

*AGAPE FLIGHTS, INC.*  
*FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT*  
*FOR THE PERIODS ENDING*  
*DECEMBER 31, 2024 AND 2023*

**AGAPE FLIGHTS, INC.**

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## **INDEPENDENT AUDITORS REPORT**

**To the Board of Directors  
Agape Flights, Inc.  
Venice, Florida**

### **Opinion**

We have audited the financial statements of AGAPE FLIGHTS, INC. a Not-for-Profit Organization, which comprise the statement of financial position as of December 31, 2024 and 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 AGAPE FLIGHTS, INC. as of December 31, 2024 and 2023, and the results of its changes in net assets and its cash flows for the years then ended in conformity 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 (GAAS). 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 Agape Flights, Inc. 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.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Agape Flights, Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued, when applicable.

### **Auditor's Responsibility**

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 GAAS 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 GAAS, 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 Agape Flights, Inc'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 Agape Flights, Inc'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.

*Sabella & Marshall CPAS PLLC*

**SABELLA & MARSHALL CPA'S**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**Sarasota, Florida**  
**June 2, 2025**

**AGAPE FLIGHTS, INC**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

"Read Independent Auditors Report"

	<u>2024</u>	<u>2023</u>
<b><i>CURRENT ASSETS</i></b>		
Cash and cash equivalents	\$ 1,741,746	\$ 1,438,882
Cash and cash equivalents, with donor restrictions	649,774	617,909
Accounts receivable	58,706	59,914
Inventory	147,130	140,020
Prepaid expenses	<u>121,910</u>	<u>109,866</u>
 Total current assets	 <u>2,719,266</u>	 <u>2,366,591</u>
 <b><i>INVESTMENTS</i></b>		
Investments - Endowment	1,914,768	1,641,305
Investments - I. Williams Fund	<u>20,492</u>	<u>19,619</u>
Total Investments	1,935,260	1,660,924
 <b><i>PROPERTY AND EQUIPMENT</i></b>		
Buildings and components	1,261,807	1,261,807
Airplanes	1,266,414	1,266,414
Furniture and equipment	<u>537,944</u>	<u>537,944</u>
	3,066,164	3,066,164
Less: accumulated depreciation	<u>(1,430,756)</u>	<u>(1,251,788)</u>
 Net Fixed Assets	 <u>1,635,408</u>	 <u>1,814,376</u>
  <b><i>TOTAL ASSETS</i></b>	  <u>\$ 6,289,935</u>	  <u>\$ 5,841,892</u>

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

AGAPE FLIGHTS, INC  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2024 AND 2023

"Read Independent Auditors Report"

	<u>2024</u>	<u>2023</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 32,518	\$ 31,921
Credit Cards Payable	124	40
Missionary Liability	8,740	8,740
Payroll Liability	<u>6,058</u>	<u>3,115</u>
 Total current liabilities	 <u>47,440</u>	 <u>43,816</u>
 <b>NET ASSETS</b>		
Net Assets without donor restrictions	4,832,585	4,420,031
Net Assets with donor restrictions	649,774	617,909
Endowment Fund	<u>760,136</u>	<u>760,136</u>
 Total net assets	 <u>6,242,495</u>	 <u>5,798,076</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$ 6,289,935</u></u>	 <u><u>\$ 5,841,892</u></u>

