

LIFE IN ABUNDANCE INTERNATIONAL
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019 AND 2018
TOGETHER WITH AUDITOR'S REPORT

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 (the Organization) (a non-profit organization) which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities, cash flows and functional expenses 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.

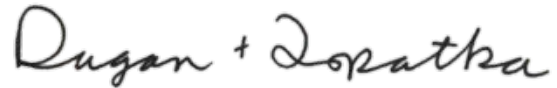
Independent Auditor's Report
To the Board of Directors of
Life in Abundance International
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Opinion

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, 2019 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.

Prior Period Financial Statements

The financial statements for the year ended December 31, 2018 were audited by other auditors, and they expressed an unmodified opinion on them in their report dated May 13, 2019

A handwritten signature in black ink that reads "Dugan + Lopatka". The signature is written in a cursive, flowing style.

DUGAN & LOPATKA

Warrenville, Illinois
May 13, 2020

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 532,174	\$ 569,310
Pledges receivable	793,440	971,823
Total current assets	1,325,614	1,541,133
PROPERTY AND EQUIPMENT:		
Computers and office equipment	59,757	59,757
Website development	15,143	15,143
Buildings in Kenya and Jamaica	3,207,508	3,207,508
Land in Kenya and Jamaica	656,872	656,872
Less: accumulated depreciation	(399,299)	(314,064)
Total property and equipment	3,539,981	3,625,216
OTHER ASSETS:		
Cash restricted for long-term purposes	176,000	101,000
Pledges receivable - noncurrent portion	225,781	1,117,176
Loan fees - net	18,333	23,833
Investments - endowment	306,081	281,990
Loan to LIA Blue Wings Limited	799,967	799,967
Investment in LIA Blue Wings Limited	328,806	246,107
Deposits	900	900
Total other assets	1,855,868	2,570,973
Total assets	\$ 6,721,463	\$ 7,737,322
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 11,071	\$ 8,527
LONG-TERM LIABILITIES:		
Note payable	1,104,520	1,111,855
Total liabilities	1,115,591	1,120,382
NET ASSETS:		
Net assets without donor restrictions	4,032,212	4,823,683
Net assets with donor restrictions	1,573,660	1,793,257
Total net assets	5,605,872	6,616,940
Total liabilities and net assets	\$ 6,721,463	\$ 7,737,322

The accompanying notes are an integral part of this statement.

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 700,466	\$ 1,013,801	\$ 1,714,267	\$ 1,602,170	\$ 1,310,464	\$ 2,912,634
Gifts in-kind	20,669	-	20,669	4,806	-	4,806
Realized and unrealized gains in investments	8,850	-	8,850	5,247	-	5,247
Gain (loss) on LIA Blue Wings Limited investments	82,699	-	82,699	(41,893)	-	(41,893)
Loss on sale of investments	(219)	-	(219)	(2,725)	-	(2,725)
Foreign exchange gain	3,549	-	3,549	5,298	-	5,298
Interest income	16,668	-	16,668	13,011	-	13,011
	832,682	1,013,801	1,846,483	1,585,914	1,310,464	2,896,378
Net assets released from restrictions	1,233,398	(1,233,398)	-	1,492,594	(1,492,594)	-
Total support and revenue	2,066,080	(219,597)	1,846,483	3,078,508	(182,130)	2,896,378
EXPENSES:						
Program services	2,323,158	-	2,323,158	2,258,500	-	2,258,500
Supporting activities:						
Management & general	343,873	-	343,873	374,126	-	374,126
Fundraising	190,520	-	190,520	198,329	-	198,329
Total expenses	2,857,551	-	2,857,551	2,830,955	-	2,830,955
CHANGE IN NET ASSETS	(791,471)	(219,597)	(1,011,068)	247,553	(182,130)	65,423
NET ASSETS, beginning of year	4,823,683	1,793,257	6,616,940	4,576,130	1,975,387	6,551,517
NET ASSETS, end of year	\$ 4,032,212	\$ 1,573,660	\$ 5,605,872	\$ 4,823,683	\$ 1,793,257	\$ 6,616,940

The accompanying notes are an integral part of this statement.

NEW GENERATIONS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,011,068)	\$ 65,423
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	90,735	89,101
Realized and unrealized (gain) on investments	(8,850)	(5,247)
Gain (loss) on LIA Blue Wings Limited not using cash	(82,699)	41,893
Loss on sale of investments	219	2,725
Bad debt expense on uncollectible pledges	-	105,010
Exchange rate (gain)	(3,549)	(5,298)
Decrease in pledges receivable	1,069,778	39,191
Increase (decrease) in accounts payable & accrued expenses	2,544	(1,695)
	<u>57,110</u>	<u>331,103</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loan fees	-	(27,500)
Purchase of building	-	(69,000)
Purchase of investments	-	(288,000)
Proceeds from sale of investments	-	9,897
Earning reinvested on endowment	(11,911)	(15,794)
Loan to LIA Blue Wings Limited	-	(799,967)
	<u>(11,911)</u>	<u>(1,190,364)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on loan	(7,335)	-
Proceeds from loan	-	1,111,855
	<u>(7,335)</u>	<u>1,111,855</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	37,864	252,594
CASH AND CASH EQUIVALENTS, beginning of year	<u>670,310</u>	<u>417,716</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 708,174</u>	<u>\$ 670,310</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	<u>\$ 42,206</u>	<u>\$ 14,818</u>

The accompanying notes are an integral part of this statement.

