FOSTER CARE COALITION OF GREATER ST. LOUIS, INC.
D/B/A FOSTER AND ADOPTIVE CARE COALITION
AND
THE INSTITUTE FOR CHILD WELFARE INNOVATION
CONSOLIDATED FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE
YEARS ENDED DECEMBER 31, 2021 AND 2020

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation

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SCHMERSAHL TRELOAR & CO.
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors of
Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation
St. Louis, Missouri

Opinion

We have audited the accompanying consolidated financial statements of Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition (a nonprofit organization) and The Institute for Child Welfare Innovation, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition and The Institute for Child Welfare Innovation, as of December 31, 2021 and 2020, and the related consolidated statement of activities, functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition and The Institute for Child Welfare Innovation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition and The Institute for Child Welfare Innovation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition and The Institute for Child Welfare Innovation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition and The Institute for Child Welfare Innovation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position of Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition and The Institute for Child Welfare Innovation on page 24 and the consolidating statement of activities on page 25 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management, was derived from, and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Schmersahl Treloar & Co.

St. Louis, Missouri
June 24, 2022

CONSOLIDATED FINANCIAL STATEMENTS

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute of Child Welfare Innovation
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	$ 1,443,840	$ 1,957,055
Accounts receivable		
United Way	242,776	236,663
Grants and other	2,512,549	1,790,896
Inventory	36,615	36,615
Investments	1,764,026	750,139
Property and equipment, net	39,555	63,108
Prepaid expenses	75,958	47,605
TOTAL ASSETS	$ 6,115,319	$ 4,882,081

LIABILITIES AND NET ASSETS

	2021	2020
LIABILITIES		
Accounts payable	$ 679,936	$ 173,282
Deferred rent	43,658	32,224
Total Liabilities	723,594	205,506
NET ASSETS		
Without donor restrictions		
Undesignated	3,393,394	3,095,607
With donor restrictions		
Time restricted for future periods	1,343,672	893,126
Purpose restriction	94,377	144,762
Perpetual in nature	560,282	543,080
Total Net Assets With Donor Restrictions	1,998,331	1,580,968
Total Net Assets	5,391,725	4,676,575
TOTAL LIABILITIES AND NET ASSETS	$ 6,115,319	$ 4,882,081

See accompanying notes to financial statements

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation
CONSOLIDATED STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2021			Year Ended December 31, 2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
PUBLIC SUPPORT AND REVENUE						
Grants	$ 3,896,508	$ 1,344,237	$ 5,240,745	$ 3,234,284	$ 501,022	$ 3,735,306
United Way allocation	-	242,776	242,776	19,800	236,663	256,463
Contributions	965,835	-	965,835	1,101,566	-	1,101,566
Special events, net of direct expenses	321,992	-	321,992	292,416	-	292,416
Investment return, net of fees	108,202	74,938	183,140	27,327	69,676	97,003
Other income	24,930	-	24,930	2,820	-	2,820
Paycheck Protection Program Grant	411,284	-	411,284	689,250	-	689,250
Retail store revenue, net of operating expenses	(47,785)	-	(47,785)	(46,666)	-	(46,666)
Net assets released from restrictions	1,244,588	(1,244,588)	-	998,433	(998,433)	-
Total Public Support and Revenue	6,925,554	417,363	7,342,917	6,319,230	(191,072)	6,128,158
EXPENSES						
Program Services						
Recruitment	2,739,093	-	2,739,093	2,425,656	-	2,425,656
Retention	3,142,193	-	3,142,193	2,293,057	-	2,293,057
Total Program Services	5,881,286	-	5,881,286	4,718,713	-	4,718,713
Supporting Services						
Management and general	219,374	-	219,374	202,180	-	202,180
Fundraising	527,107	-	527,107	490,322	-	490,322
Total Supporting Services	746,481	-	746,481	692,502	-	692,502
Total Expenses	6,627,767	-	6,627,767	5,411,215	-	5,411,215
CHANGE IN NET ASSETS	297,787	417,363	715,150	908,015	(191,072)	716,943
NET ASSETS, Beginning of year	3,095,607	1,580,968	4,676,575	2,187,592	1,772,040	3,959,632
NET ASSETS, End of year	$ 3,393,394	$ 1,998,331	$ 5,391,725	$ 3,095,607	$ 1,580,968	$ 4,676,575

