



**FOSTER AND ADOPTIVE PARENT
ADVOCACY CENTER**

**FINANCIAL STATEMENTS
and SUPPLEMENTARY INFORMATION**

Year ended June 30, 2020

**A
&
A** Adams & Associates CPA, LLC

FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER
TABLE OF CONTENTS
June 30, 2020

ACCOUNTANT’S REPORT 1

FINANCIAL STATEMENTS

Statement of Financial Position..... 2

Statement of Activities and Changes in Net Assets..... 3

Statement of Cash Flows..... 4

Notes to Financial Statements..... 5

SUPPLEMENTARY INFORMATION

Schedule of Functional Expenses..... 9



ACCOUNTANTS' REPORT

To the Board of Directors of
Foster & Adoptive Parent Advocacy Center
Washington, DC

We have reviewed the accompanying Statement of Financial Position of Foster & Adoptive Parent Advocacy Center as of June 30, 2020 and the related Statement of Income and Changes in Net Assets and Cash Flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Foster & Adoptive Parent Advocacy Center.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the 2020 Financial Statements in order for them to be in conformity with generally accepted accounting principles.

A handwritten signature in black ink, appearing to read "Charles J. Adams", with a horizontal line extending to the right.

Certified Public Accountant

Hunt Valley, MD
February 15, 2021

FINANCIAL STATEMENTS

FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER
STATEMENT OF FINANCIAL POSITION
June 30, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 322,761
Accounts receivable, net	<u>57,069</u>

TOTAL CURRENT ASSETS 379,830

PROPERTY AND EQUIPMENT - NET 2,017

OTHER ASSETS

Deposits	1,220
Prepaid expenses	5,378
Other assets	<u>2,696</u>

TOTAL OTHER ASSETS 9,294

TOTAL ASSETS **\$ 391,140**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 14,894
Loan payable	44,355
Deferred income	69,500
Pass through liabilities	181,899
Other current liabilities	<u>14,096</u>

TOTAL CURRENT LIABILITIES 324,744

LONG-TERM DEBT

Loan payable - long term	75,000
--------------------------	--------

NET ASSETS

Unrestricted	<u>(8,604)</u>
--------------	----------------

TOTAL NET ASSETS (8,604)

TOTAL LIABILITIES AND NET ASSETS **\$ 391,140**

The accompanying notes are an integral part of these financial statements.

FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2020

REVENUE, GRANTS AND OTHER SUPPORT

Government income	\$ 223,046
Foundation income	181,000
Fee income for services	119,974
Individual contributions	25,377
Board fundraising	7,305
Corporate contributions	264
Special Event Income	225
Miscellaneous income	<u>66</u>
TOTAL REVENUES	557,256

EXPENSES

Program	467,625
Management and general	<u>152,078</u>
TOTAL EXPENSES	<u>619,703</u>

CHANGE IN NET ASSETS (62,447)

NET ASSETS, BEGINNING OF YEAR 53,844

NET ASSETS, END OF YEAR **\$ (8,604)**

The accompanying notes are an integral part of these financial statements.

FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2020

CASH FLOWS FROM OPERATIONS

Change in net assets	\$ (62,447)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
(Increase) Decrease in operating assets:	
Accounts receivable	54,193
Prepaid expense	987
Other current assets	(2,696)
Increase (Decrease) in operating liabilities:	
Accounts payable and accrued expenses	10,106
Accrued compensation and related taxes	(3,483)
Deferred income	69,500
Loan payable	44,355
Other current liabilities	<u>189,605</u>

NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES 300,121

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of furniture and equipment	(2,017)
Increase in credit card charges -pay-over- time	6,850
Decrease in line of credit	<u>(14,500)</u>

NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES (9,667)

NET CHANGE IN CASH 290,454

BEGINNING CASH 32,306

ENDING CASH \$ 322,760

The accompanying notes are an integral part of these financial statement.

FOSTER & ADOPTIVE PARENT ADVOCACY CENTER.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Foster & Adoptive Parent Advocacy Center (the Organization and “FAPAC”) was incorporated in the District of Columbia in October 2000 through a collaborative effort of the Consortium for Child Welfare, foster parent leadership and the Freddie Mac Foundation. In July 2006, FAPAC became an independent 501(c)3 organization and remains the only DC organization with the primary purpose to advocate for the systemic change and problem resolution on behalf of children and families in the District of Columbia child welfare system.

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation – Under Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, 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.

Contributions – Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the absence or existence and nature of any donor restrictions. Support that is restricted by the donor but expiring in the same reporting period as it is recognized, is reported as an increase in unrestricted net assets. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets.

Promises to Give – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years’ experience and management’s analysis of specific promises made.

Contributed Services – During the year ended June 30, 2020, the Organization recognized donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills. These services would typically need to be purchased if not provided by donation. The services performed by volunteers and program participants that do not require specialized skills according to SFAS No. 116, *Accounting for Contributions Received and Contributions Made* and are not recognized in the financial statements.

