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FULAA LIFELINE INTERNATIONAL

FINANCIAL STATEMENTS and
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Years Ended December 31, 2021 and 2020

CONTENTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

FINANCIAL STATEMENTS:

Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6



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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 statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. 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.

I am required to be independent of FULAA Lifeline International and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my reviews.

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.

Craig, CO
February 17, 2022

FULAA LIFELINE INTERNATIONAL
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
ASSETS:		
Cash and Cash Equivalents	\$ 223,981	\$ 214,129
Investments	2,496	
Other Current Assets		10
Fixed Assets (net)	419,988	410,354
Total Assets	\$ 646,465	\$ 624,493
 LIABILITIES AND NET ASSETS:		
Liabilities		
Accounts Payable & Accrued Expenses	\$ 789	\$ 329
Total Liabilities	789	329
 Net assets:		
Without Donor Restrictions	594,761	562,767
With Donor Restrictions	50,915	61,397
Total Net Assets	645,676	624,164
 Total Liabilities and Net Assets	\$ 646,465	\$ 624,493

See accompanying notes and independent accountant's review report

FULAA LIFELINE INTERNATIONAL
Statements of Activities
Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 195,907	\$ 73,342	\$ 269,249	\$ 238,063	\$ 62,777	\$ 300,840
In-Kind Donations	6,599		6,599	557		557
Interest and Dividends	4		4	36		36
Other Income	1,781		1,781			
Net Assets released from restrictions and designations	83,824	(83,824)	0	38,758	(38,758)	0
Total Support and Revenue	288,115	(10,482)	277,633	277,414	24,019	301,433
EXPENSES:						
Program Services	226,648		226,648	202,905		202,905
Supporting Services						
General & Administrative	20,191		20,191	18,132		18,132
Fundraising	9,282		9,282	8,227		8,227
Total Supporting Services	29,473		29,473	26,359		26,359
Total Expenses	256,121		256,121	229,264		229,264
CHANGE IN NET ASSETS	31,994	(10,482)	21,512	48,150	24,019	72,169
BEGINNING NET ASSETS	562,767	61,397	624,164	514,617	37,378	551,995
ENDING NET ASSETS	\$ 594,761	\$ 50,915	\$ 645,676	\$ 562,767	\$ 61,397	\$ 624,164

See accompanying notes and independent accountant's review report

FULAA LIFELINE INTERNATIONAL
Statements of Functional Expenses
Years Ended December 31, 2021 and 2020

EXPENSES	2021				2020					
	Program	General & Administrative		Fundraising	Total	Program	General & Administrative		Fundraising	Total
Africa										
Care of Children	\$ 101,770	\$	\$	\$ 101,770	\$ 84,848	\$	\$	\$ 84,848		
Cornerstone School	25,074			25,074	26,668			26,668		
Depreciation	21,889			21,889	20,060			20,060		
Ministry	9,130	2,176		11,306	15,905			15,905		
Travel	5,722			5,722	5,198			5,198		
Ministry and Other Grants	14,800			14,800	5,497			5,497		
Building Maintenance	7,644			7,644	6,856			6,856		
Medical Clinic	10,090			10,090	4,367			4,367		
Farm	16,515			16,515	21,178			21,178		
Total Expenses - Africa	212,634	2,176		214,810	190,577			190,577		
United States										
Salaries	9,640	9,640	4,820	24,100	9,640	9,640	4,820	24,100		
Payroll Taxes	814	814	407	2,035	716	716	358	1,790		
Payroll Processing Fees	556	556	279	1,391	558	558	279	1,395		
Overhead	1,517	5,518	1,526	8,561	459	6,263	1,114	7,836		
Telecommunications	1,487	1,487	743	3,717	955	955	477	2,387		
Outreach			1,507	1,507			1,179	1,179		
Total Expenses - United States	14,014	18,015	9,282	41,311	12,328	18,132	8,227	38,687		
Total Expenses	\$ 226,648	\$ 20,191	\$ 9,282	\$ 256,121	\$ 202,905	\$ 18,132	\$ 8,227	\$ 229,264		

See accompanying notes and independent accountant's review report

FULAA LIFELINE INTERNATIONAL
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 21,512	\$ 72,169
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	21,889	20,060
Decrease (Increase) in Current Assets	10	1
Increase (Decrease) in Accounts Payable and Accrued Expenses	460	(1,571)
NET CASH PROVIDED BY OPERATING ACTIVITIES	43,871	90,659
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in Investments, net	(2,496)	
Purchases of fixed assets	(31,523)	(7,451)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(34,019)	(7,451)
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,852	83,208
BEGINNING CASH AND CASH EQUIVALENTS	214,129	130,921
ENDING CASH AND CASH EQUIVALENTS	\$ 223,981	\$ 214,129

See accompanying notes and independent accountant's review report

FULAA LIFELINE INTERNATIONAL

Notes to the Financial Statements

December 31, 2021 and 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 61 children and a medical clinic. In addition, there is a school on the compound for 269 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, 2021 and 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, 2021 and 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, 2021 and 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, 2021 and 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. Nearly 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 February 17, 2022, the date the financial statements were available to be issued.

