

***FRIENDS IN ACTION INTERNATIONAL***

***YEARS ENDED  
DECEMBER 31, 2017 AND 2016***

***FRIENDS IN ACTION INTERNATIONAL***

YEARS ENDED DECEMBER 31, 2017 AND 2016

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## Independent Auditors' Report

Board of Trustees  
Friends in Action International  
Middletown, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Friends in Action International (the Organization, 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 years 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 generally 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 from 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 auditors consider internal control relevant to the Organization'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 Organization'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 Friends in Action International as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The natural expense classifications 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 audits 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.

*Brown Schultz Steidman & Fritz*

Camp Hill, Pennsylvania  
September 4, 2018

**FRIENDS IN ACTION INTERNATIONAL**

STATEMENTS OF FINANCIAL POSITION – DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 369,625	\$ 143,825
Receivables	120,803	71,391
Inventory	487	5,937
Prepaid expenses	<u>432</u>	<u>2,498</u>
Total current assets	<u>491,347</u>	<u>223,651</u>
Noncurrent assets:		
Long-term prepaid lease	105,874	107,582
Property and equipment, net	<u>3,165,261</u>	<u>3,383,845</u>
Total noncurrent assets	<u>3,271,135</u>	<u>3,491,427</u>
Total assets	<u>\$ 3,762,482</u>	<u>\$ 3,715,078</u>

See notes to financial statements.

## LIABILITIES AND NET ASSETS

	2017	2016
Current liabilities:		
Accounts payable	\$ 43,483	\$ 82,853
Accrued liabilities	53,747	42,140
Deferred revenue		6,000
Officer loan payable		5,000
Loan payable to FIAI-Canada		67,948
Current portion of long-term debt	51,488	45,038
Total current liabilities	148,718	248,979
Long-term debt, net of current portion and debt issuance costs	1,318,698	1,368,158
Total liabilities	1,467,416	1,617,137
Net assets:		
Temporarily restricted	390,324	239,974
Unrestricted	1,904,742	1,857,967
Total net assets	2,295,066	2,097,941
Total liabilities and net assets	\$ 3,762,482	\$ 3,715,078

**FRIENDS IN ACTION INTERNATIONAL**

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Public support and revenues:						
Public support:						
Contributions	\$ 177,144	\$ 889,598	\$ 1,066,742	\$ 274,204	\$ 937,914	\$ 1,212,118
In-kind contributions	7,495		7,495			
Revenues and gains:						
Fundraising	8,861		8,861	4,515		4,515
Rental income, net of expenses	15,331		15,331	(10,107)		(10,107)
Gain on disposal of equipment	166,968		166,968	17,000		17,000
Net assets released from restrictions	739,248	(739,248)	-	917,436	(917,436)	-
Total public support and revenues and gains	<u>1,115,047</u>	<u>150,350</u>	<u>1,265,397</u>	<u>1,203,048</u>	<u>20,478</u>	<u>1,223,526</u>
Expenses:						
Program	813,289		813,289	1,128,464		1,128,464
Management and general	207,095		207,095	252,536		252,536
Fundraising	47,888		47,888	45,903		45,903
Total expenses	<u>1,068,272</u>		<u>1,068,272</u>	<u>1,426,903</u>		<u>1,426,903</u>
Change in net assets	46,775	150,350	197,125	(223,855)	20,478	(203,377)
Net assets:						
Beginning of year	<u>1,857,967</u>	<u>239,974</u>	<u>2,097,941</u>	<u>2,081,822</u>	<u>219,496</u>	<u>2,301,318</u>
End of year	<u>\$ 1,904,742</u>	<u>\$ 390,324</u>	<u>\$ 2,295,066</u>	<u>\$ 1,857,967</u>	<u>\$ 239,974</u>	<u>\$ 2,097,941</u>

See notes to financial statements.

