

Fairfax Futures
(a not-for-profit organization)

Report on Financial Statements

For the Years Ended December 31, 2008 and 2007

Turner, Jones & Associates, P.L.L.C.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

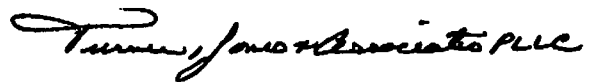
To the Board of Directors
Fairfax Futures
Fairfax, VA

We have audited the statements of financial position of Fairfax Futures (the Organization) as of December 31, 2008 and 2007 and the related statements of activities, cash flows and functional expenses of the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these 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. 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 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 audit provides 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 Fairfax Futures as of December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 18, 2009 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.



Vienna, Virginia

February 18, 2009

Fairfax Futures
Statements of Financial Position
As of December 31, 2008 and 2007

	ASSETS	
	2008	2007
CURRENT ASSETS:		
Cash-restricted	\$ 52,811	\$ 6,817
Cash-unrestricted	75,033	134,132
Total current assets	127,844	140,949
 TOTAL ASSETS	 \$ 127,844	 \$ 140,949

LIABILITIES AND NET ASSETS		
LIABILITIES:	\$ -	\$ -
 NET ASSETS:		
Unrestricted	75,033	134,132
Restricted	52,811	6,817
Total net assets	127,844	140,949
 TOTAL LIABILITIES AND NET ASSETS	 \$ 127,844	 \$ 140,949

See accompanying notes and accountant's audit report

Fairfax Futures
Statement of Activities
For the Year Ended December 31, 2008 and 2007

	2008			2007		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES:						
School Readiness Network:						
Grants	\$ 77,300	\$ 54,000	\$ 131,300	\$ 110,000	\$ 102,000	\$ 212,000
Contributions	38,000	-	38,000	32,500	16,000	48,500
In-kind support	173,223	-	173,223	171,464	-	171,464
Interest income	1,128	-	1,128	2,316	-	2,316
Other contributions	2,050	-	2,050	2,000	-	2,000
TOTAL REVENUE	<u>291,701</u>	<u>54,000</u>	<u>345,701</u>	<u>318,280</u>	<u>118,000</u>	<u>436,280</u>
EXPENDITURES:						
Education, Training & Mentoring	102,725	-	102,725	13,058	55,486	68,545
Symposiums/Forums	42,720	-	42,720	-	53,882	53,882
Community Advocacy and Outreach	19,594	7,066	26,660	-	1,814	1,814
Design/Printing/Postage	936	-	936	12,447	-	12,447
Travel and Conference Fees	1,348	940	2,288	4,232	-	4,232
Membership/Dues/Publication	4,748	-	4,748	6,886	-	6,886
Supplies	253	-	253	354	-	354
Legal	473	-	473	293	-	293
Accounting	3,288	-	3,288	3,524	-	3,524
Insurance	1,475	-	1,475	1,475	-	1,475
Other	17	-	17	-	-	-
Administrative costs-in kind	173,223	-	173,223	171,464	-	171,464
TOTAL EXPENDITURES	<u>350,800</u>	<u>8,006</u>	<u>358,806</u>	<u>213,734</u>	<u>111,183</u>	<u>324,917</u>
CHANGE IN NET ASSETS	(59,099)	45,994	(13,105)	104,546	6,817	111,363
NET ASSETS, BEGINNING OF YEAR	<u>134,132</u>	<u>6,817</u>	<u>140,949</u>	<u>29,586</u>	<u>-</u>	<u>29,586</u>
NET ASSETS, END OF YEAR	<u>\$ 75,033</u>	<u>\$ 52,811</u>	<u>\$ 127,844</u>	<u>\$ 134,132</u>	<u>\$ 6,817</u>	<u>\$ 140,949</u>

See accompanying notes and accountant's audit report

Fairfax Futures
Statement of Functional Expenses
For the Year Ended December 31, 2008 and 2007

	2008			2007				
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Education, Training & Mentoring	\$ 102,725	\$ -	\$ -	\$ 102,725	\$ 68,544	\$ -	\$ -	\$ 68,544
Symposiums/Forums	42,720	-	-	42,720	53,882	-	-	53,882
Community Advocacy and Outreach	21,856	4,458	345	26,659	1,814	-	-	1,814
Design/Printing/Postage	-	936	-	936	-	12,248	199	12,447
Travel and Conference Fees	-	2,288	-	2,288	-	3,803	430	4,232
Membership/Ducs/Publication	-	4,749	-	4,749	-	6,886	-	6,886
Supplies	-	253	-	253	-	354	-	354
Legal	-	473	-	473	-	293	-	293
Accounting	-	3,288	-	3,288	-	3,524	-	3,524
Insurance	-	1,475	-	1,475	-	1,475	-	1,475
Other	-	17	-	17	-	-	-	-
Administrative costs-in kind	71,805	57,926	43,492	173,223	70,878	59,196	41,390	171,464
	<u>\$ 239,106</u>	<u>\$ 75,863</u>	<u>\$ 43,837</u>	<u>\$ 358,806</u>	<u>\$ 195,119</u>	<u>\$ 87,779</u>	<u>\$ 42,019</u>	<u>\$ 324,917</u>

