FINANCIAL STATEMENTS

International
Lifeline Fund

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

INTERNATIONAL LIFELINE FUND

CONTENTS

CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of International Lifeline Fund (Lifeline), which comprise the statements of financial position as of June 30, 2022 and 2021, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lifeline as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lifeline and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lifeline's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lifeline's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lifeline's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Gelman Rozenberg & Freedman

May 23, 2023

INTERNATIONAL LIFELINE FUND

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 102,416	$ 107,421
Grants receivable	96,892	82,840
Advances and other receivables	53,873	48,428
Inventory	31,255	14,401
Prepaid expenses	789	468
Total current assets	285,225	253,558
PROPERTY AND EQUIPMENT		
Buildings	207,702	168,478
Equipment	188,735	180,355
Furniture	25,487	25,487
Vehicles	195,990	162,454
	617,914	536,774
Less: Accumulated depreciation	(399,947)	(359,465)
Net property and equipment	217,967	177,309
TOTAL ASSETS	**$ 503,192**	**$ 430,867**

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Notes payable	$ 3,369	$ 88,055
Accounts payable and accrued expenses	71,934	69,956
Refundable advances	41,488	103,101
Accrued salaries and related benefits	23,897	37,565
Total current liabilities	140,688	298,677
LONG-TERM LIABILITIES		
Notes payable, net of current portion	146,534	150,000
Total liabilities	287,222	448,677
NET ASSETS (DEFICIT)		
Without donor restrictions	106,060	(156,135)
With donor restrictions	109,910	138,325
Total net assets (deficit)	215,970	(17,810)
TOTAL LIABILITIES AND NET ASSETS	**$ 503,192**	**$ 430,867**

See accompanying notes to financial statements.

INTERNATIONAL LIFELINE FUND

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	$ 1,564,954	$ 8,000	$ 1,572,954
Consulting contracts	49,751	-	49,751
In-kind contributions	92,400	-	92,400
Stove sales, net of cost of goods sold	26,101	-	26,101
Other revenue	23,747	-	23,747
Net assets released from donor restrictions	36,415	(36,415)	-
Total support and revenue	1,793,368	(28,415)	1,764,953
EXPENSES			
Program Services:			
Haiti Programs	404	-	404
Uganda Programs	1,386,671	-	1,386,671
Total program services	1,387,075	-	1,387,075
Supporting Services:			
Management and General	159,626	-	159,626
Fundraising	70,923	-	70,923
Total supporting services	230,549	-	230,549
Total expenses	1,617,624	-	1,617,624
Changes in net assets before other item	175,744	(28,415)	147,329
OTHER ITEM			
Forgiveness of debt	86,451	-	86,451
Changes in net assets	262,195	(28,415)	233,780
Net assets (deficit) at beginning of year	(156,135)	138,325	(17,810)
NET ASSETS AT END OF YEAR	**$ 106,060**	**$ 109,910**	**$ 215,970**

See accompanying notes to financial statements.

INTERNATIONAL LIFELINE FUND

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 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 (DEFICIT) AT END OF YEAR	**$ (156,135)**	**$ 138,325**	**$ (17,810)**

INTERNATIONAL LIFELINE FUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services			Supporting Services			
	Haiti Programs	Uganda Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and benefits	$ 404	$ 358,655	$ 359,059	$ 106,274	$ 21,474	$ 127,748	$ 486,807
Stoves and related supplies	-	253,182	253,182	-	-	-	253,182
Business operations	-	149,882	149,882	8,642	3,969	12,611	162,493
Facilities and equipment	-	213,910	213,910	1,366	-	1,366	215,276
Insurance	-	24,651	24,651	30,907	392	31,299	55,950
Professional fees	-	553,236	553,236	18,513	44,657	63,170	616,406
Taxes	-	4,265	4,265	-	-	-	4,265
Technology	-	11,316	11,316	4,758	-	4,758	16,074
Telephone and telecommunications	-	7,474	7,474	1,636	4	1,640	9,114
Training and educational materials	-	2,266	2,266	-	-	-	2,266
Travel expenses	-	60,941	60,941	902	427	1,329	62,270
Currency exchange gain/loss	-	75	75	(13,372)	-	(13,372)	(13,297)
Subtotal	404	1,639,853	1,640,257	159,626	70,923	230,549	1,870,806
Less: Costs of goods sold included with revenues in the statements of activities and changes in net assets	-	(253,182)	(253,182)	-	-	-	(253,182)
TOTAL EXPENSES REPORTED ON THE STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	**$ 404**	**$ 1,386,671**	**$ 1,387,075**	**$ 159,626**	**$ 70,923**	**$ 230,549**	**$ 1,617,624**

See accompanying notes to financial statements.

