

**CONGRESSIONAL COALITION ON ADOPTION INSTITUTE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
WITH AUDITOR'S REPORT**

**Ferguson's Accounting Services, Inc.
Certified Public Accountants
4200 Mayport Lane
Fairfax, VA 22033**

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Ferguson's Accounting Services, Inc.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Congressional Coalition on Adoption Institute
Washington, D.C.

We have audited the accompanying statement of financial position of the Congressional Coalition on Adoption Institute (CCAI) as of December 31, 2008 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the CCAI's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the audit in accordance with audited 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 audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Congressional Coalition on Adoption Institute, as of December 31, 2008 and the results of operations, changes in its net assets, and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Ferguson's Accounting Services, Inc.

Certified Public Accountants

October 9, 2009

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Congressional Coalition on Adoption Institute
Statement of Financial Position
December 31, 2008

Assets

Current Assets

Cash and Cash Equivalents		
Operational	\$	66,468
Investment		2,662
Pay Pal		625
Petty Cash		<u>62</u>
Total Cash and Cash Equivalents		<u>69,817</u>
Prepaid expenses		5,804
Security Deposit		<u>4,275</u>
Total Current Assets		79,896

Fixed Assets

Computer/Peripherals	41,736
Furniture	13,393
Accumulated Depreciation	<u>(39,711)</u>
Total Fixed Assets	<u>15,418</u>

Total Assets \$ 95,314

Liabilities and Net Assets

Liabilities

Accounts Payable	131,458
Salaries Payable	10,416
Vacation Payable	5,264
Simple 401(k)	<u>315</u>

Total Liabilities 147,453

Net assets

Unrestricted	(52,139)
Temporarily restricted	0
Permanently restricted	<u>0</u>

Total Net Assets (52,139)

Total Liabilities and Net Assets \$ 95,314

See accountant's accompanying report and notes.

Congressional Coalition on Adoption Institute
Statement of Activities
For the Year Ended December 31, 2008

Revenues and Support	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Congressional Resource Program		\$ 100,000	\$ 100,000
Foster Youth Interns		150,265	150,265
National Adoption Day		22,500	22,500
Angels in Adoption	\$ 312,265		312,265
Board Member Contributions	25,000		25,000
General Donations	10,180		10,180
Minnesota Fundraiser	15,800		15,800
Verizon Center Event	11,500		11,500
Interest	732		732
Net assets released from restrictions [Note B (4)]	<u>272,765</u>	<u>(272,765)</u>	0
Total revenues and support before non-cash contributions	<u>648,242</u>	<u>0</u>	648,242
Non-Cash Contributions (Note D)	<u>4,959</u>		<u>4,959</u>
Total revenue and support	<u>653,201</u>	<u>0</u>	<u>653,201</u>
 Expenses			
Program services	711,984		711,984
Supporting services			
Management and general	194,526		194,526
Fundraising	<u>71,074</u>		<u>71,074</u>
Total supporting services	<u>265,600</u>		<u>265,600</u>
Total expenses	<u>977,584</u>		<u>977,584</u>
Change in net assets	(324,383)	0	(324,383)
Net assets, beginning of year	<u>272,244</u>		<u>272,244</u>
Net assets, end of year	<u>\$ (52,139)</u>	<u>\$ 0</u>	<u>\$ (52,139)</u>

See accountant's accompanying report and notes.

Congressional Coalition on Adoption Institute
Statement of Functional Expenses
For the Year Ended December 31, 2008

Expense	Program Services			Support Services		Total
	Unrestricted	Temporarily Restricted	Subtotal	Mgmt. and General	Fund Raising	
Advisory Council	\$ 420		\$ 420	\$ 76	29	\$ 525
Audio Visual	27,797		27,797			27,797
Audit			0	2,356	894	3,250
Awards	725		725			725
Bank Service Charges			0	1,402	532	1,934
Building Supplies			0	256	97	353
Catering	6,118		6,118	477	181	6,776
Clothing	\$	4,032	4,032			4,032
Computer Supplies	825		825	106	40	971
Computer Support	461		461	4,098	1,555	6,114
Consultants			0	6,028	2,287	8,315
Depreciation				7,153		7,153
Dues and Subscriptions		2,472	2,472			2,472
Equipment Rental			0	2,770	1,051	3,821
Events	164,693		164,693	0	0	164,693
Flowers	7,500		7,500	36	14	7,550
Foster Youth Interns		103,062	103,062			103,062
Gifts	6,313	1,174	7,487	804	305	8,596
Insurance			0	19,151	7,264	26,415
Interest			0	969	368	1,337
Intern Stipends-CCAI			0	4,713	1,788	6,501
Internet			0	1,348	511	1,859
Legal			0	627	238	865
Licenses and Permits			0	24	9	33
Marketing	210		210			210
Materials		266	266			266
Memberships	195	45	240	36	14	290
Miscellaneous	10	559	569	10,364	3,931	14,864
Office Cleaning	0		0	1,942	737	2,679
Office Supplies	3,905	349	4,254	594	225	5,073
Parking-Office			0	3,005	1,140	4,145
Payroll Service			0	1,535	582	2,117
Photography	825		825			825
Pin Ceremony	7,266		7,266			7,266
Pipe and Drape	11,650		11,650			11,650
Postage and Delivery	542	222	764	1,327	503	2,594
Printing and Reproduction	16,024	3,123	19,147	419	159	19,725
Professional Fees	38,858		38,858	6,423	2,436	47,717

Continued.....

See accountant's accompanying report and notes.

