

**FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES**

*As of and for the Year Ended June 30, 2015
(With Comparative Information for 2014)*

And Report of Independent Auditor

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
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Report of Independent Auditor

To the Board of Directors
ForKids, inc.
Norfolk, Virginia

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of ForKids, inc. and Subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities and net assets, functional expenses, and cash flows, for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of ForKids, inc. and Subsidiaries as of June 30, 2015, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, certain reclassifications have been made to the June 30, 2014 financial statements to correct the classification of prior year revenue from unrestricted to temporarily restricted. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited ForKids, inc. and Subsidiaries June 30, 2014 consolidated financial statements and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 7, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, schedule of support, schedule of findings and questioned costs, and summary schedule of prior audit findings, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2015 on our consideration of ForKids, inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Virginia Beach, Virginia
October 15, 2015

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2015 (WITH COMPARATIVE TOTALS FOR 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>Comparative 2014 Total</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 248,657	\$ 135,840	\$ 384,497	\$ 416,144
United Way endowment fund	46,542	-	46,542	45,799
Inventory	81,247	-	81,247	60,535
Marketable securities	-	-	-	4,928
Grants receivable	278,721	431,322	710,043	639,293
Accounts receivable	52,982	-	52,982	39,163
Pledges receivable, net, current portion	-	6,250	6,250	-
Prepaid expenses	25,599	-	25,599	16,888
Total Current Assets	<u>733,748</u>	<u>573,412</u>	<u>1,307,160</u>	<u>1,222,750</u>
Property and equipment, net	<u>3,101,212</u>	<u>414,306</u>	<u>3,515,518</u>	<u>3,154,047</u>
Noncurrent Assets:				
Pledges receivable, net, long-term portion	-	18,750	18,750	-
Investments	35,828	-	35,828	35,774
Deposit	13,460	-	13,460	10,347
Total Noncurrent Assets	<u>49,288</u>	<u>18,750</u>	<u>68,038</u>	<u>46,121</u>
Total Assets	<u>\$ 3,884,248</u>	<u>\$ 1,006,468</u>	<u>\$ 4,890,716</u>	<u>\$ 4,422,918</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable, trade	\$ 28,958	\$ -	\$ 28,958	\$ 24,202
Escrow liability	-	16,182	16,182	30,915
Sales tax payable	919	-	919	1,028
Accrued wages and related liabilities	87,646	-	87,646	73,299
Total Current Liabilities	<u>117,523</u>	<u>16,182</u>	<u>133,705</u>	<u>129,444</u>
Long-term liabilities, net of current portion	<u>21,000</u>	<u>-</u>	<u>21,000</u>	<u>61,000</u>
Total Liabilities	<u>138,523</u>	<u>16,182</u>	<u>154,705</u>	<u>190,444</u>
Net Assets	<u>3,745,725</u>	<u>990,286</u>	<u>4,736,011</u>	<u>4,232,474</u>
Total Liabilities and Net Assets	<u>\$ 3,884,248</u>	<u>\$ 1,006,468</u>	<u>\$ 4,890,716</u>	<u>\$ 4,422,918</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF ACTIVITIES AND NET ASSETS