See Accountants’ Report

FOSTER & ADOPTIVE PARENT ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes – The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)3 of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property and Equipment – Additions and betterments greater than \$1,000 are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Functional Expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2 – COMMITMENTS

During the fiscal year, the Organization leased office space under a lease agreement expiring October 31, 2018. The lease has an automatic extension for one additional 2 year terms expiring October 31, 2020. Rent expense for the year ended June 30, 2018 totaled \$33,147. Future minimum rentals related to the non-cancelable operating lease with fixed terms are as follows:

June 30,	
2021	\$14,450
2022	14,870
2023	15,290
2024	2,560

See Accountants' Report

FOSTER & ADOPTIVE PARENT ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 3 – ACCOUNTS RECEIVABLE AND REVENUE RECOGNITION

The Organization recognizes revenue as services are provided. Accounts receivable consists of amounts due from the contract with the Department of Human Resources and is non-interest bearing. Management believes the organization is in compliance with the terms of the contract and much of the Accounts receivable will be collected.

NOTE 4 – LOAN PAYABLE

The Organization received a Payroll Protection Program Loan from First Trust Bank in the amount of \$44,355 guaranteed by Small Business Administration (SBA). The Loan is to be used for payroll and rent expenses for the Organization over an eight to twenty-four week period. The loan after used and verified for the purposes specified will be forgiven and will be included as income for the Organization upon forgiveness.

NOTE 5 –DEFERRED INCOME

Funding was received from Child and Family Services Agency (CFSA) by the Organization to pay vendors on CFSA's behalf. However, the funds were converted to a grant under Modification #11. Pursuant to the modification, the funds were to be used in Fiscal Year 21 and in such recorded as deferred income. The funds held as deferred income at June 30, 2019 totaled \$69,500,

NOTE 6 –PASS THROUGH LIABILITES

The Organization serves as fiscal agents to pay vendors on behalf of Child and Family Services Agency (CFSA). Monies not spent at the end of CFSA's fiscal year (September 30, 2020) is usually returned to CFSA. However, due to COVID-19, CFSA stipulated that they did not want Fiscal Year 20 returned and instead to roll over to Fiscal Year 21. At June 30, 2020, funds held on behalf of CFSA totaled \$181,189.

NOTE 7 –LONG-TERM LIABILITES

The Organization has a credit card with American Express for which charges have been deferred to over-time payments. These charges are classified as long-term liabilities. The balance due as of June 30, 2019 totaled \$75,000.

See Accountants' Report

FOSTER & ADOPTIVE PARENT ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 8 – SUBSEQUENT EVENTS

Generally accepted accounting principles require organization to evaluate events and transactions that occur after date of the statement of financial position but before the date the financial statements are available to be issued. GAAP requires entities to recognize in the financial statements the effect of all events or transactions that provide additional evidence of conditions that existed at the statement of events or transactions that provide additional evidence of conditions that existed at the statement of financial position date, including the estimates inherent in the financial preparation process. The subsequent events that provide evidence about conditions that arose after the date of the statement of financial position should be disclosed if the financial statement would otherwise be misleading. The Organization has evaluated events through the date the financial statements were available to be issued and determined that there are no events that require disclosure.

See Accountants' Report

SUPPLEMENTARY INFORMATION

FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020

	Program	Management and General	Total
Accounting and auditing fees		1,000	1,000
Account consultant		23,810	23,810
Administrative services		5,857	5,857
Bank charges		3,140	3,140
Conferences and seminars - staff	810	2,631	3,441
Consultants			-
Other	77,802	500	78,302
Trainers/Presenters	300		300
Database	259		259
Depreciation		183	183
Employee benefits	7,498		7,498
General liability insurance		3,396	3,396
Insurance	2,617		2,617
Insurance expense		15,365	15,365
Licenses and fees	905		905
Maintenance	23	4,664	4,687
Miscellaneous expense		3,073	3,073
Payroll fees	1,825	545	2,370
Payroll taxes	13,516	4,037	17,553
Postage and shipping	157	881	1,038
Printing and duplication	1,408	3,016	4,424
Resource development consultants	56,250		56,250
Rent expense	11,400	21,747	33,147
Resource parent licensing	53,617		53,617
Retreat	1,019		1,019
Salaries and wages	159,064	47,266	206,330
Special event - holiday	511		511
Supplies	23,970	5,259	29,229
Telephone expense	2,683	801	3,484
Training childcare expenses	8,767	1,651	10,418
Training food expenses	20,953	2,047	23,000
Training Other	6,239	203	6,442
Training supplies	12,871		12,871
Transportation expenses	1,953	985	2,938
Travel expenses		23	23
Website	1,210		1,210
	<u>\$ 467,625</u>	<u>\$ 152,078</u>	<u>\$ 619,703</u>

The accompanying notes are an integral part of these financial statements.