

**FAMILY ASSESSMENT
COUNSELING AND EDUCATION
SERVICES, INC.**

**REVIEWED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

For the Year Ended December 31, 2013

K JEFFREY KOLSIN	KOLSIN and CREAL CERTIFIED PUBLIC ACCOUNTANTS THE CORNERSTONES FOR FINANCIAL PEACE™ PERSERVING CLIENT TRUST WITH HONESTY AND INTEGRITY™	C RAYMOND CREAL
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INDEPENDENT AUDITOR'S REVIEW REPORT

Board of Directors
FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.
Placentia, CA.

We have reviewed the accompanying statement of financial position of Family Assessment Counseling and Education Services, Inc. as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of my procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Kolsin and Creal CPAs

August 12, 2014

FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.

Statement of Financial Condition

December 31, 2013

ASSETS

CURRENT ASSETS:

Cash and equivalents	\$ 8,002.00
Receivables	26,898.00
Prepaid expenses	<u>7,110.00</u>
TOTAL CURRENT ASSETS	42,010.00

OTHER ASSETS:

Property and equipment (net)	\$350.00
Deposits	\$900.00
Other	<u>50.00</u>
TOTAL ASSETS	<u>\$ 43,310.00</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$15,395.00
Accrued compensation	11,760.00
Accrued taxes	14,919.00
Current portion of note payable	<u>4,916.00</u>
TOTAL CURRENT LIABILITIES	46,990.00

LONG TERM LIABILITIES:

Note payable	<u>4,683.00</u>
TOTAL LONG TERM LIABILITIES	<u>4,683.00</u>

TOTAL LIABILITIES 51,673.00

NET ASSETS – Unrestricted	(33,363.00)
– Temporarily Restricted	<u>25,000.00</u>

TOTAL NET ASSETS (8,363.00)

TOTAL LIABILITES AND NET ASSETS \$ 43,310.00

FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.
Statement of Activities
Year Ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
REVENUES:			
PUBLIC SUPPORT:			
County Government Contract		71,794.00	71,794.00
Grants-Foundations		80,000.00	80,000.00
County Government		137,945.00	137,945.00
Contributions	5,800.00		5,800.00
Special events	4,323.00		
Less: Cost Of Direct Benefits	<u>(2,717.00)</u>	1,606.00	1,606.00
	<u>7,406.00</u>	<u>289,739.00</u>	<u>297,145.00</u>
Net assets released from restriction			
Satisfaction of specific purposes	264,739.00	(264,739.00)	-
	<u>272,145.00</u>	<u>25,000.00</u>	<u>297,145.00</u>
OTHER REVENUES:			
Client Revenues	203,721.00		203,721.00
Other	291.00		291.00
	<u>476,157.00</u>	<u>25,000.00</u>	<u>501,157.00</u>
TOTAL PUBLIC SUPPORT AND REVENUES			
EXPENSES:			
PROGRAM SERVICES:			
	\$ 381,156.00		\$ 381,156.00
SUPPORTING SERVICES:			
Fundraising	\$ 36,070.00		\$ 36,070.00
Management and general	85,065.00		85,065.00
	<u>\$ 121,135.00</u>	<u>\$ -</u>	<u>\$ 121,135.00</u>
TOTAL SUPPORTING SERVICES			
TOTAL EXPENSES	<u>\$ 502,291.00</u>	<u>\$ -</u>	<u>\$ 502,291.00</u>
INCREASE (DECREASE) IN NET ASSETS	(26,134.00)	25,000.00	(1,134.00)
NET ASSETS:			
BEGINNING OF YEAR	66,396.00	-	66,396.00
PRIOR PERIOD ADJUSTMENT	<u>(73,625.00)</u>		<u>(73,625.00)</u>
ADJUSTED BEGINNING OF YEAR	<u>(7,229.00)</u>	-	<u>(7,229.00)</u>
END OF YEAR	<u>\$ (33,363.00)</u>	<u>\$ 25,000.00</u>	<u>\$ (8,363.00)</u>

