

LIFE IN ABUNDANCE INTERNATIONAL
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021 AND 2020
TOGETHER WITH AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Life in Abundance International:

Opinion

We have audited the accompanying financial statements of Life in Abundance International (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of Life of Abundance International as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Life of Abundance International and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about Life of Abundance International's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

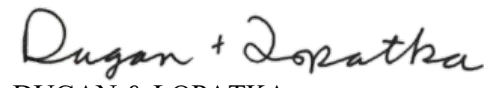
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Life of Abundance International's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Life of Abundance International's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.


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LIFE IN ABUNDANCE INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 115,024	\$ 303,831
Pledges receivable, net of allowance	878,143	1,367,350
Other current assets	12,649	148
	<u>1,005,816</u>	<u>1,671,329</u>
PROPERTY AND EQUIPMENT:		
Computers and office equipment	59,757	59,757
Website development	15,143	15,143
Less: accumulated depreciation	<u>(74,900)</u>	<u>(74,900)</u>
	<u>-</u>	<u>-</u>
OTHER ASSETS:		
Cash restricted for long-term purposes	176,000	176,000
Pledges receivable, net - noncurrent portion	65,619	610,379
Loan fees - net	7,333	12,833
Investments - endowment	59,919	74,586
Loan to LIA Blue Wings Limited	799,967	799,967
Investment in LIA Blue Wings Limited	357,469	380,665
Deposits	<u>900</u>	<u>900</u>
	<u>1,467,207</u>	<u>2,055,330</u>
	<u>\$ 2,473,023</u>	<u>\$ 3,726,659</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 14,741	\$ 17,178
Notes payable, current maturity	<u>-</u>	<u>43,858</u>
	<u>14,741</u>	<u>61,036</u>
LONG-TERM LIABILITIES:		
Note payable, net of current maturities	<u>1,109,053</u>	<u>1,151,784</u>
	<u>1,123,794</u>	<u>1,212,820</u>
NET ASSETS:		
Net assets without donor restrictions	(83,769)	608,605
Net assets with donor restrictions	<u>1,432,998</u>	<u>1,905,234</u>
	<u>1,349,229</u>	<u>2,513,839</u>
	<u>\$ 2,473,023</u>	<u>\$ 3,726,659</u>

The accompanying notes are an integral part of this statement.

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 1,192,299	\$ 699,895	\$ 1,892,194	\$ 1,585,614	\$ 1,806,267	\$ 3,391,881
Gifts in-kind	12,500	-	12,500	15,511	-	15,511
Realized and unrealized (losses) in investments	-	(356)	(356)	-	(375)	(375)
Gain (loss) on LIA Blue Wings Limited investments	(23,196)	-	(23,196)	51,859	-	51,859
Loss on sale of investments	-	-	-	(29)	-	(29)
Foreign exchange (loss)	-	(15,651)	(15,651)	-	(4,011)	(4,011)
Reimbursements	1,500	-	1,500	-	-	-
Forgiveness of debt	83,014	-	83,014	-	-	-
Interest income	1,404	10,558	11,962	238	13,673	13,911
	<u>1,267,521</u>	<u>694,446</u>	<u>1,961,967</u>	<u>1,653,193</u>	<u>1,815,554</u>	<u>3,468,747</u>
Net assets released from restrictions	<u>1,166,682</u>	<u>(1,166,682)</u>	<u>-</u>	<u>1,483,980</u>	<u>(1,483,980)</u>	<u>-</u>
Total support and revenue	<u>2,434,203</u>	<u>(472,236)</u>	<u>1,961,967</u>	<u>3,137,173</u>	<u>331,574</u>	<u>3,468,747</u>
EXPENSES:						
Program services	2,537,881	-	2,537,881	2,528,656	-	2,528,656
Supporting activities:						
Management & general	419,268	-	419,268	348,087	-	348,087
Fundraising	169,428	-	169,428	145,753	-	145,753
Total expenses	<u>3,126,577</u>	<u>-</u>	<u>3,126,577</u>	<u>3,022,496</u>	<u>-</u>	<u>3,022,496</u>
CHANGE IN NET ASSETS	(692,374)	(472,236)	(1,164,610)	114,677	331,574	446,251
NET ASSETS, beginning 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>
NET ASSETS, end of year	<u>\$ (83,769)</u>	<u>\$ 1,432,998</u>	<u>\$ 1,349,229</u>	<u>\$ 608,605</u>	<u>\$ 1,905,234</u>	<u>\$ 2,513,839</u>

The accompanying notes are an integral part of this statement.