YEAR ENDED JUNE 30, 2015 (WITH COMPARATIVE TOTALS FOR 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>Comparative 2014 Total</u>
Support:				
Federal agencies	\$ -	\$ 1,998,853	\$ 1,998,853	\$ 1,496,232
Contributions	953,044	1,098,945	2,051,989	2,158,983
Capital Campaign	-	30,000	30,000	-
Government grants	-	563,366	563,366	554,857
Donated services	-	-	-	3,895
Contributed property and equipment	462,000	-	462,000	-
Contributed property subsequently sold	326,470	-	326,470	302,102
United Way fund	-	297,671	297,671	227,871
Total	<u>1,741,514</u>	<u>3,988,835</u>	<u>5,730,349</u>	<u>4,743,940</u>
Net assets released from restrictions				
Satisfaction of restrictions	<u>3,882,317</u>	<u>(3,882,317)</u>	<u>-</u>	<u>-</u>
Total Support	<u>5,623,831</u>	<u>106,518</u>	<u>5,730,349</u>	<u>4,743,940</u>
Revenue:				
Fundraising (net of expenses of \$160,535 and \$107,343 for June 30, 2015 and 2014, respectively)	558,659	-	558,659	376,353
Interest and dividends	260	-	260	108
Rent and program fees	177,485	-	177,485	163,347
Thrift store sales	252,571	-	252,571	246,151
Realized/unrealized gain on investments	774	-	774	5,193
Miscellaneous	1,950	40,000	41,950	2,902
Total Revenue	<u>991,699</u>	<u>40,000</u>	<u>1,031,699</u>	<u>794,054</u>
Total Support and Revenue	<u>6,615,530</u>	<u>146,518</u>	<u>6,762,048</u>	<u>5,537,994</u>
Functional Expenses:				
Program services	5,377,402	-	5,377,402	4,621,859
Management and general	351,017	-	351,017	231,825
Fundraising	530,092	-	530,092	357,820
Total Functional Expenses	<u>6,258,511</u>	<u>-</u>	<u>6,258,511</u>	<u>5,211,504</u>
Change in net assets	357,019	146,518	503,537	326,490
Net assets, beginning of year as restated	<u>3,388,706</u>	<u>843,768</u>	<u>4,232,474</u>	<u>3,905,984</u>
Net assets, end of year	<u>\$ 3,745,725</u>	<u>\$ 990,286</u>	<u>\$ 4,736,011</u>	<u>\$ 4,232,474</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015 (WITH COMPARATIVE TOTALS FOR 2014)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2015 Total</u>	<u>Comparative 2014 Total</u>
Childcare	\$ 41,712	\$ -	\$ -	\$ 41,712	\$ 24,009
Children's services	17,069	-	-	17,069	38,745
Counseling materials	6,005	-	-	6,005	1,215
Depreciation	181,138	18,916	-	200,054	183,250
Employee benefits	264,525	76,027	28,498	369,050	291,768
FEMA assistance	4,306	-	-	4,306	18,335
Housing assistance	1,111,003	-	-	1,111,003	802,192
Insurance	88,242	7,434	5,182	100,858	81,978
Interest	376	-	-	376	4,868
Landscaping	7,708	-	-	7,708	9,493
Miscellaneous	1,626	16,282	7,897	25,805	17,029
Payroll taxes	196,313	16,026	28,018	240,357	216,004
Pest control	5,542	-	-	5,542	7,802
Postage	4,606	-	3,802	8,408	8,617
Printing and publications	15,757	3,923	17,212	36,892	19,325
Professional fees	40,499	-	28,341	68,840	72,620
Program services	139,416	-	-	139,416	174,636
Rent	159,439	16,980	29,160	205,579	156,177
Repairs and maintenance	74,766	-	-	74,766	71,713
Salaries	2,394,475	181,979	355,773	2,932,227	2,438,959
Security	21,492	-	-	21,492	20,391
Small equipment	13,720	-	-	13,720	32,498
Supplies	14,852	2,580	8,272	25,704	14,321
Taxes and licenses	14,576	-	-	14,576	9,153
Technology	54,730	4,069	7,956	66,755	53,694
Telephone	74,714	2,928	5,725	83,367	67,794
Training	21,481	364	1,843	23,688	21,399
Travel/employee reimbursements	997	2,309	13	3,319	3,157
Utilities	141,805	1,200	2,400	145,405	89,983
Value of goods sold	252,258	-	-	252,258	246,151
Vehicle maintenance	12,011	-	-	12,011	14,143
Volunteer	243	-	-	243	85
Total Functional Expenses	<u>\$ 5,377,402</u>	<u>\$ 351,017</u>	<u>\$ 530,092</u>	<u>\$ 6,258,511</u>	<u>\$ 5,211,504</u>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 503,537	\$ 326,490
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	200,054	183,250
Realized/unrealized gain on investments	(774)	(5,193)
Contributed property and equipment	(462,000)	-
Contributed stock sold (received)	4,905	(5,003)
Change in operating assets and liabilities:		
Inventory	(20,712)	(6,792)
Grants receivable	(70,750)	(250,655)
Pledges receivable	(25,000)	-
Accounts receivable	(13,819)	64,113
Prepaid expenses	(8,711)	(2,566)
Deposits	(3,113)	-
Accounts payable, trade	4,756	(8,764)
Deferred revenue	-	(1,766)
Escrow liability and deposits	(14,733)	(1,623)
Sales tax payable	(109)	266
Accrued wages and related liabilities	14,347	9,156
Net cash provided by operating activities	<u>107,878</u>	<u>300,913</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(99,525)</u>	<u>(124,908)</u>
Cash flows from financing activities:		
Repayment of long-term debt	<u>(40,000)</u>	<u>(205,000)</u>
Net increase (decrease) in cash and cash equivalents	(31,647)	(28,995)
Cash and cash equivalents, beginning of year	416,144	445,139
Cash and cash equivalents, end of year	<u>\$ 384,497</u>	<u>\$ 416,144</u>
Supplemental cash flow information:		
Cash paid for interest	<u>\$ 376</u>	<u>\$ 4,868</u>
Schedule of non-cash activities:		
Donated services income	\$ -	\$ 3,895
Donated services expense	-	(3,895)
	<u>\$ -</u>	<u>\$ -</u>

