LIFE IN ABUNDANCE INTERNATIONAL

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022, AND 2021

TOGETHER WITH AUDITOR'S REPORT

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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, 2022 and 2021, 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 in Abundance International as of December 31, 2022 and 2021, 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 audits 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 in Abundance International and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Correction of Error

As discussed in Note 14 to the financial statements, certain error resulted in overstatement of amounts previously reported for notes payable and interest expense as of December 31, 2021, were discovered by management of the Organization during the current year. Accordingly, amounts reported for notes payable and interest expense have been restated in the 2021 financial statements now presented, and an adjustment has been made to net assets as of December 31, 2021, to correct the error. Our opinion is not modified with respect to that matter.

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 in 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 in 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.

Dugan + Lopatka
DUGAN & LOPATKA

Warrenville, Illinois
July 10, 2023

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021 (restated)
A S S E T S		
CURRENT ASSETS:		
Cash and cash equivalents	$ 170,641	$ 115,024
Pledges receivable, net of allowance	731,704	878,143
Other current assets	12,649	12,649
Total current assets	914,994	1,005,816
PROPERTY AND EQUIPMENT:		
Computers and office equipment	59,757	59,757
Website development	15,143	15,143
Less: accumulated depreciation	(74,900)	(74,900)
Total property and equipment	-	-
OTHER ASSETS:		
Cash restricted for long-term purposes	-	176,000
Pledges receivable, net - noncurrent portion	351,389	65,619
Right of use asset - operating	5,562	-
Loan fees - net	1,833	7,333
Investments - endowment	61,172	59,919
Loan to LIA Blue Wings Limited	799,967	799,967
Investment in LIA Blue Wings Limited	221,136	357,469
Deposits	900	900
Total other assets	1,441,959	1,467,207
Total assets	$ 2,356,953	$ 2,473,023
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 38,668	$ 14,741
Lease liability - operating	5,562	-
Notes payable, current maturity	1,015,191	43,858
Total current liabilities	1,059,421	58,599
LONG-TERM LIABILITIES:		
Note payable, net of current maturities	-	972,891
Total liabilities	1,059,421	1,031,490
NET ASSETS:		
Net assets without donor restrictions	(227,613)	8,535
Net assets with donor restrictions	1,525,145	1,432,998
Total net assets	1,297,532	1,441,533
Total liabilities and net assets	$ 2,356,953	$ 2,473,023

The accompanying notes are an integral part of this statement.

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021 (restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	$ 1,568,240	$ 1,485,512	$ 3,053,752	$ 1,192,299	$ 699,895	$ 1,892,194
Gifts in-kind	37,568	-	37,568	12,500	-	12,500
Realized and unrealized (losses) in investments	-	(1,264)	(1,264)	-	(356)	(356)
Gain (loss) on LIA Blue Wings Limited investments	(136,333)	-	(136,333)	(23,196)	-	(23,196)
Foreign exchange (loss)	-	-	-	-	(15,651)	(15,651)
Reimbursements	-	-	-	1,500	-	1,500
Forgiveness of debt	-	-	-	83,014	-	83,014
Interest income	-	2,518	2,518	1,404	10,558	11,962
	1,469,475	1,486,766	2,956,241	1,267,521	694,446	1,961,967
Net assets released from restrictions	1,394,619	(1,394,619)	-	1,166,682	(1,166,682)	-
Total support and revenue	2,864,094	92,147	2,956,241	2,434,203	(472,236)	1,961,967
EXPENSES:						
Program services	2,480,398	-	2,480,398	2,445,577	-	2,445,577
Supporting activities:						
Management & general	454,236	-	454,236	419,268	-	419,268
Fundraising	165,608	-	165,608	169,428	-	169,428
Total expenses	3,100,242	-	3,100,242	3,034,273	-	3,034,273
CHANGE IN NET ASSETS	(236,148)	92,147	(144,001)	(600,070)	(472,236)	(1,072,306)
NET ASSETS, beginning of year	8,535	1,432,998	1,441,533	608,605	1,905,234	2,513,839
NET ASSETS, end of year	$ (227,613)	$ 1,525,145	$ 1,297,532	$ 8,535	$ 1,432,998	$ 1,441,533

The accompanying notes are an integral part of this statement.

