

**A FAMILY FOR EVERY ORPHAN
(FORMERLY DOORWAYS TO HOPE)
FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

Years Ended September 30, 2014 and 2013

A FAMILY FOR EVERY ORPHAN

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
A Family for Every Orphan
Seattle, Washington

We have compiled the accompanying statements of financial position of A Family for Every Orphan (a nonprofit organization) as of September 30, 2014 and 2013, and the related statements of activities, functional expenses and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Mersereau, Lazenby & Rockas, LLC

Mersereau, Lazenby & Rockas, L.L.C.

Suwanee, Georgia

March 7, 2015

A FAMILY FOR EVERY ORPHAN
STATEMENTS OF FINANCIAL POSITION
September 30, 2014 and 2013

ASSETS

	2014	2013
CURRENT ASSETS:		
Cash and cash equivalents	\$ 60,070	\$ 97,330
Accounts Receivable	240	-
Total current assets	60,310	97,330
TOTAL ASSETS	\$ 60,310	\$ 97,330

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 4,071	\$ 3,487
Payroll taxes payable	589	3,149
Total current liabilities	4,660	6,636
NET ASSETS:		
Unrestricted:		
Undesignated - expendable	5,337	112
Temporarily restricted (Note 3)	50,313	90,582
Total net assets	55,650	90,694
TOTAL LIABILITIES AND NET ASSETS	\$ 60,310	\$ 97,330

See independent accountants' compilation
report and notes to financial statements

A FAMILY FOR EVERY ORPHAN
STATEMENTS OF ACTIVITIES
Years Ended September 30, 2014 and 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Contributions	\$ 96,498	\$ 204,253	\$ 300,751	\$ 119,666	\$ 226,422	\$ 346,088
Other income	-	-	-	-	-	-
	<u>96,498</u>	<u>204,253</u>	<u>300,751</u>	<u>119,666</u>	<u>226,422</u>	<u>346,088</u>
RECLASSIFICATIONS:						
Satisfaction of purpose or time restrictions	244,522	(244,522)	-	182,999	(182,999)	-
	<u>341,020</u>	<u>(40,269)</u>	<u>300,751</u>	<u>302,665</u>	<u>43,423</u>	<u>346,088</u>
EXPENSES:						
Program services	265,500	-	265,500	229,352	-	229,352
Management and general	49,350	-	49,350	60,706	-	60,706
Fundraising	20,945	-	20,945	14,374	-	14,374
Total expenses	<u>335,795</u>	<u>-</u>	<u>335,795</u>	<u>304,432</u>	<u>-</u>	<u>304,432</u>
CHANGE IN NET ASSETS	5,225	(40,269)	(35,044)	(1,767)	43,423	41,656
NET ASSETS, Beginning of year	<u>112</u>	<u>90,582</u>	<u>90,694</u>	<u>1,879</u>	<u>47,159</u>	<u>49,038</u>
NET ASSETS, End of year	<u>\$ 5,337</u>	<u>\$ 50,313</u>	<u>\$ 55,650</u>	<u>\$ 112</u>	<u>\$ 90,582</u>	<u>\$ 90,694</u>

See independent accountants' compilation
report and notes to financial statements

A FAMILY FOR EVERY ORPHAN
 STATEMENTS OF FUNCTIONAL EXPENSES
 Years Ended September 30, 2014 and 2013

	2014				2013			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Personnel expenses	\$ 15,608	\$ 33,589	\$ 18,246	\$ 67,443	\$ 12,621	\$ 35,568	\$ 9,179	\$ 57,368
Bank charges	863	1,468	-	2,331	384	652	-	1,036
Computer expenses	-	101	-	101	-	237	-	237
Dues and subscriptions	-	2,217	-	2,217	-	2,576	-	2,576
Fundraising	-	-	-	-	-	-	3,028	3,028
Grants - construction and training	231,492	-	-	231,492	208,802	-	-	208,802
Miscellaneous	-	486	-	486	63	1,063	-	1,126
Professional services	6,308	3,826	22	10,156	-	9,335	-	9,335
Postage and shipping	869	1,641	708	3,218	1,337	2,388	1,051	4,776
Printing	949	2,671	1,805	5,425	1,005	3,432	1,116	5,553
Supplies	-	473	-	473	-	1,607	-	1,607
Taxes and licenses	-	1,681	-	1,681	-	3,011	-	3,011
Travel	9,410	1,197	164	10,771	5,140	837	-	5,977
Total expenses	\$ 265,500	\$ 49,350	\$ 20,945	\$ 335,795	\$ 229,352	\$ 60,706	\$ 14,374	\$ 304,432

