

LAND IS LIFE, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2015

MURRAY, JONSON, WHITE & ASSOCIATES, LTD., PC
Certified Public Accountants
Falls Church, Virginia

LAND IS LIFE, INC.

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6-7



INDEPENDENT AUDITORS' REPORT

To the Board of Directors Land is Life, Inc.

We have audited the accompanying financial statements of Land is Life, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and the related statements of activities and cash flows for the year 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 general 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Land is Life, Inc. as of December 31, 2015 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Murray Jonson White & Associates Ltd., P.C.

Certified Public Accountants

August 10, 2016

LAND IS LIFE, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2015

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 219,003
Accounts receivable	21,093
Grants receivable	142,000
Security deposits	<u>1,300</u>
TOTAL ASSETS	\$ <u>383,396</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 4,700
Accrued expenses	37,669
Grants payable	<u>6,000</u>
TOTAL LIABILITIES	\$ <u><u>48,369</u></u>
NET ASSETS	
Unrestricted	144,913
Temporarily restricted	<u>190,114</u>
TOTAL NET ASSETS	<u>335,027</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>383,396</u>

The accompanying notes to financial statements are an integral part of this statement.

LAND IS LIFE, INC.

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT				
Foundation and trust grants	\$ 136,117	\$ 358,038	\$ -	\$ 494,155
Indigenous program revenue - Note 2	124,164	-	-	124,164
Other income	5,664	-	-	5,664
Satisfaction of restrictions	<u>287,924</u>	<u>(287,924)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	<u>553,869</u>	<u>70,114</u>	<u>-</u>	<u>623,983</u>
EXPENSES				
Program services				
Partner organization support	241,678	-	-	241,678
Indigenous program expense	115,099	-	-	115,099
Other program services	<u>113,868</u>	<u>-</u>	<u>-</u>	<u>113,868</u>
TOTAL PROGRAM SERVICES	<u>470,645</u>	<u>-</u>	<u>-</u>	<u>470,645</u>
Support services				
Management	26,043	-	-	26,043
Fundraising	<u>30,782</u>	<u>-</u>	<u>-</u>	<u>30,782</u>
TOTAL SUPPORT SERVICES	<u>56,825</u>	<u>-</u>	<u>-</u>	<u>56,825</u>
TOTAL EXPENSES	<u>527,470</u>	<u>-</u>	<u>-</u>	<u>527,470</u>
CHANGE IN NET ASSETS	26,399	70,114	-	96,513
Net assets				
Beginning of year	<u>118,514</u>	<u>120,000</u>	<u>-</u>	<u>238,514</u>
NET ASSETS - END OF YEAR	<u>\$ 144,913</u>	<u>\$ 190,114</u>	<u>\$ -</u>	<u>\$ 335,027</u>

The accompanying notes to financial statements are an integral part of this statement.

LAND IS LIFE, INC.

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015

OPERATING ACTIVITIES	
Change in net assets	\$ 96,513
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities	
Changes in operating assets and liabilities	
(Increase) decrease in accounts receivable	10,252
(Increase) decrease in grants receivable	(22,000)
(Increase) decrease in security deposits	(1,300)
Increase (decrease) in accounts payable	4,700
Increase (decrease) in accrued expenses	20,247
Increase (decrease) in grants payable	<u>6,000</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>114,412</u>
 Net increase (decrease) in cash and cash equivalents	 114,412
Cash and cash equivalents - Beginning of year	<u>104,591</u>
 CASH AND CASH EQUIVALENTS END OF YEAR	 \$ <u>219,003</u>

The accompanying notes to financial statements
are an integral part of this statement.

LAND IS LIFE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Land is Life, Inc. is a non-stock, not-for-profit corporation whose principal purpose is to work directly with indigenous communities to build local capacity in promoting and protecting their rights as articulated in the United Nations Declaration on the Rights of Indigenous Peoples. The Organization also provides indigenous communities and organizations with the resources and strategic support necessary to achieve the long-term protection of their lands, resources and knowledge. The Organization achieves this by providing equipment, training, funds for community meetings and meetings with other stakeholders, and funding to carry out projects aimed at protecting their ancestral homelands and promoting alternative, sustainable models of development based on indigenous traditional knowledge.

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

- (a). Financial Statement Presentation - The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.
- (b). Net Assets - Unrestricted net assets is comprised of general operating net assets. Temporarily restricted net assets consist of contributions with donor-imposed purpose restrictions and time restrictions. Temporarily restricted net assets were released from restriction during the years ended December 31, 2015 by meeting time and purpose restrictions imposed by the donor. There are no permanently restricted net assets.
- (c). Contributions - The Organization accounts for contributions as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- (d). Income Tax Status - Land is Life, Inc. is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. The organization is in the process of resolving open tax matters.
- (e). Cash and Cash Equivalents - For purposes of the statement of cash flows the Organization considers substantially all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.
- (f). Estimates - The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.
- (g). Concentrations of Credit Risk - Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of temporary cash investments and pledges receivable. The Organization places its temporary cash investments with high credit quality financial institutions. At times, such investments may be in excess of Federal Deposit Insurance. At times receivables or contributions from one or more donors could represent a concentration.

LAND IS LIFE, INC.

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 2 - INDIGENOUS PROGRAM REVENUE

The Organization has an agreement with the United States Agency for International Development (USAID) arranged under the provisions of Title IV of the Intergovernmental Personnel Act of 1970. USAID has appointed a Land Is Life, Inc. employee to the position of Advisor for Activities relative to Indigenous Peoples Internationally. The advisor works with USAID personal to provide expert advice and recommendations on the agency's work on the needs of indigenous peoples. Land Is Life benefits through exposure to federal policies and procedures to enrich its ongoing activities.

NOTE 3 - SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of Land is Life, Inc. through August 10, 2016 the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.