FAMILY ASSESSMENT COUNSELING EDUCATION SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	PROGRAM		SUPPORT SERVICES			
		TOTAL			TOTAL	
	VARIOUS	PROGRAM SERVICES	FUNDRAISING	MGT & GENERAL	SUPPORT SERVICES	TOTALS
Salaries and benefits	\$ 242,616.00	\$ 242,616.00	\$ 31,663.00	\$ 49,350.00	\$ 81,013.00	\$ 323,629.00
Occupancy	\$ 90,804.00	\$ 90,804.00	881.00	1,689.00	\$ 2,570.00	\$ 93,374.00
Utilities	\$ 8,892.00	\$ 8,892.00	150.00	287.00	\$ 437.00	\$ 9,329.00
Telephone	\$ 9,012.00	\$ 9,012.00	646.00	646.00	\$ 1,292.00	\$ 10,304.00
Office expenses	\$ 8,255.00	\$ 8,255.00	1,445.00	2,409.00	\$ 3,854.00	\$ 12,109.00
Insurance	\$ 3,889.00	\$ 3,889.00	156.00	1,495.00	\$ 1,651.00	\$ 5,540.00
Training	\$ 3,724.00	\$ 3,724.00			\$ -	\$ 3,724.00
Dues and subscriptions	\$ -	\$ -		1,586.00	\$ 1,586.00	\$ 1,586.00
Licenses and permits	\$ 403.00	\$ 403.00			\$ -	\$ 403.00
Advertising	\$ 1,653.00	\$ 1,653.00	1,102.00		\$ 1,102.00	\$ 2,755.00
Bank services	\$ -	\$ -		517.00	\$ 517.00	\$ 517.00
Merchant fees	\$ 5,493.00	\$ 5,493.00		1,831.00	\$ 1,831.00	\$ 7,324.00
Payroll processing	\$ -	\$ -		2,289.00	\$ 2,289.00	\$ 2,289.00
Interest	\$ -	\$ -		4,790.00	\$ 4,790.00	\$ 4,790.00
Professional fees	\$ -	\$ -		6,000.00	\$ 6,000.00	\$ 6,000.00
Fundraising costs	\$ -	\$ -	27.00		\$ 27.00	\$ 27.00
Repairs	\$ 505.00	\$ 505.00			\$ -	\$ 505.00
Depreciation	\$ 358.00	\$ 358.00			\$ -	\$ 358.00
Taxes	\$ -	\$ -		616.00	\$ 616.00	\$ 616.00
Settlement	\$ -	\$ -		6,395.00	\$ 6,395.00	\$ 6,395.00
Other expenses	\$ 5,552.00	\$ 5,552.00		5,165.00	\$ 5,165.00	\$ 10,717.00
TOTALS	\$ 381,156.00	\$ 381,156.00	\$ 36,070.00	\$ 85,065.00	\$ 121,135.00	\$ 502,291.00

THE ACCOMPANYING ACCOUNTANT'S REPORT AND NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING DECEMBER 31, 2013

Cash flows from operating activities:

Change in net assets before prior period adjustments \$ (1,134.00)

Adjustments For:

Prior period adjustments (73,625.00)
 Depreciation 358.00

Change in net assets before working capital changes (74,401.00)

Increase (decrease) in cash resulting from changes in:

Accounts receivable 22,762.00
 Prepaid expenses 5,129.00
 Deposits (900.00)
 Other (50.00)
 Accounts payable 11,345.00
 Accrued compensation (835.00)
 Accrued expenses (3,912.00)
 Accrued taxes 1,254.00

Net cash provided (used) by operating activities (39,608.00)

Investing activities:

Sale of equipment -
 Purchase of equipment -

Net cash provided (used) by investing activities -

Financing Activities:

Note payable 12,800.00
 Payments towards note payable (3,201.00)
 Net cash used by financing activities 9,599.00

Net increase (decrease) in cash, and cash equivalents (30,009.00)

Cash and cash equivalents - beginning 38,011.00

Cash and cash equivalents- ending \$ 8,002.00

FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

FACES is committed to building healthy families and preventing violence by assessing family dynamics and providing:

- Counseling
- Education
- Supervised Visits / Exchanges

Family Assessment Counseling and Education Services (F.A.C.E.S.) (The "Organization") was founded in 1988. They focus their programs towards children and families that are economically disadvantaged within the greater Orange County Area. The Organization receives a majority of its funding from county governmental agencies, public donations and program service fees.

The organization is a nonprofit corporation established in 1992 as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

In 1988, 3 child advocates conceived the idea of F.A.C.E.S. As mediators and counselors of people going through the various stages of divorce, they noticed that the children, through no fault of their own, were not only shuffled back and forth between their parents, but were also subjected to ever increasing domestic violence and abuse as the arguing and bickering of their parents escalated.