**FRIENDS IN ACTION INTERNATIONAL**

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 197,125	\$(203,377)
Adjustments:		
Depreciation and amortization	175,953	172,911
Non-cash interest expense	1,218	1,218
Gain on disposal of property and equipment	(166,968)	(17,000)
(Increase) decrease in:		
Receivables	(49,412)	9,306
Inventory	5,450	(5,415)
Prepaid expense	3,774	86,733
Increase (decrease) in:		
Accounts payable	(39,370)	19,025
Accrued liabilities	11,607	(18,656)
Deferred revenue	(6,000)	6,000
	<u>133,377</u>	<u>50,745</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Proceeds from sale of property and equipment	228,500	17,000
Purchase of property and equipment	(18,901)	(136,641)
	<u>209,599</u>	<u>(119,641)</u>
Net cash provided by (used in) investing activities		
Cash flows from financing activities:		
Proceeds from related party loans		72,948
Payments on related party loans	(72,948)	
Payments on long-term debt	(44,228)	(49,247)
	<u>(117,176)</u>	<u>23,701</u>
Net cash provided by (used in) financing activities		

(continued)

***FRIENDS IN ACTION INTERNATIONAL***

STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Net increase (decrease) in cash and cash equivalents	\$ 225,800	\$ (45,195)
Cash and cash equivalents, including restricted cash account:		
Beginning of year	<u>143,825</u>	<u>189,020</u>
End of year	<u><u>\$ 369,625</u></u>	<u><u>\$ 143,825</u></u>
Supplemental disclosure of cash flow information:		
Cash payments for interest	\$ 62,838	\$ 76,752

See notes to financial statements.

# **FRIENDS IN ACTION INTERNATIONAL**

## **NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2017 AND 2016**

### **1. Nature of activities and significant accounting policies:**

#### *Nature of activities:*

Friends in Action International (the Organization) is a not-for-profit organization whose purpose is furthering and encouraging the evangelizing of unreached tribal peoples through the planting of indigenous New Testament churches and the translation of Scripture into indigenous languages.

The Organization fulfills its purpose through contributions received from the general public and other not-for-profit organizations and churches. Contributions to the Organization qualify for the charitable contributions deduction to the extent provided by Section 170 of the Internal Revenue Code. Approximately 8% and 15% of the Organization's public support and revenue was provided by Board members for the years ended December 31, 2017 and 2016, respectively.

#### *Basis of accounting:*

The Organization prepares its financial statements on the accrual basis of accounting, with support and revenue recognized when earned and expenses recognized when incurred.

#### *Financial statement presentation:*

Generally accepted accounting principles for nonprofit organizations require the reporting of total assets, liabilities and net assets in a statement of financial position; reporting the change in net assets in a statement of activities and reporting the sources and uses of cash in a statement of cash flows. Net assets and revenues and gains and losses are classified as unrestricted, temporarily restricted or permanently restricted based on the existence or absence of donor-imposed restrictions.

#### *Use of estimates:*

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**FRIENDS IN ACTION INTERNATIONAL**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2017 AND 2016

**1. Nature of activities and significant accounting policies (continued):**

*Cash and cash equivalents:*

The Organization considers all investments in money market funds under a cash management sweep agreement and all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

*Receivables:*

Contributions receivable consist of contributions received within the first month subsequent to year end that are postmarked prior to year end.

Other receivables are stated at the amount management expects to collect from outstanding balances and are not collateralized.

*Inventory valuation:*

Inventory consists of items purchased for use at various mission sites which have not been shipped out as of year end and are valued at the lower of cost, estimated cost or net realizable value.

*Property and equipment:*

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Routine repairs and maintenance are expensed as incurred. Equipment purchased and given to missions with all rights and title of ownership is shown as an expense in the year of purchase and transfer. Equipment and vehicles whose title is retained but are used in overseas projects and not likely to be returned to the United States of America are shown in project vehicles and equipment and depreciated over the useful life of the vehicle or equipment. Property and equipment are depreciated using the straight-line method.

## **FRIENDS IN ACTION INTERNATIONAL**

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2017 AND 2016

#### **1. Nature of activities and significant accounting policies (continued):**

##### *Property and equipment (continued):*

Donations of property and equipment are recorded as contributions at their fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. There were no such restrictions at December 31, 2017 or 2016.

