

FULAA LIFELINE INTERNATIONAL

FINANCIAL STATEMENTS and
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

December 31, 2020

(with comparative amounts from the 2019 report reviewed by another accountant)

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Independent Accountant's Review Report

To the Board of Directors
FULAA Lifeline International
Annandale, VA

I have reviewed the accompanying financial statements of FULAA Lifeline International (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on December 31, 2019 Financial Statements

The financial statements of FULAA Lifeline International (a nonprofit corporation) as of December 31, 2019, were reviewed by other accountants whose report dated July 16, 2020 stated that, based on their procedures, they were not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Alan M. Lane, CPA
Castle Rock, CO
March 10, 2021

FULAA LIFELINE INTERNATIONAL
Statement of Financial Position
December 31, 2020

(with comparative amounts from the 2019 report reviewed by another accountant)

	2020	2019
ASSETS:		
Cash and Cash Equivalents (unrestricted)	\$ 214,129	\$ 130,921
Other Current Assets	10	11
Fixed Assets (net)	410,354	422,963
Total Assets	\$ 624,493	\$ 553,895
 LIABILITIES AND NET ASSETS:		
Liabilities		
Accounts Payable & Accrued Expenses	\$ 329	\$ 1,900
Total Liabilities	329	1,900
 Net assets:		
Without Donor Restrictions	562,767	514,617
With Donor Restrictions	61,397	37,378
Total Net Assets	624,164	551,995
 Total Liabilities and Net Assets	\$ 624,493	\$ 553,895

See accompanying notes and independent accountant's review report

FULAA LIFELINE INTERNATIONAL
Statement of Activities
Year Ended December 31, 2020

(with comparative amounts from the 2019 report reviewed by another accountant)

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 238,063	\$ 62,777	\$ 300,840	\$ 257,341	\$ 62,287	\$ 319,628
In-Kind Donations	557		557	202		202
Interest and Dividends	36		36	5		5
Net Assets released from restrictions and designations	38,758	(38,758)	0	101,254	(101,254)	0
Total Support and Revenue	277,414	24,019	301,433	358,802	(38,967)	319,835
EXPENSES:						
Program Services	202,905		202,905	219,449		219,449
Supporting Services						
General & Administrative	18,132		18,132	15,629		15,629
Fundraising	8,227		8,227	11,768		11,768
Total Supporting Services	26,359		26,359	27,397		27,397
Total Expenses	229,264		229,264	246,846		246,846
CHANGE IN NET ASSETS	48,150	24,019	72,169	111,956	(38,967)	72,989
BEGINNING NET ASSETS	514,617	37,378	551,995	402,661	76,345	479,006
ENDING NET ASSETS	\$ 562,767	\$ 61,397	\$ 624,164	\$ 514,617	\$ 37,378	\$ 551,995

See accompanying notes and independent accountant's review report

FULAA LIFELINE INTERNATIONAL
Statement of Functional Expenses
Year Ended December 31, 2020

(with comparative amounts from the 2019 report reviewed by another accountant)

EXPENSES	2020				2019					
	Program	General & Administrative		Fundraising	Total	Program	General & Administrative		Fundraising	Total
Africa										
Care of Children	\$ 84,848	\$	\$	\$ 84,848	\$ 124,302	\$	\$	\$ 124,302		
Cornerstone School	26,668			26,668	25,000			25,000		
Depreciation	20,060			20,060	20,211			20,211		
Ministry	15,905			15,905	9,561			9,561		
Travel	5,198			5,198	8,901			8,901		
Ministry Grants	5,497			5,497	8,150			8,150		
Building Maintenance	6,856			6,856	8,061			8,061		
Medical Clinic	4,367			4,367	3,410			3,410		
Farm	21,178			21,178						
Total Expenses - Africa	190,577			190,577	207,596			207,596		
United States										
Salaries	9,640	9,640	4,820	24,100	8,640	8,640	4,320	21,600		
Payroll Taxes	716	716	358	1,790	661	661	330	1,652		
Payroll Processing Fees	558	558	279	1,395	556	557	278	1,391		
Overhead	459	6,263	1,114	7,836	551	4,326	4,500	9,377		
Telecommunications	955	955	477	2,387	1,445	1,445	722	3,612		
Outreach			1,179	1,179			1,618	1,618		
Total Expenses - United States	12,328	18,132	8,227	38,687	11,853	15,629	11,768	39,250		
Total Expenses	\$ 202,905	\$ 18,132	\$ 8,227	\$ 229,264	\$ 219,449	\$ 15,629	\$ 11,768	\$ 246,846		

