

Life in Abundance International

Financial Statements

December 31, 2009

BYEMAN & CLEARY
CERTIFIED PUBLIC ACCOUNTANTS

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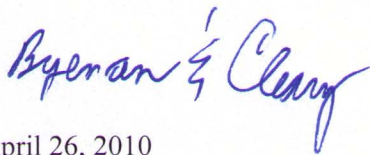
Board of Directors of
Life in Abundance International
Pasadena, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of Life in Abundance International as of December 31, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2009 and 2008 and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



April 26, 2010

LIFE IN ABUNDANCE INTERNATIONAL

STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31	
	<u>2009</u>	<u>2008</u>
Current assets:		
Cash	\$ 511,404	\$ 362,859
Pledges receivable	138,830	-
Accounts receivable	6,592	-
Inventory	49,900	20,497
Prepaid expenses	<u>1,355</u>	<u>-</u>
Total current assets	<u><u>708,081</u></u>	<u><u>383,356</u></u>
Property and equipment:		
Automobiles	-	19,568
Less: accumulated depreciation	<u>-</u>	<u>(6,755)</u>
Net property and equipment	<u>-</u>	<u>12,813</u>
Total assets	<u><u>\$ 708,081</u></u>	<u><u>\$ 396,169</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 12,167	\$ 1,560
Loan payable - officer	<u>-</u>	<u>9,568</u>
Total current liabilities / Total liabilities	<u>12,167</u>	<u>11,128</u>
Net assets:		
Unrestricted net assets	42,493	6,184
Temporarily restricted net assets	<u>653,421</u>	<u>378,857</u>
Total net assets	<u>695,914</u>	<u>385,041</u>
Total liabilities and net assets	<u><u>\$ 708,081</u></u>	<u><u>\$ 396,169</u></u>

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

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2009			Year Ended December 31, 2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue:						
Contributions	\$ 202,886	\$ 1,402,218	\$ 1,605,104	\$ 128,960	\$ 1,151,828	\$ 1,280,788
Contributed items	29,753	76,261	106,014	-	54,902	54,902
Program service revenue	92,771	-	92,771	3,840	-	3,840
Gain on sale of auto	4,482	-	4,482	-	-	-
Interest income	1,776	-	1,776	3,023	-	3,023
	<u>331,668</u>	<u>1,478,479</u>	<u>1,810,147</u>	<u>135,823</u>	<u>1,206,730</u>	<u>1,342,553</u>
Net assets released due to satisfaction of restrictions	<u>1,203,915</u>	<u>(1,203,915)</u>	<u>-</u>	<u>1,032,777</u>	<u>(1,032,777)</u>	<u>-</u>
Total support and revenue	<u>1,535,583</u>	<u>274,564</u>	<u>1,810,147</u>	<u>1,168,600</u>	<u>173,953</u>	<u>1,342,553</u>
Expenses:						
Program services	1,359,378	-	1,359,378	1,201,055	-	1,201,055
Supporting activities:						
Management & general	65,305	-	65,305	55,169	-	55,169
Fundraising	<u>74,591</u>	<u>-</u>	<u>74,591</u>	<u>48,511</u>	<u>-</u>	<u>48,511</u>
Total expenses	<u>1,499,274</u>	<u>-</u>	<u>1,499,274</u>	<u>1,304,735</u>	<u>-</u>	<u>1,304,735</u>
Change in net assets	36,309	274,564	310,873	(136,135)	173,953	37,818
Net assets at beginning of year	<u>6,184</u>	<u>378,857</u>	<u>385,041</u>	<u>142,319</u>	<u>204,904</u>	<u>347,223</u>
Net assets at end of year	<u>\$ 42,493</u>	<u>\$ 653,421</u>	<u>\$ 695,914</u>	<u>\$ 6,184</u>	<u>\$ 378,857</u>	<u>\$ 385,041</u>

The accompanying notes are integral part of these financial statements.

LIFE IN ABUNDANCE INTERNATIONAL

STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2009				Year Ended December 31, 2008			
	Program Service	Management & General	Fund- Raising	Total Expenses	Program Service	Management & General	Fund- Raising	Total Expenses
Wages	\$ 128,171	\$ 33,200	\$ 31,644	\$ 193,015	\$ 81,684	\$ 26,355	\$ 28,875	\$ 136,914
Employee benefits	9,573	2,480	2,365	14,418	12,983	2,381	2,589	17,953
Payroll taxes	11,099	2,875	2,742	16,716	4,221	1,583	1,734	7,538
Accounting	-	6,250	-	6,250	-	3,180	-	3,180
Auto	1,217	315	301	1,833	737	276	303	1,316
Bank, wire and merchant fees	-	6,252	-	6,252	-	3,184	-	3,184
Board expense	979	254	241	1,474	-	3,449	-	3,449
Computer supplies	1,618	419	400	2,437	1,585	594	651	2,830
Depreciation	1,856	481	458	2,795	1,565	587	643	2,795
Dues & subscriptions	918	238	226	1,382	463	174	190	827
Gifts-in-kind expense	74,664	-	-	74,664	35,703	-	-	35,703
Grants	879,428	-	-	879,428	948,493	-	-	948,493
Short term mission trips costs	188,278	-	-	188,278	63,550	-	-	63,550
Insurance	1,594	413	394	2,401	1,341	503	551	2,395
Miscellaneous	920	238	227	1,385	736	552	97	1,385
Occupancy	3,400	881	840	5,121	2,915	1,093	1,197	5,205
Outside service	9,384	2,431	2,318	14,133	4,047	1,518	1,662	7,227
Banquet costs	-	-	24,068	24,068				
Office supplies	564	146	140	850	1,401	525	575	2,501
Printing	5,222	1,353	1,290	7,865	2,563	961	1,053	4,577
Postage	2,001	518	494	3,013	1,374	515	564	2,453
Promotions & advertising	4,283	1,110	1,058	6,451	-	-	-	-
Public relations	432	112	106	650	692	259	284	1,235
Telecommunications	3,092	801	764	4,657	1,417	532	582	2,531
Staff development	1,886	488	465	2,839	348	131	143	622
Travel	28,559	3,570	3,570	35,699	31,824	3,992	3,994	39,810
Web site service	240	480	480	1,200	1,413	2,825	2,824	7,062
Total expenses	\$ 1,359,378	\$ 65,305	\$ 74,591	\$ 1,499,274	\$ 1,201,055	\$ 55,169	\$ 48,511	\$ 1,304,735

