

ZOE EMPOWERS
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

ZOE EMPOWERS

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Independent Auditor's Report

The Board of Directors of
ZOE Empowers
Raleigh, North Carolina

Opinion

We have audited the accompanying financial statements of ZOE Empowers (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 ZOE Empowers as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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



Auditor's 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 auditor's 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 ZOE Empower's 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 ZOE Empower's 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.

Crosslin, PLLC

Nashville, Tennessee
April 21, 2022

ZOE EMPOWERS
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2021	2020
<u>ASSETS</u>		
Cash	\$ 2,935,107	\$ 2,590,269
Investments (Note C)	617,072	315,303
Contributions receivable, net of allowance for doubtful accounts of \$13,830 in 2021 and 2020 (Note D)	4,096,500	3,307,067
Prepaid expenses	-	1,031
Other accounts receivable	-	423,347
	<u>\$ 7,648,679</u>	<u>\$ 6,637,017</u>
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 25,653	\$ 35,134
	<u>25,653</u>	<u>35,134</u>
<u>NET ASSETS</u>		
Without donor restrictions	1,890,959	1,531,629
With donor restrictions (Note F)	5,732,067	5,070,254
	<u>7,623,026</u>	<u>6,601,883</u>
Total net assets	<u>7,623,026</u>	<u>6,601,883</u>
Total liabilities and net assets	<u>\$ 7,648,679</u>	<u>\$ 6,637,017</u>

See accompanying notes to financial statements.

ZOE EMPOWERS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions and donations	\$ 2,804,845	\$ 3,085,389	\$ 5,890,234
Interest and other income	-	6,780	6,780
Total support and revenue	<u>2,804,845</u>	<u>3,092,169</u>	<u>5,897,014</u>
Net assets released from restrictions	<u>2,430,356</u>	<u>(2,430,356)</u>	<u>-</u>
Expenses:			
Program services:			
Rwanda	983,608	-	983,608
Kenya-NGO	1,022,566	-	1,022,566
Malawi-NGO	381,724	-	381,724
Malawi-CONTI	187,336	-	187,336
Zimbabwe	653,947	-	653,947
Liberia	315,951	-	315,951
India-Chennai	260,151	-	260,151
India-Vizag	202,587	-	202,587
Tanzania	266,347	-	266,347
General	<u>166,043</u>	<u>-</u>	<u>166,043</u>
Total program expenses	<u>4,440,260</u>	<u>-</u>	<u>4,440,260</u>
Supporting services:			
Administrative expenses	230,921	-	230,921
Fundraising expenses	<u>372,659</u>	<u>-</u>	<u>372,659</u>
Total supporting expenses	<u>603,580</u>	<u>-</u>	<u>603,580</u>
Total expenses	<u>5,043,840</u>	<u>-</u>	<u>5,043,840</u>
Increase in net assets from operating activities	<u>191,361</u>	<u>661,813</u>	<u>853,174</u>
Nonoperating income (expense):			
Unrealized appreciation on investments	51,769	-	51,769
Other income	<u>116,200</u>	<u>-</u>	<u>116,200</u>
Total nonoperating income	<u>167,969</u>	<u>-</u>	<u>167,969</u>
Increase in net assets	359,330	661,813	1,021,143
Net assets at beginning of year	<u>1,531,629</u>	<u>5,070,254</u>	<u>6,601,883</u>
Net assets at end of year	<u>\$ 1,890,959</u>	<u>\$ 5,732,067</u>	<u>\$ 7,623,026</u>

See accompanying notes to financial statements.