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1—Nature of operations and summary of significant accounting policies

Nature of Operations - ForKids, Inc. (the "Organization") is a not-for-profit Virginia corporation. The mission of ForKids, inc. is to break the cycle of homelessness and poverty for families and children. As a not-for-profit Virginia corporation, ForKids, inc. has developed a unique continuum of services to meet the wide spectrum of need found in homeless families. Incorporated in 1988 as an 8-family shelter, ForKids now supports a daily caseload of over 165 families through a multi-modal services infrastructure designed to provide the appropriate support for families based on their unique needs and circumstances. Through both site-based and in-home programs, ForKids provides emergency shelter, transitional housing, permanent supportive housing, and prevention and rapid re-housing programs in urban, suburban and rural communities throughout South Hampton Roads and operates the "Regional Housing Crisis Hotline". Services include housing, case management, mental health therapy, life skills, employment and housing counseling, extensive children's education services, and HMIS administration.

Regional Housing Crisis Hotline - Provides a central point of contact for those experiencing a housing crisis. These hotline services are offered to those throughout South Hampton Roads as well as the Peninsula. For the year ended June 30, 2015, the hotline received 22,152 calls from 13,369 callers.

Emergency Shelter and Services - Provides up to 120 days of shelter, coupled with clinical case management and educational services designed to overcome barriers to housing and self-sufficiency. For the year ended June 30, 2015, 171 families with 351 children received emergency shelter and services during the year, and 95% exited to permanent or supportive housing. For the year ended June 30, 2014, 112 families with 208 children received emergency shelter and services during the year and 94% exited to permanent or supportive housing.

Transitional Supportive Housing (TSH) - Provides housing, clinical case management, and educational services for up to 2 years for families with high housing barriers, and high-acuity needs. Families develop the financial resources to obtain housing, and learn the skills needed to maintain housing. For the year ended June 30, 2015, 40 families with 107 children lived in TSH for the year, with 88% of families exiting to appropriate housing in the community. For the year ended June 30, 2014, 26 families with 66 children lived in TSH for the year, with 67% of families exiting to appropriate housing in the community.

Legacy Permanent Supportive Housing (PSH) - Families in PSH have a disabled member of the household, and cannot sustain independent housing without support. For the year ended June 30, 2015, 36 families with 78 children lived in ForKids PSH during the year, and 100% of families who exited went to other permanent housing. For the year ended June 30, 2014, 42 families with 87 children lived in ForKids PSH during the year, and 83% of families who exited went to other permanent housing.

Rapid Re-housing and Stabilization Case Management - Under contract with the cities of Norfolk, Suffolk, and Chesapeake, ForKids provided stabilization case management for families who were rapidly re-housed following an episode of homelessness. For the year ended June 30, 2015, 134 households with 274 children received services. 85% of families remained permanently housed at program exit. For the year ended June 30, 2014, 171 households with 349 children received services. 88% of families remained permanently housed at program exit.

Support Services for Veteran Families - As a sub-grantee of VBCDC, ForKids provides rapid re-housing and prevention services to veteran families in Norfolk, Chesapeake, and Western Tidewater. For the year ended June 30, 2015, 77 families with 172 children received these services. 98% of families remained permanently housed at program exit.

Children's Education Services - During the year ended June 30, 2015, a pilot program in two Norfolk Public Schools was begun to serve McKinney-Vento identified children. For the year ended June 30, 2015, 463 children received education services with 182 of these children also receiving individualized remediation, "Hot Meals and Homework".

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1—Nature of operations and summary of significant accounting policies (continued)

The Organization is supported primarily through donor contributions, grants and the United Way.

ForKids Suffolk, L.L.C. (the “Company”) was established in 2008 as a wholly-owned subsidiary for the purpose of holding real property located in Suffolk, Virginia.

