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<td>7-13</td>
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</table>
## GIFT OF ADOPTION FUND, INC.

### STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>June 30,</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(As restated)</td>
</tr>
</tbody>
</table>

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$292,152</td>
<td>$194,705</td>
</tr>
<tr>
<td>Investments (Note 2)</td>
<td>149,241</td>
<td>154,928</td>
</tr>
<tr>
<td>Contributions receivable, net of provision for uncollectible pledges of $7,500 in 2015 and 2014 (Note 4)</td>
<td>237,653</td>
<td>232,170</td>
</tr>
<tr>
<td>Adoption loans receivable</td>
<td>34,448</td>
<td>27,991</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>6,527</td>
<td>6,147</td>
</tr>
<tr>
<td>Property and equipment, net (Note 5)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash surrender value of life insurance</td>
<td>64,514</td>
<td>59,572</td>
</tr>
<tr>
<td>Other assets</td>
<td>7,167</td>
<td>500</td>
</tr>
<tr>
<td>Total assets</td>
<td>$791,702</td>
<td>$676,013</td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants payable</td>
<td>$177,258</td>
<td>$132,253</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>31,849</td>
<td>1,000</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>8,913</td>
<td>10,660</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>218,020</td>
<td>143,913</td>
</tr>
</tbody>
</table>

|                          |            |            |
| Net assets:             |            |            |
| Unrestricted            | 211,029    | 214,430    |
| Temporarily restricted (Note 7) | 362,653 | 317,670 |
| Total net assets        | 573,682    | 532,100    |
| Total liabilities and net assets | $791,702 | $676,013 |

See notes to financial statements.
## GIFT OF ADOPTION FUND, INC.

### STATEMENT OF ACTIVITIES

<table>
<thead>
<tr>
<th>Years ended June 30,</th>
<th>2015</th>
<th>2014 (As restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Temporarily restricted</td>
</tr>
<tr>
<td>Support and revenue:</td>
<td>$ 496,277</td>
<td>$ 251,337</td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special events revenue (including in-kind donations of $47,409 in 2015 and $39,350 in 2014)</td>
<td>$ 556,905</td>
<td>$ 556,905</td>
</tr>
<tr>
<td>In-kind donations</td>
<td>$ 29,034</td>
<td>$ 29,034</td>
</tr>
<tr>
<td>Program service fees</td>
<td>$ 31,450</td>
<td>$ 31,450</td>
</tr>
<tr>
<td>Realized and unrealized net gain (loss) on investments</td>
<td>$(4,798)</td>
<td>$(4,798)</td>
</tr>
<tr>
<td>Dividends and capital gain distributions</td>
<td>$ 7,818</td>
<td>$ 7,818</td>
</tr>
<tr>
<td>Miscellaneous revenue</td>
<td>$ 4,942</td>
<td>$ 4,942</td>
</tr>
<tr>
<td>Net assets released from restrictions (Notes 7 and 9)</td>
<td>$ 206,354</td>
<td>$(206,354)</td>
</tr>
<tr>
<td>Total support and revenue</td>
<td>$ 1,085,374</td>
<td>$ 44,983</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>$ 856,788</td>
<td>$ 856,788</td>
</tr>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>$ 125,034</td>
<td>$ 125,034</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$ 106,953</td>
<td>$ 106,953</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$ 1,088,775</td>
<td>$ 1,088,775</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>(3,401)</td>
<td>$ 44,983</td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>$ 214,430</td>
<td>$ 317,670</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 211,029</td>
<td>$ 362,653</td>
</tr>
</tbody>
</table>

