

FRIENDS FOR LIFE

ANNUAL FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
AUGUST 31, 2016 AND 2015**

WITH INDEPENDENT AUDITORS' REPORT

FRIENDS FOR LIFE
TABLE OF CONTENTS
FOR THE YEARS ENDED
AUGUST 31, 2016 AND 2015

	<u>Page</u> <u>Number</u>
Independent Auditors' Report.....	1 – 2
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Cash Flows.....	5
Notes to the Financial Statements.....	6 – 14
SUPPLEMENTAL INFORMATION	
Schedule of Functional Expenses	15 – 18

THIS PAGE LEFT BLANK INTENTIONALLY



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Friends for Life
Waco, Texas

We have audited the accompanying financial statements of Friends for Life, (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of August 31, 2016 and 2015, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 Friends for Life as of August 31, 2016 and 2015, 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 Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information included on pages 15 to 18 is presented for purposes of additional analysis and is 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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 20, 2017

FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

FRIENDS FOR LIFE
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2016 AND 2015

ASSETS	2016	2015
Current assets:		
Cash	\$ 30,817	\$ 2,530
Pledges Receivable, net of allowance of \$1,000 and \$5,000, respectively	8,850	80,816
Accounts receivable, net of \$0 allowance	162,012	212,404
Prepays	40,971	26,270
Other Current Assets	2,412	-
Total Current Assets	245,062	322,020
Non-current assets:		
Deposit	5,297	5,297
Other non-current assets	4,776	-
Property, building and equipment, net of accumulated depreciation	2,259,733	2,336,121
Total Non-Current Assets	2,269,806	2,341,418
Total Assets	\$ 2,514,868	\$ 2,663,438
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 63,356	\$ 26,975
Cash overdraft	-	19,951
Accrued Liabilities	129,044	98,924
Line of credit to bank	34,988	34,700
Current portion of long-term notes payable	260,760	189,474
Total Current Liabilities	488,148	370,024
Noncurrent liabilities:		
Long-term notes payable, net of current maturities	1,162,588	1,276,974
Total Liabilities	1,650,736	1,646,998
Net assets:		
Unrestricted net assets	864,132	1,014,925
Temporarily restricted net assets	-	1,515
Total Net Assets	864,132	1,016,440
Total Liabilities and Net Assets	\$ 2,514,868	\$ 2,663,438

See accompanying notes to the financial statements.

THIS PAGE LEFT BLANK INTENTIONALLY

FRIENDS FOR LIFE
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2016 AND 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
PUBLIC SUPPORT AND REVENUES					
Cash contributions	\$ 120,914	\$ -	\$ -	\$ 120,914	\$ 335,994
Grants and contracts:					
Direct grants	298,500	-	-	298,500	258,003
Program revenues	1,749,159	-	-	1,749,159	1,862,228
Non-program revenues	7,627	-	-	7,627	13,577
Special events	1,152	-	-	1,152	18,514
Net assets released from restrictions	1,515	(1,515)	-	-	-
Total support and revenues	<u>2,178,867</u>	<u>(1,515)</u>	<u>-</u>	<u>2,177,352</u>	<u>2,488,316</u>
EXPENSES					
Program services:					
Registered professional guardianship	1,075,946	-	-	1,075,946	1,260,304
Money management	132,593	-	-	132,593	141,108
Independent living programs	91,979	-	-	91,979	120,697
Adult day care	738,262	-	-	738,262	718,247
Total program services	<u>2,038,780</u>	<u>-</u>	<u>-</u>	<u>2,038,780</u>	<u>2,240,356</u>
Supporting services:					
Management and general	189,947	-	-	189,947	113,637
Fund raising	29,117	-	-	29,117	133,383
Total supporting services	<u>219,064</u>	<u>-</u>	<u>-</u>	<u>219,064</u>	<u>247,020</u>
Total expenses	<u>2,257,844</u>	<u>-</u>	<u>-</u>	<u>2,257,844</u>	<u>2,487,376</u>
CHANGE IN NET ASSETS	(78,977)	(1,515)	-	(80,492)	940
NET ASSETS, BEGINNING OF YEAR	<u>943,109</u>	<u>1,515</u>	<u>-</u>	<u>944,624</u>	<u>1,015,500</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(71,816)</u>
NET ASSETS, END OF YEAR	<u>\$ 864,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 864,132</u>	<u>\$ 944,624</u>

See accompanying notes to the financial statements.

