

CONGRESSIONAL COALITION ON ADOPTION INSTITUTE

WASHINGTON, D.C.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Congressional Coalition on Adoption Institute

Table of Contents December 31, 2014

	<u>Pages</u>
Independent Auditors' Report	3-4
Financial Statements	
Statement of Financial Position	5
Statement of Activities and Changes in Net Assets	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements.....	9-12



7910 WOODMONT AVENUE
SUITE 500
BETHESDA, MD 20814
(T) 301.986.0600
(F) 301.986.0432

1901 L STREET, NW
SUITE 750
WASHINGTON, DC 20036
(T) 202.822.0717
(F) 202.822.0739

Independent Auditors' Report

The 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, 2014, and the related statements of activities and changes in net assets, 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.

Auditors' 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.

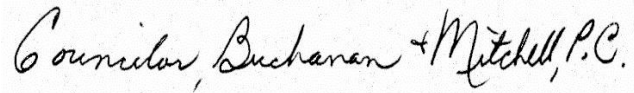
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to CCAI'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 CCAI'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.

The Board of Directors
Congressional Coalition on Adoption Institute

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CCAI as of December 31, 2014, 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.

A handwritten signature in black ink that reads "Counselor, Buchanan + Mitchell, P.C." The signature is written in a cursive style.

Bethesda, Maryland
March 18, 2015

Certified Public Accountants

Congressional Coalition on Adoption Institute

**Statement of Financial Position
December 31, 2014**

Assets

Current Assets

Cash	\$ 210,756
Promises to Give	31,900
Prepaid Expenses	<u>2,596</u>
Total Current Assets	<u>245,252</u>

Property and Equipment

Computers and Equipment	43,736
Furniture and Fixtures	13,393
Accumulated Depreciation	<u>(57,129)</u>
Net Property and Equipment	<u>-</u>

Other Assets

Security Deposit	<u>4,275</u>
Total Assets	<u><u>\$ 249,527</u></u>

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 2,305
Accrued Compensation	<u>16,867</u>
Total Current Liabilities	19,172

Net Assets

Unrestricted Net Assets	205,220
Temporarily Restricted Net Assets	<u>25,135</u>
Total Net Assets	<u>230,355</u>
Total Liabilities and Net Assets	<u><u>\$ 249,527</u></u>

See accompanying Notes to Financial Statements.

Congressional Coalition on Adoption Institute
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues			
Contributions	\$ 770,444	\$ 197,460	\$ 967,904
In-Kind Contributions	26,921	-	26,921
Net Assets Released from Restrictions	<u>309,562</u>	<u>(309,562)</u>	<u>-</u>
Total Revenues	<u>1,106,927</u>	<u>(112,102)</u>	<u>994,825</u>
Expenses			
Program Services			
Angels in Adoption	331,137	-	331,137
Foster Youth Internship Program	236,662	-	236,662
Congressional Resource Program	162,602	-	162,602
20/20 Vision Program	31,671	-	31,671
National Adoption Day	29,032	-	29,032
Other Programs	<u>74,964</u>	<u>-</u>	<u>74,964</u>
Total Program Services	<u>866,068</u>	<u>-</u>	<u>866,068</u>
Supporting Services			
General and Administrative	141,956	-	141,956
Fundraising	<u>9,174</u>	<u>-</u>	<u>9,174</u>
Total Supporting Services	<u>151,130</u>	<u>-</u>	<u>151,130</u>
Total Expenses	<u>1,017,198</u>	<u>-</u>	<u>1,017,198</u>
Change in Net Assets	89,729	(112,102)	(22,373)
Net Assets, Beginning of Year	<u>115,491</u>	<u>137,237</u>	<u>252,728</u>
Net Assets, End of Year	<u><u>\$ 205,220</u></u>	<u><u>\$ 25,135</u></u>	<u><u>\$ 230,355</u></u>

See accompanying Notes to Financial Statements.

Congressional Coalition on Adoption Institute

**Statement of Functional Expenses
For the Year Ended December 31, 2014**

	Angels in Adoption	Foster Youth Internship Program	Congressional Resource Program	20/20 Vision Program	National Adoption Day	Other Programs	Total Program Services	General and Administrative	Fundraising	Total
Staff Compensation	\$ 33,838	\$ 75,847	\$ 99,790	\$ 8,476	\$ 16,446	\$ 4,863	\$ 239,260	\$ 92,395	\$ 6,045	\$ 337,700
Meetings and Events	222,310	18,577	7,700	825	276	-	249,688	-	-	249,688
Consultants	4,415	200	2,309	-	1,500	67,584	76,008	26,921	-	102,929
Travel	28,420	42,328	-	17,982	2,297	-	91,027	5,688	-	96,715
Scholarships and Stipends	15,500	51,936	-	-	-	-	67,436	-	-	67,436
Occupancy	-	-	-	-	-	-	-	61,781	-	61,781
Office Expenses	2,603	5,502	-	-	-	-	8,105	36,933	-	45,038
IT Expenses	120	-	-	-	-	-	120	17,002	-	17,122
Miscellaneous	6,415	3,009	1,145	-	-	-	10,569	1,674	-	12,243
Financial Expenses	-	-	-	-	-	-	-	10,942	-	10,942
Human Resources	-	-	-	-	-	-	-	9,590	-	9,590
Equipment Maintenance	-	-	-	-	-	-	-	5,036	-	5,036
Depreciation	-	-	-	-	-	-	-	978	-	978
Overhead Allocation	17,516	39,263	51,658	4,388	8,513	2,517	123,855	(126,984)	3,129	-
Total	<u>\$ 331,137</u>	<u>\$ 236,662</u>	<u>\$ 162,602</u>	<u>\$ 31,671</u>	<u>\$ 29,032</u>	<u>\$ 74,964</u>	<u>\$ 866,068</u>	<u>\$ 141,956</u>	<u>\$ 9,174</u>	<u>\$ 1,017,198</u>