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

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2009	2008
Cash flows from operating activities:		
Change in net assets	\$310,873	\$ 37,818
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,795	2,795
Gain on sale of automobile	(4,482)	-
Gifts-in-kind remaining in inventory	(31,350)	(19,200)
(Increase) decrease in:		
Pledges receivable	(138,830)	-
Accounts receivable	(6,592)	-
Inventory of books	1,947	(1,297)
Prepaid expenses	(1,355)	1,445
Advances	-	1,693
Increase (decrease) in:		
Accounts payable & accrued expenses	10,607	1,560
Net cash provided by operating activities	<u>143,613</u>	<u>24,814</u>
Cash flows from investing activities:		
Proceeds from sale of automobile	14,500	-
Purchase of automobile	-	(15,608)
Net cash provided (used) by investing activities	<u>14,500</u>	<u>(15,608)</u>
Cash flows from financing activities:		
Principal payment on officer loan	(9,568)	(8,534)
Proceeds from loan from officer	-	9,568
Net cash provided (used) by financing activities	<u>(9,568)</u>	<u>1,034</u>
Net Increase in cash	148,545	10,240
Cash at beginning of year	<u>362,859</u>	<u>352,619</u>
Cash at end of year	<u>\$511,404</u>	<u>\$ 362,859</u>

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

LIFE IN ABUNDANCE INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

1. NATURE OF ORGANIZATION

Life in Abundance International is a nonprofit Organization incorporated in California to do community development and evangelistic work in partnership with churches providing wholistic programs operating in seven North African countries.

Life in Abundance International is tax-exempt as a public charity under Internal Revenue Code Section 501(c)(3).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Life in Abundance International uses accrual basis accounting.

Cash

Cash is cash in bank checking and savings accounts.

Inventory

Inventory is stated at purchased cost or fair market value of donated inventory using the first-in first-out method. Inventory consists of books and donated medical equipment.

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 7 years for automobiles.

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.

LIFE IN ABUNDANCE INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

Contributed products and services

During the year ended December 31, 2009 contributed medical equipment, airline frequent flyer miles, printing services, and other various items were donated to Life in Abundance International. The value of these items was \$106,014.

During the year ended December 31, 2009, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

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.

3. PLEDGES RECEIVABLE

Pledges consist of:

Source	<u>Amount</u>
Individuals	\$ 31,125
Other nonprofit organizations	13,705
Private foundations	<u>94,000</u>
Total	<u>\$ 138,830</u>

The individual pledge receivable amount of \$31,125 is due over two to five years. A discount on the multi-year portion has not been recorded as it is immaterial.

4. ACCOUNTS RECEIVABLE

The accounts receivable of \$6,592 is due from a nonprofit corporation located in Philadelphia, Pennsylvania. The Organization has a contract with this nonprofit corporation, as a subcontractor, to provide sources of clean drinking water and better sanitation to a community in Ethiopia. The funding is provided by USAID. The total USAID funding for the project is \$1,006,857 with approximately 75% to be earned by Life in Abundance International over the period of October 2009 to December 2011.

5. LOAN PAYABLE – OFFICER

The proceeds of a loan payable to an officer in 2008 were used for the purchase of a vehicle for Life in Abundance International. This loan was paid off in 2009. No interest was charged on this loan.

6. INVENTORY

Inventory consists of books related to the Organizations purpose (\$18,550) and donated medical equipment (\$37,850) to be delivered to the Organization's programs in Kenya in 2010.

LIFE IN ABUNDANCE INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at year-end consist of:

<u>Restriction</u>	<u>2009</u>	<u>2008</u>
Training center improvement projects	\$ 90,000	\$ 90,000
Various projects in Sudan	210,108	64,451
International land purchase	180,000	----
Food relief	----	26,337
Projects in the Horn of Africa	36,000	----
Various projects in Ethiopia	13,300	----
Various projects in Kenya	<u>124,013</u>	<u>198,069</u>
Total	<u>\$653,421</u>	<u>\$378,857</u>

8. OPERATING LEASE

The Organization has an operating lease on an office in Pasadena, California. The lease calls for monthly rental payments of \$660 until January 15, 2011.

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, 2009, there was \$248,161 in excess of insured limits based on actual bank balances. At other times during the year balances also exceeded insurance limits.

Life in Abundance International is supported primarily by donor contributions. Approximately 34% of Life in Abundance International's total revenue was provided by one church.

10. 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, 2009 are:

<u>Description</u>	<u>Quoted Prices</u>	<u>Other Market Valuations</u>	<u>Non – Market Valuations</u>
Inventory of donated books	\$ ----	\$ 19,092	\$ ----
Inventory of donated medical equipment	<u>31,350</u>	<u>----</u>	<u>----</u>
Total	<u>\$ 31,350</u>	<u>\$ 19,092</u>	<u>\$ ----</u>