##### *Contributions:*

Contributions are recorded as unrestricted, temporarily restricted and permanently restricted support depending on the existence or nature of any donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor restrictions. Beginning in April 2016, the Organization considered 10% of certain restricted contributions as unrestricted for administrative costs per their solicitation requests.

##### *Contributed services:*

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized because the criteria for recognition under accounting principles generally accepted in the United States of America have not been satisfied.

##### *Functional allocation of expenses:*

The costs of providing the various activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the functions benefited.

##### *Income tax status:*

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of Pennsylvania, the Organization has been recognized as exempt from taxes on income other than unrelated business income. The Organization annually files a Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service.

## **FRIENDS IN ACTION INTERNATIONAL**

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2017 AND 2016

#### **1. Nature of activities and significant accounting policies (continued):**

##### *Reclassifications:*

Certain reclassifications have been made to the 2016 financial statement amounts in order to conform to the 2017 presentation, including a reclassification between beginning unrestricted and temporarily restricted net assets. Total net assets have not changed as a result of the reclassification.

##### *Subsequent events:*

The Organization has evaluated subsequent events through September 4, 2018, which is the date the financial statements were available to be issued.

##### *Recently issued accounting standards:*

Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, provides guidance for revenue recognition related to contracts with the transfer of promised goods or services to customers and related disclosures. Under the standard, revenue recognition is determined using a five-step model which identifies customer contracts, identifies performance obligations in each contract, determines transaction price, allocates transaction price to performance obligations and recognizes revenue when or as the performance obligations are satisfied. The standard permits the use of either the retrospective or cumulative effect transition method. For public business entities, as well as certain nonprofit entities and employee benefit plans, the effective date is annual reporting periods, and interim periods therein, beginning after December 15, 2017. The effective date for all other entities is one year later than this, December 15, 2018. Early adoption is permitted only as of annual reporting periods, and interim periods therein, beginning after December 15, 2016 (as amended by ASU 2015-14). The Organization will be evaluating the impact this standard will have on its financial statements and related disclosures.

FASB ASU 2016-02, *Leases*, will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than 12 months. Disclosures will also be required by lessees to meet the objective of enabling users of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. For public business entities, as well as certain nonprofit entities and employee benefit plans, the effective date is annual reporting periods, and interim periods therein, beginning after December 15, 2018. The effective date for all other entities is one year later than this, December 15, 2019 for annual reporting and interim periods with fiscal years beginning after December 15, 2020. The Organization will be evaluating the impact this standard will have on its financial statements and related disclosures.

## ***FRIENDS IN ACTION INTERNATIONAL***

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2017 AND 2016

#### **1. Nature of activities and significant accounting policies (continued):**

*Recently issued accounting standards (continued):*

FASB ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, provides more relevant information about available resources (and the changes in those resources) to donors, grantors, creditors and other users. The most significant aspects of the ASU are as follows: (1) the ASU replaces the current presentation of three classes of net assets (unrestricted, temporarily restricted and permanently restricted) with two classes of net assets – net assets with donor restrictions and net assets without donor restrictions, (2) the ASU expands the disclosures about the nature and amount of any donor restrictions, board designations of net assets without donor restrictions, as well as any underwater endowment funds, (3) the ASU requires expenses to be presented by nature and function, as well as an analysis of the allocation of these expenses and (4) the ASU requires specific quantitative and qualitative disclosures to improve the ability of financial statement users to assess the entity's available financial resources and the methods by which it manages liquidity and liquidity risk. ASU 2016-14 is to be applied retrospectively, and is effective for years beginning after December 15, 2017. The Organization will be evaluating the impact this standard will have on its financial statements and related disclosures.

#### **2. Concentration of credit risk:**

The Organization's cash balances in financial institutions, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. At December 31, 2017, bank deposits in these accounts totaled \$378,462, of which \$123,258 was not fully insured by FDIC.

#### **3. Long-term prepaid leases:**

The long-term prepaid lease represents amounts paid for the lease of land in Santo, Vanuatu. The lease is being amortized over its life of 75 years, and the related rent expense was \$1,708 in each of the years ended December 31, 2017 and 2016.