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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	2022	2021 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (144,001)	$ (1,072,306)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation and amortization	5,500	5,500
Realized and unrealized loss on investments	1,264	356
Loss on LIA Blue Wings Limited not using cash	136,333	23,196
Noncash portion of lease expense for operating leases	12,067	-
Repayments of lease liabilities - operating leases	(12,067)	-
Forgiveness of debt	-	(83,014)
Exchange rate loss	-	15,651
(Increase) decrease in pledges receivable	(139,331)	1,033,967
(Increase) in other assets	-	(12,501)
Increase (decrease) in accounts payable & accrued expenses	23,927	(2,437)
Net cash (used in) operating activities	(116,308)	(91,588)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Earning reinvested on endowment	(2,518)	(1,340)
Net cash (used in) investing activities	(2,518)	(1,340)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on loan	(1,557)	(98,190)
Proceeds from loan	-	2,311
Net cash (used in) financing activities	(1,557)	(95,879)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(120,383)	(188,807)
CASH AND CASH EQUIVALENTS, beginning of year	291,024	479,831
CASH AND CASH EQUIVALENTS, end of year	$ 170,641	$ 291,024
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	$ 44,312	$ 44,312

The accompanying notes are an integral part of this statement.

EXHIBIT 4

LIFE IN ABUNDANCE INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022				2021 (Restated)			
	Program	Management and General	Fundraising	Total Expenses	Program	Management and General	Fundraising	Total Expenses
Wages	$ 130,887	$ 194,073	$ 126,373	$ 451,333	$ 118,563	$ 175,799	$ 114,474	$ 408,836
Employee benefits	3,116	4,620	3,008	10,744	3,591	5,325	3,467	12,383
Payroll taxes	6,150	9,120	5,938	21,208	7,481	11,093	7,223	25,797
Staff training	3,964	-	-	3,964	1,279	-	-	1,279
Bank, wire & merchant fees	-	15,111	-	15,111	-	17,032	-	17,032
Interest	8,942	-	-	8,942	44,312	-	-	44,312
Computer supplies	3,054	11,776	2,952	17,782	2,567	3,808	2,481	8,856
Depreciation & amortization	5,500	-	-	5,500	5,500	-	-	5,500
Accounting and fees	-	93,840	-	93,840	-	85,959	-	85,959
Dues, subscriptions & registrations	774	1,148	748	2,670	2,060	3,054	1,989	7,103
Gifts-in-kind expense	37,568	-	-	37,568	157	-	-	157
Grants	2,255,442	-	-	2,255,442	2,225,316	-	-	2,225,316
Occupancy	5,690	4,701	5,493	15,884	4,856	7,200	4,688	16,744
Outside service	780	2,024	753	3,557	811	1,202	783	2,796
Supplies	5,658	9,361	5,463	20,482	15,756	23,360	15,212	54,328
Printing	2,102	4,126	2,032	8,260	3,567	5,289	3,448	12,304
Postage	1,106	1,640	1,070	3,816	516	765	499	1,780
Promotions & advertising	2,237	3,314	4,608	10,159	4,027	5,965	8,296	18,288
Telecommunications	644	955	621	2,220	1,056	1,566	1,018	3,640
Travel	-	88,198	-	88,198	-	65,677	1,832	67,509
Website service	6,784	10,229	6,549	23,562	4,162	6,174	4,018	14,354
Total functional expenses	$ 2,480,398	$ 454,236	$ 165,608	$ 3,100,242	$ 2,445,577	$ 419,268	$ 169,428	$ 3,034,273

The accompanying notes are an integral part of this statement.

(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. There was no allowance for doubtful accounts at December 31, 2022 and 2021.

(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 -

The Organization receives contributed nonfinancial assets that include medical supplies or space. Gifts in-kind revenue is recorded at the respective fair values of the goods or services received at the time of the donation.

In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles that prohibits the recording of donated services unless they create or enhance a nonfinancial asset or are specialized skills that would have been purchased if they were not donated.

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)

Leases -

The Organization determines if an arrangement is a lease or contains a lease at inception of the contract. The Organization's operating leases are presented in operating lease right-of-use assets, current portion of operating lease liabilities, and long-term portion of operating lease liabilities in the accompanying statement of financial position as of December 31, 2022.

