

PRISON FELLOWSHIP INTERNATIONAL

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2011 AND 2010

Prison Fellowship International

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Independent Auditor's Report

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Board of Directors
Prison Fellowship International
Lansdowne, Virginia

We have audited the accompanying Statements of Financial Position of **Prison Fellowship International** (the "Organization") as of December 31, 2011 and 2010, and the related Statements of Activities and Changes in Net Assets and Cash Flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Prison Fellowship International's** internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Prison Fellowship International** as of December 31, 2011 and 2010, and the changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Rockville, Maryland
April 26, 2012

Prison Fellowship International

Statements of Financial Position

<i>December 31,</i>	2011	2010
Assets		
Current assets		
Cash and cash equivalents	\$ 1,556,168	\$ 807,879
Investments	4,153,340	5,472,682
Contributions receivable	157,000	153,000
Accounts receivable, net	44,319	9,956
Inventory	5,363	5,395
Prepaid expenses	18,680	36,095
Total current assets	5,934,870	6,485,007
Other assets		
Investments held for long term use	90,000	90,000
Deposits	550	550
Equipment and furniture, net	138,071	282,420
Total other assets	228,621	372,970
Total assets	\$ 6,163,491	\$ 6,857,977
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 253,762	\$ 253,228
Net assets		
Unrestricted	1,849,013	1,992,733
Unrestricted - board designated	1,382,840	2,224,945
Total unrestricted net assets	3,231,853	4,217,678
Temporarily restricted	2,587,876	2,297,071
Permanently restricted	90,000	90,000
Total net assets	5,909,729	6,604,749
Total liabilities and net assets	\$ 6,163,491	\$ 6,857,977

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Prison Fellowship International

Statements of Activities and Changes in Net Assets

<i>Years Ended December 31,</i>	2011	2010
Unrestricted net assets		
Support and revenue		
Charter membership fees	\$ 2,534,958	\$ 2,592,735
Contributions	1,233,235	1,268,265
Contributed rent and other	195,946	158,960
Meeting revenue	42,161	9,277
Investment income	90,077	210,321
Other income	3,289	8,712
Foreign currency gain	851	13,746
Net assets released from restrictions	489,343	409,465
Total support and revenue	4,589,860	4,671,481
Expenses		
Programme services:		
Ministry services and development	4,955,624	3,827,795
Supporting services:		
General and administrative	589,666	512,192
Fundraising	30,395	49,217
Total expenses	5,575,685	4,389,204
Change in unrestricted net assets	(985,825)	282,277
Temporarily restricted net assets		
Support for special projects	732,490	581,738
Contributed equipment, medical supplies and software	43,241	41,750
Investment income	4,417	4,433
Net assets released from restriction	(489,343)	(409,465)
Change in temporarily restricted net assets	290,805	218,456
Change in net assets	(695,020)	500,733
Net assets, beginning of year	6,604,749	6,104,016
Net assets, end of year	\$ 5,909,729	\$ 6,604,749

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Prison Fellowship International

Statements of Cash Flows

<i>Years Ended December 31,</i>	2011	2010
Cash flows from operating activities		
Change in net assets	\$ (695,020)	\$ 500,733
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation and amortization	156,062	146,530
Loss (gain) on disposal of equipment and furniture	10	(50)
Net realized and unrealized gain on investments	(6,316)	(96,559)
Donated stock	-	(3,453)
(Increase) decrease in:		
Contributions receivable	(4,000)	(150,000)
Accounts receivable	(34,363)	22,201
Inventory	32	1,302
Prepaid expenses	17,415	(620)
Deposits	-	5,409
Increase (decrease) in:		
Accounts payable and accrued expenses	534	45,273
Net cash (used) provided by operating activities	(565,646)	470,766
Cash flows from investing activities		
Proceeds from maturities of investments	2,434,200	1,314,280
Purchase of investments	(1,108,542)	(1,902,138)
Proceeds from disposal of equipment and furniture	467	50
Purchase of equipment and furniture	(12,190)	(102,835)
Net cash provided (used) in investing activities	1,313,935	(690,643)
Net change in cash and cash equivalents	748,289	(219,877)
Cash and cash equivalents, beginning of year	807,879	1,027,756
Cash and cash equivalents, end of year	\$ 1,556,168	\$ 807,879

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Prison Fellowship International

Notes to Financial Statements

1. Organization and significant accounting policies

Prison Fellowship International (the “Organization” or “PFI”) is a not-for-profit organization founded on August 8, 1979, in the District of Columbia as an association of independent national prison ministries. Its purpose is to provide services to member ministries and to assist in the development of chartered prison fellowship ministries in other countries. It works to foster mutual support and assistance and promotes the interchange of successful ministry methods among national ministries.