See accompanying notes to financial statements

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

	Program Services				Supporting Services				
	Recruitment	Retention	[RE]FRESH Resale Store	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	Cost of Direct Benefits to Donors	Total
Salaries and wages	$ 1,758,891	$ 1,961,332	$ -	$ 3,720,223	$ 152,287	$ 358,599	$ 510,886	$ -	$ 4,231,109
Payroll taxes	140,616	155,290	-	295,906	12,057	28,392	40,449	-	336,355
Employee benefits	345,853	355,568	-	701,421	27,608	65,010	92,618	-	794,039
Total Salaries and Related Expenses	2,245,360	2,472,190	-	4,717,550	191,952	452,001	643,953	-	5,361,503
Specific assistance to individuals									
Holiday Wishes	-	199,248	-	199,248	-	-	-	-	199,248
Little Wishes	-	11,251	-	11,251	-	-	-	-	11,251
Professional fees	226,193	153,366	-	379,559	6,164	25,044	31,208	-	410,767
Occupancy	130,133	149,324	45,412	324,869	11,594	27,302	38,896	-	363,765
Travel	17,296	5,544	-	22,840	26	61	87	-	22,927
Cost of goods sold	-	-	-	-	-	-	-		-
Conferences and meetings	9,596	33,308	-	42,904	644	1,517	2,161	-	45,065
Printing and publications	18,052	24,485	174	42,711	1,901	4,477	6,378	-	49,089
Agency insurance	28,425	25,891	-	54,316	2,010	4,734	6,744	-	61,060
Special events - fundraising	-	-	-	-	-	-	-	12,153	12,153
Telephone	24,984	32,184	-	57,168	2,389	5,625	8,014	-	65,182
Supplies	28,847	26,058	1,999	56,904	1,969	4,638	6,607	-	63,511
Postage and shipping	4,957	6,739	-	11,696	523	1,232	1,755	-	13,451
Membership dues	5,250	2,605	-	7,855	202	476	678	-	8,533
	2,739,093	3,142,193	47,585	5,928,871	219,374	527,107	746,481	12,153	6,687,505
Less expenses included with support on the statement of activities									
[RE]FRESH Resale Store	-	-	(47,585)	(47,585)	-	-	-	-	(47,585)
Cost of direct benefits to donors	-	-	-	-	-	-	-	(12,153)	(12,153)
Total expenses included with support on the statement of activities	-	-	(47,585)	(47,585)	-	-	-	(12,153)	(59,738)
Total Expenses By Function	$ 2,739,093	$ 3,142,193	$ -	$ 5,881,286	$ 219,374	$ 527,107	$ 746,481	$ -	$ 6,627,767
Percent of Total Expenses	41.2%	47.4%		88.7%	3.4%	8.0%	11.3%		100.0%

See accompanying notes to financial statements

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
Year Ended December 31, 2020

