

FINANCIAL STATEMENTS

AND

REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
(A NON-PROFIT ORGANIZATION)

FOR THE YEARS ENDED

DECEMBER 31, 2021

AND

DECEMBER 31, 2020

ELSIR GAAFAR ELHADI, CPA
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ELSIR GAAFAR ELHADI, CPA

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS REPORT

To the Board of Directors of:
Sudanese American Medical Association Inc.
13211 Moss Ranch Ln.
Fairfax VA 22033

JUNE 17, 2023

Report on the Financial Statements

We have audited the accompanying financial statements of Sudanese American Medical Association Inc. (a non-profit organization), which comprises the statements of financial position as of December 31, 2021 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sudanese American Medical Association Inc. as of December 31, 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

ELSIR GAAFAR ELHADI

ELSIR GAAFAR ELHADI, CPA

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
(A Non-Profit Organization)

STATEMENT OF FINANCIAL POSITION
As of December 31, 2021

Amounts in US\$

	2021	2020
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	83,278	130,113
Total current assets	83,278	130,113
TOTAL ASSETS	83,278	130,113
LIABILITIES AND NET ASSETS:		
CURRENT LIABILITIES		
Payroll liabilities	-	-
Total current liabilities	-	-
LONG - TERM LIABILITIES		
PPP Loan Payable	-	15,372
Total long-term liabilities	-	15,372
NET ASSETS		
Without donor restrictions	83,278	114,741
With donor restrictions	-	-
Total net assets	83,278	114,741
TOTAL LIABILITIES AND NET ASSETS	83,278	114,741

The accompanying notes are an integral part of these statements.

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
(A Non-Profit Organization)

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Amounts in US\$

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT & REVENUE:			
Contributions	240,030	-	240,030
Medical equipment and supplies received In-Kind	1,126,990	-	1,126,990
Total support and revenue	<u>1,367,020</u>	<u>-</u>	<u>1,367,020</u>
EXPENSES:			
Program services:			
Humanitarian	1,271,140	-	1,271,140
Health Fairs & Patient Education	-	-	-
Medical Training	-	-	-
Total program services	<u>1,271,140</u>	<u>-</u>	<u>1,271,140</u>
Supporting services:			
Management and general	37,659	-	37,659
Fund raising	4,824	-	4,824
Total supporting services	<u>42,483</u>	<u>-</u>	<u>42,483</u>
Total expenses	<u>1,313,623</u>	<u>-</u>	<u>1,313,623</u>
Change in Net Assets	53,397	-	53,397
Net assets, beginning of year	96,023	-	96,023
Prior period adjustment	(34,679)	-	(34,679)
Net assets, end of year	<u><u>114,741</u></u>	<u><u>-</u></u>	<u><u>114,741</u></u>

The accompanying notes are an integral part of these statements.

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
(A Non-Profit Organization)

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Amounts in US\$

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT & REVENUE:			
Grant	-	-	-
Contributions	125,295	-	125,295
Donated medical equipment and supplies	638,456	-	638,456
Fund raising income	-	-	-
Other income	15,372	-	15,372
Net assets released from restrictions	-	-	-
Total support and revenue	779,123	-	779,123
EXPENSES:			
Program services:			
Equipment	692,535	-	692,535
Shipping and Postage	25,088	-	25,088
Bank Services Charges	12,051	-	12,051
Total program services	729,674	-	729,674
Supporting services:			
Management and general	73,034	-	73,034
Fund raising	7,878	-	7,878
Total supporting services	80,912	-	80,912
Total expenses	810,586	-	810,586
Change in Net Assets	-31,469	-	-31,469
Net assets, beginning of year	114,741	-	114,741
Net assets, end of year	83,278	-	83,278

The accompanying notes are an integral part of these statements.

Sudanese American Medical Association Inc
(A Non-Profit Organization)

