

LITTLE LAMBS INTERNATIONAL INC  
FINANCIAL STATEMENTS  
Year Ended December 31, 2023

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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors

Little Lambs International Inc  
New Ipswich, NH 03071

Management is responsible for the accompanying financial statements of Little Lambs International Inc, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the organization's assets, liabilities, equity, revenue, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

*Ernest L. Tomkiewicz*

Ernest L Tomkiewicz CPA PLLC  
Concord, NH  
October 24, 2024

**LITTLE LAMBS INTERNATIONAL INC.**  
**Statement of Financial Position**  
As of December 31, 2023

	<b>2023</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 301,149
Accounts Receivable	3,000
<b>Total Current Assets</b>	<b>\$ 304,149</b>
Non-current assets	-
<b>Total Non-current Assets</b>	<b>\$ -</b>
<b>TOTAL ASSETS</b>	<b>\$ 304,149</b>
<b>LIABILITIES</b>	
Current Liabilities	
Travel Deposits	\$ 26,213
<b>Total Current Liabilities</b>	<b>\$ 26,213</b>
Non-current Liabilities	-
<b>Total Non-current Liabilities</b>	<b>\$ -</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 26,213</b>
<b>NET ASSETS</b>	
Without Donor Restrictions	\$ 277,936
With Donor Restrictions	-
<b>TOTAL NET ASSETS</b>	<b>\$ 277,936</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 304,149</b>

See accompanying notes and accountant's compilation report

**LITTLE LAMBS INTERNATIONAL INC.**  
**Statement of Activities**  
For the Year Ended December 31, 2023

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	<b>2023</b>	
Revenue		
Contributions	\$	538,702
Fundraising		99,527
<b>Total Revenue</b>	<b>\$</b>	<b>638,229</b>
Expenses		
Program Expenses	\$	348,098
<b>Total Program Expenses</b>	<b>\$</b>	<b>348,098</b>
Supporting Services		
Administration	\$	18,623
Fundraising		40,718
<b>Total Supporting Services Expenses</b>	<b>\$</b>	<b>59,341</b>
<b>Total Expenses</b>	<b>\$</b>	<b>407,439</b>
CHANGE IN NET ASSETS		230,790
NET ASSETS, Beginning	\$	47,146
NET ASSETS, Ending	\$	277,936

See accompanying notes and accountant's compilation report

**LITTLE LAMBS INTERNATIONAL INC.**  
**Statement of Cash Flows**  
For the Year Ended December 31, 2023

	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income	\$ 230,790
Increase in net assets	
(Increase) decrease from operating assets	
Accounts Receivable	(3,000)
-	-
Increase (decrease) from operating liabilities	
Travel Deposit Liability	26,213
<b>Net cash provided by operating activities</b>	<b>\$ 254,003</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 provided by financing activities</b>	<b>\$ -</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 254,003</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>\$ 47,146</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 301,149</b>
Interest Paid	\$ -
Taxes Paid	\$ -

See accompanying notes and accountant's compilation report

**LITTLE LAMBS INTERNATIONAL INC.**  
**Statement of Functional Expenses**  
For the Year Ended December 31, 2023

	Program Expenses	Administration	Fundraising	Total
Bank and Credit Fees	\$ -	\$ 3,972	\$ -	\$ 3,972
Advertising	-	45	-	45
Construction Costs	204,280	-	-	204,280
Dues and Subscriptions	-	875	-	875
Insurance	-	2,038	-	2,038
Missionary	35,078	-	-	35,078
Office expenses	-	9,460	-	9,460
Orphanage Operations	108,740	-	-	108,740
Travel	-	(1,701)	-	(1,701)
Fundraising	-	-	40,718	40,718
Miscellaneous	-	3,934	-	3,934
<b>Total</b>	<b>\$ 348,098</b>	<b>\$ 18,623</b>	<b>\$ 40,718</b>	<b>\$ 407,439</b>

LITTLE LAMBS INTERNATIONAL INC.  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023

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 2023 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 year ended December 31, 2023, 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, 2023. The Company's cash balance at year end 2023 is \$301,149.

#### 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 year 2023 are \$45.

#### 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, 2023.

#### 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, 2023, the Organization has \$3,000 in 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, 2023:

	2023
Cash	\$301,149
Unrestricted financial assets available to meet	
general expenses over the next twelve months	<u>\$301,149</u>

For the year ended December 31, 2023, the Organization reports working capital in the amount of \$277,936. The average days cash on hand for the year ended December 31, 2023, is 270 days.

### NOTE D - NET ASSETS

For the year ended December 31, 2022, the Organization reports \$277,936 in unrestricted net assets. No net assets were released from restriction during the fiscal year ended December 31, 2023.

### NOTE E – RISK MANAGEMENT AND UNCERTAINTY

#### *General*

Business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Organization's control could cause fluctuations in these conditions. Adverse conditions may include recession, downturn or otherwise, changes in regulations or restrictions, or competition. These adverse

conditions could affect the Organization's financial condition and the results of its operations. As of December 31, 2023, the Organization is operating as a going concern.

*Insurance*

The Organization is exposed to various risks of loss related to tort, theft of, damage to and destruction of assets, errors and omissions, and job-related illness or injuries to employees for which it carries commercial insurance to cover the risk of loss for both property and business liability. There are no known claims of incidents that may result in the assumption of material claims arising from potential losses as of December 31, 2023.

*Monetary*

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of investments in securities. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

**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 October 24, 2024, the date that the financial statements were available to be issued.