THIS PAGE LEFT BLANK INTENTIONALLY

FRIENDS FOR LIFE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$(80,492)	\$ 940
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	87,457	86,654
Prior period adjustment	(71,816)	-
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable	47,980	(27,420)
Decrease in unconditional promises to give	71,966	650
Increase in prepaid insurance	(14,701)	(24,189)
Decrease in deposit	-	1,003
Increase in inventory	(4,776)	-
Increase (decrease) in accounts payable	36,381	(43,838)
Increase (decrease) in cash overdrafts	(19,951)	19,951
Increase in accrued liabilities	<u>30,120</u>	<u>48,504</u>
Net Cash Provided by Operating Activities	82,168	62,255
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(11,069)	(73,662)
Net Cash Used by Investing Activities	(11,069)	(73,662)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	33,798	5,757
Payment of borrowings	(76,610)	(2,285)
Net Cash Provided (Used) by Financing Activities	(42,812)	3,472
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,287	(7,935)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,530	10,465
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 30,817</u>	<u>\$ 2,530</u>
SUPPLEMENTAL DISCLOSURE:		
Interest paid	<u>\$ 85,043</u>	<u>\$ 95,360</u>

See accompanying notes to the financial statements.

THIS PAGE LEFT BLANK INTENTIONALLY

FRIENDS FOR LIFE

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2016

1. NATURE OF OPERATIONS

Organization

Friends for Life (the “Organization”) is a Texas private nonprofit organization chartered in September 1989. The Organization is dedicated to helping the elderly and people with disabilities live independently as long as possible and providing care for those who are unable to care for themselves. The Organization accomplishes these goals by providing the following programs: registered professional guardianship, money management, independent living programs, adult day care, and intergenerational programs.

Program Services and Activities

The following program and supporting services are included in the accompanying financial statements:

Registered Professional Guardianship – Friends for Life offers guardianship service in 82 Texas counties. The Organization serves as guardian when the judge determines a person lacks capacity and there is no family member qualified and willing to serve as a guardian. Friends for Life served almost 500 people through its guardianship program last year.

Money Management – In 12 counties, Friends for Life staff intercedes with creditors, helps with budgets, assists with accessing benefits, balances checkbooks, reconciles bank statements and pays bills. Friends for Life also helps people access benefits and connect with resources in the community. Friends for Life serves over 600 people through its Money Management Programs.

Independent Living Programs – For over twenty-seven years, Friends for Life has been recruiting, training and organizing volunteers to help the elderly live independently as long as possible and to improve their quality of life. The Organization helps the elderly continue to live in their own homes.

Adult Day Care – In June 2000, Friends for Life took over an adult day care program in Waco, Texas that was scheduled to close. The center is open from 7:30am to 6pm, Monday through Friday and provides nursing care, meals, transportation, activities, social interaction, exercise programs and more. Friends for Life serves over 110 people through its Adult Day Care Center.

Intergenerational/Quality of Life Programs – Over the years, Friends for Life has created dozens of Intergenerational Programs where adults and children come together to learn from each other and love one another. Each year, Friends for Live organizes hundreds of volunteers who work to improve quality of life for the elderly and adults with disabilities in hospitals, nursing homes, and in their own homes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Friends for Life have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958, “*Not-for-Profit Entities*.” Under ASC 958, the Association is required to report information regarding its financial position and activities according to three classes of equity: unrestricted, temporarily restricted, and permanently restricted.

A description of the three net asset categories follows:

Unrestricted Net Assets - Unrestricted Net Assets represent resources over which the Board of Directors has discretionary control and can be used currently for the general purposes of the Organization in accordance with its bylaws. These designations of unrestricted resources by the governing board do not have the same legal requirements as do restrictions of funds.