F.A.C.E.S. budget is slightly over \$500,000 yet we serve as large a client base as those with 10 times our resources. We have developed a vast network of professional volunteers to help with all aspects of our business making our organization efficient, modern, and cost effective. **The mission of F.A.C.E.S. is to provide counseling strategies and solutions for children caught in the crossfire of divorce and education to prevent family violence.** For the past 26 years, F.A.C.E.S. has brought hope and healing to over 40,000 families in crisis.

Child abuse can start with yelling, screaming, or arm pulling. It can be the witnessing of violence between the child's mother and father, or it can escalate into bruises and broken bones. F.A.C.E.S. strives to educate families on child abuse, anger management, and parenting issues in an effort to build self-esteem in the child and empower parents to make good choices. Family Assessment Counseling and Education Services (F.A.C.E.S.) provides quality, low and no-cost services throughout its three main programs:

- **The Family Preservation Program** facilitates collaboration with local agencies (OC Child Services and others) to meet families in crisis and to strengthen family bonds

FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

while providing necessary transitional counseling into healthier living situations, which may or may not include divorce. F.A.C.E.S. staff and volunteers receive continual training in domestic violence issues and work together for quick response, especially in crisis or emergency situations.

- **The Back & Forth Child Program** provides quality and affordable group classes to children and families that have been exposed to violence, neglect, or trauma. F.A.C.E.S. provides parents with group classes on parenting, co-parenting classes, and anger management classes and is everyday encouraging parents to learn how to provide a safe environment for their children. F.A.C.E.S. works in conjunction with the Court system in the development and practice of this program.

- **The Common Ground Program** provides monitored visitation and a safe environment for children who have been exposed to family violence, whether it is verbal, emotional or physical abuse. The families who participate can be assured that the children will have a safe, professional place to visit with their parent. Children's groups are currently available for children exposed to hostility in separated families.

- **Educational Institute** F.A.C.E.S. provides professional education and training to volunteer counselors and monitors. Our programs develop the skill sets for effective counseling that leads to certification and acceptance into the professional community. We have trained over 1000 candidates for various programs at the local and state levels over the years. We also write and publish books for use in violence and abuse prevention and in counseling those who are in abusive or dysfunctional relationships.

We also offer custody evaluations, mediation services, seminars, classes, and counseling sessions are offered regularly in both English and Spanish. These programs are supported by our Educational Institute, which offers a link between our clients and interns from local universities who seek quality, interactive training in the human services and counseling fields.

F.A.C.E.S. relies on a strong volunteer base, one that equates to more than \$585,000 in in-kind services a year that services 1700 families annually. This volunteer force is generated through the partnerships cemented with 14 local universities, a key component of the Common Ground Preservation Program. Such a volunteer presence lends itself to continue to support F.A.C.E.S. programming and thus provide no and low-cost counseling services to the community. It is the unique mission of F.A.C.E.S. to provide safety and healing through professional counseling, education and other services to children and their families caught in the crossfire of divorce and other family trauma.

NEEDS ASSESSMENT

As in years past, especially these past 3 years of recession, the Annual Report on the conditions of Children in Orange County (2013) shows an increasing need for services

FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

to reduce violence and abuse with children. Our mission focuses F.A.C.E.S. into an area where families with no previous history or problems due to the pressures of divorce find themselves beginning to have destructive tendencies. We strive to help them cope so the children will not have to suffer the resulting abuse environment.

One of the results of abusive behavior is the need to provide a safe environment for supervised visitation. This is the goal of our Common Ground Program.

Basis of Accounting

The financial statements of the organization have been prepared according to the accounting principles applicable to nonprofit organizations.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets—Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets—Net assets subject to donor-imposed restrictions that will be met, either by actions of the Organization and/or the passage of time.

Cash and Cash Equivalents

The organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The

FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Services

Donated services are recognized as contributions in accordance with generally accepted accounting principles in the United States of America. Accounting for Contributions Received and Contributions Made, if the services meet certain criteria. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with program services and fund raising activities, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 500 volunteer hours per year.

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 at the date of the financial statements and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Expense Allocation

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

Fair Value Measurements

FASB guidance on fair value measurements defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements. The guidance applies to all assets and liabilities that are measured and reported on a fair value basis. The carrying amounts of financial instruments, including cash, cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate fair value due to the short maturity of these instruments.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the

FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over estimated useful lives of 3 to 10 years.

Public Support and Revenue Recognition

The organization recognizes revenue in various categories by how the contributions were solicited.

The Organization collects fees for services provided which are recognized as revenues in the period received.

Restricted Support

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. This includes government county grants and contract services with the county.

