

LAND IS LIFE, INC.

**AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2017 AND 2016

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

LAND IS LIFE, INC.

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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 statements of financial position as of December 31, 2017 and 2016, 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 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, 2017 and 2016, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 9-10 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Certified Public Accountants

August 8, 2018

LAND IS LIFE, INC.
STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 209,429	\$ 274,866
Accounts receivable - net of allowance for doubtful accounts of \$26,854 and \$0	36,376	41,951
Grants receivable	220,000	201,400
Prepaid expenses	-	1,900
Security deposits	-	1,900
	\$ 465,805	\$ 522,017
TOTAL ASSETS		

LIABILITIES AND NET ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT LIABILITIES		
Accounts payable	\$ 10,583	\$ 8,900
Accrued expenses	2,302	32,838
Grants payable	-	2,000
	\$ 12,885	\$ 43,738
TOTAL LIABILITIES		
NET ASSETS		
Unrestricted	36,153	147,818
Temporarily restricted	416,767	330,461
	452,920	478,279
TOTAL NET ASSETS		
TOTAL LIABILITIES AND NET ASSETS	\$ 465,805	\$ 522,017

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, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT				
Foundation and trust grants	\$ 471,845	\$ 316,767	\$ -	\$ 788,612
Indigenous advisement revenue - Note 2	63,654	-	-	63,654
Other income	1,925	-	-	1,925
Satisfaction of restrictions	230,461	(230,461)	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	767,885	86,306	-	854,191
EXPENSES				
Program services				
Partner organization support	476,247	-	-	476,247
Indigenous advisement expense	89,082	-	-	89,082
Other program services	229,856	-	-	229,856
TOTAL PROGRAM SERVICES	795,185	-	-	795,185
Support services				
Management	55,633	-	-	55,633
Fundraising	28,732	-	-	28,732
TOTAL SUPPORT SERVICES	84,365	-	-	84,365
TOTAL EXPENSES	879,550	-	-	879,550
CHANGE IN NET ASSETS	(111,665)	86,306	-	(25,359)
Net assets				
Beginning of year	147,818	330,461	-	478,279
NET ASSETS - END OF YEAR	\$ 36,153	\$ 416,767	\$ -	\$ 452,920

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, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT				
Foundation and trust grants	\$ 532,962	\$ 318,441	\$ -	\$ 851,403
Indigenous advisement revenue - Note 2	137,925	-	-	137,925
Other income	3,790	-	-	3,790
Satisfaction of restrictions	178,094	(178,094)	-	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	852,771	140,347	-	993,118
EXPENSES				
Program services				
Partner organization support	437,220	-	-	437,220
Indigenous advisement expense	120,545	-	-	120,545
Other program services	178,462	-	-	178,462
TOTAL PROGRAM SERVICES	736,227	-	-	736,227
Support services				
Management	73,174	-	-	73,174
Fundraising	40,465	-	-	40,465
TOTAL SUPPORT SERVICES	113,639	-	-	113,639
TOTAL EXPENSES	849,866	-	-	849,866
CHANGE IN NET ASSETS	2,905	140,347	-	143,252
Net assets				
Beginning of year	144,913	190,114	-	335,027
NET ASSETS - END OF YEAR	\$ 147,818	\$ 330,461	\$ -	\$ 478,279

The accompanying notes to financial statements

are an integral part of this statement.

LAND IS LIFE, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (25,359)	\$ 143,252
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Bad debt expense	26,854	-
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(21,279)	(20,858)
(Increase) decrease in grants receivable	(18,600)	(59,400)
(Increase) decrease in prepaid expenses	1,900	(1,900)
(Increase) decrease in security deposits	1,900	(600)
Increase (decrease) in accounts payable	1,683	(28,769)
Increase (decrease) in accrued expenses	(30,536)	28,138
Increase (decrease) in grants payable	<u>(2,000)</u>	<u>(4,000)</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>(65,437)</u>	 <u>55,863</u>
 Net increase (decrease) in cash and cash equivalents	 (65,437)	 55,863
Cash and cash equivalents - Beginning of year	<u>274,866</u>	<u>219,003</u>
 CASH AND CASH EQUIVALENTS END OF YEAR	 <u>\$ 209,429</u>	 <u>\$ 274,866</u>

LAND IS LIFE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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, 2017 and 2016 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. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted in the statement of activities.
- (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). Accounts Receivable – Receivables are carried at their estimated collectible amounts and are periodically evaluated for collectability. The allowance for doubtful accounts was \$26,854 and \$0 at December 31, 2017 and 2016, respectively.

