FINANCIAL STATEMENTS

International
Lifeline Fund

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

INTERNATIONAL LIFELINE FUND

CONTENTS

CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
International Lifeline Fund
Washington, D.C.

We have audited the accompanying financial statements of the International Lifeline Fund (Lifeline), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lifeline as of June 30, 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.

Gelman Rozenberg & Freedman

January 5, 2022

INTERNATIONAL LIFELINE FUND

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	$ 107,421	$ 53,041
Grants receivable	82,840	528,746
Advances and other receivables	48,428	63,698
Inventory	14,401	11,282
Prepaid expenses	468	5,071
Total current assets	253,558	661,838
PROPERTY AND EQUIPMENT		
Buildings	168,478	168,478
Equipment	180,355	180,355
Furniture	25,487	25,487
Vehicles	162,454	149,230
	536,774	523,550
Less: Accumulated depreciation	(359,465)	(357,377)
Net property and equipment	177,309	166,173
TOTAL ASSETS	**$ 430,867**	**$ 828,011**

LIABILITIES AND NET ASSETS

	2021	2020
CURRENT LIABILITIES		
Notes payable	$ 88,055	$ 35,804
Accounts payable and accrued expenses	69,956	18,357
Refundable advances	103,101	14,606
Accrued salaries and related benefits	37,565	32,123
Total current liabilities	298,677	100,890
LONG-TERM LIABILITIES		
Notes payable, net of current portion	150,000	52,251
Total liabilities	448,677	153,141
NET ASSETS		
Without donor restrictions	(156,135)	69,629
With donor restrictions	138,325	605,241
Total net assets	(17,810)	674,870
TOTAL LIABILITIES AND NET ASSETS	**$ 430,867**	**$ 828,011**

See accompanying notes to financial statements.

INTERNATIONAL LIFELINE FUND

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	$ 687,065	$ 24,781	$ 711,846
In-kind contributions	64,900	-	64,900
Stove sales, net of cost of goods sold	83,969	-	83,969
Other revenue	23,703	-	23,703
Net assets released from donor restrictions	309,592	(309,592)	-
Total support and revenue	1,169,229	(284,811)	884,418
EXPENSES			
Program Services:			
Haiti Programs	7,678	-	7,678
Uganda Programs	1,085,917	-	1,085,917
Total program services	1,093,595	-	1,093,595
Supporting Services:			
Management and General	185,056	-	185,056
Fundraising	116,342	-	116,342
Total supporting services	301,398	-	301,398
Total expenses	1,394,993	-	1,394,993
Changes in net assets before other item	(225,764)	(284,811)	(510,575)
OTHER ITEM			
De-obligated awards	-	(182,105)	(182,105)
Changes in net assets	(225,764)	(466,916)	(692,680)
Net assets at beginning of year	69,629	605,241	674,870
NET ASSETS AT END OF YEAR	**$ (156,135)**	**$ 138,325**	**$ (17,810)**

INTERNATIONAL LIFELINE FUND

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	$ 473,737	$ 719,918	$ 1,193,655
Stove sales, net of cost of goods sold	107,391	-	107,391
Other revenue	34,286	-	34,286
Net assets released from donor restrictions	184,180	(184,180)	-
Total support and revenue	799,594	535,738	1,335,332
EXPENSES			
Program Services:			
Haiti Programs	11,000	-	11,000
Uganda Programs	819,549	-	819,549
Total program services	830,549	-	830,549
Supporting Services:			
Management and General	168,471	-	168,471
Fundraising	119,982	-	119,982
Total supporting services	288,453	-	288,453
Total expenses	1,119,002	-	1,119,002
Changes in net assets before other item	(319,408)	535,738	216,330
OTHER ITEM			
Provision for uncollectible receivables	(46,699)	-	(46,699)
Changes in net assets	(366,107)	535,738	169,631
Net assets at beginning of year	435,736	69,503	505,239
NET ASSETS AT END OF YEAR	**$ 69,629**	**$ 605,241**	**$ 674,870**

