

**CONGRESSIONAL COALITION ON ADOPTION INSTITUTE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
WITH AUDITOR'S REPORT**

**Ferguson's Accounting Services, Inc.
Certified Public Accountants
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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, 2012 and the related statements of activities, functional, 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 CCAI, as of December 31, 2012 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.
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Certified Public Accountants

July 22, 2013

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Congressional Coalition on Adoption Institute
Statement of Financial Position
December 31, 2012

Assets

Current assets

Cash and cash equivalents		
Checking/savings	\$	<u>377,250</u>
Total cash and cash equivalents		377,250
Accounts receivable		5,000
Other current assets		<u>4,349</u>
Total current assets		<u>386,599</u>

Fixed Asset

Computer/peripherals	43,736
Furniture	<u>13,393</u>
Accumulated depreciation	<u>(55,304)</u>
Total fixed assets	<u>1,825</u>
Total assets	<u><u>388,424</u></u>

Liabilities and Net Assets

Liabilities

Accounts payable	445
Other current liabilities	<u>24,452</u>
Total current liabilities	<u>24,897</u>

Net assets

Unrestricted	226,290
Temporarily restricted	137,237
Permanently restricted	<u>0</u>
Total net assets	<u>363,527</u>
Total liabilities and net assets	<u>\$ <u>388,424</u></u>

See Notes to Financial Statements.

Congressional Coalition on Adoption Institute
Statement of Activities
For the Year Ended December 31, 2012

Revenues	Unrestricted	Temporarily restricted	Total
Angels in Adoption	\$1,434		\$1,434
Fostering Media Connections	---	\$116,092	116,092
Restricted-other	---	480,600	480,600
Sara Start Funds	32,500	---	32,500
Board member contributions	110,482	---	110,482
Individual/general donations	36,128	---	36,128
Miscellaneous contributions	1,467	---	1,467
Unrestricted - other	9,927	---	9,927
Partnerships	457,481	---	457,481
Net assets released from restrictions	596,692	(596,692)	0
Total revenues and support	1,246,111	0	1,246,111
Expenses			
Program services	1,280,244	---	1,280,244
Supporting services			
Management and general	52,921	---	52,921
Fundraising	25,627	---	25,627
Total supporting services	78,548	---	78,548
Total expenses	1,358,792	---	1,358,792
Change in net assets	(112,681)	---	(112,681)
Net assets, beginning of year	338,971	137,237	476,208
Net assets, end of year	\$226,290	\$137,237	\$363,527

See Notes to Financial Statements.

Congressional Coalition on Adoption Institute
Statement of Functional Expenses
For the Year Ended December 31, 2012

Expense	Program Services			Support Services		Total
	Unrestricted	Temporarily Restricted	Subtotal	Mgmt. and General	Fund-raising	
Depreciation	---	---	\$0	\$1,667	---	\$1,667
General and Administrative	166,248	---	166,248	---	---	166,248
Programs	81,644	596,692	678,336	---	---	678,336
Staff Compensation	435,660	---	435,660	51,254	25,627	512,541
Total	<u>\$683,552</u>	<u>\$596,692</u>	<u>\$1,280,244</u>	<u>\$52,921</u>	<u>\$25,627</u>	<u>\$1,358,792</u>

See Notes to Financial Statements.

Congressional Coalition on Adoption Institute
Statement of Cash Flows
For the Year Ended December 31, 2012

Cash flows from operating activities	
Change in net assets	\$ (112,681)
Adjustments to reconcile net assets to net cash used by operating activities:	
Depreciation	1,667
Increase (decrease) in accounts payable	(11,531)
Increase (decrease) in accounts receivable	(5,000)
American Express-Executive Director	(56,645)
Simple 401(k)	416
Net cash provided by operating activities	<u>(183,773)</u>
Cash flows from investing activities	
Prepaid expense	<u>(3,784)</u>
Net cash provided by investing activities	<u>(3,784)</u>
Net cash increase	(187,557)
Cash at beginning of period	\$ 564,807
Cash at end of period	\$ <u>377,250</u>

See Notes to Financial Statements.

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

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

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.

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. The organization did not have any permanently restricted assets.

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 support of 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.

- **Temporarily restricted** — Represents resources restricted by contributors to CCAI for adoption-related mission purposes.
- **Permanently restricted** — Represents use restricted to earnings only from resources contributed to CCAI, with principle remaining in perpetuity.

Property and Equipment - Property and equipment were 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.

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

Income Tax - CCAI is exempt from federal income tax under section 501(C)(3) of the Internal Revenue Code. The organization is subject to a look back period of three years.

Account Receivables – CCAI assumed all account and pledge receivables were collectible, with no allowance for doubtful accounts.

Cash and Cash Equivalents -- Cash and cash equivalents are defined as highly liquid securities with a known market value and a maturity, when acquired, of less than three months. Examples include cash, checking and savings accounts, money market accounts, and certificates of deposits with maturity dates of less than three months.

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. INVESTMENTS

As of December 31, 2012, all of CCAI's investments were of the Level 1 designation, with fair value of assets measured at the price that would be received if asset were sold, rather than measurement at historical cost or some other entry price.

D. REVENUES

Accounts named for reporting revenue included the term, "Partnerships," which could be misinterpreted. This statement of activities account was used to record and maintain an account for unrestricted corporate and individual donations of \$1,000 or more. No partnership agreements were involved.

E. FUNCTIONAL EXPENSES

As of December 31, 2012, CCAI's total functional expenses were \$1,358,792 of which 94 percent, or \$1,280,244 accounted for program services, and the remaining 6 percent for support services, which included management & general, \$52,921, and fund raising, 25,627.

A total of \$678,336 direct program expenses included \$81,644 from unrestricted contributions and \$596,692 from temporarily restricted (donors' directed) contributions. Specific program expenses were as follows:

<u>Program Expenses</u>	
20/20 Vision	\$10,215
Angels in Adoption	297,050
Congressional Resource Program	29,001
Delegations	3,867
Fostering Media Connections	171,081
Fostering Youth Internships	145,481
National Adoption Day	1,709
Other Direct Program Costs	1,745
Sara Start Fund	18,127
The Way Forward Project	60
Total program expenses	<u>\$678,336</u>

F. SUBSEQUENT EVENTS

The organization's subsequent events and the effects, if any, on financial statements through audit report date were available for issuance. No subsequent events were presented that would require modification of financial statements or disclosure in Notes.