ZOE EMPOWERS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions and donations	\$ 1,104,148	\$ 4,289,849	\$ 5,393,997
Net realized gains on investments	11,728	-	11,728
Interest and other income	-	14,708	14,708
Other	90	-	90
	<u>1,115,966</u>	<u>4,304,557</u>	<u>5,420,523</u>
Total support and revenue			
	<u>1,115,966</u>	<u>4,304,557</u>	<u>5,420,523</u>
Net assets released from restrictions	<u>4,568,392</u>	<u>(4,568,392)</u>	<u>-</u>
Expenses:			
Program services:			
Rwanda	1,074,412	-	1,074,412
Kenya-NGO	1,038,932	-	1,038,932
Malawi-NGO	729,460	-	729,460
Zimbabwe	752,166	-	752,166
Liberia	341,200	-	341,200
India-Chennai	329,673	-	329,673
India-Vizag	129,587	-	129,587
Tanzania	157,307	-	157,307
General	205,785	-	205,785
	<u>4,758,522</u>	<u>-</u>	<u>4,758,522</u>
Total program expenses			
	<u>4,758,522</u>	<u>-</u>	<u>4,758,522</u>
Supporting services:			
Administrative expenses	417,972	-	417,972
Fundraising expenses	395,997	-	395,997
	<u>813,969</u>	<u>-</u>	<u>813,969</u>
Total supporting expenses			
	<u>813,969</u>	<u>-</u>	<u>813,969</u>
Total expenses	<u>5,572,491</u>	<u>-</u>	<u>5,572,491</u>
Increase (decrease) in net assets from operating activities	<u>111,867</u>	<u>(263,835)</u>	<u>(151,968)</u>
Nonoperating income (expense):			
Unrealized appreciation on investments	14,615	-	14,615
Other income	102,600	-	102,600
Total nonoperating income	<u>117,215</u>	<u>-</u>	<u>117,215</u>
Increase (decrease) in net assets	229,082	(263,835)	(34,753)
Net assets at beginning of year	1,302,547	5,334,089	6,636,636
Net assets at end of year	<u>\$ 1,531,629</u>	<u>\$ 5,070,254</u>	<u>\$ 6,601,883</u>

See accompanying notes to financial statements.

ZOE EMPOWERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services						
	Rwanda	Kenya-NGO	Malawi-NGO	Malawi - Conti	Zimbabwe	Liberia	India-Chennai
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-
Office	-	-	-	-	-	-	-
Postage and Shipping	-	-	-	-	-	-	-
Empowerment Program Costs:							
Office Expenses	26,957	4,848	28,527	12,258	29,700	8,850	6,289
Agriculture	102,672	110,449	38,911	4,861	65,525	23,011	16,847
Child Rights	7,556	25,479	585	2,778	4,390	3,840	6,448
Group Formation	74,351	94,927	13,431	13,987	42,572	9,690	11,524
Disease Prevention	27,727	75,277	16,945	4,750	10,456	46,910	6,536
Education	42,667	18,546	8,453	3,889	4,600	4,700	17,630
Home Construction	130,222	38,132	4,789	-	4,000	10,500	9,727
Micro-Grants	124,889	214,192	62,608	52,709	165,000	63,297	40,613
Salaries	247,150	230,234	110,790	34,408	147,351	75,023	43,011
Spiritual Cultivation	6,788	22,717	9,903	-	9,000	9,550	2,164
Transportation	97,079	44,553	29,583	9,236	105,423	17,300	24,780
Vocational Training	80,455	126,220	57,028	48,403	45,000	43,280	74,582
Other Program Expenses	15,095	16,992	171	57	20,930	-	-
	<u>\$ 983,608</u>	<u>\$ 1,022,566</u>	<u>\$ 381,724</u>	<u>\$ 187,336</u>	<u>\$ 653,947</u>	<u>\$ 315,951</u>	<u>\$ 260,151</u>

See accompanying notes to financial statements.

India-Vizag	Tanzania	General	Supporting Services		Total
			Administrative	Fundraising	
\$ -	\$ -	\$ 161,735	\$ 193,565	\$ 224,411	\$ 579,711
-	-	-	15,424	129,211	144,635
-	-	4,308	-	-	4,308
-	-	-	175	13,813	13,988
-	-	-	21,575	1,173	22,748
-	-	-	182	4,051	4,233
3,549	14,870	-	-	-	135,848
8,572	15,350	-	-	-	386,198
3,743	1,860	-	-	-	56,679
17,700	33,400	-	-	-	311,582
3,709	15,950	-	-	-	208,260
4,686	5,900	-	-	-	111,071
32,214	10,500	-	-	-	240,084
38,465	45,400	-	-	-	807,173
37,371	37,517	-	-	-	962,855
-	5,700	-	-	-	65,822
12,186	48,500	-	-	-	388,640
40,356	31,400	-	-	-	546,724
36	-	-	-	-	53,281
<u>\$ 202,587</u>	<u>\$ 266,347</u>	<u>\$ 166,043</u>	<u>\$ 230,921</u>	<u>\$ 372,659</u>	<u>\$ 5,043,840</u>

See accompanying notes to financial statements.

