



**FOSTER AND ADOPTIVE PARENT
ADVOCACY CENTER**

**FINANCIAL STATEMENTS
and SUPPLEMENTARY INFORMATION**

Year ended June 30, 2022

**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, 2022, 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 2022 Financial Statements in order for them to be in conformity with generally accepted accounting principles.

Certified Public Accountant

Phoenix, MD
August 28, 2022

FINANCIAL STATEMENTS

FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER
STATEMENT OF FINANCIAL POSITION
June 30, 2022

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 338,665
Accounts receivable, net	<u>120,369</u>
TOTAL CURRENT ASSETS	459,034
PROPERTY AND EQUIPMENT - NET	10,699
OTHER ASSETS	
Deposits	<u>1,220</u>
TOTAL OTHER ASSETS	<u>1,220</u>
TOTAL ASSETS	<u>\$ 470,952</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 5,130
Pass through liabilities	245,163
Accrued compensation and related taxes	<u>2,200</u>
TOTAL CURRENT LIABILITIES	<u>252,493</u>
TOTAL LIABILITES	252,493
NET ASSETS	
Unrestricted	<u>218,459</u>
TOTAL NET ASSETS	<u>218,459</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 470,952</u>

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, 2022

REVENUE, GRANTS AND OTHER SUPPORT	
Foundation income	\$ 291,666
Fee for services	218,936
Government income	110,020
Special events	18,855
Individual contributions	14,422
Corporate contributions	141
Interest Income	<u>18</u>
TOTAL REVENUES	654,058
 EXPENSES	
Program	222,437
Management and general	<u>210,268</u>
TOTAL EXPENSES	<u>432,705</u>
CHANGE IN NET ASSETS	221,353
 NET ASSETS, BEGINNING OF YEAR, restated	 <u>(2,894)</u>
 NET ASSETS, END OF YEAR	 <u><u>\$ 218,459</u></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, 2022

CASH FLOWS FROM OPERATIONS	
Change in net assets	\$ 221,353
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	2,280
(Increase) Decrease in operating assets:	
Accounts receivable	(69,804)
Prepaid expense	1,175
Increase (Decrease) in operating liabilities:	
Accounts payable and accrued expenses	1,530
Accrued compensation and related taxes	2,200
Other current liabilities	<u>154,823</u>
 NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	 313,557
 CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of furniture and equipment	<u>(11,402)</u>
 NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	 <u>(11,402)</u>
 NET ASSETS RESTATED	 <u>(106,003)</u>
 NET CHANGE IN CASH	 196,152
 BEGINNING CASH	 <u>142,513</u>
 ENDING CASH	 <u>\$ 338,665</u>

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

FOSTER & ADOPTIVE PARENT ADVOCACY CENTER.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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, 2022, 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, 2022

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, 2022, totaled \$16,722. Future minimum rentals related to the non-cancelable operating lease with fixed terms are as follows:

June 30,		
	2023	11,700
	2024	6,000

NOTE 3 – ACCOUNTS RECEIVABLE AND REVENUE RECOGNITION

The Organization recognizes revenue as services are provided. Accounts receivable consists of amounts due from the contract for fee for services and reimbursement agreements 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.

See Accountants' Report

FOSTER & ADOPTIVE PARENT ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 4 –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, 2022, funds held on behalf of CFSA totaled \$245,163.

NOTE 5 – 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.

NOTE 6 – REINSTATEMENT OF PRIOR YEARS

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. The Organization changed its management during fiscal year 2022 and reviewed beginning balances with CFSA. The review disclosed errors in the ending balances reported in the prior year financial statements, resulting in an understatement in liabilities for Fiscal year 2021. CFSA allowed the Organization to use the funds in fiscal year 2022 and management returned unused funds in the amount of \$10,000. The Organization’s, corrections to the prior year financial statements and related beginning net assets are as follows:

	<u>Unrestricted</u>
Net assets at beginning of year, as originally stated	\$ 103,109
Prior period adjustments	
Pass-through liabilities	<u>(106,003)</u>
Net assets (deficit) at beginning of year, as restated	<u>\$ (2,894)</u>

See Accountants’ Report

SUPPLEMENTARY INFORMATION

FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Advertising and marketing	\$ -	\$ 3,242	\$ 3,242
Background Checks		120	120
Bank fees and service charges		270	270
Charitable Contributions		505	505
Client Cost (FGST Program Cost)	20,763		20,763
Communication, software and apps		13,307	13,307
Contract and professional fees	49,397	50,102	99,499
Depreciation expense		2,280	2,280
Education and professional development		3,656	3,656
Employee benefits		3,840	3,840
Equipment lease and maintenance		1,721	1,721
Flagship events	17,141	-	17,141
Government registration fees		460	460
Insurance expense	6,959	11,322	18,281
Internet and telephone expense		824	824
Interest expense		57	57
Meeting meals		3,062	3,062
Memberships and subscriptions		811	811
Miscellaneous expense		1,124	1,124
Occupancy expense		21,310	21,310
Office and operational expenses		834	834
Payroll taxes	7,076	5,124	12,200
Payroll processing fees		415	415
Printing and photocopying		2,389	2,389
Salaries and wages	103,837	75,192	179,029
Shipping and postage		1,508	1,508
Staff and board recognition	-	1,113	1,113
Supplies	9,297	3,827	13,124
Trainings and events	7,102		7,102
Travel	866	1,854	2,720
	<u>\$ 222,437</u>	<u>\$ 210,268</u>	<u>\$ 432,705</u>

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