

**LIFE IN ABUNDANCE INTERNATIONAL**  
**FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2020 AND 2019**  
**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, 2020 and 2019, 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 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 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.

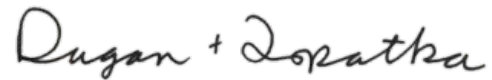
### *Opinion*

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, 2020 and 2019 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.

Independent Auditor's Report  
To the Board of Directors of  
Life in Abundance International  
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*Correction of Error*

As described in Note 15 to the financial statements, the Organization overstated land and buildings in the previous year due to an error in recording payments to affiliates. Our opinion is not modified with respect to that matter.

A handwritten signature in cursive script that reads "Dugan + Lopatka".

DUGAN & LOPATKA

Warrenville, Illinois  
May 28, 2021

LIFE IN ABUNDANCE INTERNATIONAL  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019

	2020	2019 (restated)
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 303,831	\$ 532,174
Pledges receivable, net of allowance	1,367,350	793,440
Other current assets	148	-
	1,671,329	1,325,614
PROPERTY AND EQUIPMENT:		
Computers and office equipment	59,757	59,757
Website development	15,143	15,143
Less: accumulated depreciation	(74,900)	(73,203)
	-	1,697
OTHER ASSETS:		
Cash restricted for long-term purposes	176,000	176,000
Pledges receivable - noncurrent portion	610,379	225,781
Loan fees - net	12,833	18,333
Investments - endowment	74,586	306,081
Loan to LIA Blue Wings Limited	799,967	799,967
Investment in LIA Blue Wings Limited	380,665	328,806
Deposits	900	900
	2,055,330	1,855,868
Total other assets	2,055,330	1,855,868
Total assets	\$ 3,726,659	\$ 3,183,179
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 17,178	\$ 11,071
Notes payable, current maturity	43,858	-
	61,036	11,071
Total current liabilities	61,036	11,071
LONG-TERM LIABILITIES:		
Note payable, net of current maturities	1,151,784	1,104,520
Total liabilities	1,212,820	1,115,591
NET ASSETS:		
Net assets without donor restrictions	608,605	493,928
Net assets with donor restrictions	1,905,234	1,573,660
	2,513,839	2,067,588
Total net assets	2,513,839	2,067,588
Total liabilities and net assets	\$ 3,726,659	\$ 3,183,179

The accompanying notes are an integral part of this statement.

LIFE IN ABUNDANCE INTERNATIONAL  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019 (restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 1,585,614	\$ 1,806,267	\$ 3,391,881	\$ 724,557	\$ 989,710	\$ 1,714,267
Gifts in-kind	15,511	-	15,511	20,669	-	20,669
Realized and unrealized gains (losses) in investments	-	(375)	(375)	-	8,850	8,850
Gain on LIA Blue Wings Limited investments	51,859	-	51,859	82,699	-	82,699
Loss on sale of investments	(29)	-	(29)	(219)	-	(219)
Foreign exchange gain	-	(4,011)	(4,011)	-	3,549	3,549
Interest income	238	13,673	13,911	4,976	11,692	16,668
	<u>1,653,193</u>	<u>1,815,554</u>	<u>3,468,747</u>	<u>832,682</u>	<u>1,013,801</u>	<u>1,846,483</u>
Net assets released from restrictions	<u>1,483,980</u>	<u>(1,483,980)</u>	<u>-</u>	<u>1,233,398</u>	<u>(1,233,398)</u>	<u>-</u>
Total support and revenue	<u>3,137,173</u>	<u>331,574</u>	<u>3,468,747</u>	<u>2,066,080</u>	<u>(219,597)</u>	<u>1,846,483</u>
<b>EXPENSES:</b>						
Program services	2,528,656	-	2,528,656	2,323,158	-	2,323,158
Supporting activities:						
Management & general	348,087	-	348,087	343,873	-	343,873
Fundraising	145,753	-	145,753	190,520	-	190,520
Total expenses	<u>3,022,496</u>	<u>-</u>	<u>3,022,496</u>	<u>2,857,551</u>	<u>-</u>	<u>2,857,551</u>
CHANGE IN NET ASSETS	<u>114,677</u>	<u>331,574</u>	<u>446,251</u>	<u>(791,471)</u>	<u>(219,597)</u>	<u>(1,011,068)</u>
NET ASSETS, beginning of year, as previously stated	4,032,212	1,573,660	5,605,872	4,823,683	1,793,257	6,616,940
PRIOR PERIOD ADJUSTMENT	<u>(3,538,284)</u>	<u>-</u>	<u>(3,538,284)</u>	<u>(3,538,284)</u>	<u>-</u>	<u>(3,538,284)</u>
NET ASSETS, beginning of year, restated	<u>493,928</u>	<u>1,573,660</u>	<u>2,067,588</u>	<u>1,285,399</u>	<u>1,793,257</u>	<u>3,078,656</u>
NET ASSETS, end of year	<u>\$ 608,605</u>	<u>\$ 1,905,234</u>	<u>\$ 2,513,839</u>	<u>\$ 493,928</u>	<u>\$ 1,573,660</u>	<u>\$ 2,067,588</u>