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,164,610)	\$ 446,251
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation and amortization	5,500	7,197
Realized and unrealized loss on investments	356	375
(Gain) loss on LIA Blue Wings Limited not using cash	23,196	(51,859)
Forgiveness of debt	(83,014)	-
Loss on sale of investments	-	29
Exchange rate loss	15,651	4,011
(Increase) decrease in pledges receivable	1,033,967	(958,508)
(Increase) in other assets	(12,501)	(148)
Increase (decrease) in accounts payable & accrued expenses	(2,437)	8,329
	<u>(183,892)</u>	<u>(544,323)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	-	240,753
Earning reinvested on endowment	(1,340)	(13,673)
	<u>(1,340)</u>	<u>227,080</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on loan	(5,886)	-
Proceeds from loan	2,311	88,900
	<u>(3,575)</u>	<u>88,900</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(188,807)	(228,343)
CASH AND CASH EQUIVALENTS, beginning of year	479,831	708,174
CASH AND CASH EQUIVALENTS, end of year	\$ 291,024	\$ 479,831
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	<u>\$ 44,312</u>	<u>\$ 46,002</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, 2021 AND 2020

	2021			2020				
	Program	Management and General	Fundraising	Total Expenses	Program	Management and General	Fundraising	Total Expenses
Wages	\$ 118,563	\$ 175,799	\$ 114,474	\$ 408,836	\$ 117,383	\$ 174,050	\$ 113,335	\$ 404,768
Employee benefits	3,591	5,325	3,467	12,383	4,414	6,545	4,262	15,221
Payroll taxes	7,481	11,093	7,223	25,797	8,542	12,666	8,248	29,456
Consultants	-	-	-	-	27,500	-	-	27,500
Staff training	1,279	-	-	1,279	950	-	-	950
Bank, wire & merchant fees	-	17,032	-	17,032	-	14,603	-	14,603
Interest	44,312	-	-	44,312	44,221	-	-	44,221
Computer supplies	2,567	3,808	2,481	8,856	1,222	1,813	1,181	4,216
Depreciation & amortization	5,500	-	-	5,500	6,872	197	128	7,197
Accounting and fees	-	85,959	-	85,959	-	85,298	-	85,298
Dues, subscriptions & registrations	2,060	3,054	1,989	7,103	3,142	4,658	3,034	10,834
Gifts-in-kind expense	157	-	-	157	15,511	-	-	15,511
Grants	2,317,620	-	-	2,317,620	2,188,222	-	-	2,188,222
Short-term mission trips	-	-	-	-	15,838	-	-	15,838
Occupancy	4,856	7,200	4,688	16,744	4,314	6,396	4,165	14,875
Outside service	811	1,202	783	2,796	1,185	1,757	1,144	4,086
Supplies	15,756	23,360	15,212	54,328	2,493	3,703	2,407	8,603
Printing	3,567	5,289	3,448	12,304	1,148	1,702	1,109	3,959
Postage	516	765	499	1,780	548	812	529	1,889
Bad debt expense	-	-	-	-	75,000	-	-	75,000
Promotions & advertising	4,027	5,965	8,296	18,288	182	270	377	829
Telecommunications	1,056	1,566	1,018	3,640	783	1,161	755	2,699
Travel	-	65,677	1,832	67,509	4,351	25,287	410	30,048
Website service	4,162	6,174	4,018	14,354	4,835	7,169	4,669	16,673
Total functional expenses	\$ 2,537,881	\$ 419,268	\$ 169,428	\$ 3,126,577	\$ 2,528,656	\$ 348,087	\$ 145,753	\$ 3,022,496

The accompanying notes are an integral part of this statement.

LIFE IN ABUNDANCE INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

(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) NATURE OF BUSINESS AND 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 receivables 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, 2021 and 2020 was \$-0- and \$75,000 respectively.

(2) NATURE OF BUSINESS AND 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, 2021 and 2020, the Organization donated goods received were valued at \$12,500 and \$15,511, 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) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

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.

