

LITTLE LAMBS INTERNATIONAL INC  
FINANCIAL STATEMENTS  
Years Ended December 31, 2022, and 2021

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Little Lambs International Inc.  
New Ipswich, New Hampshire

I have reviewed the accompanying financial statements of Little Lambs International Inc. (Not-for-Profit Organization), which comprise the statements of financial position as of December 31, 2022, and 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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 (GAAP); 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.

### **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 AICPA. 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 Little Lambs International Inc. and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

### **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.

*Ernest L. Tomkiewicz CPA*

Ernest L Tomkiewicz CPA PLLC  
Concord, NH  
March 5, 2023

**LITTLE LAMBS INTERNATIONAL INC.**  
**Statement of Financial Position**  
As of December 31, 2022 and 2021

	<b>2022</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 47,146
<b>Total Current Assets</b>	<b>\$ 47,146</b>
Non-current assets	-
<b>Total Non-current Assets</b>	<b>\$ -</b>
<b>TOTAL ASSETS</b>	<b>\$ 47,146</b>
<b>LIABILITIES</b>	
Current Liabilities	\$ -
<b>Total Current Liabilities</b>	<b>\$ -</b>
Non-current Liabilities	-
<b>Total Non-current Liabilities</b>	<b>\$ -</b>
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>
<b>NET ASSETS</b>	
Without Donor Restrictions	\$ 47,146
With Donor Restrictions	-
<b>TOTAL NET ASSETS</b>	<b>\$ 47,146</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 47,146</b>

See accompanying notes and accountant's review report

**LITTLE LAMBS INTERNATIONAL INC.****Statement of Activities**

For the Years Ended December 31, 2022 and 2021

	<b>2022</b>
Revenue	
Construction Donations	\$ 46,001
Fundraising	78,081
General Donations	169,410
Travel Reimbursements	25,445
Sponsorships	-
Other	13,295
<b>Total Revenue</b>	<b>\$ 332,232</b>
Expenses	
Program Expenses	\$ 286,980
<b>Total Program Expenses</b>	<b>\$ 286,980</b>
Supporting Services	
Administration	\$ 17,664
Fundraising	43,892
<b>Total Supporting Services Expenses</b>	<b>\$ 61,556</b>
<b>Total Expenses</b>	<b>\$ 348,536</b>
CHANGE IN NET ASSETS	(16,304)
NET ASSETS, Beginning	\$ 63,450
NET ASSETS, Ending	\$ 47,146

See accompanying notes and accountant's review report

**LITTLE LAMBS INTERNATIONAL INC.****Statement of Cash Flows**

For the Years Ended December 31, 2022 and 2021

	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income	\$ (16,304)
Increase in net assets	
(Increase) decrease from operating assets	-
Increase (decrease) from operating liabilities	
Accounts Payable	(550)
Travel Deposit Liability	(6,401)
<b>Net cash provided by operating activities</b>	<b>\$ (23,255)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
	\$ -
<b>Net cash provided by investing activities</b>	<b>\$ -</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
	\$ -
<b>Net cash used in financing activities</b>	<b>\$ -</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (23,255)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>\$ 70,401</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 47,146</b>
Interest Paid	\$ -
Taxes Paid	\$ -

See accompanying notes and accountant's review report

**LITTLE LAMBS INTERNATIONAL INC.**  
**Statement of Functional Expenses by Nature**  
For the Year Ended December 31, 2022

	Program Expenses	Administration	Fundraising	Total
Bank and Credit Fees	\$	\$ 3,341	\$	\$ 3,341
Construction Costs				
Auto	3,734			3,734
Boundary Wall	24,061			24,061
Construction	50,948			50,948
Farm Development	9,705			9,705
House	4,849			4,849
Materials	1,806			1,806
Miscellaneous	11,692			11,692
Subcontractors	19,720			19,720
Dues and Subscriptions		920		920
Events			43,892	43,892
Insurance		55		55
Marketing		30		30
Office expenses		8,210		8,210
Orphanage Operations				
Fuel	2,638			2,638
Groceries	26,637			26,637
Medical	185			185
Miscellaneous	6,561			6,561
Office Expenses	2,308			2,308
School	978			978
Staff	68,019			68,019
Utilities	22,683			22,683
Payroll Processing		71		71
Reimbursements		4,000		4,000
Travel	30,456	-		30,456
Website		1,037		1,037
<b>Total</b>	<b>\$ 286,980</b>	<b>\$ 17,664</b>	<b>\$ 43,892</b>	<b>\$ 348,536</b>

See accompanying notes and accountant's review report

**LITTLE LAMBS INTERNATIONAL INC.**  
**Statement of Functional Expenses by Nature**  
For the Year Ended December 31, 2021

