

LAND IS LIFE, INC.

Brooklyn, New York

FINANCIAL STATEMENTS

December 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Land is Life, Inc.
Brooklyn, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Land is Life, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2018, and the related statement 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 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 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, 2018, 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.

Yount, Hyde & Barbour, P.C.

Winchester, Virginia
August 22, 2019

LAND IS LIFE, INC.

Statement of Financial Position

December 31, 2018

Assets

Current Assets

Cash and cash equivalents	\$ 594,762
Grants receivable	<u>56,500</u>

Total assets \$ 651,262

Liabilities and Net Assets

Current Liabilities

Accrued expenses	<u>\$ 27,229</u>
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Total liabilities 27,229

Net Assets

Without donor restrictions	278,349
With donor restrictions	<u>345,684</u>

Total net assets 624,033

Total liabilities and net assets \$ 651,262

See Notes to Financial Statements.

LAND IS LIFE, INC.

Statement of Activities

For the Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains, and Other Support			
Foundation and trust grants	\$ 568,491	\$ 713,720	\$ 1,282,211
Other income	5,542		5,542
Satisfaction of restrictions	<u>784,803</u>	<u>(784,803)</u>	<u>--</u>
Total revenues, gains, and other support	<u>1,358,836</u>	<u>(71,083)</u>	<u>1,287,753</u>
Expenses			
Program services:			
Alliance and awareness building	463,035	--	463,035
Grassroots operations and capacity	337,873	--	337,873
Indigenous led grants	<u>213,242</u>	<u>--</u>	<u>213,242</u>
Total program services	<u>1,014,150</u>	<u>--</u>	<u>1,014,150</u>
Support services:			
Management and general	43,251	--	43,251
Fundraising	<u>59,239</u>	<u>--</u>	<u>59,239</u>
Total support services	<u>102,490</u>	<u>--</u>	<u>102,490</u>
 Total expenses	 <u>1,116,640</u>	 <u>--</u>	 <u>1,116,640</u>
 Change in net assets	 242,196	 (71,083)	 171,113
Net Assets			
Beginning of year	<u>36,153</u>	<u>416,767</u>	<u>452,920</u>
 End of year	 <u>\$ 278,349</u>	 <u>\$ 345,684</u>	 <u>\$ 624,033</u>

See Notes to Financial Statements.

LAND IS LIFE, INC.

Statement of Cash Flows
For the Year Ended December 31, 2018

Cash Flows from Operating Activities	
Change in net assets	\$ 171,113
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities	
Decrease (increase) in accounts receivable	36,376
Decrease (increase) in grants receivable	163,500
Increase (decrease) in accounts payable	(10,583)
(Decrease) increase in accrued expenses	<u>24,927</u>
Net cash provided by operating activities	<u>385,333</u>
Net increase in cash and cash equivalents	385,333
Cash and Cash Equivalents	
Beginning of year	<u>209,429</u>
End of year	<u>\$ 594,762</u>

See Notes to Financial Statements.

LAND IS LIFE, INC.

Notes to Financial Statements

Note 1. Organization and Summary of Significant Accounting Policies

Nature of Business

Land is Life, Inc. (Organization) 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 direct support to Indigenous organizations and leadership, building capacity on human rights and organizational management and fosters alliances amongst Indigenous peoples and other stakeholders.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America. Accordingly, revenues are recognized when earned and expenses when obligations are incurred.

Classification of Net Assets

The Organization reports information regarding its financial position and activities according to the "net asset" concept. Net assets are segregated among two categories: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions consists of net assets not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors. Net assets with donor restrictions consist of net assets subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Support and Revenue Recognition

The Organization accounts for contributions as without donor restriction or with donor restriction, depending on the existence or nature of any donor restrictions. Donor-restricted contributions are reported as an increase in without donor restriction or with donor restriction net assets depending on the nature of the restriction. When a restriction is satisfied or expires, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are recorded as without donor restriction in the statement of activities.

Notes to Financial Statements

Income Tax Status

The Organization is exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code. As such, it is also exempt from state income taxes, and contributions by the public are deductible for income tax purposes to the extent allowed by federal and state law. The Organization has been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Internal Revenue Code.