	Program Services				Supporting Services				
	Recruitment	Retention	[RE]FRESH Resale Store	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	Cost of Direct Benefits to Donors	Total
Salaries and wages	$ 1,652,824	$ 1,380,159	$ 17,374	$ 3,050,357	$ 139,726	$ 336,892	$ 476,618	$ -	$ 3,526,975
Payroll taxes	122,784	102,367	8,818	233,969	10,364	24,987	35,351	-	269,320
Employee benefits	299,379	251,394	-	550,773	25,451	61,364	86,815	-	637,588
Total Salaries and Related Expenses	2,074,987	1,733,920	26,192	3,835,099	175,541	423,243	598,784	-	4,433,883
Specific assistance to individuals									
Holiday Wishes	-	219,697	-	219,697	-	-	-	-	219,697
Little Wishes	-	18,529	-	18,529	-	-	-	-	18,529
Professional fees	111,040	101,211	-	212,251	6,689	18,980	25,669	-	237,920
Occupancy	132,044	112,806	47,225	292,075	11,370	27,413	38,783	-	330,858
Travel	7,199	6,003	-	13,202	56	136	192	-	13,394
Cost of goods sold	-	-	52,109	52,109	-	-	-		52,109
Conferences and meetings	14,521	29,969	-	44,490	1,423	3,430	4,853	-	49,343
Printing and publications	26,769	25,825	1,240	53,834	2,615	6,304	8,919	-	62,753
Agency insurance	23,886	16,705	-	40,591	1,691	4,078	5,769	-	46,360
Special events - fundraising	-	-	-	-	-	-	-	14,458	14,458
Telephone	15,119	14,568	-	29,687	1,395	3,363	4,758	-	34,445
Supplies	14,358	8,553	10,873	33,784	866	2,088	2,954	-	36,738
Postage and shipping	3,010	3,032	-	6,042	307	740	1,047	-	7,089
Membership dues	2,723	2,239	-	4,962	227	547	774	-	5,736
	2,425,656	2,293,057	137,639	4,856,352	202,180	490,322	692,502	14,458	5,563,312
Less expenses included with support on the statement of activities									
[RE]FRESH Resale Store	-	-	(137,639)	(137,639)	-	-	-	-	(137,639)
Cost of direct benefits to donors	-	-	-	-	-	-	-	(14,458)	(14,458)
Total expenses included with support on the statement of activities	-	-	(137,639)	(137,639)	-	-	-	(14,458)	(152,097)
Total Expenses By Function	$ 2,425,656	$ 2,293,057	$ -	$ 4,718,713	$ 202,180	$ 490,322	$ 692,502	$ -	$ 5,411,215
Percent of Total Expenses	44.7%	42.4%		87.2%	3.8%	9.1%	12.8%		100.0%

See accompanying notes to financial statements

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 715,150	$ 716,943
Adjustments to reconcile change in net assets to net change in cash and cash equivalents from operating activities:		
Depreciation	23,553	42,921
Donated investments	(58,595)	(46,206)
Realized/Unrealized (gain) on investments	(175,133)	(88,511)
(Increase) decrease in assets:		
Grants and other receivable	(727,766)	45,852
Inventory	-	13,291
Prepaid expenses	(28,353)	(19,527)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	506,654	156,889
Deferred rent	11,434	9,528
Net Change in Cash and Cash Equivalents from Operating Activities	266,944	831,180
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,619,302)	(904,542)
Proceeds from sale of investments	839,143	861,432
Purchase of property and equipment	-	(36,688)
Net Change in Cash and Cash Equivalents from Investing Activities	(780,159)	(79,798)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(513,215)	751,382
CASH AND CASH EQUIVALENTS, Beginning of year	1,957,055	1,205,673
CASH AND CASH EQUIVALENTS, End of year	$ 1,443,840	$ 1,957,055

See accompanying notes to financial statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition (the "Coalition") is a not-for-profit corporation established in 1985. The Coalition strives to create permanency in every foster child's life by recruiting and supporting foster and adoptive families in the St. Louis metropolitan community. The Coalition works to achieve its mission through programs directed toward recruitment and retention.

In 2019, The Institute for Child Welfare Innovation (the "Institute"), a not-for-profit corporation, was created to fulfill the 30 Days to Family program outside the Greater St. Louis Area.

Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition is the sole corporate member of the Institute, and accordingly, the Institute is a consolidated related entity.

Basis of Presentation

The consolidated financial statements include the accounts of the Coalition and the Institute (collectively, the Organization) and have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). All intercompany accounts and transactions have been eliminated. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net Assets with Donor Restrictions

Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such assets be maintained in perpetuity. Donor-imposed restrictions that are temporary in nature are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from these estimates.

Concentration of Credit Risk

The Organization generates receivables and revenues from grant agencies in the normal course of business. The agencies are primarily located throughout the St. Louis metropolitan area. The Organization does not require collateral to secure receivables from these agencies.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and short-term investments that can be converted into cash within three months or less from time of purchase.

The Organization maintains cash deposits in bank accounts which at times exceed federally insured limits of up to $250,000 for each institution. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

During 2021 and 2020, for cash flow reporting purposes, no cash payments relating to interest or income tax were made.

