Arlingtonians Meeting Emergency Needs, Inc.

Financial Statements

June 30, 2010 and 2009

KOSITZKA, WICKS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

KWC

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KOSITZKA, WICKS & COMPANY
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Arlingtonians Meeting Emergency Needs, Inc.
Arlington, Virginia

We have audited the accompanying statements of financial position of **Arlingtonians Meeting Emergency Needs, Inc.** (AMEN) (a not-for-profit organization), as of June 30, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These statements are the responsibility of **Arlingtonians Meeting Emergency Needs, Inc.'s** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Arlingtonians Meeting Emergency Needs, Inc.**, as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Kositzka, Wicks and Company

Alexandria, Virginia
October 22, 2010

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Arlingtonians Meeting Emergency Needs, Inc.

Statements of Financial Position

June 30,	2010	2009
Assets		
Current assets		
Cash and cash equivalents	$ 172,700	$ 126,565
Prepaid expenses	834	3,382
Grants receivable	2,250	12,431
	175,784	142,378
Property		
Equipment	6,101	6,101
Less: accumulated depreciation	(4,528)	(3,721)
	1,573	2,380
Total assets	$ 177,357	$ 144,758
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	$ 3,822	$ 4,825
Refundable advance	4,325	7,500
Total liabilities	8,147	12,325
Net assets		
Unrestricted	143,246	115,667
Temporarily restricted	25,964	16,766
Total net assets	169,210	132,433
Total liabilities and net assets	$ 177,357	$ 144,758

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Arlingtonians Meeting Emergency Needs, Inc.

Statement of Activities
for the year ended June 30, 2010

	Unrestricted	Temporarily restricted	Total
Revenue			
Contributions	$ 215,197	$ -	$ 215,197
Arlington County matching funds	-	305,580	305,580
Arlington County non matching funds	-	147,780	147,780
EnergyShare grants	-	99,010	99,010
Grants from foundations	45,000	30,000	75,000
Grants - other	-	14,500	14,500
United Way funding	10,890	-	10,890
Interest earned	523	-	523
Other revenue and refunds	1,952	-	1,952
In-kind contributions	21,717	-	21,717
Net assets released from restrictions	587,672	(587,672)	-
Total revenue	882,951	9,198	892,149
Expenses			
Program services	758,400	-	758,400
Management and general	71,040	-	71,040
Fundraising	25,932	-	25,932
Total expenses	855,372	-	855,372
Change in net assets	27,579	9,198	36,777
Net assets at beginning of year	115,667	16,766	132,433
Net assets at end of year	$ 143,246	$ 25,964	$ 169,210

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Arlingtonians Meeting Emergency Needs, Inc.

Statement of Activities
for the year ended June 30, 2009

	Unrestricted	Temporarily restricted	Total
Revenue			
Contributions	$ 151,810	$ -	$ 151,810
Arlington County matching funds	-	225,365	225,365
Arlington County non matching funds	-	104,580	104,580
EnergyShare grants	-	98,970	98,970
Grants from foundations	1,000	35,000	36,000
Grants - other	-	11,712	11,712
Section 8 rent repayments	31,397	-	31,397
United Way funding	19,364	-	19,364
Interest earned	1,056	-	1,056
Other revenue and refunds	2,778	-	2,778
In-kind contributions	4,010	-	4,010
Net assets released from restrictions	591,994	(591,994)	-
Total revenue	803,409	(116,367)	687,042
Expenses			
Program services	624,468	-	624,468
Management and general	63,525	-	63,525
Fundraising	11,739	-	11,739
Total expenses	699,732	-	699,732
Change in net assets	103,677	(116,367)	(12,690)
Net assets at beginning of year	11,990	133,133	145,123
Net assets at end of year	$ 115,667	$ 16,766	$ 132,433

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Arlingtonians Meeting Emergency Needs, Inc.