Operating lease right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at each lease's commencement date. As most of the Organization's leases do not specify their implicit rate, the Organization has elected a practical expedient to use the nominal yield, at lease inception, applicable to U.S. Treasury instruments with a maturity of similar length of the lease term.

Operating lease right-of-use assets include all fixed contractual lease payments and initial direct costs incurred by the Organization, less any lease incentives the Organization receives from the lessor. The Organization has elected a practical expedient to account for lease and non-lease components together as a single lease component. The terms of the Organization's leases generally contain lease payments and reimbursements to the lessor of the Organization's proportionate share of common area maintenance (CAM), real estate taxes and other pass-through charges. Only the fixed lease components are included in the right-of-use assets and lease liabilities. Additionally, the Organization has elected not to apply these lease accounting policies to leases with a term of one year or less at the commencement date.

Operating lease expense for lease payments is recognized on a straight-line basis over the terms of each lease. Variable lease components include CAM, real estate taxes and other charges and are recorded as lease expense as incurred.

The Organization's leases can contain options granting the right to renew or extend the term of the lease for specified option periods. The decision as to whether the Organization will exercise the renewal options is generally at the Organization's sole discretion. The Organization includes lease extensions in the lease term when it is reasonably certain that the Organization will exercise the extension.

New Accounting Pronouncements -

Effective January 1, 2022, the Organization adopted ASU 2016-02, *Leases* (Topic 842) and subsequent amendments. Under ASU 2016-02, all of the Company's real estate and equipment leases that have lease terms exceeding twelve months will now be required to be recognized on the balance sheet as amortizable right-of-use assets accompanied by liabilities for the present value of the lease payments that the Organization is obligated to make in order to obtain control of the leased assets for the duration of each lease term.

(2) NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

New Accounting Pronouncements - (continued)

Lease expense, under these amendments, will be recognized in different patterns depending on whether the underlying lease is an operating lease or a finance lease. Lease expense for operating leases will be recognized as a single expense using the straight-line method over the term of the lease, which includes options to renew the lease that the Organization is reasonably expected to exercise. Finance lease expense will consist of two components, interest expense on the lease obligation payable and straight-line amortization of the right-of-use asset.

Implementation of these amendments is reflected using the modified retrospective method as of January 1, 2022. Consequently, the 2021 financial statements and disclosures do not reflect the effects of implementing the new lease standard. As a result of implementation, the Organization recorded additional lease assets and lease liabilities of $17,428 as of January 1, 2022. Upon implementation, the Organization elected an available package of practical expedients permitted under the transition guidance included in ASU 2018-11, *Leases* (Topic 842) – *Targeted Improvements* that permits the Organization to carry forward the historical lease identification, classification and initial direct costs associated with the Organization's pre-existing leases. The implementation of the amendments did not materially impact the Organization's net earnings or cash flows.

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, 2022, and 2021. 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 2019. 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, 2022, and 2021 are as follows:

	2022	2021
Receivable in less than one year	$ 731,704	$ 878,143
Receivable in greater than one year and less than five years	383,838	108,171
Total unconditional promises to give	1,115,542	986,314
Less - Discounts to net present value	(32,449)	(42,552)
- Allowance for doubtful accounts	-	-
Net unconditional promise to give	$ 1,083,093	$ 943,762

The discount rate used on long-term promises to give is 4.0% for 2022 and 2021.

(4) INVESTMENTS IN BLUE WINGS LIMITED:

On December 31, 2022 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 $284,027 during the year ended December 31, 2022. Blue Wings Limited owned 48% of this loss totaling (136,333). This decreased the carrying value of the investment to $221,136.

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.

(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.

(5) ENDOWMENT INVESTMENTS: (Continued)

Endowment changes by net asset classes for the years ended December 31, 2022, and 2021 are as follows:

	2022			
	Without Donor Restrictions	Purpose or Time Restricted	Perpetual in Nature	Total
Endowment net assets, beginning of year	$ -	$ 59,919	$ 420,000	$ 479,919
Investment return:				
Interest income	-	2,517	-	2,517
Foreign exchange (loss)	-	-	-	-
Unrealized gain (loss)	-	(1,264)	-	(1,264)
Total investment return	-	1,253	-	1,253
Endowment net assets, end of year	$ -	$ 61,172	$ 420,000	$ 481,172

	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 gain	-	(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

(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 on December 31, 2022, and 2021.