Grants and Other Receivable

Grants and other receivable are carried net of allowance for doubtful accounts. The allowance for doubtful accounts is increased by provisions charged to expense and reduced by accounts charged off, net of recoveries. The allowance is maintained at a level considered adequate to provide for potential account losses based on management's evaluation of the anticipated impact on the balance of current economic conditions, changes in the character and size of the balance, past and expected future loss experience and other pertinent factors. No allowance was deemed necessary as of December 31, 2021 and 2020.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions
Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Restricted contributions which are received and expended in the same fiscal year are reported as increases in net assets without donor restrictions. Amounts received that are restricted by the donor for use in future periods or for specific purposes are reported as support with donor restrictions that increases net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Government Grant and Grant Income
A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contacts or grant provisions.

Special Event Revenue
Special event revenue from ticket sales and sponsorships are recognized when received.

Retail Store Revenue
The Organization records sales from its [RE]FRESH store when transaction price is agreed upon and performance obligations with our customers are satisfied. A performance obligation is a promise to transfer a distinct good to the customer.

Inventory

Inventory, which is sold at the Organization's [RE]FRESH store, consists of donated clothing items and is valued at the sales price of similar items.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments

Investments consist of exchange traded funds, money market accounts and various common stocks and are carried at fair value. Donated investments received as contributions are recorded at their fair value of the investment on the date they were received. Return on investment is reported net of investment expenses and consists of interest, dividends, unrealized and realized gains and losses, and is reported on the Consolidated Statements of Activities.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Financial Position.

Property and Equipment

Property and equipment consist of office equipment and leasehold improvements, which are stated at cost less accumulated depreciation. Assets are depreciated on a straight-line basis over the estimated useful lives of the assets, which range from three to six years. Expenditures for repairs and maintenance are charged to operations as incurred while renewals and betterments of $5,000 or more are capitalized.

Functional Expenses

Functional expenses have been allocated between program services and supporting services based primarily on an analysis of personnel time. In addition, other costs are directly and indirectly allocated among the programs and supporting services benefited based on management's estimates.

Financial Instruments

The carrying amount of accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term maturities of these instruments.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

In-Kind Services

The Coalition received donated inventory, which was reflected as revenue during the years ended December 31, 2021 and 2020.

The Coalition also received in-kind advertising for Little Wishes and other programs from KSDK Television Station for the years ended December 31, 2021 and 2020. Since the Coalition was not provided information from the donor, it is unable to record the value of this donated service.

The Coalition also receives assistance from many volunteers donating their time and performing a variety of tasks that assist the Coalition in its programs and general operations. Since donated time for these types of volunteer services is undeterminable, the Coalition is unable to record the value of these donated services.

Significant Funding

The Coalition received $4,372,000 and $2,527,095 of its support, respectively, for the years ended December 31, 2021 and 2020 from various funders: St. Louis County Children's Service Fund, St. Louis Mental Health Board, Missouri Department of Social Services, Area Resources for Community & Human Services, Bon Eau Foundation, a single private source, and the United Way of Greater St. Louis. The current level of the Organization's operations and program services may be impacted if the funding is altered from one or more of these funders.

Income Tax

The Coalition and Institute are separate legal entities and both individually qualify as nonprofit organizations and are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Coalition and Institute do not have unrelated business income, excise taxes, or activities that would threaten their tax-exempt status. Accordingly, no provision for federal or state income taxes is provided for the years ending December 31, 2021 and 2020. The Coalition and Institute each file their own information return, the IRS Form 990. The Coalition's tax returns for the years 2018 and later remain subject to examination by taxing authorities. The Institute's tax returns for the years 2019 and later remain subject to examination by taxing authorities.

The Organization follows the provisions of uncertain tax positions as addressed by the Financial Accounting Standards Board and management is not aware of any uncertain tax positions of the Organization related to the tax filings.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 24, 2022, the date the consolidated financial statements were available to be issued.