Temporarily Restricted Net Assets- Temporarily restricted net assets represent resources currently available for use, but expendable only for those operating purposes or time restriction specified by the donor.

Permanently Restricted Net Assets- Permanently restricted net assets represent principal amounts of gifts and bequests which have been accepted with the donor stipulation that the principal be maintained intact in perpetuity or a specified period, with only the income to be utilized. The Organization does not have any permanently restricted net assets as of August 31, 2016 and 2015.

Use of Accounting Estimates

The preparation of financial statements in conformity 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. The Company’s most significant estimates include useful lives of property, plant and equipment.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be a cash equivalent. As of August 31, 2016 and 2015, the Company did not have any cash equivalents.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine the uncollectible of pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. As of August 31, 2016 and 2015, the Organization had allowances of \$1,000 and \$5,000, respectively.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect or be reimbursed from granting agencies as part of providing program services. Management reviews grants receivable on a periodic basis and records a provision for doubtful accounts based on the review of outstanding receivables, historical collection information, and existing economic conditions. Due to the nature of the grants receivables, management has determined that there is no need for an allowance for doubtful accounts.

Property, Plant and Equipment

The Organization capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased assets are capitalized at cost. Donations of noncash assets are recorded at the fair market value.

Property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over their following estimated useful lives:

Buildings	15-40 years
Furniture & Equipment	5-10 years
Vehicles	5-7 years

Maintenance and minor repairs are charged to operations when incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in current operations.

Public Support and Revenue

The Organization has contracts with Texas Department of Aging and Disability Services to provide guardianship services for incapacitated people in several regions in Texas and to provide adult day care services for the elderly and people with disabilities in Waco. Friends for Life also receive reimbursement for services from several counties and from individuals. Fees for services are becoming a greater part of the revenues of the Organization.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. The Organization recognizes grant revenue after it has fulfilled all specific requirements as listed out in the grant contracts which signify the Organization has become eligible for reimbursement.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Expenses are recognized as incurred.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes

The Organization was granted tax-exempt status under Section 501(c) (3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements. The Organization has been classified as a publicly supported organization, which is not a private foundation under Section 509(a) (1) and 170(b) (1) (A) (VI) of the Code.

The Organization's tax returns are generally no longer subject to examination by the Internal Revenue Service for years before 2013.

3. PROPERTY, BUILDINGS AND EQUIPMENT

Property, buildings and equipment consist of the following:

	<u>2016</u>	<u>2015</u>
Buildings	\$ 1,571,589	\$ 1,566,545
Building improvements	975,651	972,520
Office furniture and equipment	442,245	442,244
Computers	71,529	71,529
Software	25,713	22,821
Vehicles	160,043	160,043
Land	286,588	286,588
Land Improvements	11,998	11,998
Medical Equipment	<u>19,235</u>	<u>19,235</u>
Total property, buildings and equipment	3,564,591	3,553,523
Less accumulated depreciation	<u>(1,304,858)</u>	<u>(1,217,402)</u>
Net property, buildings and equipment	<u>\$ 2,259,733</u>	<u>\$ 2,336,121</u>

Depreciation charged as an expense for the years ended August 31, 2016 and 2015, was \$87,457 and \$86,653, respectively.

4. NOTES PAYABLE

The Organization's short-term and long-term debt consists of the following:

	<u>2016</u>	<u>2015</u>
Installment note payable to American Bank; original amount \$1,600,000; monthly payment is \$10,079; interest rate, 6.375%; matures in 2016; secured by real estate	\$ 1,147,926	\$ 1,193,088
Installment note payable to American Bank; original amount \$125,000; monthly payment is \$1,038; interest rate, 5.75%; matures in 2017; secured by all tangible personal property of the Organization	82,288	89,632
Installment note payable to American Bank; original amount \$100,000; principal due in one lump-sum payment in November 2016; interest rate, 3.25%; secured by all tangible personal property of the Organization	100,000	96,510
Installment note payable to American Bank; original amount \$75,000; monthly payment is \$2,251; interest rate, 5.00%; matures in April 2018 secured by all tangible personal property of the Organization	43,134	67,238
0.00% Interest promissory note; original amount \$30,000; principle amount due and payable in one payment as soon as the funds are available	30,000	-
0.00% Interest promissory note; original amount \$20,000; principle amount due and payable in one payment as soon as the funds are available	<u>20,000</u>	<u>20,000</u>
Total notes payable	<u>\$ 1,423,348</u>	<u>\$ 1,466,468</u>