The accompanying notes are an integral part of this statement.

NEW GENERATIONS  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 446,251	\$ (1,011,068)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	7,197	90,735
Realized and unrealized (gain) loss on investments	375	(8,850)
(Gain) on LIA Blue Wings Limited not using cash	(51,859)	(82,699)
Loss on sale of investments	29	219
Exchange rate (gain) loss	4,011	(3,549)
(Increase) decrease in pledges receivable	(958,508)	1,069,778
(Increase) in other assets	(148)	-
Increase in accounts payable & accrued expenses	8,329	2,544
	<u>(544,323)</u>	<u>57,110</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	240,753	-
Earning reinvested on endowment	(13,673)	(11,911)
	<u>227,080</u>	<u>(11,911)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on loan	-	(7,335)
Proceeds from loan	88,900	-
	<u>88,900</u>	<u>(7,335)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(228,343)</b>	<b>37,864</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b><u>708,174</u></b>	<b><u>670,310</u></b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 479,831</u></b>	<b><u>\$ 708,174</u></b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Interest paid	<u>\$ 46,002</u>	<u>\$ 42,206</u>

The accompanying notes are an integral part of this statement.

LIFE IN ABUNDANCE INTERNATIONAL  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019				
	Program	Management and General	Fundraising	Total Expenses	Program	Management and General	Fundraising	Total Expenses
Wages	\$ 117,383	\$ 174,050	\$ 113,335	\$ 404,768	\$ 103,446	\$ 153,385	\$ 99,879	\$ 356,710
Employee benefits	4,414	6,545	4,262	15,221	4,526	6,711	4,370	15,607
Payroll taxes	8,542	12,666	8,248	29,456	8,494	12,594	8,201	29,289
Consultants	27,500	-	-	27,500	22,500	-	-	22,500
Staff training	950	-	-	950	4,702	-	-	4,702
Bank, wire & merchant fees	-	14,603	-	14,603	-	15,901	-	15,901
Interest	44,221	-	-	44,221	48,224	-	-	48,224
Computer supplies	1,222	1,813	1,181	4,216	5,317	7,886	5,139	18,342
Depreciation & amortization	6,872	197	128	7,197	86,631	2,487	1,617	90,735
Accounting and fees	-	85,298	-	85,298	-	83,185	-	83,185
Board meeting expenses	-	-	-	-	-	9,956	-	9,956
Dues, subscriptions & registrations	3,142	4,658	3,034	10,834	3,237	4,799	3,126	11,162
Gifts-in-kind expense	15,511	-	-	15,511	20,669	-	-	20,669
Grants	2,188,222	-	-	2,188,222	1,788,401	-	-	1,788,401
Short-term mission trips	15,838	-	-	15,838	165,257	-	-	165,257
Occupancy	4,314	6,396	4,165	14,875	4,530	6,717	4,374	15,621
Outside service	1,185	1,757	1,144	4,086	1,468	2,176	1,417	5,061
Supplies	2,493	3,703	2,407	8,603	3,989	5,913	3,851	13,753
Printing	1,148	1,702	1,109	3,959	571	847	552	1,970
Postage	548	812	529	1,889	648	960	626	2,234
Bad debt expense	75,000	-	-	75,000	3,250	-	-	3,250
Promotions & advertising	182	270	377	829	3,668	5,439	7,575	16,682
Telecommunications	783	1,161	755	2,699	1,008	1,494	972	3,474
Travel	4,351	25,287	410	30,048	38,363	17,108	44,709	100,180
Website service	4,835	7,169	4,669	16,673	4,259	6,315	4,112	14,686
<b>Total functional expenses</b>	<b>\$ 2,528,656</b>	<b>\$ 348,087</b>	<b>\$ 145,753</b>	<b>\$ 3,022,496</b>	<b>\$ 2,323,158</b>	<b>\$ 343,873</b>	<b>\$ 190,520</b>	<b>\$ 2,857,551</b>

