



**FOSTER AND ADOPTIVE PARENT  
ADVOCACY CENTER**

**FINANCIAL STATEMENTS  
and SUPPLEMENTARY INFORMATION**

**Year ended June 30, 2023**



**FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER**  
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**June 30, 2023**

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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, 2023, 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 Fiscal Year 2023 Financial Statements in order for them to be in conformity with generally accepted accounting principles.



Certified Public Accountant

Phoenix, MD  
August 17, 2023

## **FINANCIAL STATEMENTS**

**FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2023**

**ASSETS**

CURRENT ASSETS

Cash and cash equivalents \$ 473,960

TOTAL CURRENT ASSETS 473,960

PROPERTY AND EQUIPMENT - NET 8,192

OTHER ASSETS

Deposits 1,220

TOTAL OTHER ASSETS 1,220

**TOTAL ASSETS** \$ 483,372

**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES

Accounts payable and accrued expenses \$ 4,150

Credit cards 6,154

Pass through liabilities 202,407

Accrued compensation and related taxes 5,593

TOTAL CURRENT LIABILITIES 218,304

TOTAL LIABILITES 218,304

NET ASSETS

Unrestricted 265,067

TOTAL NET ASSETS 265,067

**TOTAL LIABILITIES AND NET ASSETS** \$ 483,372

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, 2023**

**REVENUE, GRANTS AND OTHER SUPPORT**

Foundation income	\$ 270,444
Government income	234,862
Fee for services	93,097
Special events	50,446
Individual contributions	3,202
Corporate contributions	2,598
Other income	645
Investment Revenue	<u>92</u>
<b>TOTAL REVENUES</b>	<u><b>655,386</b></u>

**EXPENSES**

Program	407,446
Management and general	<u>251,610</u>
<b>TOTAL EXPENSES</b>	<u><b>659,056</b></u>

<b>CHANGE IN NET ASSETS</b>	<b>\$ (3,670)</b>
NET ASSETS, BEGINNING OF YEAR, restated	<u>268,737</u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>\$ 265,067</b></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, 2023**

**CASH FLOWS FROM OPERATIONS**

Change in net assets	\$ (3,670)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	2,506
(Increase) Decrease in operating assets:	
Accounts receivable	120,369
Increase (Decrease) in operating liabilities:	
Accounts payable and accrued expenses	(980)
Accrued compensation and related taxes	3,393
Other current liabilities	<u>(36,603)</u>
 NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	 \$ <u>85,016</u>
 NET ASSETS RESTATED	 <u>50,279</u>
 NET CHANGE IN CASH	 135,295
 BEGINNING CASH	 <u>338,665</u>
 ENDING CASH	 <u><u>\$ 473,960</u></u>

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

**FOSTER & ADOPTIVE PARENT ADVOCACY CENTER.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**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, 2023, 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.

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**FOSTER & ADOPTIVE PARENT ADVOCACY CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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 August 31, 2024. Although the monthly rent has increased pursuant to the lease, the Organization continues to pay \$950 per month. Rent expense for the year ended June 30, 2023, totaled \$11,400. Future minimum rentals related to the non-cancelable operating lease with fixed terms are as follows:

June 30,

2024	\$15,290
2025	2,560

**NOTE 3 – ACCOUNTS RECEIVABLE AND REVENUE RECOGNITION**

The Organization recognizes revenue as services are provided. Accounts receivable consist 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.

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**FOSTER & ADOPTIVE PARENT ADVOCACY CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**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, 2022) are usually returned to CFSA. At, June 30, 2023, funds held on behalf of CFSA totaled \$202,407.

**NOTE 5 – SUBSEQUENT EVENTS**

Generally accepted accounting principles require an organization to evaluate events and transactions that occur after the 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 are usually returned to CFSA. The Organization changed its management during fiscal year 2022 and reviewed 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 and CFSA allowed the Organization to use the funds in fiscal year 2022. Management returned unused funds in the amount of \$10,000. Finalization of the reconciliation in fiscal year 2022 disclosed an overstatement of liabilities and was corrected in fiscal year 2023. In addition, the Organization closed its bank account with Capital One. The closing transactions were recorded incorrectly in opening balances and were corrected in fiscal year 2023. The Organization's, corrections to the prior year financial statements and related beginning net assets are as follows:

	<u><b>Unrestricted</b></u>
Net assets at beginning of year, as originally stated	\$ (2,894)
Prior period adjustments	
Pass-through liabilities	52,889
Prior Period Adjustment	
Opening Balance	<u>(2,610)</u>
Net assets (deficit) at beginning of year, as restated	<u>\$ 268,737</u>

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See Accountants' Report

## **SUPPLEMENTARY INFORMATION**

**FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2023**

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Advertising and marketing	\$ -	\$ 2,872	\$ 2,872
Background Checks	-	1,698	1,698
Bank fees and service charges	-	527	527
Charitable Contributions	-	400	400
Childcare	300	-	300
Client Cost (FGST Program Cost)	41,736	-	41,736
Communication, software and apps	-	17,290	17,290
Contract and professional fees	78,900	74,432	153,332
Depreciation expense	-	2,280	2,280
Education and professional development	-	5,199	5,199
Employee benefits	-	3,739	3,739
Flagship events	135,047	-	135,047
Insurance expense	-	21,659	21,659
Internet and telephone expense	-	229	229
Meeting meals	-	3,832	3,832
Member stipends	11,159	-	11,159
Memberships and subscriptions	-	466	466
Miscellaneous expense	-	2,997	2,997
Occupancy expense	-	18,551	18,551
Other program expenses	15,128	-	15,128
Office and operational expenses	-	302	302
Payroll taxes	7,076	6,860	13,936
Printing and photocopying	-	3,446	3,446
Salaries and wages	96,557	67,902	164,458
Shipping and postage	-	1,976	1,976
Staff and board recognition	-	2,919	2,919
Supplies	251	7,517	7,768
Trainings and events	18,620	-	18,620
Travel	2,673	2,842	5,515
	<u>\$ 407,446</u>	<u>\$ 251,610</u>	<u>\$ 659,056</u>

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