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LIFE IN ABUNDANCE
211 TOWNEPARK CIRCLE #201
LOUISVILLE, KY 40243

Life in Abundance International

Financial Statements

December 31, 2015

BYEMAN & CLEARY
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Life in Abundance International

We have audited the accompanying financial statements of Life in Abundance International (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 of 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 auditor's 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 Life in Abundance International as of December 31, 2015 and 2014, 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.

Byeman & Cleary

April 6, 2016

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31, 2015	December 31, 2014
Current assets:		
Cash and cash equivalents	$ 408,008	$ -
Pledges receivable	1,551,721	2,837,324
Prepaid expenses	500	845
Total current assets	1,960,229	2,838,169
Property and equipment:		
Computers and office equipment	59,757	57,307
Website development	14,910	14,910
Construction in progress - Kenya training center	-	578,371
Buildings in Kenya and Jamaica	2,246,077	-
Land in Kenya and Jamaica	656,872	215,090
Less: accumulated depreciation	(103,264)	(52,662)
Net property and equipment	2,874,352	813,016
Other assets:		
Pledges receivable - noncurrent portion	697,424	1,004,028
Cash & cash equivalents for long term purposes	235,002	45,439
Deposits	900	1,200
Total other assets	933,326	1,050,667
Total assets	$ 5,767,907	$ 4,701,852

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	$ 11,045	$ 10,187
Accounts payable - affiliated organizations	100,000	-
Note payable	-	120,000
Total current liabilities / Total liabilities	111,045	130,187
Net assets:		
Unrestricted net assets	3,362,742	831,045
Temporarily restricted net assets	2,044,120	3,740,620
Permanently restricted net assets	250,000	-
Total net assets	5,656,862	4,571,665
Total liabilities and net assets	$ 5,767,907	$ 4,701,852

The accompanying notes are an integral part of these financial statements.

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2015				Year Ended December 31, 2014		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue:							
Contributions	$ 986,021	$ 2,231,074	$ 250,000	$ 3,467,095	$ 1,171,552	$ 2,721,073	$ 3,892,625
Contributions - gifts-in-kind	6,636	-	-	6,636	55,340	-	55,340
Special events support	37,352	-	-	37,352	20,160	-	20,160
Special events direct benefit costs	(8,122)	-	-	(8,122)	(4,276)	-	(4,276)
Book and craft sales	525	-	-	525	2,472	-	2,472
Global health conference ticket sales	3,296	-	-	3,296	-	-	-
Foreign exchange loss	(38,431)	-	-	(38,431)	-	-	-
Interest income	2	-	-	2	144	-	144
	987,279	2,231,074	250,000	3,468,353	1,245,392	2,721,073	3,966,465
Net assets released due to satisfaction of restrictions	3,927,574	(3,927,574)	-	-	2,684,551	(2,684,551)	-
Total support and revenue	4,914,853	(1,696,500)	250,000	3,468,353	3,929,943	36,522	3,966,465
Expenses:							
Program services	1,932,293	-	-	1,932,293	2,381,128	-	2,381,128
Supporting activities:							
Management & general	273,942	-	-	273,942	276,757	-	276,757
Fundraising	176,921	-	-	176,921	157,313	-	157,313
Total expenses	2,383,156	-	-	2,383,156	2,815,198	-	2,815,198
Change in net assets	2,531,697	(1,696,500)	250,000	1,085,197	1,114,745	36,522	1,151,267
Net assets at beginning of year	831,045	3,740,620	-	4,571,665	(283,700)	3,704,098	3,420,398
Net assets at end of year	$ 3,362,742	$ 2,044,120	$ 250,000	$ 5,656,862	$ 831,045	$ 3,740,620	$ 4,571,665

The accompanying notes are integral part of these financial statements.