Statement of Functional Expenses
for the year ended June 30, 2010

	Program	Management and general	Fundraising	Total
Expenses				
Administrative support salaries	$ 32,061	$ 16,031	$ 16,031	$ 64,123
AMEN Office rent	910	910	-	1,820
Audit charges	-	10,500	-	10,500
Bank charges	-	440	-	440
Bookkeeping	-	9,820	-	9,820
Carter-Jenkinson fund rent assistance	314,196	-	-	314,196
Client support	10,400	-	-	10,400
Computer-related expense	216	432	-	648
Consulting	-	-	5,042	5,042
Daily Fund expense	261,180	-	-	261,180
Depreciation	-	807	-	807
Donated professional fees	-	21,717	-	21,717
Dress for work success	7,882	-	-	7,882
Dues and subscriptions	-	2,735	-	2,735
EnergyShare expense	90,420	-	-	90,420
Fundraising	506	-	505	1,011
Insurance	1,031	2,000	-	3,031
Mass mailing costs	1,436	140	696	2,272
Miscellaneous	-	707	-	707
Office supplies and services	722	1,090	266	2,078
Payroll taxes	3,020	1,633	1,508	6,161
Postage and freight	148	142	90	380
Printing	4,256	432	1,794	6,482
Section 8 security deposit loans	17,543	-	-	17,543
PSH emergency fund expense	11,375	-	-	11,375
Telephone	667	1,252	-	1,919
Website	431	252	-	683
Total functional expenses	$ 758,400	$ 71,040	$ 25,932	$ 855,372

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Arlingtonians Meeting Emergency Needs, Inc.

Statement of Functional Expenses
for the year ended June 30, 2009

	Program	Management and general	Fundraising	Total
Expenses				
Administrative support salaries	$ 21,541	$ 23,307	$ 8,122	$ 52,970
AMEN Office rent	1,355	-	-	1,355
Audit charges	-	6,750	-	6,750
Bank charges	-	179	-	179
Bookkeeping	-	9,819	-	9,819
Carter-Jenkinson fund rent assistance	188,530	-	-	188,530
Client support	8,613	-	-	8,613
Computer-related expense	-	409	-	409
Daily Fund expense	261,099	-	-	261,099
Depreciation	-	2,798	-	2,798
Donated professional fees	-	4,010	-	4,010
Dress for work success	6,953	-	-	6,953
Dues and subscriptions	-	767	-	767
EnergyShare expense	104,499	-	-	104,499
Fundraising	-	1,386	2,802	4,188
Furniture bank and other	1,542	-	-	1,542
Insurance	-	3,156	-	3,156
Mass mailing costs	-	3,660	-	3,660
Miscellaneous	-	689	-	689
Office supplies and services	-	2,043	-	2,043
Payroll taxes	2,161	2,339	815	5,315
Postage and freight	-	983	-	983
Printing	-	1,230	-	1,230
Section 8 security deposit loans	9,095	-	-	9,095
PSH emergency fund expense	17,350	-	-	17,350
Telephone	1,730	-	-	1,730
Total functional expenses	$ 624,468	$ 63,525	$ 11,739	$ 699,732

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Arlingtonians Meeting Emergency Needs, Inc.

Statements of Cash Flows
for the years ended June 30,

	2010	2009
Cash flows from operating activities		
Change in net assets	$ 36,777	$ (12,690)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities		
Depreciation expense	807	2,798
Gain on sale of asset	-	(2,778)
(Increase) decrease in operating assets		
Prepaid expenses	2,548	(2,587)
Grants receivable	10,181	(6,648)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(1,003)	1,338
Refundable advance	(3,175)	-
Net cash provided (used) by operating activities	46,135	(20,567)
Cash flows from investing activities		
Proceeds from sale of truck	-	10,000
Net cash provided by investing activities	-	10,000
Net increase (decrease) in cash and cash equivalents	46,135	(10,567)
Cash and cash equivalents, beginning of year	126,565	137,132
Cash and cash equivalents, end of year	$ 172,700	$ 126,565
Supplemental cash flow information		
Interest paid	$ -	$ -
Incomes taxes paid	$ -	$ -

The accompanying independent auditor's report and notes are an integral part of the financial statements.

1. Organization and purpose

Arlingtonians Meeting Emergency Needs, Inc. (AMEN) is a not-for-profit organization incorporated in 1975 to provide emergency financial help to residents of Arlington, Virginia. AMEN makes grants for rent, utility bills, medical and dental bills, prescriptions, and transportation.

2. Significant accounting policies

Basis of accounting

The financial statements of AMEN are prepared using the accrual method of accounting. In accordance with this method of accounting, revenue is recognized in the period in which it is earned and expenses are recognized in the period in which they are incurred. All revenue and expenses, which are applicable to future periods, have been presented as deferred revenue or prepaid expenses on the accompanying statements of financial position.