See notes to financial statements.
GIFT OF ADOPTION FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Years ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014 (As restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Program</td>
<td>Management and general</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$ 136,662</td>
<td>$ 61,067</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>7,540</td>
<td>3,369</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>9,926</td>
<td>4,435</td>
</tr>
<tr>
<td></td>
<td>154,128</td>
<td>68,871</td>
</tr>
<tr>
<td>Bank charges</td>
<td>8,632</td>
<td>3,857</td>
</tr>
<tr>
<td>Board governance</td>
<td>713</td>
<td>319</td>
</tr>
<tr>
<td>Computer maintenance</td>
<td>527</td>
<td>236</td>
</tr>
<tr>
<td>Grants</td>
<td>1,722</td>
<td>770</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>25,926</td>
<td>537</td>
</tr>
<tr>
<td>Occupancy</td>
<td>3,313</td>
<td>1,481</td>
</tr>
<tr>
<td>Office supplies</td>
<td>857</td>
<td>383</td>
</tr>
<tr>
<td>Other</td>
<td>1,460</td>
<td>653</td>
</tr>
<tr>
<td>Planned gift premiums</td>
<td>629,723</td>
<td>629,723</td>
</tr>
<tr>
<td>Postage</td>
<td>2,113</td>
<td>944</td>
</tr>
<tr>
<td>Printing</td>
<td>691</td>
<td>280</td>
</tr>
<tr>
<td>Professional fees</td>
<td>5,289</td>
<td>37,022</td>
</tr>
<tr>
<td>Provision for uncollectible contributions</td>
<td>4,400</td>
<td>4,400</td>
</tr>
<tr>
<td>Retirement plan contribution</td>
<td>939</td>
<td>419</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>2,943</td>
<td>91</td>
</tr>
<tr>
<td>Telephone/internet</td>
<td>3,201</td>
<td>1,430</td>
</tr>
<tr>
<td>Temporary staffing</td>
<td>2,305</td>
<td>2,305</td>
</tr>
<tr>
<td>Travel</td>
<td>1,789</td>
<td>799</td>
</tr>
<tr>
<td>Volunteer services</td>
<td>11,208</td>
<td>5,008</td>
</tr>
<tr>
<td></td>
<td>856,788</td>
<td>125,034</td>
</tr>
<tr>
<td>Special events expense</td>
<td>242,608</td>
<td></td>
</tr>
<tr>
<td>Total expenses</td>
<td>$ 856,788</td>
<td>$ 125,034</td>
</tr>
</tbody>
</table>

See notes to financial statements.
## GIFT OF ADOPTION FUND, INC.

### STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th>Years ended June 30,</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(As restated)</td>
<td></td>
</tr>
<tr>
<td>Operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$41,582</td>
<td>$58,481</td>
</tr>
<tr>
<td>Adjustments to reconcile above to cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized and unrealized net (gain) loss on investments</td>
<td>4,798</td>
<td>(21,550)</td>
</tr>
<tr>
<td>Reinvested dividends</td>
<td>(7,818)</td>
<td>(3,914)</td>
</tr>
<tr>
<td>Provision for uncollectible contributions</td>
<td>7,500</td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in operating assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>(5,483)</td>
<td>(6,273)</td>
</tr>
<tr>
<td>Adoption loans receivable</td>
<td>(6,457)</td>
<td>(27,991)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(380)</td>
<td>261</td>
</tr>
<tr>
<td>Cash surrender value of life insurance</td>
<td>(4,942)</td>
<td>(4,015)</td>
</tr>
<tr>
<td>Increase (decrease) in operating liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants payable</td>
<td>45,005</td>
<td>37,498</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>30,849</td>
<td>1,000</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>(1,747)</td>
<td>8,977</td>
</tr>
<tr>
<td>Cash provided by operating activities</td>
<td>95,407</td>
<td>49,974</td>
</tr>
<tr>
<td>Investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>8,707</td>
<td>8,679</td>
</tr>
<tr>
<td>Deposit for website development</td>
<td>(6,667)</td>
<td></td>
</tr>
<tr>
<td>Cash provided by investing activities</td>
<td>2,040</td>
<td>8,679</td>
</tr>
<tr>
<td>Increase in cash</td>
<td>97,447</td>
<td>58,653</td>
</tr>
<tr>
<td>Cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>194,705</td>
<td>136,052</td>
</tr>
<tr>
<td>End of year</td>
<td>$292,152</td>
<td>$194,705</td>
</tr>
</tbody>
</table>

See notes to financial statements.
1. **Summary of significant accounting policies**

**Description of organization:**

Gift of Adoption Fund, Inc. (the Organization), a nonprofit entity located in Techny, Illinois, was founded in 1996 by two adoptive parents. The Organization focuses on providing grants to families who incur costs in the process of child adoption. Financial support for the Organization comes from individual, corporate and foundation donors.