August 31,

2017	\$ 260,760
2018	73,686
2019	59,012
2020	62,089
2021	65,757
Thereafter	<u>902,044</u>
Total	<u>\$ 1,423,348</u>

Interest expense for the years ended August 31, 2016 and 2015, was \$85,043 and \$95,360, respectively.

5. LINE OF CREDIT

The Organization has a line of credit of \$35,000 with a local financial institution. The terms of the line include a variable interest rate based on a Prime plus 2%, with a floor of 8%. Interest payments are due on the 25th day of each month. The note is secured by equipment. The amount outstanding as of August 31, 2016 and 2015 was \$34,988 and \$34,700, respectively.

6. ACCRUED COMPENSATED BALANCE AND LEAVE

Compensation has been accrued but no accrual for leave or sick pay has been made because it is not a requirement of the Organization to pay these amounts. They normally pay leave if the employee is still employed.

7. RESTRICTIONS ON NET ASSETS

As of August 31, 2015, the Organization had temporarily restricted net assets of \$1,515 for the use of software. There were no restrictions on net assets for the Organization in 2016.

8. CONTRIBUTED SERVICES AND GIFTS-IN-KIND

Contributed Services

Legal services for the years ended August 31, 2016 and 2015, valued at \$11,900 and \$54,027, respectively. These services were provided during the year and are recognized as contributed services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services.

During the year ended August 31, 2016, there were more than 1,084 volunteers who provided 25,595 hours in volunteer services throughout the year. Using the rate established by the Independent Sector of \$25.11 per volunteer hour, the estimated value of these services is \$567,348.

During the year ended August 31, 2015, there were more than 2,825 volunteers who provided 26,268 hours in volunteer services throughout the year. Using the rate established by the Independent Sector of \$24.66 per volunteer hour, the estimated value of these services is \$647,769.

Because these services were not performed by persons specialized in their field, the value of these services was not recognized as revenue.

Gifts-in-kind

As of August 31, 2016 and 2015, the Organization received gifts-in-kind totaling \$74,080 and \$29,760, respectively. These gifts have been fully included as contribution expense during the year. For the years ended August 31, 2016 and 2015, the Organization also received donated office space, including rent and utilities, valued at \$55,228 and \$54,028, respectively, for their offices in Abilene, Temple and Tyler.

9. CONCENTRATIONS

Concentration of Credit Risk

All accounts, interest bearing and noninterest bearing, are insured by the FDIC up to \$250,000 per depositor at each separately charter FDIC-insured depository institution. As of August 31, 2016 and 2015, all of the Organization's cash balances were insured.

Concentration of Funding Source

During the year ended August 31, 2016, the Organization received approximately 47% of its total support from the Guardianship Program. A loss of this services could negatively impact operations.

During the year ended August 31, 2015, the Organization received approximately 48% of its total support from the Guardianship Program. A loss of this services could negatively impact operations.

As of August 31, 2016 and 2015, revenue from programs amounted to approximately 80% and 75% of total revenues, respectively.

10. COMMITMENTS AND CONTINGENCIES

The Organization leases office space in San Antonio, Corpus Christi, and Texas City.

On November 9, 2015, the Organization renewed a 3.25% interest promissory note for the amount of \$100,000. The maturity date of the note is November 9, 2016.