Basis of accounting: The accounts of the Organization are maintained on the accrual basis of accounting where support is recognized when earned, and costs and expenses are recognized when incurred.

Basis of presentation: Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions and reported as follows:

Unrestricted net assets - net assets that are not subject to donor-imposed stipulations. Includes undesignated net assets available for general operations and unrestricted net assets designated by the Board of Directors for certain current and future ministry projects and activities.

Temporarily restricted net assets - net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - net assets subject to donor-imposed stipulations that they be maintained permanently by PFI. The Organization may use all or part of the income earned on these assets for specific purposes.

Cash and cash equivalents: PFI considers all highly liquid debt instruments purchased with original maturities of one month or less to be cash equivalents. The Organization maintains cash balances which may exceed federally insured limits. Management does not believe that this results in any significant credit risk.

Investments: Investments consist of certificates of deposit with original maturities greater than one month, international bonds, and a mutual fund. The mutual fund is recorded at fair value using quoted market prices. International bonds are recorded at fair value using prices from similar assets in markets without active trading volumes. The fair value of certificates of deposit was developed using the current interest rates for certificates of deposit with similar time to maturity, discounting the future payments to present value. Investment income (including realized and unrealized gains and losses on investments, interest and dividends) is recorded as unrestricted income, unless restricted by donor or law.

Prison Fellowship International

Notes to Financial Statements

1. Organization and significant accounting policies (continued)

Fair value: PFI values investments at fair value in accordance with a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1. Observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3. Unobservable inputs in which there is little or no market data, which requires the reporting entity to develop its own assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Contributions receivable: The Organization records contributions receivable when a promise to give is made. All receivables are expected to be collected within one year. Management believes all contributions receivable are fully collectible and has determined that no allowance for doubtful contributions receivable is necessary at December 31, 2011 and 2010.

Accounts receivable: The Organization uses the allowance method to estimate the amounts, if any, of its accounts receivable that are considered uncollectible. The amount of the allowance, if any, is based on prior years' experience and management's current estimates of potentially uncollectible accounts. Accounts receivable are deemed to be past due based on a contractual term of 30 days. The allowance for doubtful accounts receivable as of December 31, 2011 and 2010, totaled \$23,824.

Inventory: Inventory is recorded at the lower of cost, using the weighted average method, or market. At December 31, 2011 and 2010, inventory consisted of books and videos.

Equipment and furniture: The Organization capitalizes all expenditures for equipment and furniture in excess of \$500. Equipment and furniture are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets, which is generally three to five years. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful life or the remaining lease term. Expenses that do not materially extend the useful life of an asset are expensed in the current period. Any gain or loss that may result from the sale or disposition of an asset is recorded as a revenue or expense in the year that the transaction occurs.

Prison Fellowship International

Notes to Financial Statements

1. Organization and significant accounting policies (continued)

Charter membership fees: Each affiliate member organization is to pay an annual contribution to PFI, which approximates 6% of the annual revenue of the affiliate organization. In certain cases, the Organization will accept a discretionary “in-kind” contribution from an affiliate who does not have the ability to pay. Charter membership fees, which are self-determined and reported by the affiliates, are recognized upon receipt since that is the point at which PFI is assured of the amount and collection.

Contributions: The Organization records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor temporarily restricted contributions are recorded as temporarily restricted support and are then reclassified to unrestricted net assets upon fulfillment of the restriction. Donor permanently restricted contributions are reported and remain as permanently restricted net assets. The Organization treats gifts of long-lived assets and gifts of cash for long-lived assets without donor use restrictions as having implied time restrictions that expire over the useful life of the donated assets. Gifts of long-lived assets are recorded at fair value when received or promised.

Contributed rent and other: The Organization rents office space at a below market rate. The difference between the estimated rental market rate for comparable office space and the amount actually charged is recorded as contributed rent in the Statement of Activities and Changes in Net Assets.