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

**AGAPE FLIGHTS, INC**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION	TOTAL	SUMMARIZED 2023 TOTALS
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>				
Revenues and Support				
Donations	1,375,396	-	1,375,396	1,367,020
Cargo Donations	31,453	-	31,453	21,226
Aircraft & Hangar Funding	-	91,167	91,167	123,219
Relief Funds	-	30,898	30,898	8,719
Support	51,192	114,802	165,994	238,159
Non-Cash and In-Kind	93,229	-	93,229	121,967
Missionary Fees	512,430	-	512,430	480,181
Investment Return	244,645	-	244,645	224,228
Other	108,654	-	108,654	74,366
Total Revenues and Support	<u>2,417,000</u>	<u>236,866</u>	<u>2,653,866</u>	<u>2,659,085</u>
Net Assets released from restrictions:				
Satisfaction of program restrictions	<u>204,131</u>	<u>(198,459)</u>	<u>5,672</u>	<u>3,355</u>
Net Revenues and Support	<u>2,621,131</u>	<u>38,408</u>	<u>2,659,538</u>	<u>2,662,440</u>
<b>EXPENSES</b>				
Program services:	1,723,179	-	1,723,179	1,715,557
Supporting services:				
General and Administrative	258,650	-	258,650	248,901
Fundraising	<u>233,291</u>	<u>-</u>	<u>233,291</u>	<u>200,958</u>
Total supporting expenses	<u>491,941</u>	<u>-</u>	<u>491,941</u>	<u>449,859</u>
Total expenses	<u>2,215,119</u>	<u>-</u>	<u>2,215,119</u>	<u>2,165,417</u>
Change in net assets	<u>406,011</u>	<u>38,408</u>	<u>444,419</u>	<u>497,024</u>
Net assets, beginning of year	5,172,392	625,684	5,798,076	5,301,052
	14,318	(14,318)	-	
<b>NET ASSETS, END OF YEAR</b>	<u><u>5,592,721</u></u>	<u><u>649,774</u></u>	<u><u>6,242,495</u></u>	<u><u>5,798,076</u></u>

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

**AGAPE FLIGHTS, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**DECEMBER 31, 2024 AND 2023**

<u>2024</u>	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>		<u>TOTAL</u>
	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Airplane repairs & replacement	50,812	-	-	50,812
Hangar Expansion	90,546	-	-	90,546
Bank charges	16,611	1,038	3,114	20,763
Cargo expenses	421,392	-	-	421,392
Conferences and Meetings	6,357	-	-	6,357
Development	-	-	63,073	63,073
Facilities repairs	12,637	-	-	12,637
Insurance	104,912	-	-	104,912
Information Technology	11,086	8,622	4,927	24,635
Marketing & Promotion	-	-	30,630	30,630
Missionary support	76,263	-	-	76,263
Office expenses	33,320	1,960	3,920	39,200
Salaries and Wages	493,117	182,464	102,570	778,151
Employee Benefits	94,654	35,024	19,688	149,366
Professional Fees	17,447	-	-	17,447
Occupancy Costs	29,234	3,248	-	32,483
Staff expenses	-	7,049	-	7,049
Utilities	12,130	1,348	-	13,477
Travel	11,111	-	-	11,111
In-Kind contributions	85,849	-	-	85,849
Depreciation	155,702	17,897	5,369	178,968
Total Funcational Expenses	1,723,179	258,650	233,291	2,215,119

<u>2023</u>	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>		<u>TOTAL</u>
	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Airplane repairs & replacement	81,384	-	-	81,384
Hangar Expansion	78	-	-	78
Bank charges	16,402	1,025	3,076	20,503
Cargo expenses	433,287	-	-	433,287
Conferences and Meetings	5,492	-	-	5,492
Development	-	-	71,783	71,783
Facilities repairs	20,783	-	-	20,783
Insurance	84,999	-	-	84,999
Information Technology	8,430	6,556	3,746	18,732
Marketing & Promotion	-	-	16,639	16,639
Missionary support	131,210	-	-	131,210
Office expenses	33,008	1,918	3,836	38,762
Salaries and Wages	498,205	166,701	81,831	746,737
Employee Benefits	91,060	30,469	14,957	136,486
Professional Fees	22,812	-	-	22,812
Occupancy Costs	26,120	2,902	-	29,022
Staff expenses	-	21,043	-	21,043
Utilities	11,875	1,319	-	13,194
Travel	22,533	-	-	22,533
In-Kind contributions	80,268	-	-	80,268
Depreciation	147,611	16,967	5,090	169,668
Total Funcational Expenses	1,715,557	248,901	200,958	2,165,417

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



**AGAPE FLIGHTS, INC**  
**STATEMENTS OF CASH FLOWS**  
**DECEMBER 31, 2024 AND 2023**

"Read Independent Auditors Report"