The future minimum lease payments are as follows:

Years Ending August 31,		
2017	\$	9,660
2018		9,660
2019		9,660
2020		9,660
2021		9,660
Thereafter		-
	\$	<u>48,300</u>

The San Antonio lease is a 12 month lease and has required payments of \$100 each month. This lease expense has been paid for since inception and continues to be, by a donor. Therefore, Friends for Life has not incurred any expense for the San Antonio office. Total rent expense, paid for by the donor for the years ended August 31, 2016 and 2015, was \$9,660 and \$13,309, respectively.

11. EMPLOYEE BENEFIT PLAN

During the year ended August 31, 2015, the Organization had a defined contribution 403(b) plan which covered substantially all employees. Participants could elect to contribute to the plan through payroll deductions. Participants of the plan were able to contribute up to the lesser of 100% of their compensation or \$18,000 for 2015, respectively. Employees who were age 50 or older were able to make catch-up contributions of up to \$6,000 for 2015. The Organization did not contribute an employer match to the plan. Participants' accounts were fully vested at all times during 2015. The Organization no longer has a retirement plan as the retirement plan was terminated at the beginning of the year ending August 31, 2016.

12. PRIOR PERIOD ADJUSTMENT

During 2016, the Organization performed an analysis over their pledges receivable, noting that a significant portion of the balance had been collected or was deemed uncollectable for the prior year but had not been properly adjusted. As a result, the Organization recorded a prior period adjustment to its retained earnings as of August 31, 2015 in the amount of \$71,816.

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 20, 2017, the issuance date of this report.

THIS PAGE LEFT BLANK INTENTIONALLY

SUPPLEMENTAL INFORMATION

FRIENDS FOR LIFE
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2016

	Program Expenses				Total Program Expenses
	Registered Professional Guardianship	Money Management	Independent Living Programs	Adult Day Care	
Salaries	\$ 842,281	\$ 103,389	\$ 63,240	\$ 416,978	\$ 1,425,888
Employee benefits	<u>36,353</u>	<u>6,000</u>	<u>2,250</u>	<u>24,810</u>	<u>69,413</u>
Total personnel	878,634	109,389	65,490	441,788	1,495,301
Specific assistance to individuals	8	1,069	2,710	107,256	111,043
Accounting fees	7,408	1,852	1,852	7,408	18,520
Legal fees	2,521	-	-	2,261	4,782
Supplies	4,280	491	442	11,940	17,153
Telephone	24,726	1,400	1,496	1,909	29,531
Postage and shipping	2,342	809	360	187	3,698
Occupancy	13,311	3,381	1,691	21,129	39,512
Equipment rental and maintenance	292	241	146	2,217	2,896
Printing and publications	-	-	-	-	-
Conferences, conventions, etc.	563	-	-	2,040	2,603
Interest	18,624	3,912	5,188	52,727	80,451
Insurance	8,600	87	1,977	21,005	31,669
Utilities	11,383	2,331	1,889	18,895	34,498
Advertising	-	-	-	-	-
Automobile expense	77,035	3,258	22	6,347	86,662
Miscellaneous	-	-	-	-	-
Bad debt expense	-	-	-	-	-
Total expenses before depreciation	<u>1,049,727</u>	<u>128,220</u>	<u>83,263</u>	<u>697,109</u>	<u>1,958,319</u>
Depreciation	<u>26,219</u>	<u>4,373</u>	<u>8,716</u>	<u>41,153</u>	<u>80,461</u>
Total expenses	<u>\$ 1,075,946</u>	<u>\$ 132,593</u>	<u>\$ 91,979</u>	<u>\$ 738,262</u>	<u>\$ 2,038,780</u>