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 equivalent.

Use of 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.

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.

New Accounting Pronouncements

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statement for Not-for-Profit Entities. The Organization adopted the provisions of this new standard in the current year. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources (Note 3), the allocation methodology for the schedule of functional expenses (Note 1) and the schedule of functional expenses (Note 2). Adoption of this standard had no effect on the change in net assets or in total.

Notes to Financial Statements

Allocation Methodology for the Schedule of Functional Expenses

The costs of providing program and other activities are summarized on a functional basis in the schedule of functional expenses. Certain costs have been allocated among program, management and general and fundraising. Such allocations have been made by management on an equitable basis. The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Time and Effort
Wages	Time and Effort
Payroll Fees	Time and Effort
FICA expenses	Time and Effort
Unemployment insurance expense	Time and Effort
Workers Comp	Time and Effort
Consultant Fees	Direct Allocation
General Expenses	Direct Allocation
Postage and Delivery	Direct Allocation
Printing & Stationery	Direct Allocation
Website	Direct Allocation
Service Fees	Direct Allocation
Professional Development	Direct Allocation
Membership and dues	Direct Allocation
Airfare and Transportation	Direct Allocation
Accommodations	Direct Allocation
Meals and Incidentals	Direct Allocation
Fuel	Direct Allocation
Other Travel Expenses	Direct Allocation
Trainings and Meetings	Direct Allocation
Research and Cultural Initiatives	Direct Allocation
Advocacy and Organizing	Direct Allocation
GOCP Personnel Support	Direct Allocation
Economic Empowerment Activities and organizations	Direct Allocation
Office Supplies and Expenses	Direct Allocation
Office Rent	Time and Effort
Utilities	Direct Allocation
Computers and IT	Direct Allocation
Telecommunications	Time and Effort
Accounting Services	Time and Effort
Banking Fees	Direct Allocation

Notes to Financial Statements

Note 2. Schedule of Functional Expenses

The schedule of functional expenses is as follows for the year ended December 31, 2018:

	Program Services				Support			Grand Total
	Alliance and Awareness Building	Grassroots Operations and Capacity	Indigenous Led Grants	Total	Management and General	Fund-Raising	Total	
Salaries	\$ 47,608	\$ 51,628	\$ 57,024	\$ 156,260	\$ 16,747	\$ 39,527	\$ 56,274	\$ 212,534
Wages	62,912	25,662	41,708	130,282	1,886	2,750	4,636	134,918
Payroll Fees	474	514	567	1,555	166	393	559	2,114
FICA expenses	3,643	3,951	4,364	11,958	1,282	3,025	4,307	16,265
Unemployment insurance expense	134	145	160	439	46	111	157	596
Workers Comp	483	524	579	1,586	170	401	571	2,157
Consultant Fees	40,111	12,757	757	53,625	764	264	1,028	54,653
General Expenses	35	--	--	35	25	--	25	60
Postage and Delivery	109	109	109	327	327	38	365	692
Printing & Stationery	233	13	13	259	155	4	159	418
Website	5,814	814	946	7,574	284	284	568	8,142
Service Fees	--	158	--	158	799	28	827	985
Professional Development	--	--	--	--	2,875	--	2,875	2,875
Membership and dues	--	--	--	--	955	635	1,590	1,590
Airfare and Transportation	52,557	14,724	1,445	68,726	6,244	3,027	9,271	77,997
Accommodations	16,594	4,020	68	20,682	24	3,063	3,087	23,769
Meals and Incidentals	2,166	88	6	2,260	6,836	571	7,407	9,667
Fuel	--	--	--	--	--	23	23	23
Other Travel Expenses	2,475	180	--	2,655	57	--	57	2,712
Trainings and Meetings	101,161	50,539	48,633	200,333	--	3,031	3,031	203,364
Research and Cultural Initiatives	6,525	8,488	7,050	22,063	--	--	--	22,063
Advocacy and Organizing	103,496	92,836	28,370	224,702	--	--	--	224,702
GOCP Personnel Support	--	33,603	--	33,603	--	--	--	33,603
Economic Empowerment Activities	5,500	--	9,345	14,845	--	--	--	14,845
Equipment for communities and organizations	22	--	5,994	6,016	--	--	--	6,016
Office Supplies and Expenses	--	--	1,063	1,063	442	1	443	1,506
Office Rent	1,098	25,402	30	26,530	907	333	1,240	27,770
Utilities	70	760	435	1,265	--	5	5	1,270
Computers and IT	1,787	944	291	3,022	177	147	324	3,346
Telecommunications	3,743	5,691	4,259	13,693	309	82	391	14,084
Accounting Services	4,259	4,259	26	8,544	1,737	1,487	3,224	11,768
Banking Fees	26	64	--	90	37	9	46	136
	<u>\$ 463,035</u>	<u>\$ 337,873</u>	<u>\$ 213,242</u>	<u>\$ 1,014,150</u>	<u>\$ 43,251</u>	<u>\$ 59,239</u>	<u>\$ 102,490</u>	<u>\$ 1,116,640</u>