ForKids Thrift, L.L.C. d/b/a Good Mojo (the “Thrift Store”) was established in 2010 as a wholly-owned subsidiary for the purpose of dealing with donations received and the sale of thrift items for the benefit of the Organization and the community.

ForKids Foundation, L.L.C. was established in 2006 as a wholly-owned subsidiary for the purpose of dealing with the proceeds from contributions and grants received for the benefit of the Organization.

Principles of Consolidation - The consolidated financial statements include the accounts of ForKids, inc. and its wholly-owned subsidiaries, ForKids Suffolk, L.L.C., ForKids Foundation, L.L.C., and ForKids Thrift, LLC. All inter-company accounts and transactions have been eliminated during consolidation.

Cash Equivalents - For purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less.

Method of Accounting - The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and, as such, recognize income when earned and expenses when incurred.

Accounts Receivable - Accounts receivable consist of trade accounts receivable and are stated at amounts billed less an allowance for doubtful accounts. Management’s determination of the allowance for doubtful accounts is based on an evaluation of the accounts receivable, past experience, current economic conditions, and other risks inherent in the receivable portfolios. An allowance was not deemed necessary at June 30, 2015 and 2014.

Grants Receivable - Grants receivable consist of federal, state, and private grants. The Organization determines the need for an allowance for doubtful accounts based on historical data and management’s opinion of the collectability of receivables. An allowance was not deemed necessary at June 30, 2015 and 2014.

Pledges Receivable - Pledges receivable are stated at amounts pledged less a discount and an allowance for uncollectible accounts. The discount is calculated based on a present value formula using the applicable federal rate index. Due to the immaterial amount, no discount was recorded for June 30, 2015. The applicable federal rate was 1.92% for June 30, 2015. Management’s determination of the allowance for doubtful accounts is based on an evaluation of the receivable, past collection experience and current economic conditions, and other risks inherent in the receivables portfolio. An allowance for doubtful accounts was not deemed necessary for the year ended June 30, 2015.

Investments - The Organization reports investments in equity and bond/fixed income funds at their fair value in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities and net assets.

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1—Nature of operations and summary of significant accounting policies (continued)

Property and Equipment - Property and equipment are recorded at cost, or if contributed, at the estimated fair value at the date of contribution. Contributions are reported as unrestricted support unless the donor restricted the donated asset to a specific purpose. Long-lived assets held and used by the Organization are reviewed for impairment whenever changes in circumstances indicate the carrying value of an asset may not be recoverable. Depreciation is calculated using straight-line and accelerated methods based on the following useful lives:

	<u>Life</u>
Building and improvements	15 - 40 Years
Furniture and equipment	5 - 7 Years
Transportation equipment	5 Years

Use of Estimates - The preparation of consolidated 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.

Income Taxes - The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Management believes that the Organization continues to satisfy the requirements of a tax-exempt organization at June 30, 2015. Management has evaluated all other tax positions that could have a significant effect on the consolidated financial statements and determined the Organization had no uncertain income tax positions at June 30, 2015 and 2014.

The Organization is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years before 2011. ForKids Suffolk, L.L.C., ForKids Foundation, L.L.C, and ForKids Thrift L.L.C. are Virginia limited liability companies. The members' share of income or loss is reported directly on the members' income tax return. Therefore, no provision for income taxes has been reflected in these consolidated financial statements.

Inventory - Inventory consists of contributed goods and is stated at standard thrift store prices.

Financial Statement Presentation - The Organization presents its consolidated financial statements in accordance with accounting standards for consolidated financial statements of not-for-profit organizations. Under accounting standards, the Organization is required to report information regarding its financial position and activities according to three classes of assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a consolidated statement of cash flows.

Advertising Costs - The Organization expenses advertising costs as incurred; however, they incurred no advertising costs for the years ended June 30, 2015 and 2014.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions received are considered to be available for unrestricted use unless specifically restricted by the donor.

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1—Nature of operations and summary of significant accounting policies (continued)

Recognition of Donor Restrictions - All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a 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 consolidated statements of activities and net assets as net assets released from restrictions.

Functional Allocation of Expenses - The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statement of activities and net assets and the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs, supporting services benefited, and fundraising.

Grant Income - Grant income is recognized in the year the grant is awarded. Cost reimbursement type grants are recognized as unrestricted revenue because time and purpose restrictions have been met. Many grants require the Organization to provide matching funds.