Contributed equipment, medical supplies and software: The Organization receives contributed equipment, medical supplies, and software from various organizations, which are temporarily restricted for a specific geographic region, programme, or time. The supplies are recorded at fair value when received or promised and are reflected in the accompanying financial statements as temporarily restricted revenue and ministry services and development expense. The software is recorded at fair value when received or promised and is reflected in the accompanying financial statements as temporarily restricted revenue and will be released as depreciation.

Donated services: Numerous medical professionals volunteer significant amounts of time on the Organization’s medical mission trips. Although no amounts are reflected in the financial statements since the Organization would not normally pay for these services, management estimates the fair value of these donated services to be approximately \$113,000 and \$235,000 for the years ended December 31, 2011 and 2010, respectively.

Prison Fellowship International

Notes to Financial Statements

1. Organization and significant accounting policies (continued)

Programme services: Ministry services and development encompasses those activities related to:

- Establishing and developing effective national Prison Fellowship (“PF”) ministries through on-site assistance, consultation, and technical support provided by secretariat staff, regional ministry development specialists, and regional leadership teams.
- Supporting national PF ministries through board and staff development, training, programme planning and implementation, strategic projects, material and technical assistance, ministry promotion, and resource development. Specific major programmes include:
 - National Ministry Development
 - PFI Centre for Justice and Reconciliation
 - PFI Institute for Leadership Formation
 - PFI Global Assistance Programmes
 - Convocation
 - Communications

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes: The Organization is a Section 501(c)(3) not-for-profit corporation exempt from federal income taxes as provided under section 501(a) of the Internal Revenue Code and applicable regulations of the Commonwealth of Virginia. PFI has no unrelated business income.

Uncertainty in income taxes: PFI evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. As of December 31, 2011 and 2010, there are no accruals for uncertain tax positions. If applicable, PFI records interest and penalties as a component of income tax expense. Tax years from 2008 through the current year remain open for examination by tax authorities.

Prison Fellowship International

Notes to Financial Statements

- 1. Organization and significant accounting policies (continued)** **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 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.

Subsequent events: Management has evaluated subsequent events for disclosure in these financial statements through April 26, 2012, which is the date the financial statements are available to be issued.

- 2. Investments** Investments are comprised of the following at December 31:

	2011	2010
Certificates of deposit	\$ 3,529,110	\$ 4,461,247
International bonds	-	399,007
Mutual fund - balanced	714,230	702,428
Total investments	\$ 4,243,340	\$ 5,562,682

	2011	2010
Investments - current	\$ 4,153,340	\$ 5,472,682
Investments held for long term use	90,000	90,000
Total investments	\$ 4,243,340	\$ 5,562,682

Investment income is comprised of the following for the years ended December 31:

	2011	2010
Income:		
Interest	\$ 74,638	\$ 104,537
Realized gain (loss)	8,054	(1)
Reinvested dividends	13,540	13,658
	96,232	118,194
Other change in investments:		
Unrealized (loss) gain	(1,738)	96,560
Total investment income	\$ 94,494	\$ 214,754

Prison Fellowship International

Notes to Financial Statements

3. Fair value of investments

The fair value of investments as of December 31 is as follows:

Fair Value Measurements at Reporting Date Using			
December 31, 2011	Total	Level 1	Level 2
Certificates of deposit	\$ 3,529,110	\$ -	\$ 3,529,110
Mutual fund - balanced	714,230	714,230	-
Totals	\$ 4,243,340	\$ 714,230	\$ 3,529,110
<hr/>			
December 31, 2010	Total	Level 1	Level 2
Certificates of deposit	\$ 4,461,247	\$ -	\$ 4,461,247
International bonds	399,007	-	399,007
Mutual fund - balanced	702,428	702,428	-
Totals	\$ 5,562,682	\$ 702,428	\$ 4,860,254

Level 2 certificate of deposit values were developed utilizing current interest rates for certificates of deposit with similar maturity dates, discounting the future payments to present value at year end. International bond values were developed utilizing prices from assets in markets without active trading volumes.

4. Equipment and furniture

Equipment and furniture consists of the following at December 31:

	2011	2010
Equipment and furniture	\$ 87,228	\$ 89,409
Computer hardware	81,489	94,186
Computer software	589,483	612,261
Leasehold improvements	29,442	26,642
Total equipment and furniture	787,642	822,498
Less: Accumulated depreciation and amortization	(649,571)	(540,078)
Equipment and furniture, net	\$ 138,071	\$ 282,420

Depreciation and amortization expense for the years ended December 31, 2011 and 2010, were \$156,062 and \$146,530, respectively.

