FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JUNE 30, 2021 AND 2020
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>PAGE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITOR'S REPORT</td>
<td>2 - 3</td>
</tr>
<tr>
<td>EXHIBIT A - Statements of Financial Position, as of June 30, 2021 and 2020</td>
<td>4</td>
</tr>
<tr>
<td>EXHIBIT B - Statements of Activities and Changes in Net Assets, for the Years Ended June 30, 2021 and 2020</td>
<td>5 - 6</td>
</tr>
<tr>
<td>EXHIBIT C - Statement of Functional Expenses, for the Year Ended June 30, 2021</td>
<td>7</td>
</tr>
<tr>
<td>EXHIBIT D - Statement of Functional Expenses, for the Year Ended June 30, 2020</td>
<td>8</td>
</tr>
<tr>
<td>EXHIBIT E - Statements of Cash Flows, for the Years Ended June 30, 2021 and 2020</td>
<td>9</td>
</tr>
<tr>
<td>NOTES TO FINANCIAL STATEMENTS</td>
<td>10 - 15</td>
</tr>
</tbody>
</table>
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.
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.

January 5, 2022
## INTERNATIONAL LIFELINE FUND

### STATEMENTS OF FINANCIAL POSITION

**AS OF JUNE 30, 2021 AND 2020**

### ASSETS

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

### LIABILITIES AND NET ASSETS

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

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*

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>$687,065</td>
<td>$24,781</td>
<td>$711,846</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>64,900</td>
<td>-</td>
<td>64,900</td>
</tr>
<tr>
<td>Stove sales, net of cost of goods sold</td>
<td>83,969</td>
<td>-</td>
<td>83,969</td>
</tr>
<tr>
<td>Other revenue</td>
<td>23,703</td>
<td>-</td>
<td>23,703</td>
</tr>
<tr>
<td>Net assets released from donor restrictions</td>
<td>309,592</td>
<td>(309,592)</td>
<td>-</td>
</tr>
<tr>
<td>Total support and revenue</td>
<td>1,169,229</td>
<td>(284,811)</td>
<td>884,418</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Expenses</strong></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Haiti Programs</td>
<td>7,678</td>
<td>-</td>
<td>7,678</td>
</tr>
<tr>
<td>Uganda Programs</td>
<td>1,085,917</td>
<td>-</td>
<td>1,085,917</td>
</tr>
<tr>
<td>Total program services</td>
<td>1,093,595</td>
<td>-</td>
<td>1,093,595</td>
</tr>
<tr>
<td>Supporting Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and General</td>
<td>185,056</td>
<td>-</td>
<td>185,056</td>
</tr>
<tr>
<td>Fundraising</td>
<td>116,342</td>
<td>-</td>
<td>116,342</td>
</tr>
<tr>
<td>Total supporting services</td>
<td>301,398</td>
<td>-</td>
<td>301,398</td>
</tr>
<tr>
<td>Total expenses</td>
<td>1,394,993</td>
<td>-</td>
<td>1,394,993</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Changes in net assets before other item</strong></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(225,764)</td>
<td>(284,811)</td>
<td>(510,575)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Other Item</strong></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>De-obligated awards</td>
<td></td>
<td>(182,105)</td>
<td>(182,105)</td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>(225,764)</td>
<td>(466,916)</td>
<td>(692,680)</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>69,629</td>
<td>605,241</td>
<td>674,870</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Net Assets at end of Year</strong></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (156,135)</td>
<td>$138,325</td>
<td>$(17,810)</td>
<td></td>
</tr>
</tbody>
</table>

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

2020

Without With Donor Donor Total
Donor Restrictions Restrictions

SUPPORT AND REVENUE

<table>
<thead>
<tr>
<th>Description</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions and grants</td>
<td>$473,737</td>
<td>$719,918</td>
<td>$1,193,655</td>
</tr>
<tr>
<td>Stove sales, net of cost of goods sold</td>
<td>107,391</td>
<td>-</td>
<td>107,391</td>
</tr>
<tr>
<td>Other revenue</td>
<td>34,286</td>
<td>-</td>
<td>34,286</td>
</tr>
<tr>
<td>Net assets released from donor restrictions</td>
<td>184,180</td>
<td>(184,180)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td>799,594</td>
<td>535,738</td>
<td>1,335,332</td>
</tr>
</tbody>
</table>

EXPENSES

Program Services:

<table>
<thead>
<tr>
<th>Description</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haiti Programs</td>
<td>11,000</td>
<td>-</td>
<td>11,000</td>
</tr>
<tr>
<td>Uganda Programs</td>
<td>819,549</td>
<td>-</td>
<td>819,549</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>830,549</td>
<td>-</td>
<td>830,549</td>
</tr>
</tbody>
</table>