Prior Year Summarized Information - The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Note 2—Restricted cash

Restricted cash consists of the following:

<u>Donor</u>	<u>Restriction</u>	June 30, 2015
		Amount
Client escrow	Escrow account	\$ 1,033
Security deposits	Security deposit	15,149
Programs/services	Program/services	119,658
Total		<u>\$ 135,840</u>
		June 30, 2014
<u>Donor</u>	<u>Restriction</u>	Amount
Client escrow	Escrow account	\$ 3,838
Security deposits	Security deposit	27,077
Programs/services	Program/services	196,337
Total		<u>\$ 227,252</u>

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 3—Investments

Investments are as follows:

	Fair Value	Fair Value Measurements at June 30, 2015		
		Level 1	Level 2	Level 3
Certificate of deposit	\$ 35,828	\$ 35,828	\$ -	\$ -
Marketable equity securities	5,957	5,957	-	-
Mutual funds	40,585	40,585	-	-
Total assets	<u>\$ 82,370</u>	<u>\$ 82,370</u>	<u>\$ -</u>	<u>\$ -</u>

	Fair Value	Fair Value Measurements at June 30, 2014		
		Level 1	Level 2	Level 3
Certificate of deposit	\$ 35,774	\$ 35,774	\$ -	\$ -
Marketable equity securities	11,574	11,574	-	-
Mutual funds	39,153	39,153	-	-
Total assets	<u>\$ 86,501</u>	<u>\$ 86,501</u>	<u>\$ -</u>	<u>\$ -</u>

Presented on balance sheets as follows:

	June 30,	
	2015	2014
Current assets	\$ 46,542	\$ 50,727
Noncurrent assets	35,828	35,774
Total	<u>\$ 82,370</u>	<u>\$ 86,501</u>

The United Way endowment fund is an affiliate account the Organization holds with the United Way of South Hampton Roads Foundation and contains equity and bond/fixed income fund investments. It is a pooled endowment fund with other institutions and foundations to achieve optimal investment returns and cost savings. Net realized/unrealized gains on investments of \$774 and \$5,193 are included in the consolidated statements of activities and net assets for the years ended June 30, 2015 and 2014, respectively.

Note 4—Donated services and property

These consolidated statements reflect donated professional services that can be reasonably valued. The Organization recorded donated professional services of \$-0- and \$3,895 for the years ended June 30, 2015 and 2014, respectively. Community volunteers donate a significant amount of non-professional time to program services which cannot be objectively valued and are not reflected.

The consolidated statements also reflect donated property of \$788,470 and \$302,102 which consisted of thrift store items, property, and various other goods for the years ended June 30, 2015 and June 30, 2014, respectively. Included in the donated property were real estate assets received in July 2014 from a small non-profit organization that was dissolved. In addition, it is the Organization's policy to immediately sell all stock donations upon receipt.

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 5—Pledges receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Pledges receivables consist of the following:

	<u>2015</u>	<u>2014</u>
Receivable in less than one year	\$ 6,250	\$ -
Receivable in one to five years	18,750	-
Total pledges receivable	<u>\$ 25,000</u>	<u>\$ -</u>
As shown on balance sheets:		
Current portion of pledges receivable	\$ 6,250	\$ -
Long-term portion of pledges receivable	18,750	-
	<u>\$ 25,000</u>	<u>\$ -</u>

Note 6—Paid time off accrual

Beginning October 1, 2008, the Organization no longer pays paid time off (“PTO”) balances upon separation from employment. All employees signed the transition policy allowing employees with eligible balances to elect to bank a portion of PTO for pay out upon separation from employment or elect to have the entire PTO balance converted with no payout upon separation from employment. The accrued liability as of June 30, 2015 and 2014 includes the value of only those employees who elected to bank a portion of their eligible PTO for payout upon separation.

Note 7—Property and equipment

Property and equipment consists of the following at June 30:

	<u>2015</u>	<u>2014</u>
Land	\$ 607,662	\$ 448,562
Buildings and improvements	3,991,917	3,674,388
Furniture and equipment	421,747	428,851
Transportation equipment	218,425	215,838
	<u>5,239,751</u>	<u>4,767,639</u>
Less allowance for depreciation	<u>(1,724,233)</u>	<u>(1,613,592)</u>
	<u>\$ 3,515,518</u>	<u>\$ 3,154,047</u>

Depreciation expense was \$200,054 and \$183,250 for the years ended June 30, 2015 and 2014, respectively.