There are 12 unchartered local chapters located in various states throughout the United States.

**Basis of accounting:**

The accompanying financial statements have been prepared on the accrual basis of accounting.

**Basis of presentation:**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. There were no permanently restricted net assets at June 30, 2015 and 2014.

**Contributions receivable:**

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value (if significant) of their estimated future cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for uncollectible contributions and an adjustment to a valuation allowance based on its assessment of the current status of individual contributions owed. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to contributions receivable.
GIFT OF ADOPTION FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Summary of significant accounting policies (continued)

Contributions receivable: (continued)

Changes in the valuation allowance are as follows:

<table>
<thead>
<tr>
<th>Years ended June 30,</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$ 7,500</td>
<td>-</td>
</tr>
<tr>
<td>Add provision for uncollectible contributions</td>
<td>4,600</td>
<td>16,914</td>
</tr>
<tr>
<td>Less contributions written off</td>
<td>(5,100)</td>
<td>(9,414)</td>
</tr>
<tr>
<td>Add collection of amounts previously written off</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$ 7,500</td>
<td>$ 7,500</td>
</tr>
</tbody>
</table>

Adoption loans receivable:

During the year ended June 30, 2014, the Organization implemented an adoption loan program. Qualifying families who are unable to receive a grant from the Organization now have the opportunity to apply for an interest-free loan, to be repaid to the Organization in monthly installments over a period of 24 months, 30 months or 36 months. As of June 30, 2015 and 2014, no allowance for uncollectible loans was deemed necessary. The Organization discontinued the adoption loan program during the year ended June 30, 2015 and no new loans will be awarded after June 30, 2015.

Investments:

Investments are reported in the statement of financial position at their fair value, with any realized and unrealized gains and losses reported in the statement of activities.

Property and equipment and related depreciation:

Expenditures for property and equipment in excess of $1,000 for individual purchases are capitalized at cost. Donated property and equipment are recorded at fair value at date of receipt. Depreciation is provided over the estimated useful lives of the assets using an accelerated method.

Grants payable:

The Organization records a liability and expense for grants, which are payable in future years, in the year in which they are awarded.
1. Summary of significant accounting policies (continued)

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by donors are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the same reporting period in which the contributions are recognized. All other temporarily restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Permanently restricted contributions represent amounts received which must remain in trust in perpetuity. There were no permanently restricted contributions received for the years ended June 30, 2015 and 2014.

Contributed goods and services:

The Organization is required to recognize as revenue the fair value of contributed (donated) goods and services. The Organization was the recipient of donated goods and services in the amount of $76,443 and $39,350 for the years ended June 30, 2015 and 2014, respectively. Contributed goods consisted primarily of goods used for special events. Contributed services consisted primarily of marketing and promotion services and other consulting services.

Functional expenses:

Operating expenses identified directly with a functional area are charged to that area and when these expenses affect more than one area, they are allocated on the basis of ratios estimated by management.

Special events expense consist of facility rental fees, food and beverages, entertainment fees and other related costs.

Use of estimates:

The preparation of the 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.
2. Investments

Investments are carried at fair value based on quoted prices in active markets (all Level 1 measurements) and consist of the following at June 30, 2015 and 2014:

<table>
<thead>
<tr>
<th>June 30,</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td></td>
</tr>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balanced funds</td>
<td>$75,145</td>
<td>$73,995</td>
</tr>
<tr>
<td>Equity funds</td>
<td>$37,927</td>
<td>$36,192</td>
</tr>
<tr>
<td>Fixed income funds</td>
<td>$7,289</td>
<td>$16,773</td>
</tr>
<tr>
<td>International stock funds</td>
<td>$28,880</td>
<td>$27,968</td>
</tr>
<tr>
<td><strong>Total assets at fair value</strong></td>
<td><strong>$149,241</strong></td>
<td><strong>$154,928</strong></td>
</tr>
</tbody>
</table>

3. Tax status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined to be an organization that is not a private foundation under Section 509(a) of the Code. Accordingly, no provision for income or excise tax has been made in the accompanying financial statements.