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

Amounts in US \$

Expenses	Program Services										Supporting Services			Total Functional Expenses			
	Humanitarian Relief Programs										Health Fairs & Patient Education	Medical Training	Total Program Expenses		Management & General	Fundraising	Total Support Expenses
	Heart Program	Health Services	Medical Supplies	Women's Health Program	Surgical Mission	Professional Development Program	Primary Health Clinic	Kidney Program	Cancer Fund	Total Humanitarian Relief Programs							
Officers' Compensation	5,399	-	16,873	13,499	1,350	6,749	5,399	2,700	1,350	53,319	-	-	53,319	10,124	4,050	14,174	67,493
Gross Salary -others	-	3,749	7,613	4,648	-	-	-	-	-	16,010	-	-	16,010	2,774	-	2,774	18,784
Payroll taxes	413	-	1,291	1,033	103	516	413	207	103	4,079	-	-	4,079	774	310	1,084	5,163
Employee benefits	619	325	2,593	1,950	155	774	619	309	155	7,499	-	-	7,499	1,400	464	1,864	9,363
Total payroll related expenses	6,431	4,074	28,370	21,130	1,608	8,039	6,431	3,216	1,608	80,907	-	-	80,907	15,072	4,824	19,896	100,803
Medical equipment and supplies Donated	368,877	-	758,113	-	-	-	-	-	-	1,126,990	-	-	1,126,990	-	-	-	1,126,990
Medical equipment and supplies	-	-	13,113	6,586	-	-	-	-	4,742	24,441	-	-	24,441	5,621	-	5,621	30,062
Office supplies	30	8	407	-	205	-	-	-	-	650	-	-	650	1,050	-	1,050	1,700
Website expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	1,024	-	1,024	1,024
Contractors/Temporary Labor	-	255	1,273	1,010	462	-	2,040	-	173	5,213	-	-	5,213	4,204	-	4,204	9,417
Legal and Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	375	-	375	375
Bank service charges	-	-	-	-	206	-	-	-	-	206	-	-	206	3,226	-	3,226	3,432
Travel	-	254	2,725	789	3	-	-	-	334	4,105	-	-	4,105	471	-	471	4,576
Shipping, postage and delivery	-	48	5,166	-	-	-	-	-	-	5,214	-	-	5,214	178	-	178	5,392
Meals & Entertainment	-	-	868	2,296	-	-	-	-	-	3,164	-	-	3,164	518	-	518	3,682
Advertising and promotions	-	-	335	-	-	-	-	-	-	335	-	-	335	1,879	-	1,879	2,214
Software subscription and expenses	-	-	491	90	-	-	-	-	10	591	-	-	591	1,592	-	1,592	2,183
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	655	-	655	655
Training and development	-	115	-	19,028	-	-	-	-	-	19,143	-	-	19,143	-	-	-	19,143
Taxes & Licenses	-	-	181	-	-	-	-	-	-	181	-	-	181	1,794	-	1,794	1,975
Total	375,338	4,754	811,042	50,929	2,484	8,039	8,471	3,216	6,867	1,271,140	-	-	1,271,140	37,659	4,824	42,483	1,313,623

The accompanying notes are an integral part of these statements.

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.

(A Non-Profit Organization)

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

Amounts in US \$

Expenses	Program Services										Supporting Services			Total Functional Expenses				
	Humanitarian Relief Programs										Total Humanitarian Relief Programs	Health Fairs & Patient Education	Medical Training		Total Program Expenses	Management & General	Fundraising	Total Support Expenses
	Heart Program	Health Services	Medical Supplies	Women's Health Program	Surgical Mission	Professional Development Program	Primary Health Clinic	Kidney Program	Cancer Fund									
Salary and wages	-	-	-	40,067	-	-	-	-	-	-	40,067	-	-	40,067	10,017	-	10,017	50,084
Payroll taxes	-	-	-	3,066	-	-	-	-	-	-	3,066	-	-	3,066	767	-	767	3,833
Employee benefits	-	-	-	1,055	-	-	-	-	-	-	1,055	-	-	1,055	264	-	264	1,319
Total payroll related expenses	-	-	-	44,188	-	-	-	-	-	-	44,188	-	-	44,188	11,048	-	11,048	55,236
Donated medical equipment and supplies	-	-	-	638,455	-	-	-	-	-	-	638,455	-	-	638,455	-	-	-	638,455
Medical equipment and supplies	-	-	-	54,080	-	-	-	-	-	-	54,080	-	-	54,080	-	-	-	54,080
Office supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,298	-	7,298	7,298
Meetings and Conferences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	744	-	744	744
Website expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	317	-	317	317
Professional fees	-	-	-	-	-	-	-	7,893	-	-	7,893	-	-	7,893	-	-	-	7,893
Bank service charges	-	-	-	12,051	-	-	-	-	-	-	12,051	-	-	12,051	-	-	-	12,051
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,146	-	1,146	1,146
Shipping, postage and delivery	-	-	-	25,088	-	-	-	-	-	-	25,088	-	-	25,088	-	-	-	25,088
Advertising and promotions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,663	-	2,663	2,663
Software subscription and expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	932	-	932	932
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	212	-	212	212
Telecommunication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	245	-	245	245
Dues and subscription	-	-	-	-	-	-	-	-	-	-	-	-	-	-	162	-	162	162
Printing and stationery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	546	-	546	546
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,473	-	3,473	3,473
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45	-	45	45
Total	-	-	-	773,862	-	-	-	7,893	-	-	781,755	-	-	781,755	28,831	-	28,831	810,586

The accompanying notes are an integral part of these statements.