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 8—Lease commitment

The Organization leases the premises it occupies for office space with lease payments of an escalating base rent (plus certain allocable direct costs) required under present commitment agreements for the building space. The original rental agreement expired December 2012. Since then the agreement has been renewed for three additional, one-year periods. The agreement expires in January 2016.

In addition, the Organization leases the premises it occupies for ForKids Thrift, LLC with annual payments of \$60,560 and \$59,372, for 2015 and 2014, respectively. The rental agreement, having an original term of three years, expired June 2014. The agreement was renewed for an additional, three-year period.

During 2012, the Organization began a new program leasing multiple premises for use in program services. Payments are reimbursed by the U.S. Department of Housing and Urban Development under the Supportive Housing Program. Lease terms are one year or month to month thereafter.

Due to the program mentioned in the preceding paragraph, a portion of the rental expense is classified as housing assistance on the consolidated statement of functional expense. Rental expense under the various leases for the years ended June 30, 2015 and 2014 was \$392,165 and \$312,815, respectively.

Future minimum lease payments under these lease agreements are:

2016	\$	280,564
2017	\$	64,248

The Organization leases office equipment under various lease agreements expiring in fiscal year 2020. Equipment lease commitments are as follows:

2016	\$	35,400
2017	\$	35,400
2018	\$	27,535
2019	\$	16,524
2020	\$	15,147

Note 9—Lessor arrangements

The Organization has leasing operations that consist principally of leasing buildings. The Organization's leases are classified as operating leases. Total rental income from unrelated parties for the years ended June 30, 2015 and 2014 was \$129,049 and \$111,220, respectively.

The following schedule provides an analysis of the Organization's investment in property on operating leases and property held for lease by major classes as of June 30, 2015:

Building	\$	385,185
Less accumulated depreciation		(189,272)
	\$	<u>195,913</u>

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 9—Lessor arrangements (continued)

Minimum future rentals are:

2016	\$	64,838
2017	\$	14,145
2018	\$	14,569
2019	\$	15,006
2020	\$	15,457

Note 10—Pension plan

The Organization maintains a Simple IRA retirement plan that allows employees making more than \$5,000 to participate. The Organization will provide a dollar-for-dollar match up to 3% of each participant's annual salary. During the years ended June 30, 2015 and 2014, the Organization incurred pension expense of \$71,337 and \$53,901, respectively.

Note 11—Support

The amount shown on the accompanying consolidated statements as being received from the United Way of South Hampton Roads is net of the Organization's proportionate share of federal fundraising costs of \$20,546 and \$31,571 for the years ended June 30, 2015 and 2014, respectively.

Note 12—Line of credit

As of November 2011, the Organization entered into a line of credit in the amount of \$135,000 secured by a deed of trust. Interest is payable on the line at an annual rate equal to 1% over the Wall Street Journal prime rate with a floor of 5.25%. At June 30, 2015 and 2014, there was no outstanding balance.

Note 13—Long-term liabilities

Long-term liabilities at June 30 are summarized as follows:

	<u>2015</u>	<u>2014</u>
<i>Notes payable</i>		
Federal Home Loan Bank of Atlanta, Affordable Housing Program through Wachovia, noninterest bearing, due in full if the Organization ceases to operate as low income housing prior to September 2024, secured by real estate at 7th Bay Street, Norfolk, Virginia.	\$ -	\$ 40,000
City of Norfolk, noninterest bearing, due in full upon sale of building, secured by real estate at 131D View Avenue, Norfolk, Virginia.	21,000	21,000
	<u>21,000</u>	<u>61,000</u>
Less current portion	-	-
Long-term portion	<u>\$ 21,000</u>	<u>\$ 61,000</u>

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 13—Long-term liabilities (continued)

Maturities of the long-term liabilities in each of the next five fiscal years are as follows:

2015	\$	-
2016		-
2017		-
2018		-
2019		-
Thereafter		21,000
	\$	<u>21,000</u>

Interest of \$376 and \$4,868 was paid during the years ended June 30, 2015 and 2014, respectively.

Note 14—Temporarily restricted net assets

Temporarily restricted net assets are available for the following purposes at June 30:

	2015	Restated 2014
Children Services	\$ 388,089	\$ 230,000
Operating	3,550	25,000
Capital Campaign	30,000	-
Fixed assets	414,306	374,306
Program and Services	154,341	214,462
	<u>\$ 990,286</u>	<u>\$ 843,768</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the other events specified by donors as follows:

	2015	Restated 2014
Children Services	\$ 317,793	\$ -
Emergency Shelter Services	-	31,315
Operating	84,598	72,867
Program and Services	3,479,926	2,785,587
	<u>\$ 3,882,317</u>	<u>\$ 2,889,769</u>

Note 15—Concentration of revenue

The Organization receives a significant amount of its support from the U.S. Department of Housing and Urban Development. If a significant reduction in the level of support was to occur, it would affect the Organization's future programs and activities.

