FAMILY PRESERVATION AND STRENGTHENING SERVICES

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

FAMILY PRESERVATION AND STRENGTHENING SERVICES

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Financial statements

FAMILY PRESERVATION AND STRENGTHENING SERVICES

STATEMENTS OF ACTIVITIES

Year ended December 31,		**2014**		2013
Support and revenue:				
Contributions	**$**	**428,934**	$	465,144
Grant from Fairfax County		**96,500**		85,000
Other income		**1,628**		-
Fundraising events		**28,086**		45,898
Total support and revenue		**555,148**		596,042
Expenses:				
Family Assistance expenses		**267,273**		352,860
General & Administrative expenses		**50,034**		60,140
Payroll expenses		**101,839**		101,651
Fundraising events expenses		**4,541**		16,462
Depreciation		**2,142**		1,900
Total expenses		**425,829**		533,013
Increase in net assets	**$**	**129,319**	$	63,029

See accompanying notes and independent auditors' report.

FAMILY STRENGTHENING AND PRESERVATION SERVICES

STATEMENTS OF FINANCIAL POSITION

December 31,		**2014**		2013
Assets				
Current assets:				
Cash in bank	$	159,147	$	22,845
Contributions receivable		2,461		-
Prepaid expenses		740		-
Total current assets		162,348		22,845
Property and equipment:				
Furniture and equipment		9,541		9,541
Computer equipment		4,519		3,395
		14,060		12,936
Less: accumulated depreciation		(9,424)		(7,282)
		4,636		5,654
Total assets	$	166,984	$	28,499
Liabilities and net assets				
Current liabilities:				
Accounts payable	$	7,413	$	-
Payroll liabilities		150		1,216
Accrued vacation		2,819		-
Total current liabilities		10,382		1,216
Net assets:				
Unrestricted		156,602		27,283
Total net assets		156,602		27,283
Total liabilities and net assets	$	166,984	$	28,499

See accompanying notes and independent auditors' report.

FAMILY PRESERVATION AND STRENGTHENING SERVICES

STATEMENTS OF CHANGES IN NET ASSETS

Net assets, *December 31, 2012*	$	**(35,746)**
Increase in net assets		**63,029**
Net assets, *December 31, 2013*	$	**27,283**
Increase in net assets		**129,319**
Net assets, *December 31, 2014*	$	**156,602**

See accompanying notes and independent auditors' report.

FAMILY PRESERVATION AND STRENGTHENING SERVICES

STATEMENTS OF CASH FLOWS

Year ended December 31,		**2014**		2013
Cash flows from operating activities:				
Change in net assets	**$**	**129,319**	$	63,029
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation		**2,142**		1,900
Changes in operating assets and liabilities:				
(Increase) decrease in other assets		**(3,201)**		2,094
Increase (decrease) in other liabilities		**9,166**		(24,326)
Net cash provided by operating activities		**137,426**		42,697
Net cash from investing activities				
Purchase of equipment		**(1,124)**		(1,728)
Net cash used by financing activities		**(1,124)**		(1,728)
Cash flows from financing activities:				
Loan (paid to) from President		**-**		(26,227)
Net cash used by financing activities		**-**		(26,227)
Net increase in cash		**136,302**		14,742
Cash, *beginning of year*		**22,845**		8,103
Cash, *end of year*	**$**	**159,147**	$	22,845

See accompanying notes and independent auditors' report.

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.

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.

Date of Management's Review

These financial statements considered subsequent events through May 8, 2015, 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
Future Commitments

In May 2014, the Organization signed a one-year non-cancelable lease for office space. The lease period is June 2014 through May 2015. The rent expense under this lease for the year ended December 31, 2014 was $9,800. Future lease commitments under the lease will be $7,000 for 2015.

GEORGEN SCARBOROUGH

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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, 2014 and 2013, 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.

Auditor's 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 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 Family Preservation and Strengthening Services as of December 31, 2014 and 2013, 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
May 8, 2015