Net Asset Categories

A description of the organization's net asset categories is as follows:

Unrestricted Net Assets — Unrestricted net assets are those that bear no external restrictions as to use or purpose.

Temporarily Restricted Net Assets — Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose.

Permanently Restricted Net Assets — Permanently restricted net assets consist of contributions subject to donor-imposed stipulations that they be maintained permanently by the organization. Generally, the donors permit the use of all or part of the income earned on such assets.

FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 2: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Leasehold Improvement		\$ 22,102.00
Office Equipment		14,210.00
Playground Equipment		2,508.00
		<u>38,820.00</u>
Less: accumulated depreciation		<u>(38,470.00)</u>
Total		<u>\$ 350.00</u>

NOTE 3: CASH AND INVESTMENTS

Cash consists of the following as of December 31:

Demand deposits \$ 8,002

NOTE 4: FAIR VALUE MEASUREMENTS

Guidance provided by the FASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring a fair value, a fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access at the measurement date. The type of investments included in Level 1 includes listed equities and listed derivatives.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs that are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methods used may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Agency 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. There have been no changes in the methodologies used at December 31, 2013.

U.S. government securities, corporate bonds, equities and collateralized mortgage obligations are all valued at the closing price reported on the active or observable market on which the individual securities are traded.

The following table sets forth by level, within the fair value hierarchy, the Agency's assets and liabilities at fair value as of December 31, 2013:

	Balance as of December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Cash equivalents	\$ 8,002.00	\$ 8,002.00		
	-	-		
Total	\$ 8,002.00	\$ 8,002.00	\$ -	\$ -

NOTE 5: OBLIGATIONS UNDER OPERATING LEASES

Future minimum lease payments under operating leases for facilities and equipment total the following:

Lease	Monthly Payment	Period effective		Five-Year Minimum Noncancellable Payments					
		From	To	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	Thereafter
Placentia	3,265	1/1/14	1/31/14	3,265					
Santa Ana	1,549	1/1/14	1/31/14	1,549					
Fullerton	1,210	1/1/14	1/31/14	1,210					
Laguna Hills	2,200	1/1/14	1/31/14	2,200					
San Juan Cap	900	1/1/14	1/31/14	900					
Total	9,124			9,124	-	-	-	-	-

Total rent expense for 2013 was \$93,374.

FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 6: CONCENTRATION OF CREDIT RISK

The organization maintains cash in demand deposit accounts that are in bank deposit accounts which, at times, may exceed federally insured limits. The organization has not experienced any losses in such accounts. Management believes the organization is not exposed to any significant credit risk related to cash.

NOTE 7: NET ASSETS RELEASED FROM RESTRICTION

Temporarily restricted net assets are available for the following purposes:

The following is temporarily restricted by donor's contributions towards various projects:

GRANT-FOUNDATIONS	<u>25,000.00</u>
TOTAL RESTRICTED FUNDS AT DECEMBER 31, 2013	<u>\$ 25,000.00</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Purpose restriction accomplished:

COUNTY CONTRACT SERVICES	\$ 71,794.00
COUNTY GOVERNMENT GRANTS	\$ 137,945.00
GRANTS-FOUNDATIONS	<u>55,000.00</u>
TOTAL RESTRICTED FUNDS RELEASED	<u>\$ 264,739.00</u>

NOTE 8: NOTE PAYABLE

The organization has an obligation to Mary O'Connor bearing interest at 4.00% with the loan payable in monthly installment of \$434.25, including interest, and is not collateralized.

Loan maturities for each of the five years following December 31, 2013, are as follows:

2014	\$ 4,917
2015	4,683
2016	0
2017	0
2018	0
Thereafter	<u>0</u>
	<u>\$ 9,600</u>

FAMILY ASSESSMENT COUNSELING AND EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 9: PRIOR PERIOD ADJUSTMENT

Certain errors resulting in an overstatement or understatement of previously reported items were discovered during the current year. Accordingly, an adjustment of \$73,625 was made during 2013 to the following:

Accounts Receivable	\$ 49,660
Other Assets	6,327
Understatement of Tax liabilities	10,844
Understatement of Rent Payments to 2012	<u>6,794</u>
Total	<u>\$ 73,625</u>

A corresponding entry was made to reduce previously reported net assets.

NOTE 10: SUBSEQUENT EVENT

The organization had made a decision to change its fiscal year end from December 31 to June 30 starting July 1, 2014. This decision to change reflects a better matching of revenues from county contracts that run from July 1 to June 30. Significant revenue to this organization comes from these contracts along with patient co-payments required under these agreements.