

**FAITH IN ACTION  
INTERNATIONAL**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**FOR THE YEARS ENDED  
DECEMBER 31, 2008 AND 2007**



# FAITH IN ACTION INTERNATIONAL

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**Rehmann Robson**

3145 Henry St., Ste. 200

Muskegon, MI 49441

Ph: 231.739.9441

Fx: 231.733.0031

www.rehmann.com

## ACCOUNTANTS' REVIEW REPORT

July 31, 2009

Board of Directors  
Faith In Action International  
Spring Lake, Michigan

We have reviewed the accompanying statement of financial position and the related statements of activities and cash flows of *Faith in Action International* as of December 31, 2008, and for the year 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 company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit 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 review, we are not aware of any material modifications that should be made to the accompanying 2008 financial statements in order for them to be in conformity with generally accepted accounting principles.

The financial statements of *Faith in Action International* as of and for the year ended December 31, 2007 were reviewed by Pridnia LaPres, PLLC, who merged with Rehmann Robson as of January 1, 2009 and whose report dated October 3, 2008, stated that they were not aware of any material modifications that should be made to the 2007 financial statements in order for them to be in conformity with generally accepted accounting principles.

A handwritten signature in black ink that reads "Rehmann Robson".

# FAITH IN ACTION INTERNATIONAL

## STATEMENTS OF FINANCIAL POSITION

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	<b>December 31</b>	
	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 59,925	\$ 53,875
Employee receivable	327	1,150
Pledges receivable	20,000	-
<b>Vehicles and Equipment</b>		
Vehicles	44,436	44,436
Equipment	24,750	20,290
	<u>69,186</u>	<u>64,726</u>
Less accumulated depreciation	<u>60,511</u>	<u>51,515</u>
<b>Net vehicles and equipment</b>	<u><b>8,675</b></u>	<u><b>13,211</b></u>
<b>Total assets</b>	<u><b>\$ 88,927</b></u>	<u><b>\$ 68,236</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accrued liabilities	\$ 1,722	\$ 1,657
<b>Net assets</b>		
Unrestricted	27,932	24,180
Temporarily restricted	59,273	42,399
<b>Total net assets</b>	<u><b>87,205</b></u>	<u><b>66,579</b></u>
<b>Total liabilities and net assets</b>	<u><b>\$ 88,927</b></u>	<u><b>\$ 68,236</b></u>

See accompanying notes, which are an integral part of these financial statements,  
and accountants' review report.

**FAITH IN ACTION INTERNATIONAL**

**STATEMENTS OF ACTIVITIES**

	<b>Year ended December 31, 2008</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
	<b>Revenues, gains and other support</b>		
Grants	\$ -	\$ 3,400	\$ 3,400
Donations	129,505	82,854	212,359
Gain on sale of equipment	-	-	-
Interest income	371	-	371
Other income	800	-	800
Net assets released from restrictions	69,380	(69,380)	-
<b>Total revenues, gains and other support</b>	<b>200,056</b>	<b>16,874</b>	<b>216,930</b>
<b>Expenses</b>			
Program	163,245	-	163,245
Management and general	31,617	-	31,617
Fundraising	1,442	-	1,442
<b>Total expenses</b>	<b>196,304</b>	<b>-</b>	<b>196,304</b>
<b>Change in net assets</b>	<b>3,752</b>	<b>16,874</b>	<b>20,626</b>
Net assets, beginning of year	24,180	42,399	66,579
<b>Net assets, end of year</b>	<b>\$ 27,932</b>	<b>\$ 59,273</b>	<b>\$ 87,205</b>

See accompanying notes, which are an integral part of these financial statements,  
and accountants' review report.

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**Year ended December 31, 2007**

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<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ -	\$ 2,000	\$ 2,000
99,130	33,923	133,053
257	-	257
1,373	-	1,373
132	-	132
37,988	(37,988)	-
<u>138,880</u>	<u>(2,065)</u>	<u>136,815</u>
133,836	-	133,836
27,166	-	27,166
203	-	203
<u>161,205</u>	<u>-</u>	<u>161,205</u>
(22,325)	(2,065)	(24,390)
46,505	44,464	90,969
<u>\$ 24,180</u>	<u>\$ 42,399</u>	<u>\$ 66,579</u>

# FAITH IN ACTION INTERNATIONAL

## STATEMENTS OF CASH FLOWS

	<b>Year ended December 31</b>	
	<b>2008</b>	<b>2007</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 20,626	\$ (24,390)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	8,996	15,979
Gain on sale of equipment	-	(257)
Non-cash contributions	(3,550)	-
Employee receivable	823	(1,150)
Pledges receivable	(20,000)	-
Accrued expenses	65	362
	<b>6,960</b>	<b>(9,456)</b>
<b>Net cash provided by (used in) operating activities</b>		
<b>Cash flows from investing activities</b>		
Proceeds from sale of equipment	-	1,000
Purchase of property and equipment	(910)	-
	<b>(910)</b>	<b>1,000</b>
<b>Net cash (used in) provided by investing activities</b>		
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,050</b>	<b>(8,456)</b>
Cash and cash equivalents, beginning of year	53,875	62,331
<b>Cash and cash equivalents, end of year</b>	<b>\$ 59,925</b>	<b>\$ 53,875</b>

See accompanying notes, which are an integral part of these financial statements,  
and accountants' review report.

# FAITH IN ACTION INTERNATIONAL

## NOTES TO FINANCIAL STATEMENTS

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### 1. ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Activities*

*Faith in Action International* (the "Organization") is a not-for-profit organization tax-exempt under Internal Revenue Code Section 501 (c)(3). Its purpose 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.

#### *Basis of Presentation*

The Organization classifies information regarding its financial position and activities according to three classes of net assets depending on the existence or absence of donor-imposed restrictions: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

#### *Contributions*

Contributions received, including unconditional promises to give, are recorded when received as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions. Contributions that meet donor restrictions in the same period as the contribution is received are recorded as unrestricted support.

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### *Use of 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.

# FAITH IN ACTION INTERNATIONAL

## NOTES TO FINANCIAL STATEMENTS

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### *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.

### *Cash and Cash Equivalents*

Cash and cash equivalents consist of demand deposits in banks, cash on hand and deposits in money market funds with original maturities when purchased of less than three months.

In the normal course of business, the Organization maintains deposit accounts in financial institutions, which at times may exceed federally insured limits. Management does not believe that the Organization is exposed to any significant interest rate or other financial risk on these deposits.

### *Pledges Receivable*

Pledges receivable represents an unconditional promise to give from an organization.

### *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. Management annually reviews these assets to determine whether carrying values have been impaired. Depreciation of vehicles and equipment is provided using the straight-line method over the estimated useful lives of the respective assets (three to ten years).