B. INVESTMENTS

The Organization's investment income as reported on the statements of activities consists of the following:

	December 31,	
	2021	2020
Investment income, net of fees	$ 8,007	$ 8,492
Realized and Unrealized gain on investments	175,133	88,511
Total Investment Income	$183,140	$97,003

The amounts reported as realized and unrealized investment gains (losses) in the accompanying financial statements are a result of the following:

a) The difference in the market values of investments on hand at the beginning of the year as compared to the end of the year.
b) The difference between the proceeds from the sale of investments and the related market values of those investments at December 31 of the previous year.
c) The difference between the costs of investments purchased during the year and related market value of those investments at December 31, or between the proceeds from the sale of those investments if sold during the respective year.

C. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2021				
Mutual funds	$1,738,212	$1,738,212	$ -	$ -
Stocks	25,814	25,814	-	-
Total	$1,764,026	$1,764,026	$ -	$ -
December 31, 2020				
Mutual funds	$ 726,982	$ 726,982	$ -	$ -
Stocks	23,157	23,157	-	-
Total	$ 750,139	$ 750,139	$ -	$ -

Financial assets valued using Level 1 inputs are based on quoted market prices within active markets, such as exchange-traded securities. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Examples of Level 2 assets include U.S. Treasury securities, corporate and municipal bonds, and mortgage-backed securities. Financial assets valued using Level 3 inputs are based primarily on assumptions about the marketability of the assets and can include corporate loans, mortgage loans, distressed debt, and investments in real estate funds. The Organization has no Level 2 or Level 3 assets.

D. GRANTS AND OTHER RECEIVABLES

Grants and other receivables consist of the following at December 31:

	2021	2020
Area Resources for Community & Human Services	$ 1,794,010	$ 513,110
30 Days to Family	-	88,494
Missouri Foundation for Health	93,441	93,441
Missouri Department of Social Services	21,390	194,001
Jefferson County Mental Health Board	4,494	43,090
Jones Family Foundation	240,000	300,000
St. Louis Mental Health Board	154,214	139,589
St. Louis County Children's Service Fund	-	182,666
Berges Family Foundation	200,000	50,000
Trio Foundation	-	12,000
Orthwein Foundation	-	90,000
Other Receivables	5,000	84,505
Total Grants and Other Receivables	$ 2,512,549	$ 1,790,896

E. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2021	2020
Office equipment	$66,621	$66,621
Leasehold improvements	71,114	71,114
Less: accumulated depreciation	(98,180)	(74,627)
Property and Equipment, Net	$39,555	$63,108

Depreciation expense was $23,553 and $26,505 for the years ended December 31, 2021 and 2020, respectively.

Leasehold improvements are depreciated using the straight-line method over the shorter of their useful life or the remaining lifetime of the lease. Fully depreciated fixed assets will remain on the Organization's statement of financial position until they are disposed of or otherwise deemed worthless.

F. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

	2021	2020
Subject to the passage of time:		
United Way	$ 242,776	$ 236,663
Recruitment and Retention	1,100,896	656,463
	1,343,672	893,126
Subject to expenditure for specific purpose:		
Recruitment and Retention	94,377	144,762
Subject to the Coalition's spending policy and appropriation:		
Original donor-restricted gift amount	425,000	425,000
Accumulated Gain	135,282	118,080
	560,282	543,080
	$ 1,998,331	$ 1,580,968

Net assets with donor restrictions are reclassified to net assets without donor restrictions when the funds are utilized for the restricted purpose.

Net assets with donor restrictions that are perpetual in nature consist of endowment contributions to be held in perpetuity, the income from which can be used for Goddard Institute or the Organization’s operating expenses.

From time to time, the fair value of assets associated with individual donor-restricted perpetual endowment funds may fall below the level that the donor requires the Organization to maintain as a fund of perpetual duration. The deficiencies are reported in net assets with donor restrictions and resulted from unfavorable market fluctuation on investment contributions restricted in perpetuity. There are no deficiencies of this nature for the years ended December 31, 2021 and 2020.

