



**FOSTER AND ADOPTIVE PARENT
ADVOCACY CENTER**

FINANCIAL STATEMENTS

Year ended June 30, 2025

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A** Adams & Associates CPA, LLC

FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER
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To the Board of Trustees of
Foster and Adoptive Parent Advocacy Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Foster and Adoptive Parents Advocacy Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foster and Adoptive Parents Advocacy Center as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 23, 2025, on our consideration of Foster and Adoptive Parents Advocacy Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Foster and Adoptive Parents Advocacy Center's internal control over financial reporting and compliance.



Certified Public Accountant

Phoenix, MD

FINANCIAL STATEMENTS

FOSTER AND ADOPTIVE PARENT ADVOCACY CENTER
STATEMENT OF FINANCIAL POSITION
June 30, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 711,084
Accounts receivable, net	<u>6,095</u>

TOTAL CURRENT ASSETS	<u>717,179</u>
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PROPERTY AND EQUIPMENT - NET	4,019
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OTHER ASSETS

Deposits	1,220
Prepaid expenses	<u>20,820</u>

TOTAL OTHER ASSETS	<u>22,039</u>
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TOTAL ASSETS	<u><u>\$ 743,238</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Credit cards	\$ 4,769
Pass through liabilities	282,871
Accrued compensation and related taxes	<u>8,205</u>

TOTAL CURRENT LIABILITIES	<u>295,845</u>
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TOTAL LIABILITES	<u>295,845</u>
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NET ASSETS

Unrestricted	<u>447,393</u>
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TOTAL NET ASSETS	<u>447,393</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 743,238</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, 2025

REVENUE, GRANTS AND OTHER SUPPORT

Foundation grants	\$ 199,501
Government income	340,841
Program services	110,694
Corporate contributions	49,230
Individual contributions	26,645
Event ticket sales	4,883
Other income	<u>17,442</u>
TOTAL REVENUES	<u>749,235</u>

EXPENSES

Program	458,218
Management and general	<u>256,510</u>
TOTAL EXPENSES	<u>714,728</u>

CHANGE IN NET ASSETS	\$ 34,507
NET ASSETS, BEGINNING OF YEAR, RESTATED	<u>412,886</u>
NET ASSETS, END OF YEAR	<u><u>\$ 447,393</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, 2025

CASH FLOWS FROM OPERATIONS

Change in net assets	\$ 34,507
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	2,506
(Increase) Decrease in operating assets:	
Accounts receivable	(6,095)
Prepaid expense	(20,820)
Increase (Decrease) in operating liabilities:	
Accounts payable and accrued expenses	(25,005)
Accrued compensation and related taxes	4,575
Other current liabilities	<u>98,012</u>

NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES \$ 87,681

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of furniture and equipment \$ (839)

NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES \$ (839)

NET ASSETS 86,842

NET CHANGE IN CASH 86,842

BEGINNING CASH 624,242

ENDING CASH \$ 711,084

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

FOSTER AND ADOPTIVE PARENTS ADVOCACY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For Year End of June 30, 2025

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Advertising and marketing	\$ 10,737	-	\$ 10,737
Background Checks	-	70	70
Bank fees and service charges	-	166	166
Charitable Contributions	-	380	380
Childcare	3,050	-	3,050
Client Cost (FGST Program Cost)	4,262	-	4,262
Communication, software and apps	32,427	-	32,427
Contract and professional fees	23,248	59,469	82,717
Depreciation expense	-	2,506	2,506
Education and professional development	23,244	-	23,244
Employee benefits	-	6,526	6,526
Housing	8,100	-	8,100
Insurance expense	-	31,028	31,028
Internet and telephone expense	-	6,553	6,553
Meeting, conventions and conferences	40,814	-	40,814
Member stipends	26,628	-	26,628
Memberships and subscriptions	-	127	127
Miscellaneous expense	14,270	-	14,270
Occupancy expense	-	22,180	22,180
Office and operational expenses	-	2,766	2,766
Payroll taxes	-	20,420	20,420
Printing and photocopying	-	4,471	4,471
Registration and filings	-	1,113	1,113
Salaries and wages	213,172	68,651	281,823
Shipping and postage	-	9,336	9,336
Staff and board recognition	-	2,661	2,661
Supplies	-	12,589	12,589
Trainings and events	58,266	-	58,266
Travel	-	5,496	5,496
	<u>\$ 458,218</u>	<u>\$ 256,510</u>	<u>\$ 714,728</u>

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

FOSTER & ADOPTIVE PARENT ADVOCACY CENTER.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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, 2025, 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 Auditor’s Report

FOSTER & ADOPTIVE PARENT ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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 – CONCENTRATION OF RISK

The Organization maintain its cash balances in a checking and savings account at the same financial institution. At times these balances may exceed the federal insured limits; however, the organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. At June 30, 2024, its savings deposits exceeded the FDIC insured limit of \$250,000 by \$255,944.

NOTE 3 – COMMITMENTS

During the fiscal year, the Organization leased office space under an extended lease agreement expiring April 30, 2026. Rent expense for the year ended June 30, 2025 totaled \$20,400. Future minimum rentals related to the non-cancelable operating lease with fixed terms are as follows:

June 30,	
2026	<u>\$17,500</u>
Total	<u>\$17,500</u>

See Auditor's Report

FOSTER & ADOPTIVE PARENT ADVOCACY CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 4 – 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.

NOTE 5 –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, 2025) are usually returned to CFSA. At, June 30, 2025, funds held on behalf of CFSA totaled \$282,871.

NOTE 6 – 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.

See Auditor’s’ Report

INTERNAL CONTROLS



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of
Foster and Adoptive Parents Advocacy Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Foster and Adoptive Parents Advocacy Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Foster and Adoptive Parents Advocacy Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Foster and Adoptive Parents Advocacy Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to be "Stanley J. [unclear]", with a horizontal line extending to the right from the end of the signature.

Phoenix, MD