Prison Fellowship International

Notes to Financial Statements

5. Board designated net assets	Board designated net assets consist of the following at December 31:		2011		2010
	Convocation and special meetings	\$	1,000,000	\$	1,800,000
	Crisis intervention		100,000		100,000
	Future ministry development		181,580		223,685
	Medical projects		101,260		101,260
	Total	\$	1,382,840	\$	2,224,945

6. Temporarily restricted net assets	Temporarily restricted net assets are available for the following purposes at December 31:		2011		2010
	National ministry support	\$	271,055	\$	254,511
	Relief and development		1,302,202		1,182,095
	Restorative justice		25,250		24,250
	Special projects		217,266		187,420
	Training		772,103		648,795
	Total	\$	2,587,876	\$	2,297,071

Temporarily restricted net assets released from restriction for the years ended December 31:

			2011		2010
	Donated medical supplies	\$	43,241	\$	38,296
	National ministry support		213,316		123,364
	Relief and development		38,628		110,289
	Special projects		92,733		76,616
	Training		101,425		60,900
	Total	\$	489,343	\$	409,465

Prison Fellowship International

Notes to Financial Statements

7. Endowment funds

PFI's endowment consists of three individual funds established for a variety of purposes. Its endowment includes donor restricted funds held in perpetuity. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of the Relevant Law

Management of PFI has interpreted the Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, PFI classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified in temporarily restricted net assets until those amounts are appropriated for expenditure by PFI in a manner consistent with the standard prudence prescribed by UPMIFA. In accordance with UPMIFA, PFI considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization.

Endowment net assets composition by type of fund as of December 31:

	2011	2010
	Permanently Restricted	Permanently Restricted
Donor-restricted endowment funds	\$ 90,000	\$ 90,000

Prison Fellowship International

Notes to Financial Statements

7. Endowment funds (continued)

Change in endowment net assets for the year ended December 31, 2011:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ -	\$ 90,000	\$ 90,000
Investment income	4,417	-	4,417
Appropriation of endowment assets for expenditure	(4,417)	-	(4,417)
Endowment net assets, end of year	\$ -	\$ 90,000	\$ 90,000

Change in endowment net assets for the year ended December 31, 2010:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ -	\$ 90,000	\$ 90,000
Investment income	4,433	-	4,433
Appropriation of endowment assets for expenditure	(4,433)	-	(4,433)
Endowment net assets, end of year	\$ -	\$ 90,000	\$ 90,000

Description of amounts classified as permanently restricted net assets:

	2011	2010
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	\$ 90,000	\$ 90,000

Prison Fellowship International

Notes to Financial Statements

7. Endowment funds (continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2011 and 2010.

Return Objectives and Risk Parameters

PFI has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to preserve the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold for a donor-specified period. Under this policy, as approved by Management, the endowment assets are invested in certificates of deposit to assume a low level of investment risk. PFI expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, PFI relies on a return strategy in which investment returns are achieved through current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

PFI has a policy of appropriating for distribution each year the income earned on the endowment funds. In establishing this policy, the PFI considered the long-term expected return on its endowment. Accordingly, over the long term, PFI expects the current spending policy to remain consistent. This is consistent with PFI's objective to preserve the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

8. Related party transactions

Prison Fellowship USA ("PF USA") is the United States of America chartered affiliate of the Organization. PF USA collects certain donations and pays certain expenses on behalf of the Organization with excess amounts recorded as due from or payable to the Organization each month. PF USA charter membership fees totaled \$2,346,780 and \$2,296,008 in 2011 and 2010, respectively. Other PF USA contributions totaled \$1,000,000 in both 2011 and 2010. At December 31, 2011 and 2010, PFI had amounts due from PF USA totaling \$1,000 and \$1,108, respectively. At December 31, 2011 and 2010, PFI had amounts due to PF USA totaling \$26,827 and \$17,952, respectively.

PFI maintains its offices in the Lansdowne, Virginia facility of PF USA and has agreed to pay as rent a share of the facility operating expenses proportionate to the space it occupies in the building. The amounts paid to PF USA for rent for the years ended December 31, 2011 and 2010, were \$56,315 and \$55,164, respectively. The difference between this and the estimated market rate rent for comparable office space was recorded as a \$163,378 and \$131,082 contribution from PF USA and as rent expense in 2011 and 2010, respectively.