F. NET ASSETS WITH DONOR RESTRICTION *(Continued)*

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by donors as follows for the year ended December 31:

	2021	2020
Subject to the passage of time:		
United Way	$ 236,663	$ 295,830
Recruitment and Retention	899,804	656,013
	1,136,467	951,843
Subject to expenditure for specific purpose:		
Recruitment and Retention	50,385	45,048
Subject to the Coalition's spending policy and appropriation:		
Goddard Institute and General Operations	57,736	1,542
Total Net Assets Released from Restrictions	$ 1,244,588	$ 998,433

G. ENDOWMENT

The endowment consists of two individual donor-restricted funds. In accordance with U.S. Generally Accepted Accounting Principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment balances are included in cash and investments in the Statements of Financial Position.

The Board of Directors of the Organization has interpreted the Missouri Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of donor restricted endowments, absent explicit donor stipulations to the contrary, at the greater of the fair value of the original gifts as of the gift date. As a result of this interpretation, the Organization classifies as donor-restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made according to the directive in the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic condition, (4) the possible effect of inflation and deflation, (5) the expected total return from income and appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies
The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

G. **ENDOWMENT** *(Continued)*

Spending Policy

Endowment spending distributions are designed to stabilize annual spending levels and preserve the real value of the endowment over time. Under the policy, earnings of the Endowment are distributed at a rate set annually by the Finance Committee. The Finance Committee also considers the provisions of UPMIFA in determining the amount to appropriate. The annual spending rate must fall within the range of 3.0% to 8.0% of the five-year average of the Endowment Fund's market value as measured at December 31 of each year. The spending rate is funded from current earnings and, in years when current earnings are insufficient, from previously accumulated earnings of the Endowment Fund. In years in which current and previously accumulated earnings are insufficient to fund the distribution rate established by the Finance Committee, principal may be invaded at the maximum rate of 5% of the five-year average of the Endowment Fund's market value.

For the year ended December 31, 2021 and 2020, the Organization had the following endowment-related activities:

	2021	2020
Endowment net assets, beginning of year	$ 543,080	$ 474,946
Net investment gain	74,938	69,676
Amounts appropriated for the Goddard Institute and general operations	(57,736)	(1,542)
Endowment net assets, end of year	$ 560,282	$ 543,080

For the year ended December 31, 2020, the Finance Committee approved appropriations of $21,463 of endowment earnings to be spent on expenses related to the Carleen Goddard-Mazur Training Institute and general operations. Due to the challenges experienced with COVID, part of the transfer of funds never took place. The fiscal year 2021 appropriations included $19,921 appropriated for fiscal year 2020 in addition to the 2021 appropriation.

For the year ended December 31, 2021, the Finance Committee appropriated $37,815 of endowment earnings to be spent on expenses related to the Carleen Goddard-Mazur Training Institute and general operations.

H. RETAIL STORE REVENUE

The Coalition operates a resale store, [RE]FRESH. [RE]FRESH collects donated clothing and accessories from the general public for the primary purpose of raising funds to support the Coalition's mission. Retail store revenue is reported net of discounts. Income and expenses for the resale store were the following for the years ended December 31:

	2021	2020
Sales	$ -	$52,109
Clothing donations	-	38,864
Cost of sales	-	(52,109)
Gross profit	-	38,864
Operating expenses	(47,785)	(85,530)
Retail store (loss), net of operating expenses	($47,785)	($46,666)

Due to the challenges experienced with COVID, the [RE]FRESH store was only open for the first 10 weeks of period ending December 31, 2020. The decreases in sales and clothing donations reflects the operational timeframe. The [RE]FRESH store was closed due to COVID for all of fiscal year 2021. The fiscal year 2021 operating expenses includes rent and other miscellaneous items.

I. LEASE COMMITMENTS

The Organization has building lease agreements through June 2026. The Organization has deferred rent in the amount of $43,658 and $32,224 at December 31, 2021 and 2020, respectively, and will recognize it over the life of the lease. Future minimum rental payments to be paid on this operating lease are summarized below:

Year	Amount
2022	$ 304,625
2023	310,448
2024	316,387
2025	322,445
2026	162,976
	$1,416,881

Rent expense for the years ended December 31, 2021 and 2020 was $320,143 and $270,353, respectively.

J. LINE OF CREDIT

In 2021, the Coalition entered into a $250,000 revolving line of credit agreement with a bank that is secured by all business assets. Interest is payable at prime rate (3.25% December 31, 2021). The line of credit had no outstanding balance at December 31, 2021. The line of credit expires December 6, 2022. This agreement renews on an annual basis and the Coalition plans to exercise the renewal.

K. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs. The Organization maintains financial assets, consisting of cash and investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various investments and has a line of credit available to use if needed.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2021	2020
Cash and cash equivalents	$ 1,443,840	$ 1,957,055
Accounts receivable	2,755,325	2,027,559
Investments	1,764,026	750,139
Total financial assets	5,963,191	4,734,753
Less amounts not available to be used within one year:		
Donor restricted for time	100,000	8,413
Donor restricted for purpose	-	45,000
Donor restricted perpetual endowment	560,282	543,080
Total financial assets not available to be used	660,282	596,493
Financial assets available to meet cash needs for general expenditures within one year	$ 5,302,909	$ 4,138,260

L. PAYCHECK PROTECTION PROGRAM GRANT

On April 17, 2020, the Coalition was granted a loan in the amount of $689,250 from Carrollton Bank, pursuant to the Paycheck Protection Program (PPP), established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES ACT). Under certain circumstances, all or part of the loan may be forgiven and converted to a grant.

As of December 31, 2020, the Coalition spent PPP funds on eligible expenses based on regulations such that the loan would be forgiven in full. As such, the Coalition converted $689,250 to Paycheck Protection Program Grant for the year ended December 31, 2020. Subsequent to year end, on January 22, 2021, the Coalition received notification from Carrollton Bank the full amount of the loan had been forgiven.

On December 27, 2020, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act) became law. The Economic Aid Act provides the opportunity to obtain a forgivable “second draw” PPP loan. Subsequent to year-end, the Coalition submitted an application for SBA loan funding under the second draw PPP.

This application was approved and the Coalition was granted a second draw loan in the amount of $411,284 on January 29, 2021.

On September 20, 2021, the Coalition received notification from Carrollton Bank that SBA had approved their forgiveness application and the second draw PPP loan was forgiven. The forgiveness amount of $411,284 is recorded as Paycheck Protection Program Grant on the Consolidated Statement of Activities for the year ending December 31, 2021.

SUPPLEMENTARY INFORMATION

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

	Year Ended December 31, 2021				Year Ended December 31, 2020			
	Foster Adoptive Care Coalition	The Institute For Child Welfare and Innovation	Eliminations	Total	Foster Adoptive Care Coalition	The Institute For Child Welfare and Innovation	Eliminations	Total
ASSETS								
Cash and cash equivalents	$ 1,010,719	$ 433,121	$ -	$ 1,443,840	$ 1,709,477	$ 247,578	$ -	$ 1,957,055
Accounts receivable								
United Way	242,776	-	-	242,776	236,663	-	-	236,663
Grants and other	2,512,549	-	-	2,512,549	1,941,628	425,400	(576,132)	1,790,896
Inventory	36,615	-	-	36,615	36,615	-	-	36,615
Investments	1,764,026	-	-	1,764,026	750,139	-	-	750,139
Property and equipment, net	24,166	15,389	-	39,555	41,660	21,448	-	63,108
Prepaid expenses	64,396	11,562	-	75,958	45,154	2,451	-	47,605
TOTAL ASSETS	$ 5,655,247	$ 460,072	$ -	$ 6,115,319	$ 4,761,336	$ 696,877	($ 576,132)	$ 4,882,081
LIABILITIES								
Accounts payable	$ 666,752	$ 13,184	$ -	$ 679,936	$ 595,277	$ 154,137	($ 576,132)	$ 173,282
Deferred rent	43,658	-	-	43,658	32,224	-	-	32,224
Total Liabilities	710,410	13,184	-	723,594	627,501	154,137	(576,132)	205,506
NET ASSETS								
Without donor restrictions								
Undesignated	2,983,429	409,965	-	3,393,394	2,552,867	542,740	-	3,095,607
With donor restrictions								
Time restricted for future periods	1,306,749	36,923	-	1,343,672	893,126	-	-	893,126
Purpose restriction	94,377	-	-	94,377	144,762	-	-	144,762
Perpetual in nature	560,282	-	-	560,282	543,080	-	-	543,080
Total Net Assets With Donor Restrictions	1,961,408	36,923	-	1,998,331	1,580,968	-	-	1,580,968
Total Net Assets	4,944,837	446,888	-	5,391,725	4,133,835	542,740	-	4,676,575
TOTAL LIABILITIES AND NET ASSETS	$ 5,655,247	$ 460,072	$ -	$ 6,115,319	$ 4,761,336	$ 696,877	($ 576,132)	$ 4,882,081