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019 AND 2018

	2019				2018			
	Program	Management and General	Fundraising	Total Expenses	Program	Management and General	Fundraising	Total Expenses
Wages	\$ 103,446	\$ 153,385	\$ 99,879	\$ 356,710	\$ 94,925	\$ 140,751	\$ 91,652	\$ 327,328
Employee benefits	4,526	6,711	4,370	15,607	6,194	9,185	5,981	21,360
Payroll taxes	8,494	12,594	8,201	29,289	7,742	11,480	7,475	26,697
Consultants	22,500	-	-	22,500	-	-	-	-
Staff training	4,702	-	-	4,702	4,238	-	-	4,238
Bank, wire & Merchant fees	-	15,901	-	15,901	-	13,024	-	13,024
Interest	48,224	-	-	48,224	27,730	-	-	27,730
Computer supplies	5,317	7,886	5,139	18,342	805	1,194	778	2,777
Depreciation & amortization	86,631	2,487	1,617	90,735	85,071	2,442	1,588	89,101
Accounting and fees	-	83,185	-	83,185	-	56,399	-	56,399
Board meeting expenses	-	9,956	-	9,956	-	-	-	-
Dues, subscriptions & registrations	3,237	4,799	3,126	11,162	3,315	4,915	3,201	11,431
Gifts-in-kind expense	20,669	-	-	20,669	4,806	-	-	4,806
County program costs	1,788,401	-	-	1,788,401	1,823,858	-	-	1,823,858
International fundraising	-	-	-	-	-	-	56,121	56,121
Short term mission trips	165,257	-	-	165,257	144,404	-	-	144,404
Insurance	-	-	-	-	106	157	102	365
Occupancy	4,530	6,717	4,374	15,621	4,190	6,213	4,046	14,449
Outside service	1,468	2,176	1,417	5,061	607	900	586	2,093
Supplies	3,989	5,913	3,851	13,753	2,751	4,078	9,718	16,547
Printing	571	847	552	1,970	5,028	7,456	4,855	17,339
Postage	648	960	626	2,234	525	778	507	1,810
Bad debt expense	3,250	-	-	3,250	-	105,010	-	105,010
Promotions & advertising	3,668	5,439	7,575	16,682	3,438	5,098	7,100	15,636
Telecommunications	1,008	1,494	972	3,474	823	1,220	794	2,837
Travel	38,363	17,108	44,709	100,180	30,610	3,826	3,825	38,261
Website service	4,259	6,315	4,112	14,686	7,334	-	-	7,334
Total functional expenses	<u>\$ 2,323,158</u>	<u>\$ 343,873</u>	<u>\$ 190,520</u>	<u>\$ 2,857,551</u>	<u>\$ 2,258,500</u>	<u>\$ 374,126</u>	<u>\$ 198,329</u>	<u>\$ 2,830,955</u>

The accompanying notes are an integral part of this statement.

LIFE IN ABUNDANCE INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

(1) NATURE OF ORGANIZATION:

Life in Abundance International (the Organization) is a nonprofit corporation incorporated in California that performs community development and evangelistic work in partnership with churches in fourteen 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.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of accounting -

The Organization maintains its financial statements on the accrual basis of accounting which recognizes the support and revenue as it is earned and expenses as they are incurred.

Financial Statement Presentation -

The financial statements of the Organization have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

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.

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 that the funds be maintained in perpetuity.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Pledges Receivable -

Pledges receivable are recorded in the fiscal year, in which the pledge has become unconditional and then is classified as either without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and equipment -

Property and equipment are 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.

Without donor informing the Organization otherwise, 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 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 and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may vary from those estimates.

New Accounting Pronouncements -

Also, effective January 1, 2019, the Organization adopted ASU 2018-08, Not-for-Profit Entities: *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions.

The adoption of these new standards did not result in a material impact to the Organization's financial statements. There was no significant effect on the financial statements related to the adoption of these new standards which would require a cumulative adjustment to net assets at the date of adoption under the modified retrospective method.

Donated Goods -

Donated goods are recognized as a contribution at their estimated fair value when donated to the Organization. For the years ended December 31, 2019 and 2018, the Organization donated goods received were valued at \$20,699 and \$4,806, respectively.