Congressional Coalition on Adoption Institute
Statement of Functional Expenses----Continued
For the Year Ended December 31, 2008

Expense	Program Services			Support Services		Total
	Unrestricted	Temporarily Restricted	Subtotal	Mgmt. and General	Fund Raising	
Programs-In Kind	3,731		3,731	890	338	4,959
Radio Rental	390		390			390
Rent	41,280		41,280	7,482	2,838	51,600
Rentals	70		70	13	5	88
Repairs			0	366	139	505
Other Personnel Expense			0	1,779	675	2,454
Payroll Tax	21,064		21,064	2,695	1,022	24,781
Salaries & Bonus	52,544	148,672	201,216	99,024	37,561	337,801
Simple 401(k) Match	3,016		3,016	386	146	3,548
Vacation	2,467		2,467	316	120	2,903
Stationery			0	383	145	528
Storage			0	480	182	662
Telephone	8,823		8,823	1,129	428	10,380
Travel	3,796	8,789	12,585	920	349	13,854
Utilities	3,447		3,447	441	167	4,055
Video	2,825		2,825			2,825
Website	1,429		1,429	183	69	1,681
Total	<u>\$ 439,219</u>	<u>\$ 272,765</u>	<u>\$ 711,984</u>	<u>\$ 194,526</u>	<u>\$ 71,074</u>	<u>\$ 977,584</u>

See accountant's accompanying report and notes.

Congressional Coalition on Adoption Institute
Statement of Cash Flows
For the Year Ended December 31, 2008

Cash flows from operations:	
Change in Net Assets	\$ (324,383)
Adjustments to Reconcile;	
Accounts Receivable	25,028
Accounts Payable	26,501
Depreciation	7,156
Vacation Payable	(692)
Salaries Payable	4,265
Simple 401(k)	<u>(75)</u>
Net cash provided by Operating Activities	(262,200)
Investing Activities	
Computer/Peripherals	(7,058)
Prepaid Expense	<u>3,277</u>
Net cash provided by Investing Activities	<u>(3,781)</u>
Net cash increase for period	(265,981)
Cash at beginning of period	<u>335,798</u>
Cash at end of period	<u>\$ 69,817</u>

See accountant's accompanying report and notes.

A. ORGANIZATION

The Congressional Coalition on Adoption Institute (CCAI) was incorporated in the District of Columbia on April 6, 2001. The purpose of the CCAI is to focus public attention on the advantages of adoption for the child, the biological parents and the adoptive parents. The CCAI conducts educational activities and provides information both to Congressional offices and outside sources concerning adoption and adoption-related initiatives in Congress. The CCAI does not take formal positions on specific pieces of legislation, but rather, uses its educational initiatives to help bring about good policy.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of Accounting - The financial statements of CCAI were prepared on the accrual basis of accounting and accordingly reflect all significant receivables and payables.

(2) 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 and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(3) Financial Statement Presentation - CCAI has adopted (SFAS-117) "Financial Statements of Not-for-Profit organization." Under SFAS-117, 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. As of December 31, 2008, CCAI had expended all of the temporarily restricted assets. The organization also did not have any permanently restricted assets.

(4) Revenue Recognition - Contributions received are recorded as unrestricted and temporarily restricted, depending on the existence and/or nature of any donor restrictions. Restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restricted 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. The following is a description of the separate funds and activities within each net asset category:

- **Unrestricted** — Represents amounts that are available for CCAI mission support. Certain resources are designated by the Board Directors for specific purposes, projects, or investments and may be reserved or reallocated by the Board Directors at any time.

See accountant's accompanying report.

- **Temporarily restricted** — Represents resources restricted by contributors to CCAI for adoption-related mission purposes. In 2008, the adoption-related mission purposes included the Congressional Resource Program, Foster Youth Interns, and National Adoption Day. A total of \$272,765 was released from temporarily restricted funds.
- **Permanently restricted** — Represents endowment resources for which the principal is restricted by contributors, and only the earnings may be used for organization purposes. There were no permanently restricted earnings.

(5) Property and Equipment - Property and equipment are recorded at original cost to CCAI. An optional capitalization policy of CCAI is to expense all capital assets purchased if cost is less than one thousand dollars. Depreciation expense is computed using straight line methods over the estimated useful lives of the respective assets.

(6) Concentrations of Credit Risk - CCAI maintains a cash balance which may exceed the federally insured limit, but management does not consider this action results in any significant credit risks.

(7) Income Tax - CCAI is exempt from federal income tax under section (501(C) (3) of the Internal Revenue Code.

(8) Functional Allocation of Expenses---The cost of providing the various programs and other activities for CCAI was summarized in the schedule of functional expenses. Accordingly, certain costs were allocated among program services, and the support categories of management and fund raising.

C. RELATED PARTIES

CCAI had no related party loans with the Board of Directors.

D. NONCASH GIFTS

CCAI received noncash miscellaneous donations of \$4,958 measured at fair value.

E. CONTRIBUTIONS

As compared with the prior year, FY 2008 contributions declined by \$527,281 or 45 percent. After the 2008 year end, CCAI secured a Kellogg grant of \$250,000 that helped offset the 2008 reduced contributions.

F. FUNCTIONAL EXPENSES

As compared with the prior year, FY 2008 expenditures declined by \$114,433 or 11 percent. As of December 31, 2008, CCAI's total functional expenses were \$977,584 of which \$711,984 or 73 percent accounted for program services, and the remaining 27 percent for management and fund raising.

See accountant's accompanying report.