The accompanying notes are an integral part of this statement.

LIFE IN ABUNDANCE INTERNATIONAL  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 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. 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. Allowance for doubtful accounts at December 31, 2020 and 2019 is \$75,000 and \$-0-, respectively.



(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.

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, 2020 and 2019, the Organization donated goods received were valued at \$15,511 and \$20,669, 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.

Revenue Recognition for Contributions -

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give; that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

(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, 2020 and 2019. 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 2017. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

(3) PLEDGES RECEIVABLE:

Unconditional promises to give at December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 1,367,350	\$ 793,440
Receivable in greater than one year and less than five years	<u>712,794</u>	<u>277,697</u>
Total unconditional promises to give	2,080,144	1,071,137
Less - Discounts to net present value	(27,415)	(51,916)
- Allowance for doubtful accounts	<u>(75,000)</u>	<u>-</u>
Net unconditional promise to give	<u>\$ 1,977,729</u>	<u>\$ 1,019,221</u>

The discount rate used on long-term promises to give is 4.0% for 2020 and 2019.

(4) INVESTMENTS IN BLUE WINGS LIMITED:

At December 31, 2020 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 \$108,040 during the year ended December 31, 2020. Blue Wings Limited owned 48% of this income totaling \$51,859. This increased the carrying value of the investment to \$380,665.

(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, 2020 and 2019 are as follows:

	2020			Total
	Without Donor Restrictions	Purpose or Time Restricted	Perpetual in Nature	
Endowment net assets, beginning of year	\$ -	\$ 56,081	\$ 377,500	\$ 433,581
Investment return:				
Interest income	-	13,673	-	13,673
Foreign exchange gain	-	(4,011)	-	(4,011)
Realized gain	-	24,019	-	24,019
Unrealized gain (loss)	-	(24,394)	-	(24,394)
Total investment return	-	9,287	-	9,287
Contributions	-	-	42,500	42,500
Endowment net assets, end of year	\$ -	\$ 65,368	\$ 420,000	\$ 485,368

(5) ENDOWMENT INVESTMENTS: (Continued)

	2019			Total
	<u>Without Donor Restriction</u>	<u>Purpose or Time Restricted</u>	<u>Perpetual in Nature</u>	
Endowment net assets, beginning of year	\$ -	\$ 31,990	\$ 377,500	\$ 409,490
Investment return:				
Interest income	-	11,692	-	11,692
Foreign exchange gain	-	3,549	-	3,549
Realized gain	-	-	-	-
Unrealized gain (loss)	-	8,850	-	8,850
Total investment return	-	24,091	-	24,091
Endowment net assets, end of year	\$ -	\$ 56,081	\$ 377,500	\$ 433,581

(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:

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.

(6) FAIR VALUE MEASUREMENTS: (Continued)

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, 2020 and 2019.