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 444,419	\$ 497,024
Adjustments to reconcile increases in net assets to net cash provided by operating activities		
Depreciation	178,968	169,668
Unrealized (gains) losses on investments	(244,645)	(224,228)
Changes in:		
Prepaid expenses	(12,044)	(23,604)
Accounts receivable	1,208	(4,596)
Inventory	(7,110)	(6,307)
Accounts payable	597	(5,090)
Other current liabilities	3,026	(37,094)
TOTAL ADJUSTMENTS	(79,999)	(131,251)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>364,421</u>	<u>365,773</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Insurance proceeds from sale of assets	-	-
Endowment Investments	(29,692)	(21,597)
Purchase of fixed assets	-	(190,046)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>(29,692)</u>	<u>(211,643)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	334,729	154,130
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,056,791	1,902,662
Prior Period Adjustment	-	-
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,391,520</u>	<u>\$ 2,056,791</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>

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

**AGAPE FLIGHTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Agape Flights, Inc. ("The Organization") is a nonprofit organization established under the laws of the State of Florida. The Alliance's mission, as a Christian ministry, is to provide excellent aviation service delivering cargo, mail and humanitarian aid to missionary partners serving Christ, carrying hope to the nations of the Caribbean. The Organization operates two cargo airplanes and primarily services Haiti, the Dominican Republic and Bahamas. The Organization owns hanger facilities in Venice, Florida, which serves as its headquarters, mail depot, aircraft maintenance and storage facility. The land for the facility is leased from the City of Venice. The organizations primary revenue sources are donations received from the general public, organizations, churches and cargo fees from the missionaries it serves.

**Basis of Accounting**

The Organization's financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

Under Statement of Financial Accounting Standards (FSAB Accounting Standards Codification (ASC) No. 958, Financial Statements of Not-for-Profit Organizations), the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

**With Donor Restrictions:**

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, stipulated time has elapsed or purposes for which the resource have restricted have been fulfilled.

**Without Donor Restrictions:**

Net assets available for use in general operations and not subject to donor restrictions. The Board of Directors has designated, from net asset without donor restrictions, net assets for an operating reserve and board-designated endowment.

**Donated Services**

During the years ended December 31, 2024 and 2023, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization outside of its facilities.

**AGAPE FLIGHTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024 AND 2023**

**NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES - CONTINUED**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Investments**

Under SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Property and Equipment**

We record property and equipment additions over \$2,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2024 and 2023.

**Inventories**

Inventories are stated at the lower of costs or market and consist primarily of parts for cargo plane repairs.

**AGAPE FLIGHTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024 AND 2023**

**NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES - CONTINUED**

**Contributions**

Under SFAS No. 116, Accounting for Contributions Received and Contributions Made, contributions received are recorded as unrestricted or permanently restricted net assets, depending on the absence or existence and nature of any donor restrictions.

**Income Taxes**

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than private foundation under Section 509(a)(2). For the year ended December 31, 2024, there was no unrelated business income.

**Airplane Maintenance and Overhaul**

The cost of line maintenance and other routine repairs, whether performed by the Organization or outsourced to third-party vendors, are expensed as incurred. For planned maintenance activities performed under certain established programs for regulatory compliance, the Organization expenses all maintenance costs in the period incurred. This is because maintenance activities not representing separately identifiable assets or property units in and of themselves, but rather serve to restore the assets to their original condition.

**AGAPE FLIGHTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024 AND 2023**

**NOTE B - NET ASSETS WITH DONOR RESTRICTIONS**

The Organizations net assets with donor restrictions include the following:

Thanksgiving	\$ 7,007
Relief Fund Income	\$ 72,710
Project Income (Caring Partners)	\$ 2,597
Engine Reserve	\$ 29,339
Missionary Encouragement	\$ 48,111
Aircraft Replacement Fund	\$252,201
Facilities/Hangar	\$149,891
Hurricane Ian Relief	\$ 2,239
Mission Flight Program	\$ 80,160
Aircraft Repair F406 2024	(\$ 89)
Open Hangar Donation	\$ 5,609
Total Donor Restricted	\$649,774

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or occurrence of the passage of time or other events specified by the donors were as follows:

Thanksgiving	\$ 13,585
Relief Fund Income	\$ 38,438
Project Income (Caring Partners)	\$ 410
Missionary Encouragement	\$ 11,058
Designated Missionary Support	\$ 9,349
Mission Flight Program	\$ 1,339
Facilities/Hangar	\$ 90,546
Aircraft Funding	\$ 39,431
Total Donor Restricted	\$ 204,156

**NOTE C - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31, 2024:

Airplanes	\$1,266,414
Buildings	\$1,261,807
Hangar & Office Equipment	\$ 108,035
Airplane Equipment	\$ 429,908
Total Property & Equipment	\$3,066,164
Less Accumulated Depreciation	(\$1,430,756)
Property & Equipment, net.	<u>\$1,635,408</u>

Depreciation expense for the year ended December 31, 2024 and 2023 were \$178,968 and \$169,688, respectively.

**AGAPE FLIGHTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024 AND 2023**

**NOTE D - INVESTMENTS**

The components of investments and December 31, 2024 as summarized below:

	Cost	Fair Value	Accumulated Unrealized Gain (Loss)
Cash & Equivalents	\$ 97,071	\$ 97,071	
Accounts Receivable	897	897	
Certificate of Deposit	150,000	149,731	(269)
Corporates - Fixed	296,135	270,538	(25,598)
Common Stock	704,570	1,417,023	712,454
Total Investments	<u>\$1,248,673</u>	<u>\$1,935,260</u>	<u>\$ 686,587</u>

**NOTE E - IN-KIND CONTRIBUTIONS**

The Organization recognizes donated services that create or enhance non-financial assets or require specialized skills and would typically need to be purchased if not provided by donations. The fair market value of these donated services has been reflected in the statements as follows:

Services	Twelve-Month period ending December 31, 2024	Twelve-Month period ending December 31, 2023
Volunteer Pilot Services	\$ 84,095	\$ 65,395
Aircraft Repairs & Maint	1,754	8,666
Other	0	6,207
Total In-Kind Services	<u>\$ 85,849</u>	<u>\$ 80,268</u>

**NOTE F - OPERATING LEASES**

The Organization leases land from the City of Venice, Florida with an expiration date of February 2039. Terms of the lease call for monthly payments that are adjusted annually based on the Consumer Price Index. A condition of the lease agreement is that the Organization will repair and/or replace the existing concrete exterior airplane parking lot on or before February 29, 2025. The Organization has not developed an estimated cost to satisfy the condition. Currently monthly lease payments are \$2,511. Future minimum payments under this lease are as follows:

2025	\$ 30,133
2026	\$ 30,133
2027	\$ 30,133
2028	\$ 30,133
2029	\$ 30,133
Thereafter	271,197
Total	<u>\$ 421,862</u>

**AGAPE FLIGHTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024 AND 2023**

**NOTE G - ENDOWMENTS**

The Organization holds an endowment fund which is Board restricted. The Board of Directors of the Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions perpetual: if (a) the original value of the gift donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in "net assets with donor restrictions perpetual" is classified as "net assets with donor restrictions time or purpose" until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA.

In accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulated donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Foundation and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation;
7. The investment policies of the Foundation.

The Foundation has adopted investment and spending policies for endowment assets that attempt to protect the principal of the fund, provide consistent long-term income returns, and protect the Organization against long-term inflation trends. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2024.

**AGAPE FLIGHTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024 AND 2023**

**NOTE G - ENDOWMENTS - CONTINUED**

Changes in endowment net assets for the year ended December 31, 2024 were:

	Accumulated Earnings	Original Gift Amount	Total
Beginning Endowment	\$ 881,169	\$ 760,136	\$1,641,305
Investment return:			
Interest, Dividends, & Unrealized and realized Gains, net of expenses	\$ 270,813	-	\$ 270,813
Ending Endowment	<u>\$1,151,982</u>	<u>\$ 760,136</u>	<u>\$1,912,118</u>

Changes in endowment net assets for the year ended December 31, 2023 were:

	Accumulated Earnings	Original Gift Amount	Total
Beginning Endowment	\$ 635,407	\$ 760,136	\$1,395,543
Investment return:			
Interest, Dividends, & Unrealized and realized Gains, net of expenses	\$ 245,762	-	\$ 245,762
Ending Endowment	<u>\$ 881,169</u>	<u>\$ 760,136</u>	<u>\$1,641,305</u>

**NOTE H - CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash balances at various institutions. Accounts at these financial institutions are secured by the Federal Deposit Insurance Corporation (FDIC), currently up to \$250,000 per customer. The balances of these accounts at times may exceed federally insured limits. At December 31, 2024, the Organization does have accounts that exceeded the FDIC limits.

Investments consist primarily of financial instruments including cash, cash equivalents, equity and fixed income securities, international securities, and alternative investments. These financial instruments may subject the Foundation to concentrations of credit risk, as, from time to time, balances may exceed amounts insured by the FDIC or the Securities Investor Protection Corporation (SIPC), the market value of securities are dependent on the ability of the issuer to honor its contractual commitments, and/or the investments are subject to changes in market values.



**AGAPE FLIGHTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024 AND 2023**

**NOTE I - FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

Generally accepted accounting principles in the United States of America establishes a hierarchy for which assets and liabilities must be grouped, based on significant levels of inputs (assumptions that market participants would use in pricing an asset or liability) as follows:

Level 1: Quoted prices for identical assets or liabilities in active markets.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-driven valuations whose inputs are observable or whose significant value drivers are observable.

Level 3: Significant inputs to the valuation model are unobservable.

The following assets are required to be measured at fair market value on a recurring basis and the classification within the hierarchy as of December 31, 2024 and 2023, is as follows:

	Balance as of December 31, 2024	Level 1	Level 2	Level 3
Endowment Fund	\$ 1,914,768	\$ 1,914,768		
I Williams Fund	<u>\$ 20,492</u>	<u>\$ 20,492</u>	-	-
Fair Value of Assets	<u>\$ 1,935,260</u>	<u>\$ 1,935,260</u>	<u>-</u>	<u>-</u>

	Balance as of December 31, 2023	Level 1	Level 2	Level 3
Endowment Fund	\$ 1,641,305	\$ 1,641,305		
I Williams Fund	<u>\$ 19,619</u>	<u>\$ 19,619</u>	-	-
Fair Value of Assets	<u>\$ 1,660,294</u>	<u>\$ 1,660,294</u>	<u>-</u>	<u>-</u>

**NOTE J - DEFINED CONTRIBUTION PENSION PLAN**

The Organization provides a contributory 403(b) and/or Roth IRA retirement plan for its employees. Employees are eligible to contribute to the plan beginning on their hire date. The Organization will match employee contributions to the plan up to 3% of the employee's compensation. Retirement expenses for December 31, 2024 and 2023 were \$17,756 and \$17,250, respectively.

**AGAPE FLIGHTS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2024 AND 2023**

**NOTE K - LIQUIDITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's financial assets that are available within one year of December 31, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 2,391,520	\$ 2,056,791
Accounts receivable, net	49,966	51,174
Investments	<u>1,935,260</u>	<u>1,660,924</u>
Totals financial assets	<u>\$ 4,376,746</u>	<u>\$ 3,768,889</u>
Less:		
Board Restricted Funds	\$ (760,136)	\$ (760,136)
Donor Restrictions	<u>(649,774)</u>	<u>(617,909)</u>
	<u>\$ (1,409,910)</u>	<u>\$ (1,378,045)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,966,836</u>	<u>\$ 2,390,844</u>

Based on the financial assets available to meet cash needs as of year-end, compared to the daily cash requirements, the Organization has sufficient funds to meet the cash needs for 336 days of operating expenses. The Organization's endowment investment policy employs the following principals: preservation of capital, risk aversion, adherence to investment discipline, and maintenance of sufficient liquidity to meet its cash needs.

**NOTE L - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 2, 2025, the date on which the financial statements were available to be issued.

**AGAPE FLIGHTS, INC.**  
**SCHEDULE OF AUDITOR**  
**ENDED DECEMBER 31, 2024 AND 2023**

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