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
(A Non-Profit Organization)

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

Amounts in US \$

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets	53,397
Adjustments to reconcile net assets to net cash used by operating activities:	
Decrease in payroll liabilities	<u>(1,378)</u>
Net cash provided by operating activities	<u>52,019</u>

CASH FLOW FROM INVESTING ACTIVITIES

Net cash provided by investing activities	<u>-</u>
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CASH FLOW FROM FINANCING ACTIVITIES

PPP Loan received	<u>15,372</u>
Net cash provided by financing activities	<u>15,372</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	67,391
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Cash and cash equivalents, beginning of year	<u>97,401</u>
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Prior period adjustment	(34,679)
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Cash and cash equivalents, end of year	<u>130,113</u>
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The accompanying notes are an integral part of these statements.

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
(A Non-Profit Organization)

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

Amounts in US \$

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets (46,835)

Adjustments to reconcile net assets
to net cash used by operating activities:

-

Net cash provided by operating activities

(46,835)

CASH FLOW FROM INVESTING ACTIVITIES

Net cash provided by investing activities

-

CASH FLOW FROM FINANCING ACTIVITIES

Net cash provided by financing activities

-

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

83,278

Cash and cash equivalents, beginning of year

130,113

Cash and cash equivalents, end of year

83,278

The accompanying notes are an integral part of these statements.

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
(A Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Sudanese American Medical Association Inc. (hereinafter referred to as “SAMA” or the “Organization”) is a publicly supported, non-governmental, non-political, not-for-profit, educational and humanitarian organization. SAMA was incorporated as a US Domestic Corporation on April 29, 2008 under the laws of the State of Wisconsin with a mission to advance the health of the Sudanese people through transferring medical equipment, imparting education, awareness and training medical professionals to provide equality health care to people in Sudan. SAMA’s members are primarily medical professionals of Sudanese descent. SAMA’s mission is to promote and support the health and wellbeing of people in Sudan by delivering excellent, sustainable and measurable medical services, education, training and capacity building. SAMA is committed to providing the highest level of medical services to those in need through humanitarian initiatives.

Basis of Accounting

The organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements. The organization prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“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 new standard amends the current reporting model for not-for-profit organizations and requires additional disclosures. Significant changes reflected in the financial statements include:

- a) Requiring the presentation of two net asset classes: 1) net assets without donor restrictions, and 2) net assets with donor restrictions;
- b) Modifying the presentation of underwater endowment funds and related disclosures;
- c) Requiring the use of the placed-in-service approach to recognize gifts used to acquire long-lived assets;
- d) Requiring an analysis of expenses by function and nature; and
- e) Requiring disclosure of quantitative and qualitative information on liquidity

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
(A Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

The financial statements report, net assets, change in net assets, revenues, and gains and losses in two classes that are based upon the existence or absence of donor-imposed restrictions on use.

Accordingly, the net assets of the organization and changes therein are classified as follows:

- *Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions that may be used for any purpose at the discretion of the Board of Trustees and management for any purpose in performing the primary objectives of the organization. The organization's board may designate assets without restrictions for specific operational purposes from time to time.
- *Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors or grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of SAMA or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period.

All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Revenue Recognition

(i) Contributions

All contributions are recognized as revenue when received or unconditionally promised to the organization. Contributions, including unconditional promises to give, are recognized as support revenue when received or pledged.

All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions.

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
(A Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. Contributions from bequests are recognized as contributions receivable when the probate court declares that the will is valid and the organization has an irrevocable right to the bequest. Gifts of cash and other assets are reported with donor-restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

(ii) In-Kind Contributions

Donations of property, equipment and supplies are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service. Donations of supplies, are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy.

Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use.

(iii) Contribution of services

U.S. GAAP allows recognition of contributed services only if (i) the services create or enhance nonfinancial assets or (ii) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. During the years ended December 31, 2021 and December 31, 2020 the value of such contributed services received and hence recognized as revenues and expenses in the accompanying consolidated financial statements was None. Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

(iv) Grant Revenue

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue is subject to review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the organization.

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
(A Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions Receivables/Promises to Give

Contributions receivable consist of unconditional promises to give that are expected to be collected in future years. Such unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Such receivables are recorded at the present value of their estimated future cash flows. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

The organization had no promises to give as of December 31, 2021 and December 31, 2020.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, except which are neither held for nor restricted by donors for long-term purposes including for investments which held for meeting restrictions of a capital or endowment nature. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition. The organization maintains cash balances at several financial institutions. Deposit accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account.