See accompanying notes and accountant's audit report

Fairfax Futures
Statements of Cash Flows
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operating activities:		
Support and revenue	\$ 172,478	\$ 264,816
Cash disbursed by operating activities:		
Payments to suppliers	<u>185,583</u>	<u>153,453</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(13,105)</u>	<u>111,363</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(13,105)	111,363
CASH, beginning of year	<u>140,949</u>	<u>29,586</u>
CASH, end of year	<u>\$ 127,844</u>	<u>\$ 140,949</u>

See accompanying notes and accountant's audit report

Fairfax Futures
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND PURPOSE

Organization and Purpose:

Fairfax Futures (“the Organization”), a not-for-profit organization, was founded in 2004 under the laws of the Commonwealth of Virginia. It is organized and operated as a supporting organization for the support and furtherance of the tax-exempt charitable and educational purposes of the Fairfax County Department of Family Services, Office for Children (“OFC”), a government unit of Fairfax County, Virginia, and for the support and furtherance of other tax-exempt purposes. The Organization is organized and operated to support and facilitate programs and initiatives to provide early childhood education and develop school readiness among pre-school age children.

Basis of Accounting:

The Organization accounts for its unrestricted funds on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles of the United States of America. Revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred. The Organization accounts for restricted funds on the cash basis of accounting whereby revenue is recognized when received and expenses when paid.

Cash and Cash Equivalents:

Cash consists of a checking account. As of December 31, 2008 and 2007, there were no cash equivalents.

Classes of Net Assets:

To ensure the observance of limitations and restrictions placed on the use of resources available to the Organization, resources are classified for accounting purposes into classes established according to their nature and purpose.

The net assets of the Organization are divided into two classes: unrestricted and temporarily restricted. There are no permanently restricted assets as of December 31, 2008 and 2007.

Classes of Net Assets:

Unrestricted Net Assets are net assets, which are available for the general operations of the Organization.

Temporarily Restricted Net Assets include net assets, which are subject to donor-imposed restrictions for support of a particular operating activity.

Revenue Recognition:

Contributions with donor-imposed restrictions are reported as restricted support; however, donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. When the donor restrictions expire, that is, when a stipulated time restriction ends or purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

Fairfax Futures
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND PURPOSE- (continued)

Income Taxes:

The Organization is exempt from income taxes under Section 501 (c)(3) and Section 509 (a)(3) of the Internal Revenue Code and has been granted public charity status by the Internal Revenue Service. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

In-Kind Support:

Donated materials and services are recognized at the estimated fair market value of the materials and services provided. Contributed services are recognized if the services received create non-financial assets or require specialized skills provided by individuals possessing those skills. During 2008 and 2007, the Organization received services and other in-kind support valued at \$173,223 and \$171,464, respectively.

Advertising:

Advertising costs are charged to expenses as incurred. Total advertising costs for the years ended December 31, 2008 and 2007 were zero.

Cost Allocation:

Costs have been allocated between program services, management and general and fundraising functions based on level of effort and specific identification.

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 the reported amounts of assets and liabilities and disclosures 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.

Concentration of Credit Risk

Financial instruments and related items, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash. The Organization places its cash with high credit quality institutions. At times, such balances may be in excess of the FDIC insurance limit.

Reclassifications:

Certain 2007 amounts have been reclassified to conform to the 2008 presentation.

Fairfax Futures
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 2 – SIGNIFICANT SOURCE OF SUPPORT

During 2008, the Organization received grants from Boeing, Capital One and Freddie Mac totaling \$110,000. The grants represented approximately 64% of the Organization's 2008 cash receipts.

During 2007, the Organization received two \$100,000 grants from the Freddie Mac Foundation. While the sum of the two grants accounted for approximately 76% of the Organization's cash receipts for the year ending December 31, 2007, the second grant of \$100,000 was awarded in December 2007 in support of the Organization's 2008 activities. On December 31, 2007, the Organization carried over the full balance of the second \$100,000 award for use during the 2008 calendar year.