

Faith in Action International

Reviewed Financial Statements
Years Ended December 31, 2007 and 2006

Faith in Action International

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Accountants' Review Report

To the Board of Directors of
Faith in Action International

We have reviewed the accompanying statements of financial position and the related statements of activities and cash flows of Faith in Action International as of December 31, 2007 and 2006, and for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Faith in Action International.

A review consists principally of inquiries of organizational personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

Pridnia Lapres, PLLC

October 3, 2008

Faith In Action International

Statements of Financial Position

<i>December 31,</i>	2007	2006
Assets		
Cash	\$ 53,875	\$ 62,331
Employee receivable	1,150	-
Vehicles and Equipment		
Vehicles	44,436	44,436
Equipment	20,290	21,490
	64,726	65,926
Less accumulated depreciation	51,515	35,993
Net Vehicles and Equipment	13,211	29,933
	\$ 68,236	\$ 92,264
Liabilities and Net Assets		
Liabilities		
Accrued liabilities	\$ 1,657	\$ 1,295
Net Assets		
Unrestricted	24,180	46,505
Temporarily restricted	42,399	44,464
Total Net Assets	66,579	90,969
	\$ 68,236	\$ 92,264

See accompanying accountants' review report and notes to financial statements.

<i>Years ended December 31,</i>	2007		Total
	Unrestricted	Temporarily Restricted	
Public Support and Revenue			
Grants	\$ -	\$ 2,000	\$ 2,000
Donations	99,130	33,923	133,053
Gain on sale of equipment	257	-	257
Interest income	1,373	-	1,373
Other income	132	-	132
	100,892	35,923	136,815
Net Assets Released from Restrictions	37,988	(37,988)	-
Total Revenues	138,880	(2,065)	136,815
Expenses			
Program expenses	133,836	-	133,836
Management and general	27,166	-	27,166
Fundraising	203	-	203
Total Expenses	161,205	-	161,205
Change in Net Assets	(22,325)	(2,065)	(24,390)
Net Assets, at beginning of year	46,505	44,464	90,969
Net Assets, at end of year	\$ 24,180	\$ 42,399	\$ 66,579

Faith in Action International

Statements of Activities

2006		
Unrestricted	Temporarily Restricted	Total
\$ -	\$ 3,350	\$ 3,350
57,420	70,195	127,615
-	-	-
1,533	-	1,533
-	-	-
58,953	73,545	132,498
63,422	(63,422)	-
122,375	10,123	132,498
119,028	-	119,028
28,154	-	28,154
1,293	-	1,293
148,475	-	148,475
(26,100)	10,123	(15,977)
72,605	34,341	106,946
\$ 46,505	\$ 44,464	\$ 90,969

See accompanying accountants' review report and notes to financial statements.

Faith in Action International

Statements of Cash Flows

<i>Years ended December 31,</i>	2007	2006
Cash Flows from Operating Activities		
Change in net assets	\$ (24,390)	\$ (15,977)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation	15,979	15,405
Gain on sale of equipment	(257)	-
Non-cash contributions	-	(7,012)
Increase in employee receivable	(1,150)	-
Increase in accruals	362	143
Net Cash Used for Operating Activities	(9,456)	(7,441)
Cash Flows from Investing Activities		
Proceeds from sale of equipment	1,000	-
Purchase of property and equipment	-	(3,410)
Net Cash Provided by (Used for) Investing Activities	1,000	(3,410)
Net Decrease in Cash	(8,456)	(10,851)
Cash, at beginning of year	62,331	73,182
Cash, at end of year	\$ 53,875	\$ 62,331

See accompanying accountants' review report and notes to financial statements.

Faith in Action International

Notes to Financial Statements

1. Summary of Accounting Policies

The purpose of the Organization is to reveal God's love to the people by facilitating the development of sustainable rural communities. Efforts are currently targeted toward rural families of the Artibonite Valley in Haiti through programs such as Micro Loans, Agricultural Development, Child Sponsorship, Adult Literacy, Water Purification and Reforestation. A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follow.

Income Taxes

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Basis of Presentation

The accounts of the Organization and financial statement presentation are maintained in accordance with the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-For-Profit Organization*.

Grants and Donations

All grants and donations are considered available for unrestricted use unless specifically restricted by the grantor or donor. Grants and donations that are considered temporarily restricted due to purpose or time restrictions are released from the restrictions once the purpose or time restrictions have been met.

See accompanying accountants' review report.

Faith in Action International

Notes to Financial Statements

Vehicles, Equipment and Depreciation

Vehicles and equipment are stated at cost unless donated. Donated vehicles and equipment are recorded as contributions at their estimated fair value. Depreciation is computed over the estimated useful lives of the assets by the straight-line method. Depreciation expense for 2007 and 2006 was \$15,979 and \$15,405, respectively.

Statements of Cash Flows

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments, with a maturity of three months or less when purchased, to be cash equivalents.

Donated Materials and Services

Donated materials and equipment are reflected as gifts in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the Organization.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

See accompanying accountants' review report.