INTERNATIONAL LIFELINE FUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services			Supporting Services			
	Haiti Programs	Uganda Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and benefits	$ 2,137	$ 342,843	$ 344,980	$ 115,063	$ 33,560	$ 148,623	$ 493,603
Stoves and related supplies	-	240,652	240,652	-	-	-	240,652
Business operations	-	87,495	87,495	7,232	3,954	11,186	98,681
Facilities and equipment	5,541	150,067	155,608	-	293	293	155,901
Insurance	-	26,384	26,384	44,874	1	44,875	71,259
Professional fees	-	417,758	417,758	14,964	77,119	92,083	509,841
Taxes	-	(3,358)	(3,358)	-	-	-	(3,358)
Technology	-	12,961	12,961	1,394	1,261	2,655	15,616
Telephone and telecommunications	-	6,068	6,068	1,502	154	1,656	7,724
Training and educational materials	-	2,128	2,128	-	-	-	2,128
Travel expenses	-	48,819	48,819	27	-	27	48,846
Currency exchange gain/loss	-	(5,248)	(5,248)	-	-	-	(5,248)
Subtotal	7,678	1,326,569	1,334,247	185,056	116,342	301,398	1,635,645
Less: Costs of goods sold included with revenues in the statements of activities and changes in net assets	-	(240,652)	(240,652)	-	-	-	(240,652)
TOTAL EXPENSES REPORTED ON THE STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	**$ 7,678**	**$ 1,085,917**	**$ 1,093,595**	**$ 185,056**	**$ 116,342**	**$ 301,398**	**$ 1,394,993**

See accompanying notes to financial statements.

INTERNATIONAL LIFELINE FUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services			Supporting Services			
	Haiti Programs	Uganda Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and benefits	$ 4,690	$ 377,832	$ 382,522	$ 92,042	$ 63,115	$ 155,157	$ 537,679
Stoves and related supplies	-	304,176	304,176	-	-	-	304,176
Business operations	9	62,725	62,734	1,473	4,395	5,868	68,602
Facilities and equipment	5,541	128,235	133,776	559	1,923	2,482	136,258
Insurance	-	23,460	23,460	34,515	113	34,628	58,088
Professional fees	742	162,209	162,951	3,234	47,977	51,211	214,162
Taxes	-	3,567	3,567	-	-	-	3,567
Technology	-	9,770	9,770	2,844	1,289	4,133	13,903
Telephone and telecommunications	-	6,260	6,260	1,650	16	1,666	7,926
Training and educational materials	-	(2,415)	(2,415)	-	-	-	(2,415)
Travel expenses	18	47,495	47,513	544	1,154	1,698	49,211
Currency exchange gain/loss	-	411	411	1	-	1	412
Bad debt	-	-	-	31,609	-	31,609	31,609
Subtotal	11,000	1,123,725	1,134,725	168,471	119,982	288,453	1,423,178
Less: Costs of goods sold included with revenues in the statements of activities and changes in net assets	-	(304,176)	(304,176)	-	-	-	(304,176)
TOTAL EXPENSES REPORTED ON THE STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	**$ 11,000**	**$ 819,549**	**$ 830,549**	**$ 168,471**	**$ 119,982**	**$ 288,453**	**$ 1,119,002**

INTERNATIONAL LIFELINE FUND

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (692,680)	$ 169,631
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation	33,048	36,548
Gain on disposal of fixed assets	(12,303)	(28,070)
Provision for uncollectible receivables	-	46,699
Decrease (increase) in:		
Grants receivable	445,906	(301,522)
Advances and other receivables	15,270	(27,150)
Inventory	(3,119)	6,996
Prepaid expenses	4,603	(5,003)
Increase in:		
Accounts payable and accrued expenses	51,599	3,005
Refundable advances	88,495	14,606
Accrued salaries and related benefits	5,442	32,123
Net cash used by operating activities	(63,739)	(52,137)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(44,184)	(1,737)
Sale of property and equipment	12,303	2,353
Net cash (used) provided by investing activities	(31,881)	616
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	150,000	88,055
Payments on note receivable	-	1,351
Net cash provided by financing activities	150,000	89,406
Net increase in cash and cash equivalents	54,380	37,885
Cash and cash equivalents at beginning of year	53,041	15,156
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 107,421**	**$ 53,041**

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Based in Washington, D.C., the International Lifeline Fund (Lifeline) is a tax-exempt NGO whose mission is to improve the quality of life of the less fortunate by exponentially expanding access to clean water and energy solutions. Lifeline operates under the conviction that given affordable access to cost-effective products and services that meet their basic clean water and energy needs, impoverished communities can begin to lift themselves out of the dire circumstances in which they live.