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 16—Concentration of credit risk

The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Organization from time to time may have amounts on deposit in excess of the insured limits. As of June 30, 2015, the Organization had \$100,818 which exceeded these insured amounts.

Accounts receivable also potentially subjects the Organization to concentration of credit risk. This risk is limited due to the number of sources comprising the Organization's revenue base.

Note 17—Fair value measurements

The Organization determines the fair value of its financial instruments based on the fair value hierarchy established in accounting standards which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Accounting standards define fair value as the exchange price that would be received for an asset or liability in the most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Accounting standards describe three levels of inputs that may be used to measure fair value:

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

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. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Certificates of Deposit - Investments in certificates of deposit are valued based on unamortized cost. Unamortized cost is a quoted price in an active market and classified within Level 1.

Marketable Equity Securities - Investments in marketable equity securities are valued based on quoted market prices (Level 1).

Mutual Funds - These investments are public investment vehicles valued using the Net Asset Value ("NAV") provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within Level 1 of the valuation hierarchy.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 18—Funds held by others

ForKids, inc. is the designated recipient of income from two funds maintained at the Hampton Roads Community Foundation (“HRCF”). The ForKids, inc. endowment is an organizational fund held by HRCF of which the Organization may request annual distributions of 5% of asset value based on a trailing 12-quarter average asset value. The value of this fund as of June 30, 2015 and 2014 is \$44,495 and \$43,425, respectively. The Mary Ludlow Home fund is a donor advised fund from which the Organization receives annual distributions. These distributions are approximately 4.5% based on a trailing twelve-quarter average asset value. The value of this fund as of June 30, 2015 and 2014 is \$1,117,313 and \$1,140,372, respectively.

Note 19—Subsequent events

Management of the Organization has evaluated subsequent events October 7, 2015, in connection with the preparation of these consolidated financial statements, which is the date the consolidated financial statements were available to be issued.

The annual functional expenses of ForKids have increased from \$3.3 million in fiscal year 2010 to \$6.3 million in fiscal year 2015. Based on the almost doubling of the operating expenses, the ForKids Board approved opening a new line of credit totaling \$300,000, secured by real estate. The current line of credit with a limit of \$135,000 will be closed. The increase will allow ForKids to better manage the cash flow based on receivables and is more in line with its current needs.

ForKids canceled the contract to purchase the 4200 Colley Avenue property in December 2014 and on September 1, 2015 renegotiated a three-year lease beginning March 2016, with an option to renew the lease for one additional one-year period thereafter.

In line with the recently approved Strategic Plan, ForKids is beginning to divest non-strategic assets and has listed two properties for sale in August 2015 (9605 8th Bay in Norfolk and 1411 20th St in Chesapeake).

Note 20—Reclassification

During the year ended June 30, 2015, the Organization realized that it had incorrectly classified certain grant revenue related to property received prior to the year ended June 30, 2010. The terms of the grants specify that the properties were to be used for specific purposes and/or time periods and, as such, should have been classified as temporarily restricted instead of unrestricted. Accordingly, the Organization has restated its results for the year ended June 30, 2014. The effect of the restatement on net assets and the statements of activities as of and for the year ended June 30, 2014 is as follows:

	<u>Reported</u>	<u>Restated</u>
Unrestricted net assets	\$ 3,763,012	\$ 3,388,706
Temporarily restricted net assets	469,462	843,768
Total net assets	<u>\$ 4,232,474</u>	<u>\$ 4,232,474</u>
Net assets released from restrictions		
Unrestricted	\$ 3,264,075	\$ 2,889,769
Temporarily restricted	<u>(3,264,075)</u>	<u>(2,889,769)</u>
	<u>\$ -</u>	<u>\$ -</u>

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Directors
ForKids, inc.
Norfolk, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of ForKids, inc. and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities and net assets, functional expenses, and cash flows for the year ended June 30, 2015, and have issued our report thereon dated October 7, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered ForKids, inc. and Subsidiaries' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ForKids, inc. and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of the ForKids, inc. and Subsidiaries' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ForKids, inc. and Subsidiaries' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

A handwritten signature in black ink that reads "Cheryl Bexant LLP". The signature is written in a cursive style with a large initial 'C' and 'B'.