	Program Expenses	Administration	Fundraising	Total
Bank and Credit Fees	\$	\$ 5,928	\$	\$ 5,928
Construction Costs				-
Auto	183			183
Boundary Wall	30,361			30,361
Construction	10,994			10,994
Farm Development	2,332			2,332
Maintenance	2,183			2,183
Materials	40,662			40,662
Miscellaneous	6,274			6,274
Professional Fees	13,250			13,250
Repairs	1,313			1,313
Shipping	62			62
Subcontractors	8,925			8,925
Utilities	42,862			42,862
Wages	4,330			4,330
Events			26,316	26,316
Insurance		173		173
Office expenses		639		639
Orphanage Operations				-
Child Support	41,366			41,366
Foreign Exchange	440			440
Fuel	944			944
Groceries	6,707			6,707
Medical	112			112
Miscellaneous	2,630			2,630
Office Expenses	1,891			1,891
Personal care	14			14
School	603			603
Staff	18,771			18,771
Travel	46			46
Utilities	15,614			15,614
Payroll Processing		275		275
Postage		90		90
Professional Fees		3,612		3,612
Travel	2,381	-		2,381
Wages		4,228		4,228
Website		1,757		1,757
<b>Total</b>	<b>\$ 255,250</b>	<b>\$ 16,702</b>	<b>\$ 26,316</b>	<b>\$ 298,268</b>

See accompanying notes and accountant's review report



LITTLE LAMBS INTERNATIONAL INC.  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2022, and 2021

NOTE A – THE ORGANIZATION

Nature of operations

The mission of Little Lambs International Inc. is to serve and empower orphaned children worldwide, by the love of Jesus Christ. They accomplish this by encouraging, enabling, and teaching them to reach their full potential, giving them knowledge, skills, and confidence to become contributing members of society and leaders of the next generation.

The first building of the Little Lambs compound was completed in 2016 and is now functioning as a home for children as well as a base for teams of volunteers who have joined the Little Lambs vision.

In the coming years, Little Lambs International Inc. will be working on phase 2, which will be the community where we will build houses for families, a school, a medical clinic, ball fields, and everything a child needs to grow up in a safe, healthy and loving environment.

Revenue

The organization receives revenue from three main sources during the year under review. In 2022 the revenue is from donations, fundraising and reimbursements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions*

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

*Net assets with donor restrictions*

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. For the years ended December 31, 2022, and 2021, the Organization does not report any donor restricted net assets.

### Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing operations. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

### Cash and cash equivalents

The Company considers cash, money market accounts and short-term, highly liquid investments with a maturity of three months or less, as cash in the financial statements. The balance of cash is held in FDIC insured bank accounts. There were no cash equivalents as of December 31, 2022, and 2021. The Company's cash balance at year end 2022 is \$47,146, and \$70,401 at December 31, 2021.

### Use of Estimates

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 could differ from those estimates.

### Advertising Costs

The cost of all advertising is expensed as incurred by the Company. Advertising costs for the years 2022, and 2021 are \$0.

### Capitalization Policy

Assets over \$2,500 are capitalized and depreciated, or amortized, according to Company depreciation/amortization policies.

### Depreciation

Assets are depreciated along the following time frames: buildings 39 years, building improvements 39 years, equipment 5-7 years, furniture and fixtures 3 years. Depreciation expense and accumulated depreciation for the year is \$0. The company holds no capital assets as of December 31, 2022, and 2021.

### Amortization

Intangible assets are amortized over a 15-year period. Amortization expense and accumulated amortization for 2022, and 2021 are \$0. For the years ended December 31, 2022, and 2021, there are no intangible assets held.

### Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, cash equivalents and investments. The Organization maintains its cash in one bank account that, at times, may exceed federally insured limits. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

### Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

As of December 31, 2022, and 2021, the Organization does not report any contributions receivable.

### Revenue Recognition

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

The company follows accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). Under this guidance revenue is recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration that is expected to be received for those good or services.

### In Kind Donations

Several volunteers have made contributions of their time in furtherance of the Organization's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

### Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program

services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<i>Expense</i>	<i>Method of Allocation</i>
Program Services	Direct Costs
Administrative Expenses	Direct Costs
Fundraising	Direct Costs

#### Income Taxes

The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization periodically reviews its processes to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

#### Presentation

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) — *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of its financial statements accordingly. Donor restricted contributions whose restrictions are met in the same reporting period as they are received are reported as unrestricted support.

#### NOTE C - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets for the year ended December 31, 2022:

	2022	2021
Cash	\$47,146	\$70,401
Unrestricted financial assets available to meet		
general expenses over the next twelve months	<u>\$47,146</u>	<u>\$63,450</u>

For the year ended December 31, 2022, the Organization reports working capital in the amount of \$47,146. The average days cash on hand for the year ended December 31, 2022, is 49 days.

#### NOTE D - NET ASSETS

For the year ended December 31, 2022, the Organization reports \$47,146 in unrestricted net assets. No net assets were released from restriction during the fiscal year ended December 31, 2022.

For the year ended December 31, 2021, the Organization reports \$63,450 in unrestricted net assets. No net assets were released from restriction during the fiscal year ended December 31, 2021.

#### NOTE E – RISK MANAGEMENT AND UNCERTAINTY

##### *Pandemic*

In December 2019, COVID-19 emerged and has subsequently spread worldwide. The World Health Organization has declared COVID-19 a pandemic resulting in federal, state, and local governments and private entities mandating various restrictions, including travel restrictions, restrictions on public gatherings, stay at home orders and advisories and quarantining of people who may have been exposed to the virus.

As the COVID-19 pandemic is complex and rapidly evolving, the Company reassess planning as situations, laws, and regulations are issued and change. At this point, Little Lambs International Inc. cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on business, results of operations, financial position, and cash flows.

#### NOTE F - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, The Company has evaluated events and transactions for potential recognition or disclosure through March 5, 2023, the date that the financial statements were available to be issued.