See accompanying notes and independent accountant's review report

FULAA LIFELINE INTERNATIONAL
Statement of Cash Flows
Year Ended December 31, 2020

(with comparative amounts from the 2019 report reviewed by another accountant)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 72,169	\$ 72,989
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	20,060	20,211
Decrease (Increase) in Current Assets	1	24,989
Increase (Decrease) in Accounts Payable and Accrued Expenses	(1,571)	(104)
NET CASH PROVIDED BY OPERATING ACTIVITIES	90,659	118,085
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	(7,451)	(94,679)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(7,451)	(94,679)
NET CHANGE IN CASH AND CASH EQUIVALENTS	83,208	23,406
BEGINNING CASH AND CASH EQUIVALENTS	130,921	107,515
ENDING CASH AND CASH EQUIVALENTS	\$ 214,129	\$ 130,921

See accompanying notes and independent accountant's review report

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies

Organization and Programs

FULAA Lifeline International (FULAA) was organized in 1998 as a nonprofit corporation in the State of Virginia. Rev. Samuel Juma and his wife launched FULAA to meet the needs of the suffering, displaced people of South Sudan. Pastor Juma serves as the Executive Director. The Board of Directors which governs the organization is chaired by the Rev. William Kynes, senior pastor of Cornerstone Evangelical Free Church in Annandale, VA.

For the last fifty years, South Sudan has been ravaged by two civil wars, the latest of which resulted in more than two million deaths and millions more displaced. Since 1998, FULAA has been serving alongside churches to bring the compassion of Jesus Christ to people in great need.

Currently, FULAA is located in a town outside Adjumani, Uganda. Working closely with a church there, FULAA sponsors an orphanage for 51 children and a medical clinic. In addition, there is a school on the compound for 250 students that is run independently. FULAA provides supervision and some financial support to the school. Also, FULAA provides individual scholarships to some students for primary, secondary, and post-secondary education. During 2020, FULAA also began a sustainable agricultural project on 20 acres of land located 30 minutes from the compound. This project complements the food, nutrition, and education of the children that FULAA supports.

FULAA's original home is located in Nimule, South Sudan. In 2016, the children in Nimule had to be evacuated to Uganda because of the brutal civil war. FULAA continues to maintain the property in Nimule which is used by South Sudanese families and a church.

FULAA works directly with the people it serves without the overhead of a large and complex organization. FULAA is a 501(c)(3) organization and is an accredited member of the Evangelical Council for Financial Accountability.

Basis of Presentation

The financial statements have been prepared using the accrual basis of accounting. In addition, the financial statement presentation follows the requirements of the *Financial Accounting Standards Board Accounting Standards Codification (FASB ASC)*, which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Net Assets Without Donor Restrictions

Net assets without donor restrictions are neither perpetually nor temporarily restricted by donor-imposed stipulations and include revenue from fees, certain investment income, and all gifts, grants, and contributions that are free of donor restrictions. These amounts are currently available at the discretion of the Organization's Board for use in its operations.

Net Assets with Donor Restrictions

Net assets with donor restrictions account for unspent contributions that are restricted by the donor to use for specific purposes or during specific time periods.

Revenues and Expenses

Contributions without donor restrictions are recognized as income when cash or ownership of donated assets is unconditionally promised to the Organization. Contributions with donor restrictions are recognized as income in the statement of activities when cash or the ownership of assets is unconditionally promised to the Organization, and they are subsequently released to net assets without donor restrictions when conditions have occurred in satisfaction of those designations. Other income is recognized when earned. Expenses are recognized when incurred in accordance with the accrual basis of accounting.

Cash

Highly liquid investments with initial maturities of three months or less are considered to be cash equivalents. The Organization's cash and cash equivalents are on deposit with major domestic financial institutions. Accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2020, the FDIC insurance coverage for bank deposits is up to \$250,000 per account holder. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account with a limit of \$250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investment.

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost net of depreciation, which is computed using the straight-line method over the estimated useful service life of the assets. Additions and betterments of \$1,000 or more are capitalized, while repairs and maintenance that do not improve or extend the useful lives of the respective assets are expensed currently.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support increasing net assets without donor restrictions unless the donor has restricted the donated assets for a specific purpose or period of time. Assets with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization decreases net assets with donor restrictions and increases net assets without donor restrictions at that time (net assets released from restrictions).

Donated Other Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

Donated Services

No amounts have been reflected in the financial statements for donated services as the criteria for recognition has not been met under FASB ASC. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific ministry programs, campaign solicitations, and various committee assignments.