**FRIENDS IN ACTION INTERNATIONAL**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2017 AND 2016

**4. Receivables:**

Receivables consist of the following:

	<u>2017</u>	<u>2016</u>
Shipping ministry	\$ 20,133	\$ 5,425
General	267	82
Postage	199	78
Contributions	<u>100,204</u>	<u>65,806</u>
Total receivables	<u><u>\$ 120,803</u></u>	<u><u>\$ 71,391</u></u>

**5. Property and equipment:**

	<u>2017</u>	<u>2016</u>
Land	\$ 465,080	\$ 465,080
Buildings	2,368,102	2,368,102
Improvements	76,746	76,746
Equipment	206,718	225,932
Project vehicles and equipment	1,136,743	1,291,061
Vehicles	10,477	23,477
Construction in progress	<u>12,401</u>	<u>          </u>
	4,276,267	4,450,398
Accumulated depreciation	<u>(1,111,006)</u>	<u>(1,066,553)</u>
Total	<u><u>\$ 3,165,261</u></u>	<u><u>\$ 3,383,845</u></u>

**FRIENDS IN ACTION INTERNATIONAL**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2017 AND 2016

**6. Long-term debt and interest expense:**

*Notes payable:*

On June 12, 2014, the Organization signed a mortgage construction (drawdown) note agreement in the amount of \$1.5 million. This loan is to be used for the construction of the new administrative building. The terms of the loan are 6.00% interest and require 12 monthly payments of interest only beginning July 2014 followed by 59 payments of principal and interest not to exceed \$9,961 monthly, with a final payment of outstanding principal and interest on June 12, 2020. The loan is secured by the property and any lease rental revenue. For December 31, 2017 and 2016, interest expense was \$70,205 and \$77,970, respectively.

	<u>2017</u>	<u>2016</u>
Franklin Bank mortgage	\$ 1,384,199	\$ 1,428,427
Less deferred loan issuance fees, net	<u>(14,013)</u>	<u>(15,231)</u>
	1,370,186	1,413,196
Less current portion	<u>(51,488)</u>	<u>(45,038)</u>
	<u><u>\$ 1,318,698</u></u>	<u><u>\$ 1,368,158</u></u>

Future principal payments are as follows:

2018	\$ 51,488
2019	54,122
2020	<u>1,278,589</u>
	<u><u>\$ 1,384,199</u></u>

**FRIENDS IN ACTION INTERNATIONAL**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2017 AND 2016

**7. Temporarily restricted net assets:**

Temporarily restricted net assets available for staff support and specified projects are as follows at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Staff support	\$ 87,420	\$ 70,596
West Africa well drilling	204,704	127,288
India	15,565	15,565
Papua, New Guinea	9,540	1,066
Vanuatu	11,647	203
Russia (Moldova)	15,305	6,987
Bolivia	15,892	9,860
Nicaragua	<u>30,251</u>	<u>8,409</u>
	<u>\$ 390,324</u>	<u>\$ 239,974</u>

**FRIENDS IN ACTION INTERNATIONAL**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2017 AND 2016

**8. Net assets released from restrictions:**

Amounts released from restrictions consisted of amounts expensed predominantly for staff support and specified projects as follows for the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
USA Headquarters projects	\$ 81,592	\$ 46,113
Staff support	427,742	496,117
West Africa well drilling	18,851	98,105
India		15,000
Papua, New Guinea	565	18,585
Vanuatu	26,691	51,170
Russia (Moldova)	15,849	44,756
Bolivia	11,745	28,829
Nicaragua	<u>156,213</u>	<u>118,761</u>
Total restrictions released	<u>\$ 739,248</u>	<u>\$ 917,436</u>

**9. Related entity and related party:**

Effective January 1, 2007, the Organization entered into an agreement with Friends in Action, International – Canada (FIAIC), a separate legal entity chartered under the rules of Canada, to provide financial support to various mission projects run separately by each entity.