See accompanying notes to financial statements

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation
CONSOLIDATING STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2021							
	Foster Adoptive Care Coalition			The Institute For Child Welfare and Innovation				
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total	Eliminations	Total
PUBLIC SUPPORT AND REVENUE								
Grants	$ 3,541,591	$ 1,307,314	$ 4,848,905	$ 354,917	$ 36,923	$ 391,840	$ -	$ 5,240,745
United Way allocation	-	242,776	242,776	-	-	-	-	242,776
Contributions	951,883	-	951,883	13,952	-	13,952	-	965,835
Special events, net of direct expenses	321,992	-	321,992	-	-	-	-	321,992
Investment return, net of fees	107,931	74,938	182,869	271	-	271	-	183,140
Other income	24,930	-	24,930	-	-	-	-	24,930
Paycheck Protection Program Grant	411,284	-	411,284	-	-	-	-	411,284
Retail store (loss), net of operating expenses	(47,785)	-	(47,785)	-	-	-	-	(47,785)
Net assets released from restrictions	1,244,588	(1,244,588)	-	-	-	-	-	-
Total Public Support and Revenue	6,556,414	380,440	6,936,854	369,140	36,923	406,063	-	7,342,917
EXPENSES								
Program Services								
Recruitment	2,237,178	-	2,237,178	501,915	-	501,915	-	2,739,093
Retention	3,142,193	-	3,142,193	-	-	-	-	3,142,193
Total Program Services	5,379,371	-	5,379,371	501,915	-	501,915	-	5,881,286
Supporting Services								
Management and general	219,374	-	219,374	-	-	-	-	219,374
Fundraising	527,107	-	527,107	-	-	-	-	527,107
Total Supporting Services	746,481	-	746,481	-	-	-	-	746,481
Total Expenses	6,125,852	-	6,125,852	501,915	-	501,915	-	6,627,767
CHANGE IN NET ASSETS	430,562	380,440	811,002	(132,775)	36,923	(95,852)	-	715,150
NET ASSETS, Beginning of year	2,552,867	1,580,968	4,133,835	542,740	-	542,740	-	4,676,575
NET ASSETS, End of year	$ 2,983,429	$ 1,961,408	$ 4,944,837	$ 409,965	$ 36,923	$ 446,888	$ -	$ 5,391,725

See accompanying notes to financial statements

Year Ended December 31, 2020					
Foster Adoptive Care Coalition			The Institute For Child Welfare and Innovation		
Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	Eliminations	Total
$ 2,819,276	$ 501,022	$ 3,320,298	$ 415,008	$ -	$ 3,735,306
19,800	236,663	256,463	-	-	256,463
1,047,086	-	1,047,086	54,480	-	1,101,566
292,416	-	292,416	-	-	292,416
27,327	69,676	97,003	-	-	97,003
2,820	-	2,820	-	-	2,820
689,250	-	689,250	-	-	689,250
(46,666)	-	(46,666)	-	-	(46,666)
998,433	(998,433)	-	-	-	-
5,849,742	(191,072)	5,658,670	469,488	-	6,128,158
2,006,926	-	2,006,926	418,730	-	2,425,656
2,293,057	-	2,293,057	-	-	2,293,057
4,299,983	-	4,299,983	418,730	-	4,718,713
202,180	-	202,180	-	-	202,180
490,322	-	490,322	-	-	490,322
692,502	-	692,502	-	-	692,502
4,992,485	-	4,992,485	418,730	-	5,411,215
857,257	(191,072)	666,185	50,758	-	716,943
1,695,610	1,772,040	3,467,650	491,982	-	3,959,632
$ 2,552,867	$ 1,580,968	$ 4,133,835	$ 542,740	$ -	$ 4,676,575