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

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 233,780	$ (692,680)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	40,482	33,048
Gain on disposal of fixed assets	-	(12,303)
Forgiveness of debt	(86,451)	-
(Increase) decrease in:		
Grants receivable	(14,052)	445,906
Advances and other receivables	(5,445)	15,270
Inventory	(16,854)	(3,119)
Prepaid expenses	(321)	4,603
Increase (decrease) in:		
Accounts payable and accrued expenses	1,978	51,599
Refundable advances	(61,613)	88,495
Accrued salaries and related benefits	(13,668)	5,442
Net cash provided (used) by operating activities	77,836	(63,739)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(81,140)	(44,184)
Sale of property and equipment	-	12,303
Net cash used by investing activities	(81,140)	(31,881)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	-	150,000
Payments on note payable	(1,701)	-
Net cash (used) provided by financing activities	(1,701)	150,000
Net (decrease) increase in cash and cash equivalents	(5,005)	54,380
Cash and cash equivalents at beginning of year	107,421	53,041
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 102,416**	**$ 107,421**
SUPPLEMENTAL INFORMATION:		
Interest Paid	**$ 8,353**	**$ -**

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.

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.

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

Basis of presentation (continued) -

- **Net Assets With Donor Restrictions (continued) -** 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.

New accounting pronouncements adopted -

During the year ended June 30, 2022, Lifeline adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU was adopted retrospectively and did not change the recognition and measurement requirements for those contributed nonfinancial assets.

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 $85,565 and $54,338 of cash on hand and in financial institutions in foreign countries at June 30, 2022 and 2021, 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, 2022 and 2021. 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.

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

Property and equipment (continued) -

The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense for the years ended June 30, 2022 and 2021 totaled $40,482 and $33,048, respectively and is included in facilities and equipment in the accompanying Statements of Functional Expenses.

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, 2022 and 2021.

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, 2022 and 2021, 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.

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

Contributions and grants (continued) -

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 qualifying as conditional contributions contain a right of return and a barrier. 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 recognized as contributions when the revenue becomes unconditional. 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 $601,000 and $649,000 in unrecognized conditional awards as of June 30, 2022 and 2021, respectively.

Consulting contracts -

Consulting contracts are classified as exchange transactions, and revenue recognition follows ASU 2014-09, *Revenue from Contracts With Customers*, wherein revenue is recognized when performance obligations are met. Lifeline has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on cost. Funding received in advance of satisfying performance obligations are recorded as deferred revenue. There are no receivables from contracts with customers.

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.

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

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.

New accounting pronouncements not yet adopted -

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non-public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for Lifeline for the year ending June 30, 2024 but early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

Lifeline plans to adopt the new ASUs at the required implementation dates and management is currently in the process of evaluating the adoption methods and the impact of the new standards on its accompanying financial statements.

2. NOTES PAYABLE

On May 4, 2020, Lifeline received loan proceeds in the amount of $88,055 under the Paycheck Protection Program. The promissory note called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first seven months, and charged interest at a rate of 1% per year. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note was eligible for forgiveness by the Small Business Administration in whole or in part.

2. NOTE PAYABLE (Continued)

During the year ended June 30, 2022, Lifeline received notification that $86,451 of the loan balance was forgiven, and Lifeline made a principal repayment of $1,604. The forgiveness has been recorded as revenue from forgiveness of debt in other items section of the Statement of Activities and Changes in Net Assets for the year ended June 30, 2022.

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 Lifeline. The following is a schedule of principal payments due under the loan:

Year Ending June 30, 2021	Economic Injury Disaster Loan
2023	$ 3,711
2024	3,716
2025	3,819
2026	3,925
2027	4,034
Thereafter	130,698
	$ 149,903

Interest expense for the years ended June 30, 2022 and 2021 totaled $4,177 and $4,179, respectively.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2022 and 2021:

	2022	2021
Uganda Programs	$ 109,910	$ 138,325

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:

	2022	2021
Uganda Programs	$ 36,415	$ 309,592

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:

	2022	2021
Cash and cash equivalents	$ 102,416	$ 107,421
Grants receivable	96,892	82,840
Advances and other receivables	53,873	48,428
Subtotal financial assets available within one year	253,181	238,689
Less: Donor restricted funds	(109,910)	(138,325)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	**$ 143,271**	**$ 100,364**

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

5. IN-KIND CONTRIBUTIONS

During the years ended June 30, 2022 and 2021, Lifeline was the beneficiary of donated goods and services which allowed Lifeline to provide greater resources toward various programs. There were no donor-imposed restrictions associated with the in-kind contributions during the years ended June 30, 2022 and 2021. The in-kind contributions are measured at fair value, which has been estimated based on the cost of the donated services and supplies in Lifeline's principal market.

To properly reflect total program expenses, the following donations have been included in revenue and expense for the years ended June 30, 2022 and 2021.

	2022	2021
Consultants	$ 92,400	$ 44,450
Supplies	-	20,450
TOTAL	**$ 92,400**	**$ 64,900**

The following programs have benefited from these donated services:

	2022	2021
Uganda	$ 52,800	$ 46,300
Fundraising	39,600	18,600
TOTAL	**$ 92,400**	**$ 64,900**

6. CONCENTRATION OF REVENUE

Approximately 45% and 75% of Lifeline's revenue for the years ended June 30, 2022 and 2021, 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.

7. SUBSEQUENT EVENTS

In preparing these financial statements, Lifeline has evaluated events and transactions for potential recognition or disclosure through May 23, 2023, the date the financial statements were issued.