LIFE IN ABUNDANCE INTERNATIONAL

STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2015				Year Ended December 31, 2014			
	Program Service	Management & General	Fund-Raising	Total Expenses	Program Service	Management & General	Fund-Raising	Total Expenses
Wages	$ 86,621	$ 128,438	$ 83,634	$ 298,693	$ 75,712	$ 128,991	$ 75,711	$ 280,414
Employee benefits	7,030	10,424	6,787	24,241	8,005	13,639	8,004	29,648
Payroll taxes	7,076	10,492	6,832	24,400	6,091	10,377	6,092	22,560
Staff training	1,197	-	-	1,197	7,043	-	-	7,043
Bank, wire & merchant fees	-	14,024	-	14,024	-	11,785	-	11,785
Board expense	414	614	400	1,428	4,148	7,066	4,146	15,360
Computer supplies	403	597	389	1,389	361	613	359	1,333
Depreciation	42,395	4,970	3,237	50,602	5,096	8,680	5,094	18,870
Legal & accounting	-	48,420	-	48,420	-	44,034	-	44,034
Dues, subscriptions & registrations	1,488	2,205	1,436	5,129	1,020	1,739	1,022	3,781
Gifts-in-kind expense	5,090	-	-	5,090	49,057	-	-	49,057
Banquet expenses	-	-	20,549	20,549	-	-	8,928	8,928
Grants	1,536,952	-	-	1,536,952	2,037,873	-	-	2,037,873
Short term mission trips	194,536	-	-	194,536	135,739	-	-	135,739
Insurance	676	1,002	652	2,330	838	1,429	840	3,107
Occupancy	8,016	11,886	7,739	27,641	7,246	12,343	7,244	26,833
Outside service	11,610	17,215	29,254	58,079	5,436	9,263	22,937	37,636
Supplies	3,162	4,689	3,053	10,904	1,911	3,257	1,913	7,081
Printing	2,222	3,295	2,145	7,662	1,747	2,975	1,745	6,467
Postage	829	1,229	800	2,858	718	1,221	716	2,655
Promotions & advertising	5,522	8,188	5,331	19,041	5,849	9,963	5,847	21,659
Telecommunications	2,270	3,366	2,191	7,827	2,332	3,972	2,330	8,634
Travel	14,017	1,752	1,752	17,521	23,450	2,932	2,931	29,313
Website service	767	1,136	740	2,643	1,456	2,478	1,454	5,388
Total expenses	$ 1,932,293	$ 273,942	$ 176,921	$ 2,383,156	$ 2,381,128	$ 276,757	$ 157,313	$ 2,815,198

The accompanying notes are an integral part of these financial statements.

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2015	2014
Cash flows from operating activities:		
Change in net assets	$ 1,085,197	$ 1,151,267
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	50,602	18,870
Cash contributions restricted for building construction	(155,295)	(253,725)
(Increase) decrease in:		
Pledges receivable	(260,403)	(1,055,482)
Prepaid expenses	345	905
Deposit	300	640
Increase (decrease) in:		
Accounts payable - affiliated organizations	100,000	-
Accounts payable & accrued expenses	858	(35,882)
Net cash provided (used) by operating activities	821,604	(173,407)
Cash flows from investing activities:		
Purchase of computer and office equipment	(2,450)	-
Purchase of construction in progress	(256,878)	(527,591)
Net cash used by investing activities	(259,328)	(527,591)
Cash flows from financing activities:		
Received proceeds on note payable	-	120,000
Principal payments on note payable	(120,000)	-
Cash contributions restricted for building construction	155,295	253,725
Net cash provided by financing activities	35,295	373,725
Net Increase (decrease) in cash and cash equivalents	597,571	(327,273)
Cash and cash equivalents at beginning of year	45,439	372,712
Cash and cash equivalents at end of year	$ 643,010	$ 45,439
Supplemental disclosures:		
A pledge receivable was converted to land and building when title to the Jamaica property was transferred to the Organization during the year ended December 31, 2015	$ 1,852,610	$ -

The accompanying notes are an integral part of these financial statements.

LIFE IN ABUNDANCE INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. NATURE OF ORGANIZATION

Life in Abundance International (the Organization) is a nonprofit corporation incorporated in California to do community development and evangelistic work in partnership with churches in eight African countries and two Caribbean countries.

The scope of these financial statements is limited to the operations of Life in Abundance International in the United States of America and the Life in Abundance International headquarters in Kenya. The assets, liabilities, revenues and expenses of the other African and Caribbean affiliate organizations are not included in these financial statements.

Life in Abundance International is tax-exempt as a public charity under Internal Revenue Code Section 501(c)(3) and Section 23701d of the California Revenue and Taxation Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Life in Abundance International uses accrual basis accounting.

Cash and cash equivalents

Cash is cash in bank checking accounts, a savings account and money market funds.

Promises receivable

Unconditional promises to give are recognized as revenue or gains in the period received as either assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions, restricted contributions and reclassifications

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets.

Property and equipment

Property and equipment is capitalized at cost or estimated fair market value at date of gift, and depreciated on a straight-line basis over estimated useful lives of 3 to 5 years for computers, office equipment and website development. Buildings are depreciated over 40 years.

Absent donor directions regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Accordingly, actual results could differ from those estimates.

Contributed products and services

During the year ended December 31, 2015, Bibles, computers, medical supplies and other various items were donated to Life in Abundance International. The value of these items was $6,636. Not reflected in these financial statements are many hours of service volunteered to the Organization by persons assisting the Organization's programs in capacities, which are not of a professional nature.

Classes of net assets

Unrestricted net assets include amounts available to be used at the discretion of the board of directors in the Organization's programs and operations and those resources invested in equipment. Temporarily restricted net assets are those that are restricted by donors for specific operating purposes. All donations are considered available for unrestricted use, unless specifically restricted by the donor.

Income taxes

The federal and state tax returns of the Organization for the years ended December 31, 2015, 2014 and 2013 are subject to examination by the Internal Revenue Service, generally for three years after they are filed. In addition, the December 31, 2012 tax return is subject to examination by the state of California until four years after the date it was filed.

