



**FOSTER AND ADOPTIVE PARENT
ADVOCACY CENTER**

**FINANCIAL STATEMENTS
and SUPPLEMENTARY INFORMATION**

Year ended June 30, 2021

**Adams & Associates
CPA, LLC**

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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, 2021, 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 2021 Financial Statements in order for them to be in conformity with generally accepted accounting principles.

Certified Public Accountant

Phoenix, MD
July 11, 2022

FINANCIAL STATEMENTS

FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER
STATEMENT OF FINANCIAL POSITION
June 30, 2021

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 142,513
Accounts receivable, net	<u>50,565</u>

TOTAL CURRENT ASSETS	193,078
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PROPERTY AND EQUIPMENT - NET	1,577
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OTHER ASSETS

Prepaid expenses	1,175
Deposits	<u>1,220</u>

TOTAL OTHER ASSETS	<u>2,395</u>
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TOTAL ASSETS	<u><u>\$ 197,050</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 3,600
Pass through liabilities	<u>90,341</u>

TOTAL CURRENT LIABILITIES	93,941
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NET ASSETS

Unrestricted	<u>103,109</u>
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TOTAL NET ASSETS	<u>103,109</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 197,050</u></u>
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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, 2021

REVENUE, GRANTS AND OTHER SUPPORT	
Fee for services	\$ 318,099
Grants	234,303
Contributions	58,287
Fundraising	13,724
Miscellaneous income	1,610
In Kind Contribution	<u>1,282</u>
TOTAL REVENUES	627,305
 EXPENSES	
Program	398,669
Management and general	<u>117,073</u>
TOTAL EXPENSES	<u>515,743</u>
Unrealized gains(losses)	<u>150</u>
 CHANGE IN NET ASSETS	 111,713
NET ASSETS, BEGINNING OF YEAR	<u>(8,604)</u>
 NET ASSETS, END OF YEAR	 <u>\$ 103,109</u>

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, 2021

CASH FLOWS FROM OPERATIONS	-
Change in net assets	\$ 111,712
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	440
(Increase) Decrease in operating assets:	
Accounts receivable	6,503
Prepaid expense	4,203
Other current assets	2,696
Increase (Decrease) in operating liabilities:	
Accounts payable and accrued expenses	(11,294)
Deferred income	(69,500)
Loan payable	(44,355)
Other current liabilities	<u>(105,654)</u>
NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	(105,248)
CASH FLOWS FROM INVESTING ACTIVITIES	
Decrease in over-time payments	<u>(75,000)</u>
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	<u>(75,000)</u>
NET CHANGE IN CASH	(180,248)
BEGINNING CASH	<u>322,761</u>
ENDING CASH	<u><u>\$ 142,513</u></u>

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

FOSTER & ADOPTIVE PARENT ADVOCACY CENTER.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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, 2021, 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, 2021

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 an extended lease agreement expiring December 31, 2021. The lease has been extended for an additional 2-year term expiring December 31, 2023. Rent expense for the year ended June 30, 2021, totaled \$15,983. Future minimum rentals related to the non-cancelable operating lease with fixed terms are as follows:

June 30,		
	2022	\$13,350
	2023	11,700
	2024	6,000

See Accountants' Report

FOSTER & ADOPTIVE PARENT ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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 in Fiscal year 2020, from First Trust Bank in the amount of \$44,355 guaranteed by Small Business Administration (SBA). The Loan was 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 was forgiven and is included as Grant income in the Statement of Activities and Changes in Net Assets

NOTE 5 –DEFERRED INCOME

Funding in the amount of \$69,500 was received from Child and Family Services Agency (CFSA) by the Organization to pay vendors on CFSA's behalf. The funds were converted to a grant under Modification #11. Pursuant to the modification, the funds were used in Fiscal Year 21 and in such recorded as Grant income in the Statement of Activities and Changes in Net Assets.

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, 2021) is usually returned to CFSA. At June 30, 2021, funds held on behalf of CFSA totaled \$90,341.

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 was paid in full in Fiscal Year 21.

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FOSTER & ADOPTIVE PARENT ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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, 2021

	Program	Management and General	Total
Accounting services	17,987	17,988	35,975
Administrative services	-	6,145	6,145
Bank charges	-	803	803
Computer maintenance	4,629		4,629
Contributions	1,457		1,457
Consultants	83,873		83,873
Depreciation	-	1,478	1,478
Dues and subscriptions	-	800	800
Employee benefits	43,235	15,991	59,226
Facility maintenance	-	1,401	1,401
Insurance expense	5,028	900	5,928
Interest expense	-	8,827	8,827
Miscellaneous expense	-	3,600	3,600
Payroll fees	-	2,111	2,111
Payroll taxes	14,018	5,185	19,203
Postage and delivery	3,055		3,055
Printing and Copying	-	1,677	1,677
Rent expense	7,992	7,991	15,983
Retreat	3,191		3,191
Salaries and wages	180,000	38,536	218,536
Supplies	15,593	-	15,593
Telephone expense	-	3,641	3,641
Travel expenses	126	-	126
Training	12,864	-	12,864
Website and database	5,622	-	5,622
	<u>\$ 398,669</u>	<u>\$ 117,073</u>	<u>\$ 515,743</u>

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