Supporting Service Expenses

General and Administrative	Fund Raising	Total Supporting Service Expenses	2016 Total Expenses
\$ 150,131	\$ 1,999	\$ 152,130	\$ 1,578,018
<u>2,250</u>	<u>5,690</u>	<u>7,940</u>	<u>77,353</u>
152,381	7,689	160,070	1,655,371
-	-	-	111,043
16,667	1,852	18,519	37,039
1,700	-	1,700	6,482
653	945	1,598	18,751
2,291	-	2,291	31,822
129	970	1,099	4,797
1,268	1,479	2,747	42,259
172	52	224	3,120
-	1,946	1,946	1,946
-	-	-	2,603
2,891	1,701	4,592	85,043
3,707	2,142	5,849	37,518
1,889	1,889	3,778	38,276
-	2,569	2,569	2,569
1,571	-	1,571	88,233
1,130	-	1,130	1,130
-	2,385	2,385	2,385
<u>186,449</u>	<u>25,619</u>	<u>212,068</u>	<u>2,170,387</u>
3,498	3,498	6,996	87,457
<u>\$ 189,947</u>	<u>\$ 29,117</u>	<u>\$ 219,064</u>	<u>\$ 2,257,844</u>

FRIENDS FOR LIFE
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2015

	Program Expenses				Total Program Services
	Registered Professional Guardianship	Money Management	Independent Living Programs	Adult Day Care	
Salaries	\$ 988,618	\$ 110,607	\$ 90,803	\$ 451,259	\$ 1,641,287
Employee benefits	<u>36,000</u>	<u>3,000</u>	<u>3,000</u>	<u>15,000</u>	<u>57,000</u>
Total personnel	1,024,618	113,607	93,803	466,259	1,698,287
Specific assistance to individuals	10,534	-	2,710	63,373	76,617
Benefits paid to or for members	-	-	-	-	-
Accounting fees	2,975	372	372	2,975	6,694
Legal fees	7,703	-	-	2,792	10,495
Supplies	4,958	538	442	11,678	17,616
Telephone	24,213	1,350	1,442	2,302	29,307
Postage and shipping	3,838	1,897	586	187	6,508
Occupancy	18,893	1,269	1,272	4,826	26,260
Equipment rental and maintenance	5,869	1,523	2,285	5,624	15,301
Printing and publications	-	-	-	-	-
Conferences, conventions, etc.	11,421	-	-	1,540	12,961
Interest	21,889	4,283	5,234	59,006	90,412
Insurance	10,297	2,059	1,977	21,005	35,338
Utilities	11,337	1,889	1,889	18,895	34,010
Advertising	-	-	-	-	-
Automobile expense	74,897	7,122	20	17,058	99,097
Miscellaneous	-	-	-	-	-
Total expenses before depreciation	<u>1,233,442</u>	<u>135,909</u>	<u>112,032</u>	<u>677,520</u>	<u>2,158,903</u>
Depreciation	<u>26,862</u>	<u>5,199</u>	<u>8,665</u>	<u>40,727</u>	<u>81,453</u>
Total expenses	<u>\$ 1,260,304</u>	<u>\$ 141,108</u>	<u>\$ 120,697</u>	<u>\$ 718,247</u>	<u>\$ 2,240,356</u>

Supporting Service Expenses

<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Total Supporting Service Expenses</u>	<u>2015 Total Expenses</u>
\$ 93,727	\$ 101,858	\$ 195,585	\$ 1,836,872
<u>3,000</u>	<u>5,690</u>	<u>8,690</u>	<u>65,690</u>
96,727	107,548	204,275	1,902,562
-	-	-	76,617
-	-	-	-
372	372	744	7,438
-	-	-	10,495
653	945	1,598	19,214
614	767	1,381	30,688
129	1,172	1,301	7,809
901	447	1,348	27,608
1,223	1,046	2,269	17,570
964	2,200	3,164	3,164
894	1,750	2,644	15,605
2,474	2,474	4,948	95,360
3,707	2,142	5,849	41,187
1,889	1,889	3,778	37,788
-	8,031	8,031	8,031
489	-	489	99,586
-	-	-	-
<u>111,036</u>	<u>130,783</u>	<u>37,544</u>	<u>2,196,447</u>
<u>2,601</u>	<u>2,600</u>	<u>5,201</u>	<u>86,654</u>
<u>\$ 113,637</u>	<u>\$ 133,383</u>	<u>\$ 247,020</u>	<u>\$ 2,487,376</u>

THIS PAGE LEFT BLANK INTENTIONALLY