

**CONGRESSIONAL COALITION ON ADOPTION INSTITUTE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
WITH AUDITOR'S REPORT**

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

CONTENTS

	<u>Page</u>
Independent Auditor's Report on Financial Statements	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6

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 financial statements of Congressional Coalition on Adoption Institute (CCAI), a nonprofit organization, which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Ferguson's Accounting Services, Inc.
Ferguson's Accounting Services, Inc.
Certified Public Accountants

May 12, 2014

Office Hours 9-5, M-F
4200 Mayport Lane,
Fairfax, VA 22033
Tel (703) 378-0397
Fax (703) 378-1435

Congressional Coalition on Adoption Institute
Statement of Financial Position
December 31, 2013

Assets

Current assets

Cash and cash equivalents	
Checking/savings	\$ 121,363
Total cash and cash equivalents	121,363
Investments	30,000
Accounts receivable	124,801
Other current assets	4,349
Total current assets	<u>280,513</u>

Fixed Asset

Computer/peripherals	43,736
Furniture	13,393
Accumulated depreciation	<u>(56,151)</u>
Total fixed assets	<u>978</u>
Total assets	<u><u>281,491</u></u>

Liabilities and Net Assets

Liabilities

Accounts payable	4,511
Credit cards	6,109
Accrued salaries/vacation payable	<u>18,143</u>
Total current liabilities	<u>28,763</u>

Net assets

Unrestricted	115,491
Temporarily restricted	137,237
Permanently restricted	<u>0</u>
Total net assets	<u>252,728</u>
Total liabilities and net assets	<u>\$ 281,491</u>

See Notes to Financial Statements.

Congressional Coalition on Adoption Institute
Statement of Activities
For the Year Ended December 31, 2013

Revenues	Unrestricted	Temporarily restricted	Total
Angels in Adoption	\$19,076		\$19,076
Board member contributions	238,600		238,600
Fostering Media Connections		\$742	742
Individual/general donations	41,160		41,160
Miscellaneous contributions	17,768		17,768
Partnerships	436,250		436,250
Restricted-other		366,500	366,500
Net assets released from restrictions	367,242	(367,242)	0
Total revenues and support	1,120,096	0	1,120,096
Expenses			
Program services	995,798		995,798
Supporting services			
Management and general	206,274		206,274
Fundraising	22,849		22,849
Total supporting services	229,123		229,123
Total expenses	1,224,921		1,224,921
Change in net assets	(104,825)	0	(104,825)
Net assets, beginning of year	220,316	137,237	357,553
Net assets, end of year	115,491	\$137,237	\$252,728

See Notes to Financial Statements.

Congressional Coalition on Adoption Institute
Statement of Functional Expenses
For the Year Ended December 31, 2013

Expense	Program Services			Support Services		Total
	Unrestricted	Temporarily Restricted	Subtotal	Mgmt. and General	Fund-raising	
Depreciation	\$0	\$0	\$0	\$847	\$0	\$847
General and Administrative	0	0	0	159,729	0	159,729
Programs	607,362	0	607,362	0	0	607,362
Staff Compensation	388,436	0	388,436	45,698	22,849	456,983
Total	\$995,798	\$0	\$995,798	\$206,274	\$22,849	\$1,224,921

See Notes to Financial Statements.

Congressional Coalition on Adoption Institute
Statement of Cash Flows
For the Year Ended December 31, 2013

Cash flows from operating activities	
Change in net assets	\$ (104,825)
Adjustments to reconcile net assets to net cash used by operating activities:	
Depreciation	847
Increase (decrease) in accounts payable	4,066
Increase (decrease) in accounts receivable	(119,801)
American Express-Executive Director	199
Simple 401(k)	(416)
Net cash provided by operating activities	<u>(219,930)</u>
Cash flows from investment activities	<u>30,000</u>
Net cash provided by investing activities	<u>30,000</u>
Net cash decrease	\$ (189,930)
Cash at beginning of period	\$ <u>311,293</u>
Cash at end of period	\$ <u><u>121,363</u></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, 2013, 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 assets 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, 2013, CCAI's total functional expenses were \$1,224,921 of which 81 percent, or \$995,798 accounted for program services, and the remaining 19 percent for support services, which included management & general, \$206,274, and fund raising, \$22,849.

A total of \$607,362 direct program expenses included \$367,242 from temporarily restricted contributions (directed by donors). Specific program expenses were as follows:

<u>Program Expenses</u>	
20/20 Vision	\$9,372
Angels in Adoption	291,310
Congressional Resource Program	13,345
Fostering Media Connections	13,365
Fostering Youth Internships	160,642
National Adoption Day	1,288
Sara Start Fund	22,275
Other direct program expenses	95,765
Total direct program expenses	<u>\$607,362</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.