Notes to Financial Statements

Note 3. Liquidity and Availability of Resources

The Organization has the following financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure.

Financial assets, at year-end:

Cash and cash equivalents	\$ 594,762
Grants receivable	<u>56,500</u>
Total financial assets	<u>651,262</u>
Less those unavailable for general expenditure within one year, due to, donor-imposed restrictions	<u>345,684</u>
Financial assets not available to be used within one year	<u>345,684</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 305,578</u>

Notes to Financial Statements

Note 4. Net Assets with Donor Restrictions

Amounts included in net assets with donor restrictions as of December 31, 2018 include:

Institutional Strengthening of the Association of Sapara Women from Ecuador and Defense and Territory Protection Program	\$ 25,000
Meetings and Training in Six Sapara Communities about the Existing Threats in the Territory, Possible Solutions and Elevation of the Rights of Women in Leadership	18,333
Indigenous Peoples and Lands of the Amazon	63,300
Tools for Defending Environmental Defenders	10,737
Indigenous-Led Grant Making in the Andes and Amazon	7,500
Alliance and Awareness Building, Grassroots Operations and Capacity, Indigenous Led Grants	24,200
Research and Economic Empowerment of Pygmy Woman through the Value Chain of Non-Timber Forests Products in DRC	14,286
Conservation and Women's Empowerment Work with Pygmy Communities of the DRC and Support Indigenous-Led Grant Making in North America	61,418
Initiatives and Activities in Latin America Related to Protection of HHRR for Indigenous Peoples	36,560
Improving and Strengthening Models of Indigenous Led Grant Making and Grassroots Incubator	67,151
Indigenous-Led Grant Making in Sub-Saharan Africa, Indigenous Network Building in Sub-Saharan Africa and Pygmy Women Economic Empowerment in DRC	<u>17,199</u>
	<u>\$ 345,684</u>

Notes to Financial Statements

Note 5. Related Party Transactions

The Organization received a grant of \$125,000 and contributions of \$5,000 for the year ended December 31, 2018 from a related party organization in which the Organization's Executive Director and family members serve on the board of directors.

Note 6. New and Upcoming Accounting Pronouncements

In 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. ASU 2016-02 defines a lease as a contract or a part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and lease liability at the present value of remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU 2016-02 is effective for the Organization for the year ending December 31, 2020. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption of Topic 842 will have on its financial statements.

Note 7. Commitments

The Organization has several commitments to support other organizations and a lease to rent co-working space with terms ranging from December 2017 to December 2019. Expenses under these commitments was \$123,959 for the year ended December 31, 2018. Future minimum payments for these commitments are as follows: 2019 - \$75,259.

The Organization has signed several commitments to support other organizations subsequent to December 31, 2018. Future minimum payments for these commitments are as follows: 2019 - \$114,470; 2020 - \$10,675.

Note 8. Subsequent Events

The Organization has evaluated all subsequent events through August 22, 2019, the date the financial statements were available to be issued. Other than those noted in Note 7, the Organization has determined that there are no other subsequent events that require recognition or disclosure.