ZOE EMPOWERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services						
	Rwanda	Kenya-NGO	Malawi-NGO	Zimbabwe	Liberia	India-Chennai	India-Vizag
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Meetings	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-
Office	-	-	-	-	-	-	-
Postage and Shipping	-	-	-	-	-	-	-
Empowerment Program Costs:							
Office Expenses	49,312	17,141	28,967	48,034	32,230	11,960	4,786
Agriculture	117,376	112,525	65,834	49,250	19,125	19,745	1,482
Child Rights	13,332	22,051	-	4,874	4,000	5,330	448
Group Formation	70,825	58,929	22,682	83,270	27,148	13,141	8,680
Disease Prevention	53,464	65,398	25,677	15,592	25,590	7,380	2,680
Education	29,556	40,459	11,666	6,020	8,300	17,687	2,379
Home Construction	140,000	62,449	5,000	4,000	8,190	9,381	-
Micro-Grants	131,612	202,091	177,879	250,500	68,080	51,100	13,968
Salaries	235,829	263,808	142,188	140,808	63,597	55,900	26,205
Spiritual Cultivation	16,273	-	11,250	14,520	7,500	8,985	-
Transportation	92,668	34,899	38,332	62,931	17,000	34,560	32,247
Vocational Training	99,612	159,182	156,597	55,200	60,000	86,731	26,977
Other Program Expenses	24,553	-	43,388	17,167	440	7,772	9,735
	<u>\$ 1,074,412</u>	<u>\$ 1,038,932</u>	<u>\$ 729,460</u>	<u>\$ 752,166</u>	<u>\$ 341,200</u>	<u>\$ 329,673</u>	<u>\$ 129,587</u>

See accompanying notes to financial statements.

Tanzania	General	Supporting Services		Total
		Administrative	Fundraising	
\$ -	\$ 163,064	\$ 240,213	\$ 312,761	\$ 716,039
-	-	59,178	65,942	125,120
-	42,720	58,772	2,636	104,128
-	-	290	-	290
-	-	13,626	11,762	25,388
-	-	44,299	1,313	45,612
-	-	1,594	1,582	3,176
6,550	-	-	-	198,980
17,500	-	-	-	402,837
1,300	-	-	-	51,335
10,157	-	-	-	294,832
16,000	-	-	-	211,781
1,530	-	-	-	117,597
4,500	-	-	-	233,520
34,200	-	-	-	929,430
35,120	-	-	-	963,456
2,400	-	-	-	60,928
6,000	-	-	-	318,637
22,050	-	-	-	666,349
-	-	-	-	103,055
<u>\$ 157,307</u>	<u>\$ 205,784</u>	<u>\$ 417,972</u>	<u>\$ 395,997</u>	<u>\$ 5,572,491</u>

See accompanying notes to financial statements.

ZOE EMPOWERS
STATEMENTS OF CASH FLOWS

	<u>Years Ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 1,021,143	\$ (34,753)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Reinvested earnings on investments	(6,780)	(14,708)
Unrealized appreciation on investments	(51,769)	(14,615)
Net realized gain on sale of investments	-	(11,728)
(Increase) decrease in contributions receivable, net of allowance	(789,433)	448,093
Decrease in prepaid expenses	1,031	220
Decrease (increase) in other accounts receivable	423,347	(275,951)
Decrease in accounts payable and accrued expenses	(9,481)	(4,578)
	<u>588,058</u>	<u>91,980</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Purchase of investments	(250,000)	(273,090)
Proceeds from sale of investments	6,780	285,119
	<u>(243,220)</u>	<u>12,029</u>
Net cash (used in) provided by investing activities		
Net increase in cash	344,838	104,009
Cash, beginning of year	<u>2,590,269</u>	<u>2,486,260</u>
Cash, end of year	<u><u>\$ 2,935,107</u></u>	<u><u>\$ 2,590,269</u></u>

See accompanying notes to financial statements.