Income Taxes -

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, 2021 and 2020. 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 2018. 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 on December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 878,143	\$ 1,367,350
Receivable in greater than one year and less than five years	<u>108,171</u>	<u>712,794</u>
Total unconditional promises to give	986,314	2,080,144
Less - Discounts to net present value	(42,552)	(27,415)
- Allowance for doubtful accounts	<u>-</u>	<u>(75,000)</u>
Net unconditional promise to give	<u>\$ 943,762</u>	<u>\$ 1,977,729</u>

The discount rate used on long-term promises to give is 4.0% for 2021 and 2020.

(4) INVESTMENTS IN BLUE WINGS LIMITED:

On December 31, 2021 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 loss of \$48,325 during the year ended December 31, 2021. Blue Wings Limited owned 48% of this loss totaling (\$23,196). This decreased the carrying value of the investment to \$357,469.

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, 2021 and 2020 are as follows:

	2021			
	Without Donor Restrictions	Purpose or Time Restricted	Perpetual in Nature	Total
Endowment net assets, beginning of year	\$ -	\$ 65,368	\$ 420,000	\$ 485,368
Investment return:				
Interest income	-	10,558	-	10,558
Foreign exchange (loss)	-	(15,651)	-	(15,651)
Unrealized gain (loss)	-	(356)	-	(356)
Total investment return	-	(5,449)	-	(5,449)
Endowment net assets, end of year	\$ -	\$ 59,919	\$ 420,000	\$ 479,919

(5) ENDOWMENT INVESTMENTS: (Continued)

	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

(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.

(6) FAIR VALUE MEASUREMENTS: (Continued)

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 on December 31, 2021 and 2020.

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, 2021 and 2020:

<u>Description</u>	<u>Assets at Fair Value as of December, 31 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government bonds - Kenya	\$ -	\$ 59,919	\$ -	59,919

<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

(7) LOAN TO LIFE IN ABUNDANCE (HEADQUARTERS):

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 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 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 \$1,109,053 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. In August, 2021, the Organization received notice from the SBA that a portion of their loan had been forgiven (\$83,014) and has recorded a gain from the forgiven portion of the loan in accordance with ASC 470. The remaining balance (\$5,886) was paid back to the SBA in August, 2021.

(9) NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions on December 31, 2021 and 2020, are as follows:

<u>Restriction</u>	<u>2021</u>	<u>2020</u>
Endowment – perpetual in nature	\$ 420,000	\$ 420,000
Endowment – time restricted	59,919	65,368
Dale Galemore fund	761	761
Global health conference	5,851	5,851
Blue Wings Airplane	123,750	127,500
Projects in Uganda	6,533	121,510
Projects in Burundi	43,526	14,201
Relief in the Horn of Africa	56,079	94,534
Ministry in North Africa	25,459	108,983
Projects in Djibouti	135,433	228,903
Projects in Jamaica	7,426	-
Projects in Sudan	108,816	173,350
Projects in South Sudan	135,634	135,760

(9) NET ASSETS WITH RESTRICTIONS: (Continued)

<u>Restriction</u>	<u>2021</u>	<u>2020</u>
Projects in Ethiopia	\$ -	\$ 90,984
Projects in Kenya	214,550	278,067
Feeding the Shepards	27,943	27,943
Projects in D.R. Congo	32,769	11,519
Global Institute	17,711	-
Projects in Eeitrea	<u>10,838</u>	<u>-</u>
	<u>\$ 1,432,998</u>	<u>\$ 1,905,234</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, 2021 and 2020, financial assets available for general expenditure within one year are comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 291,024	\$ 479,831
Investments	59,919	74,586
Pledges receivable	<u>943,762</u>	<u>1,977,729</u>
Total financial assets	1,294,705	2,532,146
Less net assets with donor restrictions	<u>1,432,998</u>	<u>1,905,234</u>
Total liquid assets available for general expenditures	<u>\$ (138,293)</u>	<u>\$ 626,912</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. The deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000. On December 31, 2021 and 2020 there was \$0 and \$141,402 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, 2021 and 2020 Life in Abundance International received approximately 34% and 47%, respectively, of its total revenues from three and two private donors, 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 2021 and 2020 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, 2021 and 2020 lease payments were \$10,800.

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, 2021 and 2020 lease payments were \$1,379 and \$2,327, respectively.

Future minimum lease payments:

2022	\$	1,150
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(14) EVALUATION OF SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through September 12, 2022, the date which the financial statements were available to be issued.