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, 2020 and 2019:

<u>Description</u>	<u>Assets at Fair Value as of December, 31 2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government bonds - Kenya	\$ -	\$ 74,586	\$ -	74,586

<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	\$ -	\$ 306,081	\$ -	306,081

(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) NOTES 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 5<sup>th</sup> 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 Limited. 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 2023. The maturity balance due at the end of the loan period will be \$1,112,283 if no additional payments are made.

In May 2020, the Organization obtained a Payroll Protection Program (PPP) loan payable to a bank as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act in the amount of \$88,900. Interest accrued at 1%, with the amount to be repaid in equal installments of principal and interest, beginning at the earlier of the date the Small Business Administration (SBA) remits the loan forgiveness amount, or 10 months after the end of the forgivable covered period, with the final payment due April 2022, consisting of interest and the entirety of the principal. The Organization has adopted ASC 470 to account for the loan. The Organization will have to make principal payments of \$43,858 in 2021 and \$45,042 in 2022 if not fully forgiven.

(9) NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions on December 31, 2020 and 2019, are as follows:

<u>Restriction</u>	<u>2020</u>	<u>2019</u>
Endowment – perpetual in nature	\$ 420,000	\$ 377,500
Endowment – time restricted	65,368	56,081
Dale Galemore fund	761	761
Global health conference	5,851	5,851
Blue Wings Airplane	127,500	127,500
Projects in Uganda	121,510	229,256
Projects in Burundi	14,201	2,682
Relief in the Horn of Africa	94,534	-
Projects in Haiti	-	3,532
Ministry in North Africa	108,983	37,365
Projects in Djibouti	228,903	-
Projects in Jamaica	-	41,735
Projects in Sudan	173,350	92,161
Projects in South Sudan	135,760	130,952
Projects in Rwanda	-	82,972

(9) NET ASSETS WITH RESTRICTIONS: (Continued)

<u>Restriction</u>	<u>2020</u>	<u>2019</u>
Projects in Ethiopia	\$ 90,984	\$ 90,302
Projects in Kenya	278,067	295,010
Feeding the Shepards	27,943	-
Projects in D.R. Congo	<u>11,519</u>	<u>-</u>
	<u>\$ 1,905,234</u>	<u>\$ 1,573,660</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, 2020 and 2019, financial assets available for general expenditure within one year are comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash	\$ 479,831	\$ 633,174
Investments	74,586	306,081
Pledges receivable	<u>1,977,729</u>	<u>1,019,221</u>
Total financial assets	2,532,146	1,958,476
Less net assets with donor restrictions	<u>1,905,234</u>	<u>1,573,660</u>
Total liquid assets available for general expenditures	<u>\$ 626,912</u>	<u>\$ 384,816</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, 2020 and 2019 there was \$141,402 and \$371,259 in excess of insured limits based on actual bank balances, respectively. At other times during the year, balances exceeded insurance limits.

For the years ended December 31, 2020 and 2019 Life in Abundance International received approximately 47% and 33%, respectively, of its total revenues from two private donors.

(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 2020 and 2019 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, 2020 and 2019 lease payments were \$9,900 and \$10,800, 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, 2020 and 2019 lease payments were \$2,327 and \$1,815, respectively.

Future minimum lease payments:

2021	\$	1,380
2022		1,150

(14) EVALUATION OF SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through May 28, 2021, the date which the financial statements were available to be issued.

(15) PRIOR PERIOD ADJUSTMENT:

Certain errors resulting in an overstatement of previously reported land and buildings were discovered during the current year. Accordingly, an adjustment of \$656,872 was made to land and an adjustment of \$3,207,508 was made to buildings and an adjustment of \$326,096 to accumulated depreciation. A corresponding entry was made to decrease previously reported net assets. The 2019 financial statements have been restated to decrease net assets by \$3,538,284.

(16) MANAGEMENT RESPONSE TO COVID-19:

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. In response to the effects of COVID-19, management is implementing strategies to help mitigate the losses in relation to this pandemic. The Organization cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption from this pandemic may impact the Organization's operations and financial statements.