ZOE EMPOWERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

A. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ZOE Empowers (“ZOE”) is a tax-exempt, not-for-profit organization, incorporated in the State of North Carolina. ZOE was established to provide a three-year empowerment program for orphan children in Africa and other poverty-stricken countries. This empowerment program teaches children essential life skills such as how to grow their own food and start small businesses. ZOE is currently active in seven countries (Rwanda, Kenya, Zimbabwe, Malawi, Liberia, Tanzania, and India).

Basis of Presentation

The financial statements of ZOE are prepared on the accrual basis of accounting.

Net Assets

For reporting purposes, ZOE’s financial statements have been prepared to focus on ZOE as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of ZOE and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of ZOE. These net assets may be used at the discretion of ZOE’s management and the board of directors.

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ZOE or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity, but may permit ZOE to use or expend part or all of the income derived from the donated assets.

Use of Estimates

In preparing its financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the statement of financial position and the reported amounts of revenues and expenses in the statements of activities for the reporting period. Actual results could differ from those estimates.

ZOE EMPOWERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

A. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions

ZOE reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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. Donor restricted contributions whose restrictions are met in the same reporting period as received are reflected as unrestricted contributions in the accompanying financial statements.

Contributions receivable are recorded at their estimated fair value and reflect discounts for payment terms greater than one year, if applicable. Contributions receivable are considered to be either conditional or unconditional promises to give. A conditional contribution is one which depends on the occurrence of some specified uncertain future event to become binding on the donor. Conditional contributions are not recorded as revenue until the condition is met, at which time they become unconditional. Unconditional contributions are recorded as revenue at the time verifiable evidence of the promise to give is received. ZOE has determined that all contributions received in 2021 and 2020 are unconditional promises to give.

Cash

ZOE deposits its cash in large commercial financial institutions. At times, such balances may exceed the Federal Depository Insurance Corporation limits, but ZOE believes such amounts do not represent a significant credit risk.

ZOE EMPOWERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

A. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements and Financial Instruments

Assets and liabilities recorded at fair value in the statements of financial position on a recurring basis are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Investments in equity securities with readily determinable fair values and all investments in debt securities are stated at fair value. Changes in fair value of investments, including both realized and unrealized gains and losses, are included in the accompanying statements of activities. In determining realized gains and losses, the cost of investments is determined using the average cost method.

Income Taxes

ZOE Empowers is exempt from income taxes under Internal Revenue Code Section 501(c)(3); accordingly, no provision for taxes has been made in the financial statements.

ZOE accounts for the effect of any uncertain tax positions based on a *more likely than not* threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a *cumulative probability assessment* that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for ZOE include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, ZOE has determined that such tax positions do not result in an uncertainty requiring recognition.

ZOE EMPOWERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

A. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized and reported on a functional basis. Program expenses include costs directly associated with the program and other indirect costs determined to benefit that program. These costs have been allocated between program expenses and supporting services based on estimates made by management.

Reclassifications

Certain 2020 amounts have been reclassified to conform with the 2021 presentation. The reclassifications had no impact on total assets, liabilities, net assets, revenues, or expenses for fiscal year 2021. In addition, the reclassifications had no impact on total net assets or the total change in net assets for fiscal year 2020.

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The table below represents financial assets available for general expenditures within one year as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 2,935,107	\$ 2,590,269
Investments	617,072	315,303
Contributions receivable	4,096,500	3,307,067
Other accounts receivable	<u>-</u>	<u>423,347</u>
Total financial assets	<u>7,648,679</u>	<u>6,635,986</u>
Less amounts not available to be used for general expenditures within one year:		
Amounts designated for specific programs	<u>(5,732,067)</u>	<u>(5,070,254)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,916,612</u>	<u>\$ 1,565,732</u>

ZOE receives significant support through restricted and unrestricted contributions and must maintain sufficient resources to meet responsibilities to its donors; therefore, these assets are limited to use for donor-restricted purposes.

