less accumulated depreciation	(<u>564,986</u>)	(<u>547,639</u>)
	57,629	69,176
Land	<u>142,426</u>	<u>142,426</u>
Total	<u>\$ 200,055</u>	<u>\$ 211,602</u>

Depreciation expense was \$17,347 and \$32,313 for the years ended December 31, 2023, and 2022, respectively.

NOTE 6 – 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. The former CEO forgave the \$50,000 note payable in 2021. Note payable consists of the following at December 31:

	<u>2023</u>	<u>2022</u>
Note payable to related party, payable in semi-monthly installments of \$485, plus interest at 6.25% due September 2024	\$ 27,684	\$ 37,921

Future maturities of outstanding notes payable are as follows:

<u>For the year ending December 31,</u>	
2024	\$ 27,684

Interest expense for the years ended December 31, 2023, and 2022, was \$1,464 and \$3,038, respectively.

AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

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 – Paycheck Protection Program (PPP) Loans

In April 2020 and March 2022, 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 9 – Net Assets with Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, or the passage of time, or other events specified by donors during the years ended December 31:

	<u>2023</u>	<u>2022</u>
Satisfaction of purpose restrictions:		
Pastor benevolence fund	\$ 6,651	\$ --
Amor food bank	24,000	--
Yucatan region	<u>45,000</u>	<u>--</u>
Total	<u>\$ 75,651</u>	<u>\$ --</u>

AMOR MINISTRIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARY COMPARATIVE INFORMATION FOR 2022

NOTE 10 – 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:

	2023	2022
Donated vehicle	\$ 5,800	\$ 5,860

Donated goods received by the Organization during the years ended December 31, 2023, and 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 11 – 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, insurance, license fees, office expenses, other, professional fees, and travel, which are allocated on the basis of estimates of time and effort.

NOTE 12 – Retirement Plan

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

NOTE 13 – Related Party

The Organization is contracted to receive professional services from a company that is owned by members of the Organization’s leadership team. Total fees paid to this company were \$4,855 and \$7,379 during the years ended December 31, 2023, and 2022, respectively.