In 2017 and 2016, FIAIC provided the Organization \$63,840 and \$14,787 respectively, in support for various mission projects run by the Organization. In 2017 and 2016, the Organization provided FIAIC with support for mission projects totaling \$40,990 and \$51,871, respectively. In addition, FIAIC paid the Organization's portion of a drill rig in Burkina Faso for the Water of Life well drilling project in April 2016. A loan agreement was signed for the funds whereby the Organization agreed to reimburse FIAIC by December 31, 2016. A one year extension was granted. The loan was paid in full in 2017.

**FRIENDS IN ACTION INTERNATIONAL**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 2017 AND 2016

**9. Related entity and related party (continued):**

In November 2016, a board member advanced \$5,000 to the Organization to assist with compensation for an individual in Vanuatu. A loan agreement was signed whereby the Organization agreed to reimburse the board member by December 31, 2017. The Organization was required to pay \$1 of interest on this loan. The loan was paid in full in 2017.

**10. Operating lease:**

Effective June 1, 2016, the Organization leases 50% of its office building and 50% of the warehouse to a third party for \$6,500 per month under a long-term lease agreement that expires on May 31, 2036. The tenant has the right to elect early termination at any time upon 90-days written notice. The lease includes an early termination fee equal to the lesser of 12 times the monthly rent then in effect or the rent payable under the lease for the remainder of the then-existing term.

Net rental income is comprised of the following:

	<u>2017</u>	<u>2016</u>
Rental income	\$ 79,365	\$ 45,500
Less:		
Depreciation	29,540	17,231
Interest expense	<u>34,494</u>	<u>38,376</u>
Net rental income (expense)	<u>\$ 15,331</u>	<u>\$ (10,107)</u>

**FRIENDS IN ACTION INTERNATIONAL**

NATURAL EXPENSE CLASSIFICATIONS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Program services:		
Land purchases and leases	\$ 1,708	\$ 1,708
Construction materials	28,591	34,476
Equipment purchases	19,227	73,119
Repairs and maintenance	6,182	22,034
Consumables	4,304	12,104
Supplies	11,917	12,642
National workers support	29,719	43,261
Field operating expenses	31,471	53,884
Forward funds	28,070	87,464
Clothing	23,611	4,578
Insurance	4,997	11,418
Occupancy	5,414	8,250
Vehicle expense	1,759	2,377
Travel	45,381	64,166
Postage and shipping	13,807	34,709
Office supplies and printing	1,846	14,734
Interest expense	1,218	1,218
Property taxes	5,997	30,159
Depreciation	142,961	152,610
Staff support	405,109	463,553
Total program services	<u>\$ 813,289</u>	<u>\$ 1,128,464</u>

(continued)

**FRIENDS IN ACTION INTERNATIONAL**

NATURAL EXPENSE CLASSIFICATIONS (CONTINUED)

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Management and general:		
Repairs and maintenance	\$ 9,658	\$ 16,721
Insurance	1,509	3,351
Occupancy	21,679	19,060
Vehicle expenses	1,979	4,593
Travel	8,233	5,409
Postage and shipping	4,006	4,390
Office supplies and printing	38,556	34,700
Advertising	5,854	429
Dues and training	3,295	2,366
Meetings	714	200
Professional fees	22,379	23,315
Interest expense	34,493	38,376
Bank charges	4,528	5,080
Depreciation	1,901	1,641
Staff support	40,134	85,594
Property taxes	169	852
Bad debt		3,190
Miscellaneous	<u>8,008</u>	<u>3,269</u>
Total management and general	<u>\$ 207,095</u>	<u>\$ 252,536</u>

(continued)

***FRIENDS IN ACTION INTERNATIONAL***

NATURAL EXPENSE CLASSIFICATIONS (CONTINUED)

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Fundraising:		
Insurance	\$ 102	\$ 235
Donor development	10,155	8,766
Occupancy		69
Postage and shipping	108	68
Office supplies	726	
Printing and postage	5,935	1,225
Staff support	29,212	33,616
Property taxes	99	495
Depreciation	<u>1,551</u>	<u>1,429</u>
Total fundraising	<u><u>\$ 47,888</u></u>	<u><u>\$ 45,903</u></u>