

**FAMILY PRESERVATION AND
STRENGTHENING SERVICES**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

FAMILY PRESERVATION AND STRENGTHENING SERVICES

CONTENTS

Financial statements

Statements of Activities	1
Statements of Financial Position	2
Statements of Changes in Net Assets	3
Statements of Cash Flows	4
Notes to Financial Statements	5

Independent Auditors' Report	7
---	----------

FAMILY PRESERVATION AND STRENGTHENING SERVICES

STATEMENTS OF ACTIVITIES

<i>Year ended December 31,</i>	2015	2014
Support and revenue:		
Contributions	\$ 304,984	\$ 428,934
Grant from Fairfax County	108,000	96,500
Other income	185	1,628
Fundraising events	3,797	28,086
Total support and revenue	416,966	555,148
Expenses:		
Family Assistance expenses	276,163	331,851
General & Administrative expenses	80,402	75,531
Fundraising events expenses	25,782	16,305
Depreciation	2,531	2,142
Total expenses	384,878	425,829
Increase in net assets	\$ 32,088	\$ 129,319

See accompanying notes and independent auditors' report.

FAMILY STRENGTHENING AND PRESERVATION SERVICES

STATEMENTS OF FINANCIAL POSITION

<i>December 31,</i>	2015	2014
Assets		
Current assets:		
Cash in bank	\$ 195,764	\$ 159,147
Contributions receivable	4,280	2,461
Prepaid expenses	755	740
Total current assets	200,799	162,348
Property and equipment:		
Furniture and equipment	9,541	9,541
Computer equipment	5,902	4,519
	15,443	14,060
Less: accumulated depreciation	(11,955)	(9,424)
	3,488	4,636
Total assets	\$ 204,287	\$ 166,984
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 4,870	\$ 7,413
Refundable advance	7,515	-
Payroll liabilities	393	150
Accrued vacation	2,819	2,819
Total current liabilities	15,597	10,382
Net assets:		
Unrestricted	188,690	156,602
Total net assets	188,690	156,602
Total liabilities and net assets	\$ 204,287	\$ 166,984

See accompanying notes and independent auditors' report.

FAMILY PRESERVATION AND STRENGTHENING SERVICES

STATEMENTS OF CHANGES IN NET ASSETS

Net assets, December 31, 2013	\$ 27,283
Increase in net assets	129,319
Net assets, December 31, 2014	\$ 156,602
Increase in net assets	32,088
Net assets, December 31, 2015	\$ 188,690

See accompanying notes and independent auditors' report.

FAMILY PRESERVATION AND STRENGTHENING SERVICES

STATEMENTS OF CASH FLOWS

<i>Year ended December 31,</i>	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 32,088	\$ 129,319
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,531	2,142
Changes in operating assets and liabilities:		
(Increase) decrease in other assets	(1,834)	(3,201)
Increase (decrease) in other liabilities	5,215	9,166
Net cash provided by operating activities	38,000	137,426
Net cash from investing activities		
Purchase of equipment	(1,383)	(1,124)
Net cash used by financing activities	(1,383)	(1,124)
Net increase in cash	36,617	136,302
Cash, beginning of year	159,147	22,845
Cash, end of year	\$ 195,764	\$ 159,147

See accompanying notes and independent auditors' report.

FAMILY PRESERVATION AND STRENGTHENING SERVICES

NOTES TO FINANCIAL STATEMENTS

Note A - Summary of Significant Accounting Policies

Nature of Activities

Family Preservation and Strengthening Services (Family PASS) is a family assistance program combined with intensive case management whose ultimate goal is family stabilization and self-sufficiency.

Basis of Accounting

The Organization has adopted the accrual basis of accounting in conformity with the standards promulgated by the American Institute of Certified Public Accountants.

Basis of Presentation

Resources are classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. A description of the net asset categories follows:

Unrestricted net assets: To be used for continuing operations of the Organization.

Temporarily restricted net assets: Represent resources currently available for use, but expendable only for those operating purposes specified by the donor.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that they be maintained permanently. Generally, the income earned on any related investments is available for general or specific purposes.

Currently the Organization does not have any temporarily or permanently restricted net assets.

Cash Equivalents

For financial statement purposes the Organization considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

Estimates

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

Contributions

Contributions are recognized as revenue when they are received or unconditionally pledged. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Depreciation

The Organization's property and equipment, which are recorded at cost, are being depreciated using the straight-line method over useful life. The Organization has a policy of expensing capital purchases and improvements which cost less than \$200.

FAMILY PRESERVATION AND STRENGTHENING SERVICES

NOTES TO FINANCIAL STATEMENTS

Note A - Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, no provision is made for taxes on income. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Management is not aware of any circumstances or transactions that would jeopardize its tax exempt status. The Organization's tax returns for the years 2012 through 2015 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Date of Management's Review

These financial statements considered subsequent events through April 22, 2016, the date the financial statements were available to be issued.

Note B Contributions In-Kind

A large number of people have contributed significant amounts of time to the activities of the Organization without compensation. The Organization has also been provided in-kind donations by various members of the community it serves. These items are not reflected in the financial statements. If the items were recorded as additional support received, there would be offsetting expenses recorded.

Note C Grant from Fairfax County

In June 2012, the Organization was approved for an \$85,000 grant from the Fairfax County Consolidated Community Funding Pool (CCFP). This grant began in July 2012 and runs through June 2014. According to the terms of the grant agreement, these funds are to be used 40% for salaries and 60% for direct assistance. The funds are paid quarterly and the grant is subject to a semi-annual review.

In June 2014, the Organization was approved for a \$108,000 grant from the Fairfax County Consolidated Community Funding Pool (CCFP). This grant began in July 2014 and runs through June 2016. According to the terms of the grant agreement, these funds are to be used 40% for salaries and 60% for direct assistance. The funds are paid quarterly and the grant is subject to a semi-annual review.

Note D Rental Agreement

In May 2014, the Organization signed a one-year non-cancelable lease for office space. The lease period is June 2014 through May 2015, becoming a month-to-month lease thereafter. The rent expense under this lease for the years ended December 31, 2015 and 2014 was \$16,800 and \$9,800, respectively.

Note E Reclassifications

Certain amounts in the 2014 financial statements have been reclassified to conform to the current year financial statement presentation. These reclassifications had no effect on financial position or operating results as previously reported.



GEORGEN SCARBOROUGH

ASSOCIATES, PC

Certified Public Accountants

243 Church Street, NW • Suite 100E • Vienna, VA 22180

phone: (703) 319-3990 • fax: (703) 319-3995

INDEPENDENT AUDITORS' REPORT

**KATHY J. GEORGEN, CPA
D.H. SCARBOROUGH, CPA**

To the Board of Directors of
Family Preservation and Strengthening Services

We have audited the accompanying financial statements of Family Preservation and Strengthening Services (a nonprofit Organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, changes in net assets 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 audits 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 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 Family Preservation and Strengthening Services as of December 31, 2015 and 2014, 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.

Georgen Scarborough Associates, PC

Vienna, VA
April 22, 2016