Financial statement 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. At June 30, 2010 and 2009 the Organization had no permanently restricted net assets.

Revenue recognition

Contributions received and unconditional promises to give are measured at their fair values and are reported as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. A contribution is classified as temporarily restricted when the donor has designated it for future use or specified an event that must transpire before it is available for use. 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. Other revenue is recognized when earned.

Cash and cash equivalents

For purposes of the statements of cash flows, AMEN considers all cash and unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. AMEN maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. AMEN has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. On October 3, 2008, the Emergency Economic Stabilization Act of 2008 temporarily increased the basic limit on FDIC insurance coverage from $100,000 to $250,000 per depositor through December 31, 2013. At June 30, 2010 and 2009, there were no amounts that exceeded FDIC insurance coverage.

2. Significant accounting policies (continued)

Property and equipment

Property and equipment is recorded at cost. AMEN's policy is to capitalize purchases of property and equipment with a cost of $1,000 or more. Depreciation is computed on a straight-line basis over the estimated useful lives of the property and equipment, generally five years.

Accrued vacation

Vacation and sick pay are expenditures in the year paid. Upon termination, an employee is compensated for any accrued but unpaid vacation pay. If accrued, the amounts would not be material to the financial statements as a whole.

Donated services

Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized.

Functional classification of expenses

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

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Other financial assets and liabilities

Financial assets with carrying values approximating fair value include cash and cash equivalents, prepaid expenses and grants receivable. Financial liabilities with carrying values approximating fair value include accounts payable, accrued expenses and refundable advances. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities and any associated interest rates approximate current market rates.

2. Significant accounting policies (continued)

Subsequent events

The Organization assessed events occurring subsequent to June 30, 2010 through October 22, 2010, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements.

Recent and upcoming accounting pronouncements

FASB Accounting Standards Codification
In June 2009, the FASB approved the "FASB Accounting Standards Codification," (the Codification), as the single source of authoritative US GAAP for all non-governmental entities, with the exception of the SEC and its staff. The Codification, which launched July 1, 2009, changes the referencing and foundation of accounting guidance and is effective for interim and annual periods ending after September 15, 2009. As the Codification did not change or alter existing US GAAP, the Codification did not have any impact on AMEN's financial condition or results of operations. As of September 15, 2009, the Organization's financial statements no longer refer to specific US GAAP statements.

Accounting for uncertainty in income taxes
In June 2006, FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109." The provisions of FASB Interpretation No. 48 are now contained in FASB ASC 740-10. The Organization adopted the provisions of FASB ASC 740-10 as of July 1, 2009. See note 12 for additional information.

Uniform Prudent Management of Institutional Funds Act
In March 2008, Virginia enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). In August 2008, the FASB released FASB Staff Position 117-1 which provides guidance on the classification of endowment fund net assets for states that have enacted versions of UPMIFA. The provisions of FASB Staff Position 117-1 are now reflected in FASB ASC 958-205-45 and are effective for annual periods ending after December 15, 2008. AMEN adopted the provisions of FASB ASC 958-205-45 and UPMIFA. For the year ended June 30, 2010, AMEN had no endowment funds, as defined in the Act, and as a result, the provisions of FASB ASC 958-205-45 had no material effects on the financial statements.

3. Property and equipment

Property and equipment and related depreciation are as follows as of June 30, 2010 and 2009:

	Useful life (years)	Depreciation expense		Accumulated Depreciation	
		2010	2009	2010	2009
Truck	5	$ -	$ 1,991	$ -	$ -
Equipment	5-7	807	807	2,916	2,109
Software	3	-	-	1,612	1,612
		$ 807	$ 2,798	$ 4,528	$ 3,721

4. Arlington County contract

According to the provisions of the contract received from Arlington County, funds received must be matched by one dollar in private funding for every two dollars received from the County. AMEN was required to match $152,790 and $107,683 for the years ended June 30, 2010 and 2009, respectively. AMEN met this requirement during both years.

Arlington County granted AMEN an additional contract for its Permanent Supportive Housing Program. The amounts awarded were $24,050 and $25,000, respectively for the years ended June 30, 2010 and 2009. The contract stipulates that any unspent funds are required to be returned at the end of the grant period and no matching funds were required.

During the year ended June 30, 2009, AMEN received additional one-time funding from Arlington County for its Carter Jenkinson Housing Assistance Project. The grant was for $78,000, with no matching funds required.