In the 15 years since becoming operational in 2006, Lifeline has helped hundreds of thousands of individuals do just that through its clean water and energy initiatives. Specifically, Lifeline has:

1. Produced and distributed/sold approximately 300,000 fuel-efficient stoves, which have profoundly improved the lives of displaced and impoverished families from Uganda, Darfur, South Sudan, Somalia, Congo, Burundi and Haiti, and
2. Constructed and/or rehabilitated over 400 fresh-water wells in rural Uganda, which have satisfied the clean water needs of over 260,000 individuals who had been drinking from contaminated sites and/or walking inordinate distances to collect their water.

As Lifeline has evolved, it has sought to identify and fill the gaps in the market that explain why so many whose basic clean water and energy needs continue to go unmet. For example, Lifeline has sought to meet the needs of rural consumers through the development of the only wood-burning stove on the market that is both efficient and affordable.

Likewise, Lifeline has addressed the problem of water point functionality – approximately 30 to 50% of new boreholes fail within three to five years of installation – by setting up a quasi-utility service (“Everflow”), which has succeeded in providing subscribing communities with virtually uninterrupted access to clean water throughout the year.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions -** Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.

- **Net Assets With Donor Restrictions -** Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncements adopted -

During fiscal year 2021, Lifeline adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way Lifeline recognized revenue; however, the presentation and disclosures of revenue have been enhanced. Lifeline has elected to opt out of all (or certain) disclosures not required for nonpublic entities and also elected a modified retrospective approach for implementation.

During fiscal year 2020, Lifeline adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.* This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance to better distinguish between conditional and unconditional contributions. Lifeline adopted the ASU using a modified prospective basis.

Cash and cash equivalents -

Lifeline considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. At times during the year, Lifeline maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

Lifeline had $54,338 and $34,733, of cash on hand and in financial institutions in foreign countries at June 30, 2021 and 2020, respectively. The majority of such funds are not insured.

Grants and other receivables -

Grants and other receivables are recorded at their net realizable value, which approximates fair value. Management considers all grants and other receivables to be fully collectible within one year, with the exception of amounts classified as long-term accounts receivable, which consist of advances to Lifeline's partner organization in Haiti. The gross advances to the partner totaled $156,699 at June 30, 2021 and 2020. Due to the ongoing economic and political instability in Haiti, during 2019, management of Lifeline elected to record a provision against the amounts advanced to its Haitian partner in the amount of $110,000, resulting in a net advance balance of $46,699 at June 30, 2019. During 2020, Lifeline, recorded a provision for the remaining $46,699. Management intends to pursue collection of the balance, and will reverse the provision if any amounts due are received in the future.

Property and equipment -

Property and equipment with unit values in excess of $1,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years for equipment and 27.5 years for buildings.

The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense for the years ended June 30, 2021 and 2020 totaled $33,048 and $36,548, respectively and is included in facilities and equipment in the accompanying Statements of Functional Expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to the Statements of Activities and Changes in Net Assets, to its current fair value. There were no impairment charges during the years ended June 30, 2021 and 2020.

Income taxes -

Lifeline is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. Lifeline is classified as a public charity and is not a private foundation.

Uncertain tax positions -

For the years ended June 30, 2021 and 2020, Lifeline has documented its consideration of FASB ASC 740-10, Income Taxes, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Inventory -

Inventory consists of finished stoves, which are recorded at the lower of cost or market value using the first-in, first-out method of inventory under FASB ASC 2015-11 *Simplifying the Measurement of Inventory*.

Foreign currency translation -

The U.S. Dollar ("Dollars") is the functional currency of Lifeline's worldwide operations. Transactions in currencies other than Dollars are re-measured into Dollars at the rate of exchange in effect during the month of transaction. Assets and liabilities denominated in non-U.S. currency are translated into Dollars at the exchange rate in effect at the date of the Statements of Financial Position; the effects of these conversions are recorded in the accompanying Statements of Functional Expenses.