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, 2022, and 2021:

(6) FAIR VALUE MEASUREMENTS: (Continued)

Description	Assets at Fair Value as of December 31, 2022 Level 1	Level 2	Level 3	Total
Government bonds - Kenya	$ -	$ 61,172	$ -	61,172

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

(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. As of July 10, 2023, the Organization is working on renegotiating the terms of the note. 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 $1,014,724 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, 2022, and 2021, are as follows:

Restriction	2022	2021
Endowment – perpetual in nature	$ 420,000	$ 420,000
Endowment – time restricted	61,172	59,919
Dale Galemore fund	761	761
Global health conference	5,851	5,851
Blue Wings Airplane	35,696	123,750
Projects in Uganda	-	6,533
Projects in Burundi	111,999	43,526
Relief in the Horn of Africa	90,019	56,079
Ministry in North Africa	41,293	25,459
Projects in Djibouti	139,397	135,433
Projects in Jamaica	-	7,426
Projects in Sudan	148,708	108,816
Projects in South Sudan	141,813	135,634
GMC Africa Student Support	3,230	-
Projects in Kenya	131,729	214,550
Feeding the Shepards	27,943	27,943
Projects in D.R. Congo	100,162	32,769
Global Institute	44,641	17,711
2022 Golf Tournament	7,768	-
2021 Golf Tournament	2,125	-
Projects in Eeitrea	10,838	10,838
	$ 1,525,145	$ 1,432,998

(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, 2022, and 2021, financial assets available for general expenditure within one year are comprised of the following:

	2022	2021
Cash	$ 170,641	$ 291,024
Investments	61,172	59,919
Pledges receivable	1,083,093	943,762
Total financial assets	1,314,906	1,294,705
Less net assets with donor restrictions	1,525,145	1,432,998
Total liquid assets available for general expenditures	$ (210,239)	$ (138,293)

(10) LIQUIDITY AND AVAILABILITY: (Continued)

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, 2022, and 2021 there was $0 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, 2022, and 2021 Life in Abundance International received approximately 32% and 34%, respectively, of its total revenues from three private donors.

(12) IN KIND CONTRIBUTIONS:

The Organization received in-kind contributions for the years ended December 31, 2022, and 2021 as follows:

	2022	2021
Medical equipment	$ 26,863	$ 12,500
Use of space	10,705	-
Total	$ 37,568	$ 12,500

Fair value of in-kind contributions is determined as follows:

Medical supplies: valued at the estimated U.S. prices of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution.

Use of space: valued at the estimated fair rent price of identical or similar facilities.

(13) 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 2022 and 2021 no payments were made because there were no employee contributions.

(14) PRIOR PERIOD ADJUSTMENT:

During the year ended December 31, 2022, it was discovered that the Organization had erroneously overstated liabilities by approximately $92,000 by missing to record a lump sum payment towards the Impact Investing Charitable Trust loan during fiscal year 2021. Accordingly, the 2021 statement of financial position, statement of functional expenses, and statement of cash flows were restated to reflect the correction of this error and record the amount that was paid towards the loan principal.

(15) LEASES:

The Organization has an operating lease on office space in Louisville, Kentucky that expires May 2023. For the years ended December 31, 2022, and 2021 lease payments were $10,800.

The Organization has an operating lease on a copier. The term of this lease is October 2018 to October 2023 and requires monthly payments of $115 plus charges for overages. For the years ended December 31, 2022, and 2021 lease payments totaled $1,379.

Lease commitments for future years are as follows:

2023	$ 5,649
Total minimum lease payments	5,649
Amount representing interest	(87)
Present value of net minimum lease payments	5,562
Current portion	(5,562)
Long-term operating lease obligations	$ -

The components of lease expenses for the year ending December 31, 2022, were as follows:

Operating lease cost	$ 12,178
Variable lease costs	575
Total lease expense	$ 12,753

The weighted average remaining lease term is as follows:

Operating leases	7.5 months

The weighted average discount rate is as follows:

Operating leases	.73%

Cash paid for amounts included in the measurements of lease liabilities is as follows:

Operating cash used for operating leases	$ 12,178

(16) EVALUATION OF SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through July 10, 2023, the date which the financial statements were available to be issued.