Property and Equipment

Land, buildings and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Additions and improvements that add materially to productive capacity or extend the life of an asset are capitalized. When facilities are retired or sold, their cost and accumulated depreciation are removed from the accounts and related gains or losses are included in income. In case of trade items, any remaining book value increases the basis of the new acquisitions. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
(A Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is calculated for financial statement purposes using the straight-line method based on the property's estimated life. The estimated lives used in determining depreciation are:

Building and building improvements	7 – 30 yrs.
Automobiles	8 yrs.
Personal property	5 – 7 yrs.

Land, buildings and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are categorized by function in the statements of activities as either (1) program services, (2) general and administrative, or (3) fundraising expenses. Expenses that are specifically identifiable to a function are allocated entirely to that function. Expenses that are not specifically identifiable to a function are allocated based upon management's estimate of time and resources devoted to each function.

Income Taxes

SAMA is organized as a Wisconsin incorporated nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and have been determined to be a publicly supported organization, not a private foundation under IRC Sections 509(a)(1). Therefore, no provision for income taxes has been included in these financial statements. SAMA is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, SAMA is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The management has determined that the organization is not subject to unrelated business income tax for the years ended December 31, 2021 and 2020.

Uncertain Tax Provisions

Accounting for uncertain income tax positions, relating to both federal and state income taxes, are required when a more likely than not threshold is attained. If such positions result in uncertainties, then the unrecognized tax liability is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. SAMA follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position-likely-than-position-challenged by a taxing authority "not" to be sustained if the authority were to be challenged. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. The organization has determined there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Its tax status as a non-profit corporation is its only tax position and is highly certain for the years ended December 31, 2021 and December 31, 2020.

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
(A Non-Profit Organization)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on the changes in net assets or net assets.

Subsequent Events

In preparing the financial statements, SAMA has evaluated its December 31, 2019 financial statements for subsequent events through November 14, 2021 the date the financial statements were available to be issued. The organization is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements. On January 30, 2021, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2021, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

NOTE 2 – CONCENTRATION OF CREDIT RISK – CASH

The organization has cash accounts at local banks. The Federal Deposit Insurance Corporation insures these accounts, up to \$250,000. The organization has not experienced any losses and believes is not exposed to any significant credit risk on cash.

NOTE 3 - IN-KIND CONTRIBUTIONS

During the year ended December 31, 2021 and December 31, 2020, SAMA received in donations various medical equipment and supplies from various organizations with a total value of approximately \$ 638,456 and \$ 1,126,990 respectively.

These medical equipment and supplies were donated by SAMA to various public institutes located in Sudan. The value of these donated equipment and supplies is recognized and presented in the statement of activities, as contribution revenue as well as a program service expense.

In addition, various volunteers including medical professionals provided assistance to the organization in running several of its programs and in managing the operations of the organization. The value of these in-kind contributions is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

SUDANESE AMERICAN MEDICAL ASSOCIATION INC.
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NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE 4 – GRANT FROM UNICEF

During the year ended December 31, 2021 and December 31, 2020 SAMA received None in both year, in grant from United Nations International Children Emergency Fund (UNICEF). The grant revenue is subject to review of the expenses incurred against the grant money by the grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds, thereby resulting in organization becoming liable to return to the grantor the disallowed portion of expenditures incurred against the grant. Based on prior experience, the organization's management believes that none of the cost will be disallowed and the costs disallowed, if any, would not materially affect the financial position of the organization.

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or grantor restrictions limiting their use, within one year of the statement of financial position date. As of December 31, 2021, SAMA had \$ 83,278 of financial assets available within one year of the statement of financial position date for general expenditure.

NOTE 6 - FUNCTIONAL EXPENSES

For the year ended December 31, 2021 , SAMA's total functional e expenses were \$ 810,586 of which \$ 1,313,623 or approx. 94% accounted for program services. The support services included \$ 28,831 for management & general, and None for fund raising services.

NOTE 7 – PPP LOAN PAYABLE

The Coronavirus Aid, Relief, and Economic Security (CARES) Act ("CARES Act") expanded the Small Business Administration's (SBAs) existing Section 7(a) loan program to include Paycheck Protection Program (PPP) loans. All payments of principal, interest, and fees otherwise due under the covered loans are deferred for a certain period of time. PPP loans are 100 percent guaranteed by the SBA, and the full principal amount of the loans are eligible for forgiveness. During the year ended December 31, 2021 SAMA was not received any PPP loans.

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NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

NOTE 8 – PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2021 SAMA recorded no a prior-period adjustment amounting.