LAND IS LIFE, INC.

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: Continued

- (g). 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.
- (h). 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.
- (i). Functional Allocation of Expenses – The cost of providing the various programs and other activities has been summarized in the Statement of Activities. Certain costs, including salaries, occupancy, accounting, consulting, travel, and office expenses have been allocated to the programs and supporting services benefited. See the attached supplemental schedules for a breakdown of the functional expenses for the year ended December 31, 2017 and 2016.

NOTE 2 - INDIGENOUS ADVISEMENT REVENUE

The Organization had 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 agreement between Land is Life, Inc. and USAID concluded during 2017. The advisor worked 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. Total indigenous program revenue for 2017 and 2016 was \$63,654 and \$137,925, respectively.

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 8, 2018 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.

**SUPPLEMENTARY INFORMATION
STATEMENTS OF FUNCTIONAL EXPENSES**

LAND IS LIFE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2017

	Partner Organization Support	Program Services			Support			Grand Total
		Indigenous Advisement Expense	Other Program Services	Total	Management and General	Fund- Raising	Total	
Salaries and wages	\$ 140,687	\$ 70,233	\$ 139,777	\$ 350,697	\$ 17,472	\$ 17,472	\$ 34,944	\$ 385,641
Trainings and meetings	146,031	-	-	146,031	-	-	-	146,031
Advocacy and organizing	107,877	-	-	107,877	-	-	-	107,877
Airfare, accommodations and travel expenses	60,640	-	5,971	66,611	747	747	1,494	68,105
Office expenses	-	-	25,923	25,923	3,287	3,240	6,527	32,450
Consulting	-	-	21,704	21,704	2,713	2,713	5,426	27,130
Bad debts	-	-	-	-	26,854	-	26,854	26,854
Per diem wages	-	18,849	-	18,849	-	-	-	18,849
Payroll expenses	-	-	14,748	14,748	1,843	1,843	3,686	18,434
Accounting	-	-	13,964	13,964	1,746	1,746	3,492	17,456
Research and cultural initiatives	10,200	-	-	10,200	-	-	-	10,200
Income generating activities	6,098	-	-	6,098	-	-	-	6,098
Office rent	-	-	4,400	4,400	550	550	1,100	5,500
Equipment for communities and organizations	4,714	-	-	4,714	-	-	-	4,714
Website expenses	-	-	2,687	2,687	336	336	672	3,359
Payroll service fees	-	-	682	682	85	85	170	852
TOTALS	\$ 476,247	\$ 89,082	\$ 229,856	\$ 795,185	\$ 55,633	\$ 28,732	\$ 84,365	\$ 879,550

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

LAND IS LIFE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2016

	Partner Organization Support	Program Services			Support			Grand Total
		Indigenous Advisement Expense	Other Program Services	Total	Management and General	Fund- Raising	Total	
Salaries and wages	\$ 96,719	\$ 99,465	\$ 90,029	\$ 286,213	\$ 30,010	\$ 30,010	\$ 60,020	\$ 346,233
Trainings and meetings	113,754	-	-	113,754	-	-	-	113,754
Airfare, accommodations and travel expenses	99,376	-	14,644	114,020	1,831	1,831	3,662	117,682
Research and cultural initiatives	56,865	-	-	56,865	-	-	-	56,865
Advocacy and organizing	55,200	-	-	55,200	-	-	-	55,200
Consulting	-	-	19,606	19,606	6,535	-	6,535	26,141
Office expenses	-	-	15,421	15,421	4,953	2,467	7,420	22,841
Accounting	-	-	11,280	11,280	11,280	-	11,280	22,560
Per diem wages	-	21,080	-	21,080	-	-	-	21,080
Payroll expenses	-	-	12,021	12,021	4,007	4,007	8,014	20,035
Office rent	-	-	14,880	14,880	1,860	1,860	3,720	18,600
Retirement expenses	-	-	-	-	12,000	-	12,000	12,000
Income generating activities	10,515	-	-	10,515	-	-	-	10,515
Equipment for communities and organizations	4,791	-	-	4,791	-	-	-	4,791
Payroll service fees	-	-	581	581	290	290	580	1,161
Website expenses	-	-	-	-	408	-	408	408
TOTALS	\$ 437,220	\$ 120,545	\$ 178,462	\$ 736,227	\$ 73,174	\$ 40,465	\$ 113,639	\$ 849,866

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