New Projects

During 2021, the organization began a campaign to build a boys' dormitory on the compound in Adjumani, Uganda. The campaign included reaching out to current donors and potential partners as well as obtaining quotes for the construction of the building. It is expected that the remaining funding will be received in the first half of 2022 and that construction will begin accordingly.

FULAA LIFELINE INTERNATIONAL

Notes to the Financial Statements

December 31, 2021 and 2020

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities. Investment return/(loss) is reported net in the statements of activities and consists of realized and unrealized gains and losses, less external and direct internal investment expenses. Interest and dividends and investment return are reflected in the statements of activities as income without donor restrictions or income with donor restrictions based upon the existence and nature of any donor restrictions. Interest and dividends and investment return that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the interest and dividends and investment return are recognized. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date. **Fair value** is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). NOE International, Inc. groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Unadjusted quoted market prices for identical assets in active markets as of the measurement date.

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2021 and 2020

Investments (continued)

- Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets in active markets
 - Quoted prices for identical or similar assets in non-active markets
 - Inputs other than quoted prices that are observable for the asset; and,
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

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, 2021 and 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.

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2021 and 2020

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.

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, 2021 and 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.

<u>Financial Assets</u>	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Cash & Cash Equivalents	\$ 223,981	\$ 214,129
Less assets unavailable for general expenditures because of donor-imposed restrictions:	(50,915)	(61,397)
Financial Assets Available for General Expenditures	\$ <u>173,066</u>	\$ <u>152,732</u>

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2021 and 2020

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.

Fixed Assets at December 31, 2021 and 2020, consisted of the following:

	December 31,	
	2021	2020
Nimule Buildings	\$ 328,915	\$ 328,915
Nimule Land	40,000	40,000
Adjumani Buildings	161,590	148,825
Adjumani Land	20,879	19,462
Furniture and Equipment	34,564	17,223
Less Accumulated Depreciation	<u>(165,960)</u>	<u>(144,071)</u>
Net Fixed Assets	<u>\$ 419,988</u>	<u>\$ 410,354</u>

Note 6 – COVID-19

During 2020 and 2021, in response to the COVID-19 global pandemic, local, U.S., and world governments encouraged self-isolation to curtail the spread of COVID-19 by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group meetings. Most sectors experienced disruption to business operations and may feel further impacts related to decreased revenue, volatility in investment returns, and reduced philanthropic support. There continues to be uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. The extent of the impact of COVID-19 on business and financial results will depend on future developments.

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2021 and 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.

	December 31,	
	2021	2020
Boy's Dormitory in Uganda	\$ 44,175	\$ 4,575
Women in Adjumani Micro Finance Projects		392
Latrine Drainage		2,400
Teacher Salaries and Classroom Supplies		25,000
Medical Clinic / Medical Treatment	805	
Fencing	1,000	
Emergency Fund	250	250
EFC Cycles		400
Church Plant	300	300
Esther Project	470	4,000
EF Church Windows / Doors	3,500	
Farm Projects and Vehicle		17,500
Container	415	3,000
Children's Mattresses		3,580
Total Net Assets with Donor Restrictions	\$ 50,915	\$ 61,397

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2021 and 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 years ended December 31, 2021 and 2020, the following net assets were released from donor restrictions:

	December 31,	
	2021	2020
Women's Micro Finance	\$ 1,177	\$
Fall Festival Hygiene	500	
Fall Festival Christmas Gifts	1,452	
Solar Panel	2,826	
Latrine Drainage	2,400	2,400
Teacher Salaries and Classroom Supplies	25,000	25,000
Medical Clinic	4,085	2,000
Special Meal	500	
EFC Cycles	400	
EF Church Roof	8,800	
Esther Project or Sisters to Sisters	7,530	1,000
Benevolence		7,158
Church Plant		200
Bosco University		1,000
Farm Projects and Vehicle	18,473	
Container	2,585	
Children's Mattresses	3,580	
Gate	722	
Storage Building	794	
Engineering	3,000	
Total Net Assets Released From Donor Restrictions	\$ 83,824	\$ 38,758

FULAA LIFELINE INTERNATIONAL
Notes to the Financial Statements
December 31, 2021 and 2020

Note 9 – Leases

There were no operating or capital leases in effect during the year ended December 31, 2021 or 2020.

Note 10 – Investments

The Organization’s investments are recorded at fair market value and have been categorized on the fair market value hierarchy mentioned in Note 1. Investments at December 31, 2021 and 2020 are as follows:

	December 31,	
	2021	2020
Certificate of Deposit bearing 0.03% interest; matures 12/22/2021	2,000	
Government Money Market Account	496	
	2,496	

All above investments are Level 1.

Note 11 – Government Audit

On February 8, 2022, the Organization received notice from the government of Uganda that a comprehensive financial audit for the period “January 2019 to date” would be conducted beginning February 22, 2022. To the best of its knowledge, the Organization is generally in compliance and does not anticipate significant findings.