Virginia Beach, Virginia
October 7, 2015

**Independent Auditor’s Report on Compliance for Each Major Program
and on Internal Control over Compliance Required by OMB Circular A-133**

The Board of Directors
ForKids, inc.
Norfolk, Virginia

Report on Compliance for Each Major Federal Program

We have audited ForKids, inc. and Subsidiaries’ compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of ForKids, inc. and Subsidiaries’ major federal programs for the year ended June 30, 2015. ForKids, inc. and Subsidiaries’ major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of ForKids, inc. and Subsidiaries’ major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ForKids, inc. and Subsidiaries’ compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of ForKids, inc. and Subsidiaries’ compliance.

Opinion on Each Major Federal Program

In our opinion, ForKids, inc. and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of ForKids, inc. and Subsidiaries is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered ForKids, inc. and Subsidiaries' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ForKids, inc. and Subsidiaries' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cherry Betant LLP". The signature is written in a cursive, flowing style.

Virginia Beach, Virginia
October 7, 2015

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Number	Expenditures
U.S. Department of Housing and Urban Development			
Pass-through from Norfolk Department of Human Services			
Emergency Solutions Grant Program	14.231	25-000013660B	\$ 114,641
Community Development Block Grants/Entitlement Grants	14.246	25-000013165	20,000
Supportive Housing Program			
Legacy	14.235	VA0023L3F011205	156,022
Legacy	14.235	VA0023B3F011306	387,672
Leap ESI/MP merged	14.235	VA0022L3F011205	141,308
Leap ESI/MP merged	14.235	VA0022B3F011004	195,508
Elizabeth Place	14.235	VA0019L3F011306	76,456
Elizabeth Place	14.235	VA0019L3F011407	27,223
Rapid Rehousing	14.235	VA0239L3F011300	115,993
Chesapeake Transitional	14.235	VA0077L3F011305	94,088
Pass-through City of Suffolk			
Emergency Solutions Grant Program	14.218		20,000
Pass-through from City of Chesapeake			
CDBG - Via City of Chesapeake	14.218		110,546
U.S. Department of Health and Human Services			
Pass-through from Virginia Department of Housing and Community Development			
Child Care for Homeless Children Program (CCHCP)	93.575		29,994
Emergency Shelter Grants Program	14.231		139,852
Federal Emergency Management Agency			
Pass-through from City of Norfolk, Virginia			
Emergency Food and Shelter Program - Phase 31	97.024		3,488
Emergency Food and Shelter Program - Phase 32	97.024		4,220
U.S. Department of Veterans Affairs			
Supportive Services for Veterans Families	64.003		355,083
Total			<u>\$ 1,992,094</u>

Method of Accounting: The accompanying schedule of expenditures of federal awards includes the federal grant activity of ForKids, inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts present in, or used in the preparation of the basic financial statements.

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
CONSOLIDATED SCHEDULE OF SUPPORT

YEAR ENDED JUNE 30, 2015

Federal Agencies:

Supportive Housing Program (Legacy)	\$	543,692	
Supportive Housing Program (ESI/Leap/TIP/Morgan Place)		336,816	
Supportive Housing Program (Elizabeth Place)		103,679	
Supportive Housing Program (Rapid Rehousing)		115,993	
Supportive Housing Program (Chesapeake Transitional)		94,088	
Supportive Services for Veterans families		355,082	
Child Care for Homeless Children Program		29,995	
Community Development Block Grant (Norfolk)		20,000	
Community Development Block Grant (Chesapeake)		110,546	
Community Development Block Grant (Suffolk)		20,000	
Emergency Solutions Grant		254,485	
Emergency Food and Shelter Program		14,477	
Total Federal Agencies			\$ 1,998,853

Contributions:

Individuals, churches, businesses, and foundation grants			2,081,989
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Other Government Grants:

City of Suffolk		23,000	
Human Services Grant (Chesapeake)		36,000	
Human Services Grant (Norfolk)		71,681	
Human Services Grant (State)		432,685	
Total Other Government Grants			563,366

Contributed Property

788,470

United Way

297,671

Total Support

\$ 5,730,349

FORKIDS, INC. AND SUBSIDIARIES
(A NONPROFIT ORGANIZATION)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2015

Findings - Financial statement audit

None noted

Findings and questioned costs - Major federal award programs audit

None noted