

DRAFT December 10, 2012

**CONGRESSIONAL COALITION ON ADOPTION INSTITUTE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
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, 2011 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, 2011 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

December 10, 2012

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Congressional Coalition on Adoption Institute
Statement of Financial Position
December 31, 2011

Assets		
Current assets		
Cash and cash equivalents		
Checking/savings		577,326
	Total cash and cash equivalents	577,326
Prepaid assets		
		6,241
	Total current assets	583,567
Fixed Asset		
Computer/peripherals		43,736
Furniture		13,393
Accumulated depreciation		(53,637)
	Total fixed assets	3,492
	Total assets	587,059
Liabilities and Net Assets		
Liabilities		
Accounts payable		11,976
Other current liabilities		80,681
	Total current liabilities	92,657
Net assets		
Unrestricted		357,165
Temporarily restricted		137,237
Permanently restricted		0
	Total net assets	494,402
	Total liabilities and net assets	\$ 587,059

See Notes to Financial Statements.

Congressional Coalition on Adoption Institute
Statement of Activities
For the Year Ended December 31, 2011

Revenues	Unrestricted	Temporarily restricted	Total
Angels in Adoption	15,650	85,000	100,650
Congressional Resource Program		60,000	60,000
National Adoption Day		30,000	30,000
Foster youth interns		204,000	204,000
Fostering Media Connections	17,746	300,010	317,756
Restricted-other		175,000	175,000
Sara Start Funds		6,300	6,300
20/20 Vision		3,500	3,500
Board member contributions	78,500		78,500
Consulting fees	19,525		19,525
Corporate donations	537,769		537,769
Individual/general donations	98,365		98,365
Fund-raising dinners	4,085		4,085
Miscellaneous contributions	8,165		8,165
Net assets released from restrictions	726,573	(726,573)	0
Total revenues and support	1,506,378	137,237	1,643,615
Expenses			
Program services	1,026,539		1,026,539
Supporting services			
Management and general	218,116		218,116
Fundraising	24,274		24,274
Total supporting services	242,390		242,390
Total expenses	1,268,929		1,268,929
Change in net assets	237,449	137,237	374,686
Net assets, beginning of year	119,716		119,716
Net assets, end of year	\$357,165	\$137,237	494,402

See Notes to Financial Statements.

Congressional Coalition on Adoption Institute
Statement of Functional Expenses
For the Year Ended December 31, 2011

Expense	Program Services			Support Services		Total
	Unrestricted	Temporarily Restricted	Subtotal	Mgmt. and General	Fund-raising	
Depreciation	---	---	\$0	\$2,879	---	\$2,879
Fundraising & Marketing	---	---	0	---	6,630	6,630
General and Administrative	---	---	0	175,190	---	175,190
Programs	---	---726,583	726,583	---	---	726,583
Miscellaneous	---	---	0	4,758	---	4,758
Staff Compensation	299,956	---	299,956	35,289	17,644	352,889
Total	<u>\$299,956</u>	<u>\$726,583</u>	<u>\$1,026,539</u>	<u>\$218,116</u>	<u>\$24,274</u>	<u>\$1,268,929</u>

See Notes to Financial Statements.

Congressional Coalition on Adoption Institute
Statement of Cash Flows
For the Year Ended December 31, 2011

Cash flows from operations	
Change in net assets	\$ 374,686
Depreciation	2,879
Adjustments to reconcile net assets to net cash provided by operations:	
Prepaid Expense	(1,892)
Accounts payable	(6,907)
Accrued salaries payable	<u>(21,097)</u>
Net cash provided by operating activities	347,669
Cash flows from investing activities	
Furniture	<u>(11,182)</u>
Net cash provided by investing activities	(11,182)
Net cash increase	\$ 336,487
Cash at beginning	\$ 240,839
Cash at end of period	\$ 577,326

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, 2011, 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. REVENUE AND SUPPORT

As of December 31, 2011, CCAI's revenues and support total were \$1,643,615. Of \$863,810 temporary restricted funds collected, an estimated \$726,573 were used for program services, and the remaining unrestricted revenue of \$137,237 were carried over until the following year.

E. FUNCTIONAL EXPENSES

As of December 31, 2011, CCAI's total functional expenses were \$1,268,929 of which 81 percent, or \$1,026,539 accounted for program services, and the remaining 19 percent for support services, i.e., management & general, \$218,116, and fund raising, \$24,274.

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.