See accompanying Notes to Financial Statements.

Congressional Coalition on Adoption Institute

Statement of Cash Flows For the Year Ended December 31, 2014

Cash Flows from Operating Activities

Change in Net Assets	\$ (22,373)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	978
Net Loss on Investment	1,731
<u>(Increase) Decrease in Assets</u>	
Promises to Give	92,901
Prepaid Expenses	(2,522)
<u>Increase (Decrease) in Liabilities</u>	
Accounts Payable	(8,315)
Accrued Compensation	(1,276)
	<hr/>
Net Cash Provided by Operating Activities	61,124
 Cash Flows from Investment Activities	
Proceeds from Sale of Investments	<hr/> 28,269
Net Change in Cash	89,393
Cash at Beginning of Year	<hr/> 121,363
 Cash at End of Year	<hr/> <hr/> \$ 210,756

See accompanying Notes to Financial Statements.

Congressional Coalition on Adoption Institute

Notes to Financial Statements December 31, 2014

1. ORGANIZATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of CCAI are prepared on the accrual basis of accounting. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

CCAI has presented its financial statements in accordance with *U.S. Generally Accepted Accounting Principles*. Under those principles, CCAI is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets represents the expendable resources that are available for operations at management's discretion.

Temporarily Restricted Net Assets represents resources restricted by donors as to purpose or by the passage of time.

Permanently Restricted Net Assets represents resources whose use by CCAI is limited by donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by action of CCAI. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

CCAI has no permanently restricted net assets at December 31, 2014.

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 the reported amounts of assets and liabilities and disclosure 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.

Congressional Coalition on Adoption Institute

Notes to Financial Statements December 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. As of December 31, 2014, all promises to give are expected to be collected within one year.

The allowance method is used to determine uncollectible amounts. The allowance is based upon prior years of experience and management's analysis of subsequent collections. Promises to give are considered past due and allowances on promises to give are recorded when circumstances indicate collection is doubtful for particular promises to give or as a general reserve for all promises to give. Management believes that all promises to give at December 31, 2014, are fully collectible.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Donated property and equipment are stated at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives which range from three to five years.

CCAI's policy is to capitalize major additions and improvements over \$500. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred.

Restricted and Unrestricted Revenue

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. CCAI reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 and changes in net assets as net assets released from restrictions.

In-Kind Contributions

Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

For the year ended December 31, 2014, the in-kind services of \$26,921 are recognized as management and general consultants expense in the statement of functional expenses.

Congressional Coalition on Adoption Institute

Notes to Financial Statements December 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing program and supporting services are summarized on a functional basis in the accompanying statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited based upon time devoted by CCAI's staff to direct expenses incurred for each of the functions. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of CCAI.

Income Taxes

CCAI is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on any net income derived from activities related to its exempt purpose. The Internal Revenue Service (IRS) has determined that CCAI is not a private foundation.

Uncertain Tax Positions

CCAI follows the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), which provides guidance on accounting for uncertainty in income taxes recognized in CCAI's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. As of December 31, 2014, CCAI had no uncertain tax positions that qualify for either recognition or disclosure in its financial statements.

CCAI's Forms 990, *Return of Organization Exempt from Income Tax*, that have been filed as of December 31, 2014, for fiscal years 2013, 2012, and 2011, are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

3. CONCENTRATION OF CREDIT RISK

CCAI maintains its cash accounts in U.S. banks, which are insured by the Federal Deposit Insurance Corporation (FDIC). All cash accounts are insured by the FDIC up to \$250,000 per bank. At December 31, 2014, CCAI's cash balances did not exceed the FDIC coverage. At certain times during the year, cash balances did exceed the FDIC coverage. Management believes the risk is minimal in these situations.

Congressional Coalition on Adoption Institute

**Notes to Financial Statements
December 31, 2014**

4. TEMPORARILY RESTRICTED NET ASSETS

Net assets as of December 31, 2014, were available for the following purposes:

Website	\$ 20,000
Dave Thomas Foundation for Adoption	<u>5,135</u>
	<u>\$ 25,135</u>

5. SUBSEQUENT EVENTS

CCAI has evaluated subsequent events through March 18, 2015, the date on which the financial statements were available to be issued.