Donated Services -

No amounts have been reflected in the financial statements for donated services in as much as no objective basis is currently available to measure the value of such contributions.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Functional allocation of expenses -

The cost of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefits primarily on estimates of time and effort. Depreciation expense on buildings at various field sites are 100% program and deprecation on equipment and website costs are allocated on wages.

Tax status -

The Organization has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes, except for taxes on unrelated business income generated from unrelated trade or business activities. The Organization did not have unrelated business income for the years ended December 31, 2019 and 2018. Accordingly, no provision for income tax has been established.

The Organization files income tax returns in the U.S. federal jurisdiction and California. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2016. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

Reclassification -

Certain prior year amount have been reclassified to be consist with current year presentation.

(3) PLEDGES RECEIVABLE:

Unconditional promises to give at December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Receivable in less than one year	\$ 793,440	\$ 971,823
Receivable in greater than one year and less than five years	<u>277,697</u>	<u>1,264,829</u>
Total unconditional promises to give	1,071,137	2,236,652
Less - Discounts to net present value	(51,916)	(147,653)
- Allowance for doubtful accounts	<u>-</u>	<u>-</u>
Net unconditional promise to give	<u>\$ 1,019,221</u>	<u>\$ 2,088,999</u>

The discount rate used on long-term promises to give is 4.0% for 2019 and 2018.

(4) INVESTMENTS IN BLUE WINGS LIMITED:

At December 31, 2019 investment consisted of a 48% interest in LIA Blue Wings Limited, a Kenya Limited Liability Corporation. The corporation was established by management of the Organization to purchase and operate an airplane to transport staff of the Organization and other organizations involved in community development and evangelistic work to field sites. The original investment in LIA Blue Wings Limited was \$288,000. The Organization records its investment in LIA Blue Wings Limited using the equity method, accordingly distributed income and losses, capital contributions made to, and distributions received from LIA Blue Wings Limited will affect the basis of the investment.

LIA Blue Wings Limited earned net income of \$172,290 during the year ended December 31, 2019. Blue Wings Limited owned 48% of this income totaling \$82,699. This increased the carrying value of the investment to \$328,806.

(5) ENDOWMENT INVESTMENTS:

The Organization's endowment consists of one individual fund. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The investment policy allows for a broad range of investments. Appropriations require board of director's approval and are considered as needs arise. As the endowment assets are held in Kenya, the Organization follows Kenyan endowment laws.

Endowment changes by net asset classes for the years ended December 31, 2019 and 2018 are as follows:

	2019			
	<u>Without Donor</u>	<u>Purpose or Time</u>	<u>Perpetual</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restricted</u>	<u>in Nature</u>	
Endowment net assets, beginning of year	\$ -	\$ 31,990	\$ 377,500	\$ 409,490

(5) ENDOWMENT INVESTMENTS: (Continued)

	2019			
	<u>Without Donor Restrictions</u>	<u>Purpose or Time Restricted</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Investment return:				
Interest income	\$ -	\$ 11,692	\$ -	\$ 11,692
Foreign exchange gain	-	3,549	-	3,549
Unrealized (loss)	-	8,850	-	8,850
Total investment return	-	24,091	-	24,091
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 56,081</u>	<u>\$ 377,500</u>	<u>\$ 433,581</u>
	2018			
	<u>Without Donor Restriction</u>	<u>Purpose or Time Restricted</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Endowment net assets, beginning of year	<u>\$ -</u>	<u>\$ 10,897</u>	<u>\$ 250,000</u>	<u>\$ 260,897</u>
Investment return:				
Interest income	-	13,273	-	13,273
Foreign exchange gain	-	5,298	-	5,298
Realized (loss)	-	(2,725)	-	(2,725)
Unrealized gain	-	5,247	-	5,247
Total investment return	-	21,093	-	21,093
Contributions	-	-	127,500	127,500
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 31,990</u>	<u>\$ 377,500</u>	<u>\$ 409,490</u>

(6) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

(6) FAIR VALUE MEASUREMENTS: (Continued)

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Government bonds: Valued at the quoted market price the individual securities are traded on.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2019 and 2018:

<u>Description</u>	<u>Assets at Fair Value as of December, 31 2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government bonds - Kenya	<u>\$ -</u>	<u>\$ 306,081</u>	<u>\$ -</u>	<u>306,081</u>

(6) FAIR VALUE MEASUREMENTS: (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2018.

<u>Description</u>	<u>Assets at Fair Value as of December, 31 2018</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government bonds - Kenya	\$ -	\$ 281,990	\$ -	281,990

(7) LOAN TO LIA BLUE WINGS LIMITED:

The Organization loaned \$799,967 to the Life in Abundance (Headquarters) for purchase of the airplane and other assets. There is no interest on this loan and no scheduled repayment date. Life in Abundance (Headquarters) will pay the loan as profits from the operations allow for payment. After the loan is paid, profit will be used to fund programs.