Supporting Services:

<table>
<thead>
<tr>
<th>Description</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and General</td>
<td>168,471</td>
<td>-</td>
<td>168,471</td>
</tr>
<tr>
<td>Fundraising</td>
<td>119,982</td>
<td>-</td>
<td>119,982</td>
</tr>
<tr>
<td><strong>Total supporting services</strong></td>
<td>288,453</td>
<td>-</td>
<td>288,453</td>
</tr>
</tbody>
</table>

**Total expenses** 1,119,002 - 1,119,002

Changes in net assets before other item (319,408) 535,738 216,330

OTHER ITEM

<table>
<thead>
<tr>
<th>Description</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for uncollectible receivables</td>
<td>(46,699)</td>
<td>-</td>
<td>(46,699)</td>
</tr>
</tbody>
</table>

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

See accompanying notes to financial statements.
INTERNATIONAL LIFELINE FUND

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

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th></th>
<th>Supporting Services</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Haiti Programs</td>
<td>Uganda Programs</td>
<td>Total Program</td>
<td>Management and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Services</td>
<td>General</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>2,137</td>
<td>342,843</td>
<td>344,980</td>
<td>115,063</td>
</tr>
<tr>
<td>Stoves and related supplies</td>
<td>-</td>
<td>240,652</td>
<td>240,652</td>
<td>-</td>
</tr>
<tr>
<td>Business operations</td>
<td>-</td>
<td>87,495</td>
<td>87,495</td>
<td>7,232</td>
</tr>
<tr>
<td>Facilities and equipment</td>
<td>5,541</td>
<td>150,067</td>
<td>155,608</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>26,384</td>
<td>26,384</td>
<td>44,874</td>
</tr>
<tr>
<td>Professional fees</td>
<td>-</td>
<td>417,758</td>
<td>417,758</td>
<td>14,964</td>
</tr>
<tr>
<td>Taxes</td>
<td>-</td>
<td>(3,358)</td>
<td>(3,358)</td>
<td>-</td>
</tr>
<tr>
<td>Technology</td>
<td>-</td>
<td>12,961</td>
<td>12,961</td>
<td>1,394</td>
</tr>
<tr>
<td>Telephone and telecommunications</td>
<td>-</td>
<td>6,068</td>
<td>6,068</td>
<td>1,502</td>
</tr>
<tr>
<td>Training and educational materials</td>
<td>-</td>
<td>2,128</td>
<td>2,128</td>
<td>-</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>-</td>
<td>48,819</td>
<td>48,819</td>
<td>27</td>
</tr>
<tr>
<td>Currency exchange gain/loss</td>
<td>-</td>
<td>(5,248)</td>
<td>(5,248)</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td>7,678</td>
<td>1,326,569</td>
<td>1,334,247</td>
<td>185,056</td>
</tr>
<tr>
<td>Less: Costs of goods sold included</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>with revenues in the statements of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>activities and changes in net assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(240,652)</td>
<td>(240,652)</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL EXPENSES REPORTED ON</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>THE STATEMENTS OF ACTIVITIES AND</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHANGES IN NET ASSETS</td>
<td>$ 7,678</td>
<td>$ 1,085,917</td>
<td>$ 1,093,595</td>
<td>$ 185,056</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.


![EXHIBIT D](image-url)

## INTERNATIONAL LIFELINE FUND

### STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Haiti Programs</td>
<td>Uganda Programs</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>$4,690</td>
<td>$377,832</td>
</tr>
<tr>
<td>Stoves and related supplies</td>
<td>-</td>
<td>304,176</td>
</tr>
<tr>
<td>Business operations</td>
<td>9</td>
<td>62,725</td>
</tr>
<tr>
<td>Facilities and equipment</td>
<td>5,541</td>
<td>128,235</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>24,360</td>
</tr>
<tr>
<td>Professional fees</td>
<td>742</td>
<td>162,209</td>
</tr>
<tr>
<td>Taxes</td>
<td>-</td>
<td>3,567</td>
</tr>
<tr>
<td>Technology</td>
<td>-</td>
<td>9,770</td>
</tr>
<tr>
<td>Telephone and telecommunication</td>
<td>-</td>
<td>6,260</td>
</tr>
<tr>
<td>Training and educational materials</td>
<td>-</td>
<td>(2,415)</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>18</td>
<td>47,495</td>
</tr>
<tr>
<td>Currency exchange gain/loss</td>
<td>-</td>
<td>411</td>
</tr>
<tr>
<td>Bad debt</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td>11,000</td>
<td>1,123,725</td>
</tr>
<tr>
<td>Less: Costs of goods sold included with revenues in the statements of activities and changes in net assets</td>
<td>-</td>
<td>(304,176)</td>
</tr>
<tr>
<td>TOTAL EXPENSES REPORTED ON THE STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS</td>
<td>$11,000</td>
<td>$819,549</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## INTERNATIONAL LIFELINE FUND

### STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in net assets</td>
<td>$(692,680)</td>
<td>$169,631</td>
</tr>
<tr>
<td>Adjustments to reconcile changes in net assets to net cash used by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>33,048</td>
<td>36,548</td>
</tr>
<tr>
<td>Gain on disposal of fixed assets</td>
<td>(12,303)</td>
<td>(28,070)</td>
</tr>
<tr>
<td>Provision for uncollectible receivables</td>
<td>-</td>
<td>46,699</td>
</tr>
<tr>
<td>Decrease (increase) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants receivable</td>
<td>445,906</td>
<td>(301,522)</td>
</tr>
<tr>
<td>Advances and other receivables</td>
<td>15,270</td>
<td>(27,150)</td>
</tr>
<tr>
<td>Inventory</td>
<td>(3,119)</td>
<td>6,996</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>4,603</td>
<td>(5,003)</td>
</tr>
<tr>
<td>Increase in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>51,599</td>
<td>3,005</td>
</tr>
<tr>
<td>Refundable advances</td>
<td>88,495</td>
<td>14,606</td>
</tr>
<tr>
<td>Accrued salaries and related benefits</td>
<td>5,442</td>
<td>32,123</td>
</tr>
<tr>
<td>Net cash used by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(63,739)</td>
<td>(52,137)</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property and equipment</td>
<td>(44,184)</td>
<td>(1,737)</td>
</tr>
<tr>
<td>Sale of property and equipment</td>
<td>12,303</td>
<td>2,353</td>
</tr>
<tr>
<td>Net cash (used) provided by investing activities</td>
<td></td>
<td>616</td>
</tr>
<tr>
<td></td>
<td>(31,881)</td>
<td></td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from note payable</td>
<td>150,000</td>
<td>88,055</td>
</tr>
<tr>
<td>Payments on note receivable</td>
<td>-</td>
<td>1,351</td>
</tr>
<tr>
<td>Net cash provided by financing activities</td>
<td></td>
<td>89,406</td>
</tr>
<tr>
<td></td>
<td>150,000</td>
<td></td>
</tr>
</tbody>
</table>

Net increase in cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>54,380</td>
<td>37,885</td>
</tr>
</tbody>
</table>

Cash and cash equivalents at beginning of year

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>53,041</td>
<td>15,156</td>
</tr>
</tbody>
</table>

**CASH AND CASH EQUIVALENCES AT END OF YEAR**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$107,421</td>
<td>$53,041</td>
</tr>
</tbody>
</table>

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.
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 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.

<table>
<thead>
<tr>
<th>Year Ending June 30, 2021</th>
<th>Economic Injury Disaster Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$ -</td>
</tr>
<tr>
<td>2023</td>
<td>3,589</td>
</tr>
<tr>
<td>2024</td>
<td>3,712</td>
</tr>
<tr>
<td>2025</td>
<td>3,816</td>
</tr>
<tr>
<td>2026</td>
<td>3,922</td>
</tr>
<tr>
<td>Thereafter</td>
<td>134,961</td>
</tr>
<tr>
<td></td>
<td>$ 150,000</td>
</tr>
</tbody>
</table>

Interest expense for the year ended June 30, 2021 was $4,179, 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:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uganda Programs</td>
<td>$138,325</td>
<td>$605,241</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uganda Programs</td>
<td>$309,592</td>
<td>$184,180</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$107,421</td>
<td>$53,041</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>82,840</td>
<td>528,746</td>
</tr>
<tr>
<td>Advances and other receivables</td>
<td>48,428</td>
<td>63,698</td>
</tr>
</tbody>
</table>

Subtotal financial assets available within one year  
Less: Donor restricted funds 
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR  

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtotal financial assets</td>
<td>238,689</td>
<td>645,485</td>
</tr>
<tr>
<td>Less: Donor restricted funds</td>
<td>(138,325)</td>
<td>(605,241)</td>
</tr>
<tr>
<td>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</td>
<td>$100,364</td>
<td>$40,244</td>
</tr>
</tbody>
</table>

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.