See independent accountants' compilation
 report and notes to financial statements

A FAMILY FOR EVERY ORPHAN
 STATEMENTS OF CASH FLOWS
 Years Ended September 30, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (35,044)	\$ 41,656
Decrease (increase) in operating assets		
Accounts receivable	(240)	-
Increase (decrease) in operating liabilities		
Accounts payable	584	833
Payroll liabilities	(2,560)	933
Net cash provided (used) by operating activities	(37,260)	43,422
NET INCREASE (DECREASE) IN CASH	(37,260)	43,422
CASH AND CASH EQUIVALENTS, Beginning of year	97,330	53,908
CASH AND CASH EQUIVALENTS, End of year	\$ 60,070	\$ 97,330

See independent accountants' compilation
 report and notes to financial statements

A FAMILY FOR EVERY ORPHAN
NOTES TO FINANCIAL STATEMENTS
September 30, 2014 and 2013

NOTE 1: NATURE OF ORGANIZATION

A Family for Every Orphan (AFFEO) is a non-profit ministry based in Seattle, Washington. AFFEO, seeks to provide financial support to families in foreign countries who are providing care for adopted children and foster children. To identify projects, it works with individuals and organizations in foreign countries, supporting those partners as well as the projects directly. AFFEO engages in fundraising activities from a variety of sources but primarily collects donations from individual U.S. citizens and foundations.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statement presentation follows the recommendations of the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification (ASC). AFFEO reports 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.

Basis of Accounting

The financial statements of AFFEO have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturity dates of less than three months. Accounts maintained by banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of September 30, 2014, the total cash balance was covered by this insurance.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any 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 statement of activities as net assets released from restrictions.

Income Taxes

AFFEO is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the Revised Code of Washington. No tax positions have been taken which result in significant uncertainty for unrecognized tax benefits.

AFFEO files the federal information return Form 990, which is generally subject to inspection by the IRS for three years after the date the return is filed. Forms 990 for 2014, 2013, and 2012 are subject to inspection.

Generally accepted accounting principles in the United States require a tax position to be recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained on examination. As of September 30, 2014 and 2013, AFFEO has no uncertain tax positions requiring recognition or disclosure in the financial statements.

Functional Allocation of Expenses

The costs of providing various program services and supporting activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program services and supporting activities benefited.

A FAMILY FOR EVERY ORPHAN
NOTES TO FINANCIAL STATEMENTS
September 30, 2014 and 2013

NOTE 3: TEMPORARILY RESTRICTED NET ASSETS

	Balance September 30, 2013	Contributions	Reclassifications	Balance September 30, 2014
Orphan Care & Child Welfare Training - Eastern Europe	\$ 40,553	\$ 96,563	\$ (109,992)	\$ 27,124
Multinational Orphan Care & Adoption Funding	50,029	107,690	(134,530)	23,189
Total	<u>\$ 90,582</u>	<u>\$ 204,253</u>	<u>\$ (244,522)</u>	<u>\$ 50,313</u>

	Balance September 30, 2012	Contributions	Reclassifications	Balance September 30, 2013
Orphan Care & Child Welfare Training - Eastern Europe	\$ 25,509	\$ 63,200	\$ (48,156)	\$ 40,553
Multinational Orphan Care & Adoption Funding	21,650	163,222	(134,843)	\$ 50,029
Total	<u>\$ 47,159</u>	<u>\$ 226,422</u>	<u>\$ (182,999)</u>	<u>\$ 90,582</u>

NOTE 4: SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date that the financial statements were available to be issued. Subsequent events after that date have not been evaluated.