(8) NOTE PAYABLE:

The Organization borrowed \$1,100,000 from the Impact Investing Charitable Trust under a note dated May 15, 2018. The interest rate is 4% per annum. The loan requires monthly payments of \$3,500 beginning 120 days after the loan date. On the 5th anniversary of the loan date (May, 2023) all interest and any unpaid principal amount is due. The note allows for prepayments without any penalty. The collateral is the Organization's interest in Blue Wings Corporation. The scheduled monthly payments on this loan are smaller than the interest incurred monthly, so no portion of the loan payment goes to pay down the loan balance. The loan balance will increase with the unpaid interest portion of each month's payment. Therefore, there are no maturities of long-term debt for the years the years 2019 to 2022. The maturity balance due at the end of the loan period will be \$1,123,540 if no additional payments are made.

(9) NET ASSETS WITH RESTRICTIONS:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows for the years ended December 31, 2019 and 2018. Net assets contributions, releases and year end restrictions consist of:

<u>Restriction</u>	<u>2019</u>	<u>2018</u>
Endowment – perpetual in nature	\$ 377,500	\$ 377,500
Endowment – time restricted	56,081	-
Dale Galemore fund	761	-
Global health conference	5,851	49,651
Blue Wings Airplane	127,500	106,250
Projects in Uganda	229,256	264,091
Projects in Burundi	2,682	2,682
Relief in the Horn of Africa	-	22,732
Projects in Haiti	3,532	45,753

(7) NET ASSETS WITH RESTRICTIONS: (Continued)

<u>Restriction</u>	<u>2019</u>	<u>2018</u>
Ministry in North Africa	\$ 37,365	\$ 13,451
Projects in Djibouti	-	19,957
Projects in Jamaica	41,735	15,023
Projects in Sudan	92,161	125,875
Projects in South Sudan	130,952	118,691
Projects in Rwanda	82,972	322,972
Projects in Ethiopia	90,302	96,599
Projects in Kenya	295,010	212,030
Projects in D.R. Congo	-	-
	<u>\$ 1,573,660</u>	<u>\$ 1,793,257</u>

(10) LIQUIDITY AND AVAILABILITY:

Financial assets are considered to be available for general expenditure if there are no donor or other restrictions that would preclude use for general expenditures. At December 31, 2019 and 2018, financial assets available for general expenditure within one year are comprised of the following:

	<u>2019</u>	<u>2018</u>
Cash	\$ 633,174	\$ 670,310
Investments	306,081	281,990
Pledges receivable - current portion	<u>793,440</u>	<u>971,823</u>
Total financial assets	1,732,695	1,924,123
Less net assets with donor restrictions	<u>1,498,660</u>	<u>1,793,257</u>
Total liquid assets available for general expenditures	<u>\$ 234,035</u>	<u>\$ 130,866</u>

To manage liquid assets the Organization establishes an annual budget that plans to maintain any reserves. Each field site and program have a budget that will spend grants and donations received but not more than amount received. This maintains cash balance sufficient to provide cash for all general expenditures for the year.

(11) 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, 2019 and 2018 there was \$371,259 and \$405,067 in excess of insured limits based on actual bank balances, respectively. At other times during the year, balances exceeded insurance limits.

(11) CONCENTRATIONS: (Continued)

In the year ended December 31, 2019 and 2018 Life in Abundance International was supported primarily by donor contributions. Approximately 33% and 37% of Life in Abundance International's total revenue was provided by two private foundations, respectively.

(12) 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 2019 and 2018 no payments were made because there were no employee contributions.

(13) OPERATING LEASE:

The Organization has an operating lease on office space in Louisville, Kentucky. This lease is on month-to-month basis. For the years ended December 31, 2019 and 2018 lease payments were \$10,800 and \$10,200 respectively.

The Organization has an operating lease on a copier. This term of this lease is October, 2018 to October, 2022 and requires monthly payments of \$115 plus charges for overages. For the years ended December 31, 2019 and 2018 lease payments were \$1,815 and \$1,525 respectively.

Future minimum lease payments:

2020	\$	1,380
2021		1,380
2022		1,150

(14) EVALUATION OF SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through May 13, 2020, the date which the financial statements were available to be issued.

In March 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Organization cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption from this pandemic may impact our operations and financial statements.

As part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, in May, 2020, the Organization obtained a Payroll Protection Program (PPP) loan in the amount of \$88,900. The interest rate on this loan is 1% with the amount to be repaid in 18 installments beginning November 2020 with the final payment due on May, 2022. As part of the PPP loan agreement, a portion of the loan can be forgiven. The Organization intends to maximize the forgiven portion of this loan as allowed under Act.

(15) CONTINGENCY:

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