Contributions and grants -

The majority of Lifeline's revenue is received through contributions and grants from various donors. Contributions and grants are recognized in the appropriate category of net assets in the period received. Lifeline performs an analysis of the individual contributions and grants to determine if the revenue streams follow the contribution rules or if they should be recorded as exchange transactions depending upon whether the transactions are deemed nonreciprocal or reciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.*

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Contributions and grants (continued) -

Contributions and grants qualifying as conditional contributions contain a right of return from obligation provision that limits Lifeline on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. Most grant awards are for direct and indirect program costs. These transactions are nonreciprocal and classified as conditional and are therefore recognized as contributions when the revenue becomes unconditional. Lifeline recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants treated as conditional contributions, Lifeline had approximately $649,609 and $14,606 in unrecognized conditional awards as of June 30, 2021 and 2020, respectively.

Revenue recognition for grants classified as exchange transactions follows ASU 2014-09, *Revenue from Contracts With Customers* and revenue is recorded when the performance obligations are met. Lifeline has elected to opt out of all (or certain) disclosures not required for nonpublic entities. The revenue is recorded directly to without donor restrictions and the transaction price is based on expenses incurred in compliance with the criteria stipulated in the grant agreements. Grants receivable includes amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements. Funding received in advance of incurring the related expenses is recorded as deferred revenue.

Stove sales -

Lifeline sells stoves directly and through vendor hubs. These are reciprocal transactions where customers are receiving commensurate benefits. Revenue is recognized when the performance obligations are met. For direct sales, revenue is recorded when the sale is made. When sold through a vendor hub, inventory is transferred to the hub and Lifeline then recognizes revenue when inventory is sold from the hubs. Transaction price is determined based on sales price.

In-kind contributions -

In-kind contributions consist of office equipment and consulting services. In-kind contributions are recorded at their fair market value as of the date of the gift.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of Lifeline are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen. The overall potential impact on Lifeline's operations is unknown at this time.

2. NOTE PAYABLE

On May 4, 2020, Lifeline received loan proceeds in the amount of $88,055 under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first seven months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. As discussed in Note 6, subsequent to year-end, Lifeline received notification that the loan has been forgiven in full. Accordingly the balance of the loan is classified as a current liability as of June 30, 2021. The balance of the loan will be recognized as revenue from extinguishment of debt in the 2022 financial statements.

On June 3, 2020, Lifeline received an Economic Injury Disaster Loan from the Small Business Administration totaling $150,000. The loan bears interest at 2.75% and is due over thirty years in monthly installments of $641 beginning twelve months from the date of the note. Each payment will be applied first to interest accrued to the date of receipt of each payment, and the balance, if any, will be applied to principal.

The balance of principal and interest will be payable thirty years from the date of the promissory note. The loan is collateralized by all tangible and intangible personal property of the Lifeline.

Year Ending June 30, 2021	Economic Injury Disaster Loan
2022	$ -
2023	3,589
2024	3,712
2025	3,816
2026	3,922
Thereafter	134,961
	$ 150,000

Interest expense for the year ended June 30, 2021 was $4,179, and and is included in other accrued liabilities at year-end. There was no interest expense for the year ended June 30, 2020.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2021 and 2020:

	2021	2020
Uganda Programs	$ 138,325	$ 605,241

3. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

	2021	2020
Uganda Programs	**$ 309,592**	**$ 184,180**

4. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following:

	2021	2020
Cash and cash equivalents	$ 107,421	$ 53,041
Grants receivable	82,840	528,746
Advances and other receivables	48,428	63,698
Subtotal financial assets available within one year	238,689	645,485
Less: Donor restricted funds	(138,325)	(605,241)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	**$ 100,364**	**$ 40,244**

Lifeline has a policy to structure its financial assets to be available and liquid as its obligations become due.

5. CONCENTRATION OF REVENUE

Approximately 75% and 35% of Lifeline's revenue for the years ended June 30, 2021 and 2020, respectively, was derived from operating grants awarded by Lifeline's Founder and Chairman of the Board. Lifeline has no reason to believe that the relationship with this individual will be discontinued in the foreseeable future. However, any interruption of this relationship (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect Lifeline's ability to finance ongoing operations.

6. SUBSEQUENT EVENTS

In preparing these financial statements, Lifeline has evaluated events and transactions for potential recognition or disclosure through January 5, 2022, the date the financial statements were issued.

On September 3, 2021, Lifeline received notice that their Payroll Protection Program Act loan had been forgiven in full. Accordingly, the balance of the loan will be recognized as revenue from extinguishment of debt in the 2021 financial statements.