Prison Fellowship International

Notes to Financial Statements

- 9. Commitments** The Organization has entered into several office space operating leases for both international field offices and for the United States office. The leases expire at various dates through 2014. PFI has also entered into agreements to lease office equipment. These leases are treated as operating leases in the financial statements. The future minimum base payments required under these leases as of December 31, 2011, are as follows:

2012	\$	58,881
2013		61,393
2014		16,829
<hr/>		
Total	\$	137,103

Rent expense for 2011 and 2010 was \$301,490 and \$252,815, respectively, including \$195,946 and \$158,960, respectively, of contributed rent from PF USA and OMF International.

- 10. Line of credit** The Organization has a line of credit in the amount of \$100,000 with a bank in Virginia. Advances bear interest at the Wall Street Journal Prime Rate. The agreement expired March 2, 2011, and was renewed for another year. At December 31, 2011 and 2010, the Organization had no indebtedness under the line of credit.

- 11. Retirement plan** The Organization sponsors a defined contribution retirement plan (the "Plan") covering qualifying employees, as defined in the Plan agreement. Employees are eligible for participation in the Plan after one year of employment. The Plan consists of mandatory employee contributions of 2% of their annual salary, with the Organization currently contributing 4% of their annual salary. Employees vest 100% in all contributions as they are made. Plan expense for 2011 and 2010 was \$89,087 and \$76,212, respectively.



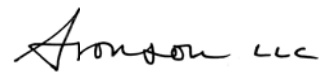
Independent Auditor's Report on Supplementary Information

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We have audited the financial statements of **Prison Fellowship International** as of and for the years ended December 31, 2011 and 2010, and our report thereon dated April 26, 2012, which expressed an unqualified opinion on those financial statements, appears on page 1. 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 17 and 18 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.


Rockville, Maryland
April 26, 2012

Prison Fellowship International

Schedule of Functional Expenses

<i>Year Ended December 31, 2011</i>	Ministry Services and Development	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 1,801,603	\$ 371,508	\$ 24,477	\$ 2,197,588
Conferences	4,475	-	-	4,475
Depreciation and amortization	139,016	17,046	-	156,062
Legal and insurance	7,014	15,283	-	22,297
Material giveaways	15,081	695	-	15,776
Non-cash contributions	43,241	-	-	43,241
Other	14,746	19,932	332	35,010
Postage	52,264	10,047	-	62,311
Printing	72,709	8,922	-	81,631
Professional services	710,552	38,875	4,560	753,987
Rent, maintenance and utilities	258,569	73,088	-	331,657
Software and internet	17,405	5,629	-	23,034
Special projects	288,227	-	-	288,227
Supplies	48,355	2,492	-	50,847
Telephone	44,030	1,422	-	45,452
Translation	50,434	928	-	51,362
Travel	1,387,903	23,799	1,026	1,412,728
Total	\$ 4,955,624	\$ 589,666	\$ 30,395	\$ 5,575,685

See Independent Auditor's Report on Supplementary Information.

Prison Fellowship International

Schedule of Functional Expenses

<i>Year Ended December 31, 2010</i>	Ministry Services and Development	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 1,909,278	\$ 356,021	\$ 23,918	\$ 2,289,217
Conferences	13,941	-	-	13,941
Depreciation and amortization	140,332	6,198	-	146,530
Legal and insurance	15,300	15,570	-	30,870
Material giveaways	5,868	392	10	6,270
Non-cash contributions	38,296	-	-	38,296
Other	14,857	6,687	75	21,619
Postage	62,534	10,463	59	73,056
Printing	56,018	6,487	236	62,741
Professional services	332,500	37,842	18,575	388,917
Rent, maintenance and utilities	235,317	50,195	-	285,512
Software and internet	46,424	9,428	-	55,852
Special projects	260,789	-	-	260,789
Supplies	22,373	2,949	-	25,322
Telephone	34,139	1,234	-	35,373
Translation	42,340	922	-	43,262
Travel	597,489	7,804	6,344	611,637
Total	\$ 3,827,795	\$ 512,192	\$ 49,217	\$ 4,389,204

See Independent Auditor's Report on Supplementary Information.