3. PLEDGES RECEIVABLE

Pledges consist of:

Source	Amount
Multi-year pledges	$1,670,488
Single year pledges	578,657
Total	$2,249,145

Multi-year pledges receivable of $1,670,488 are due from January 1, 2016 to November 15, 2018. These pledges have discount rates from .72% to 3.0%. The total unamortized discount was $39,317 at December 31, 2015. Included in the muli-year pledges are eight pledges due from one church for a total of $979,226, making 44% of total pledges. The additional multi-year pledges are from five foundations and six individuals. Management of the Organization believes all the pledge amounts will be collected so no allowance for uncollectible pledges has been recorded. Amounts due in future years are:

3. PLEDGES RECEIVABLE continued

Year	Gross pledge	Discount	Net Pledge
2016	$1,571,723	20,001	1,551,722
2017	511,106	13,396	497,710
2018	205,633	5,920	199,713
Pledges receivable	$2,288,462	$39,317	$2,249,145

4. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets at year-end consist of:

Restriction	2015	2014
Training center improvement projects	$ 447,502	$2,189,195
Global mission health conference	23,330	79,318
Relief in the Horn of Africa	15,759	29,262
Projects in Haiti	49,672	106,934
Ministry in North Africa	234,997	4,449
Projects in Djibouti	24,259	31,341
Projects in Eritrea	99,250	89,250
Projects in Jamaica	168,935	288,625
Projects in Sudan	6,785	88,004
Projects in South Sudan	191,576	153,337
Projects in Rwanda	97,913	125,827
Projects in Ethiopia	367,352	193,600
Projects in Kenya	316,790	361,478
Total	$2,044,120	$3,740,620

Permanently restricted net assets at year-end consist of $250,000 for a permanent endowment to fund the administrative operations of the Organization's international office in Kenya.

5. OPERATING LEASES

The Organization has an operating lease on office space in Louisville, Kentucky. This lease began on August 15, 2015 and expires on August 14, 2016 with monthly payments of $900. Future required lease payments are $7,200 and are all due in 2016. For the year ended December 31, 2015 lease payments were $18,296.

6. NOTE PAYABLE

The Organization borrowed $120,000 from an individual during the year ended December 31, 2014. No interest was charged on this note and the note was unsecured. The note was paid in full during the year ended December 31, 2015.

7. SPECIAL EVENT

In the year 2015 the Organization conducted one banquet. Support received from this special event was $37,352 of donations less $8,122 in direct benefits provided to participants. All costs

7. SPECIAL EVENT continued

related to publicity, travel, salaries, and administration of this event have been included in fundraising expenses.

8. FAIR VALUE MEASUREMENTS

Assets and liabilities subject to fair value reporting are classified based on the type of inputs used to value the asset or liability. The three types are: valuations based on quoted market prices for identical assets exchanged in active markets (quoted prices), valuation inputs that are directly or indirectly observable in a market place (other market valuations), and inputs where there is no observable market place and therefore valuations are derived from the Organization's internal information (non – market valuations). Valuations based on the three types of inputs for the year ended December 31, 2015 are:

Description	Quoted Prices	Other Market Valuations	Non – Market Valuations
Cash equivalents	$4,480	$ ---	$ ---
Pledges receivable	---	---	2,249,145
Total	$4,480	$ ---	$2,249,145

Description	Non – Market Valuations
Beginning balance: Pledges receivable	$3,841,352
Collection of pledges receivable	(3,167,157)
Pledges received in 2015	1,574,950
Ending balance: Pledges receivable	$2,249,145

Fair values for December 31, 2014 are:

Description	Quoted Prices	Other Market Valuations	Non – Market Valuations
Cash equivalents	$ 782	$ ---	$ ---
Pledges receivable	---	---	3,841,351
Total	$ 782	$ ---	$3,841,352

Description	Non – Market Valuations
Beginning balance: Pledges receivable	$2,785,870
Collection of pledges receivable	(1,093,512)
Pledges received in 2014	2,148,994
Ending balance: Pledges receivable	$3,841,352

Pledges receivable are valued at total amount pledged at date of pledge net of discount for imputed interest.

9. CONCENTRATIONS

Life in Abundance International maintains cash in banks located in Southern California. The deposits are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2015, there was $78,535 in excess of insured limits based on actual bank balances. At other times during the year balances exceeded insurance limits.

Life in Abundance International is supported primarily by donor contributions. Approximately 23% of Life in Abundance International's total revenue was provided by one church and one individual gave 16% of total revenue.

10. PENSION PLAN

Life in Abundance International has a defined contribution plan covering all employees with at least two years of service. The required contribution to the plan is a 50% match of up to 4% of participating employee compensation. In 2015 and 2014 no payments were made because there were no employee contributions.

11. CONTINGENCY

The Organization is self-insured for all risks related to the training center in Jamaica and the Kenya training center.

12. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 6, 2016, the date which the financial statements were available to be issued, and there are no subsequent events to report.