5. Security deposit program

The Section 8 Security Deposit Program was initiated to assist Section 8 housing clients by providing loans for security deposits. Arlington County provides AMEN with funds to implement this program. Individuals repay the loans over a period of time through monthly payments to the County Section 8 program. For the years ended June 30, 2010 and 2009, AMEN disbursed $17,543 and $9,095, respectively in new loans. No receivable or allowance has been recorded for the years ended June 30, 2010 and 2009 as Arlington County holds the promissory notes with these individuals and pursues collection. For the year ended June 30, 2009 AMEN was repaid $31,397 by Arlington County. There were no repayments during the year ended June 30, 2010.

6. EnergyShare program

AMEN participates in EnergyShare, a Dominion Virginia Power program which collects donations from electric company customers to assist other customers in paying utility bills. AMEN uses EnergyShare grants to pay electric, gas, and oil bills. For the years ended June 30, 2010 and 2009, AMEN received a total of $99,010 and $98,970, respectively and provided $90,420 and $104,499 expenditures for assistance, respectively.

7. Temporarily restricted net assets

The organization received contributions in support of specific programs for the years ended June 30, 2010 and 2009. These contributions have been reflected in the statements of activities as temporarily restricted contributions. To the extent those funds have been disbursed in support of these programs, amounts have been recorded as net assets released from restrictions. Any funds that have not been expended are included as net assets - temporarily restricted as of June 30, 2010 and 2009. Additional expenditures to maintain these programs are provided from the unrestricted current asset balance.

Temporarily restricted net assets consisted of the following as of June 30,

	2010	2009
Restricted grants	$ 5,634	$ 9,116
Permanent Supportive Housing Emergency Fund	20,330	7,650
	$ 25,964	$ 16,766

Net assets were released from donor restrictions during the years ended June 30, 2010 and 2009 by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. Net assets released from restrictions consisted of the following for the years ended June 30,

	2010	2009
Arlington County funds	$ 429,305	$ 304,945
EnergyShare grants	99,010	98,970
Restricted grants	47,982	170,729
Permanent Supportive Housing Emergency Fund	11,375	17,350
	$ 587,672	$ 591,994

8. Contributed services and facilities

AMEN received substantial benefit from services provided by members of the local community. These services included fund-raising and publicity, record-keeping, and processing of requests for assistance. The value of the volunteer hours was estimated by management to be $65,500 and $68,500 for the years ended June 30, 2010 and 2009, respectively. The value of the donated local community services is not reflected in the accompanying financial statements.

For the year ended June 30, 2010, AMEN received donated professional information technology service fees of $16,200 and legal service fees of $5,517. For the year ended June 30, 2009, donated services included professional information technology service fees of $3,000, legal service fees of $800, and other professional fees of $210. The total donated professional service fees of $21,717 and $4,010, respectively are reflected in the financial statements as of June 30, 2010 and 2009.

9. Related party transaction

The program director, also a member of the AMEN board of directors, is paid a monthly stipend for coordinating and processing requests for assistance services related to the Arlington County grant. He is also reimbursed for expenses incurred on AMEN's behalf. For the years ended June 30, 2010 and 2009, payments for these services were $10,400 and $9,600, respectively.

10. Commitments

AMEN entered into an operating lease for office space effective December 15, 2007. The term of the lease was from January 2008 through December 2008. The lease has continued on an ongoing basis through an oral agreement with the owner of the property. The agreement provides for payment of a base rent amount plus operating expenses. Rental expense was $1,820 and $1,355, respectively for the years ended June 30, 2010 and 2009.

11. Concentrations

Arlington County funds accounted for 51% and 49%, respectively of revenue for the years ended June 30, 2010 and 2009.

12. Income taxes

As required, AMEN adopted FASB ASC 740-10 during the year beginning July 1, 2009. The adoption did not result in a material impact to AMEN's results of operations or its financial condition. AMEN is exempt from federal income tax as a non-profit organization described in Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation. For the years ended June 30, 2010 and 2009, AMEN did not have any "unrelated business income" subject to income taxes. Accordingly, no provision for income taxes has been included in these financial statements.

AMEN is subject to taxation in the U.S. and a small number of state and local jurisdictions. The material jurisdictions subject to potential examination by taxing authorities include the United States and Virginia. Management does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on AMEN's results of operations. Tax years that remain subject to examination by the IRS are 2006 through 2009.