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocated expenses include salaries, payroll taxes & processing fees, certain office expenses, IT, and telecommunications. Those expenses were allocated based on management's estimate of time and effort. All expenses incurred in Africa were classified as program expenses, while certain other expenses that could be identified with a specific area were allocated directly.

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates.

Subsequent Events

Management has evaluated all subsequent events and transactions through March 10, 2021, the date the financial statements were available to be issued.

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2020

Note 2 - Income Tax Status

The Organization is classified as a Section 501(c)(3) Organization under the Internal Revenue Code of 1986. However, income from certain activities not directly related to the Organization's tax exemption purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under section 170(b)(1)(A)(vi) and has been classified as a publicly supported organization. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that, more likely than not, would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) for disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any open tax periods.

Note 3 - Concentration of Risk

Financial instruments that potentially expose the Organization to concentrations of credit risk consist primarily of contributions receivable. The Organization does not recognize or record contributions receivable based on pledges received or any other basis. Contributions are generally recognized and recorded when the contribution is received. The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Organization invests with financial institutions of sound reputation and evaluates credit risk on an ongoing basis. The Organization has not experienced any losses in such accounts.

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2020

Note 4 - Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the Statement of Financial Position date, December 31, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the Statement of Financial Position date.

(Comparative amounts are from the 2019 report reviewed by another accountant.)

<u>Financial Assets</u>	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Cash & Cash Equivalents	\$ 214,129	\$ 130,921
Less assets unavailable for general expenditures because of donor-imposed restrictions:	(61,397)	(37,378)
Financial Assets Available for General Expenditures	\$ <u>152,732</u>	\$ <u>93,543</u>

Note 5 - Fixed Assets

Expenditures for equipment are capitalized at cost. Donated assets are capitalized at their fair market value on the date of the gift if such value is readily ascertainable. Expenditures for repairs and maintenance are charged to expense. It is the Organization's policy to carry capitalized items at cost, with depreciation provided on a straight-line basis over the estimated useful lives of the assets.

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2020

Note 5 - Fixed Assets (Continued)

Fixed Assets at December 31, 2020, consisted of the following:

(Comparative amounts are from the 2019 report reviewed by another accountant.)

	December 31,	
	2020	2019
Nimule Buildings	\$ 328,915	\$ 328,915
Nimule Land	40,000	40,000
Adjumani Buildings	148,825	148,472
Adjumani Land	19,462	14,462
Furniture and Equipment	17,223	20,285
Less Accumulated Depreciation	<u>(144,071)</u>	<u>(129,171)</u>
Net Fixed Assets	<u>\$ 410,354</u>	<u>\$ 422,963</u>

Note 6 – COVID-19

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. FULAA Lifeline International is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on FULAA’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on donors, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact FULAA’s financial position and changes in net assets and cash flows is uncertain and the accompanying consolidated financial statements include no adjustments relating to the effects of this pandemic.

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2020

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions include donor-restricted funds which are only available for program activities or general support designated for future years. Details of individual funds are listed below. (Comparative amounts are from the 2019 report reviewed by another accountant.)

	December 31,	
	2020	2019
Boy's Dormitory in Uganda	\$ 4,575	\$ 2,575
Women in Adjumani Micro Finance Projects	392	1,392
Latrine Drainage	2,400	4,800
Teacher Salaries and Classroom Supplies	25,000	25,000
Medical Clinic (Vaccine and Medicine)		2,000
Benevolence		200
Emergency Fund	250	11
EFC Cycles	400	400
Church Plant	300	
Esther Project	4,000	
Bosco University		1,000
Farm Projects and Vehicle	17,500	
Container	3,000	
Children's Mattresses	3,580	
Total Net Assets with Donor Restrictions	\$ <u>61,397</u>	\$ <u>37,378</u>

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2020

Note 8 - Net Assets Released from Donor Restrictions

Net assets with donor restrictions are released to net assets without donor restrictions when conditions have occurred in satisfaction of those designations. During the year ended December 31, 2020, the following net assets were released from donor restrictions: (Comparative amounts are from the 2019 report reviewed by another accountant.)

	December 31,	
	2020	2019
Girl's Dormitory in Uganda	\$	\$ 68,000
Solar Panel		1,454
Latrine Drainage	2,400	1,600
Teacher Salaries and Classroom Supplies	25,000	25,000
Medical Clinic	2,000	
Emergency Fund		600
EFC Cycles		4,600
EstherProject or Sisters to Sisters	1,000	
Benevolence	7,158	
Church Plant	200	
Bosco University	1,000	
Total Net Assets with Donor Restrictions	\$ <u>38,758</u>	\$ <u>101,254</u>

Note 9 - Leases

There were no operating or capital leases in effect during the year ended December 31, 2020.