ZOE EMPOWERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

C. INVESTMENTS

Investments at December 31, 2021 and 2020, consist of a balanced index mutual fund. All investments are considered level 1 investments. During 2020, ZOE closed its account with the Foundation and transferred all investment assets to a mutual fund held with Vanguard Group, Inc.

Market Risk

Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments, and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease ZOE's overall exposure to market risk.

Concentrations of Credit Risk

ZOE's investment portfolio is impacted by various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, ZOE may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument.

D. CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Hope Companion pledges, net of allowance for doubtful accounts of \$13,830	\$ 4,191,482	\$ 3,462,787
Less: Discount for present value	<u>(94,982)</u>	<u>(155,720)</u>
Present value of contributions receivable	<u>\$ 4,096,500</u>	<u>\$ 3,307,067</u>

ZOE EMPOWERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

D. CONTRIBUTIONS RECEIVABLE - Continued

Maturities of contributions receivable at December 31, 2021, are expected to be as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2022	\$2,365,334
2023	1,476,648
2024	<u>349,500</u>
Total expected contributions	<u>\$4,191,482</u>

E. RETIREMENT PLAN

Employees of the Organization may participate in an Internal Revenue Code section 403(b) retirement savings plan. The plan is funded by employer matching and employee contributions to the plan, pursuant to a salary reduction agreement.

F. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions totaling \$5,732,067 and \$5,070,254 at December 31, 2021 and 2020, respectively, are available for use in Rwanda, Kenya, Zimbabwe, Malawi, Liberia, India, and Tanzania and have either use or time restrictions.

G. NET ASSETS RELEASED FROM RESTRICTIONS

During the year ended December 31, 2021 and 2020, net assets of \$2,430,356 and \$4,568,392, respectively were released from donor restrictions by incurring expenses satisfying the donor restricted purposes.

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H. FAIR VALUE MEASUREMENTS

Guidance provided by the FASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ZOE utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized within the fair value hierarchy based upon the level of judgment associated with the inputs used to measure their value as described in the Note A.

The tables below present the balances of financial assets measured at fair value on a recurring basis by level at December 31, 2021 and 2020.

	<u>Total</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2021:				
Vanguard Group Mutual Funds	<u>\$617,072</u>	<u>\$617,072</u>	\$ -	\$ -
Total financial assets	<u>\$617,072</u>	<u>\$617,072</u>	<u>\$ -</u>	<u>\$ -</u>
2020:				
Vanguard Group Mutual Funds	<u>\$315,303</u>	<u>\$315,303</u>	\$ -	\$ -
Total financial assets	<u>\$315,303</u>	<u>\$315,303</u>	<u>\$ -</u>	<u>\$ -</u>

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I. RISK AND UNCERTAINTIES

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the pandemic continues to evolve as of the date of this report. ZOE’s operations are dependent on contributions from individuals.

The pandemic had an adverse impact on economic and market conditions, triggering a period of economic slowdown. As such, this hindered ZOE’s ability to advance their mission and led ZOE to seek financing through the Paycheck Protection Program (“PPP”). ZOE was approved for the PPP loan and on April 15, 2020, and received funding in the amount of \$102,600, which was subject to forgiveness if utilized for expenditures such as certain payroll, rent, and utility costs. ZOE utilized the loan proceeds for purposes that qualified the loan for forgiveness and on February 2, 2021, the PPP loan was forgiven. On February 11, 2021, ZOE received a second round of PPP funding in the amount of \$116,200. The amount was utilized for purposes that qualified the loan for forgiveness and on August 27, 2021, the PPP loan was forgiven.

While expected to be temporary, ZOE cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on ZOE’s results of future operations, financial position, and liquidity in fiscal year 2022.

J. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 21, 2022, the date the financial statements were available for issuance, and has determined there were no subsequent events requiring disclosure.