4. Contributions receivable

Contributions receivable are as follows:

<table>
<thead>
<tr>
<th>June 30,</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable in less than one year</td>
<td>$149,400</td>
<td>$152,587</td>
</tr>
<tr>
<td>Receivable in one to five years</td>
<td>$95,753</td>
<td>$87,083</td>
</tr>
<tr>
<td><strong>Total contributions receivable</strong></td>
<td><strong>245,153</strong></td>
<td><strong>239,670</strong></td>
</tr>
<tr>
<td>Less provision for uncollectible pledges</td>
<td>$7,500</td>
<td>$7,500</td>
</tr>
<tr>
<td><strong>Contributions receivable, net</strong></td>
<td><strong>$237,653</strong></td>
<td><strong>$232,170</strong></td>
</tr>
</tbody>
</table>
5. Property and equipment

Property and equipment consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment</td>
<td>$8,613</td>
<td>$8,613</td>
</tr>
<tr>
<td>Website</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td></td>
<td>28,613</td>
<td>28,613</td>
</tr>
</tbody>
</table>

Less accumulated depreciation

Property and equipment, net

6. Leases

The Organization leases office space in Techny, Illinois under an operating lease that expires on August 31, 2015. Subsequent to June 30, 2015, the Organization entered into a new operating lease that expires on August 31, 2020. Future annual minimum lease payments under this rent agreement are as follows:

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$6,150</td>
</tr>
<tr>
<td>2017</td>
<td>6,330</td>
</tr>
<tr>
<td>2018</td>
<td>6,510</td>
</tr>
<tr>
<td>2019</td>
<td>6,690</td>
</tr>
<tr>
<td>2020</td>
<td>6,870</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$33,700</strong></td>
</tr>
</tbody>
</table>
7. Temporarily restricted net assets

Temporarily restricted net assets represent contributions for a specific purpose or designated for a future period as follows:

<table>
<thead>
<tr>
<th>June 30,</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose-restricted contributions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants to families in the final stage of adoption process</td>
<td>$52,500</td>
<td>$18,000</td>
</tr>
<tr>
<td>Contribution to fund loan program for adoptive families</td>
<td>$65,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>Total temporarily restricted net assets</td>
<td>$245,153</td>
<td>$239,670</td>
</tr>
</tbody>
</table>

Net assets were released from donor restrictions by incurrence of expenses satisfying the restricted purpose or by occurrence of events specified by the donor as follows:

<table>
<thead>
<tr>
<th>Years ended June 30,</th>
<th>2015</th>
<th>2014 (As restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose-restricted contributions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants to families in the final stage of adoption process</td>
<td>$47,500</td>
<td>$17,000</td>
</tr>
<tr>
<td>Time-restricted contributions</td>
<td>$158,854</td>
<td>$157,829</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>$206,354</td>
<td>$174,829</td>
</tr>
</tbody>
</table>

8. Commitments

During the year ended June 30, 2015, the Organization entered into a $20,000 contract agreement for a new website. The first installment of $6,667 was paid during the year ended June 30, 2015, per the terms of the agreement. The second installment of $6,665 was paid subsequent to June 30, 2015. The remaining installment of $6,668 will be paid during the year ending June 30, 2016 upon completion of the website project.
GIFT OF ADOPTION FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. Restatement of net assets

Net assets at June 30, 2014 were reclassified related to the issuance of adoption loans during the year ended June 30, 2014 that were improperly reclassified from temporarily restricted net assets to unrestricted net assets.

<table>
<thead>
<tr>
<th>June 30, 2014</th>
<th>Unrestricted</th>
<th>Temporarily restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, as previously reported</td>
<td>$ 246,874</td>
<td>$ 285,226</td>
<td>$ 532,100</td>
</tr>
<tr>
<td>Restatement of net assets</td>
<td>(32,444)</td>
<td>32,444</td>
<td></td>
</tr>
<tr>
<td>Net assets, as adjusted</td>
<td>$ 214,430</td>
<td>$ 317,670</td>
<td>$ 532,100</td>
</tr>
</tbody>
</table>

10. Subsequent events

Management of the Organization has reviewed and evaluated subsequent events from June 30, 2015, the financial statement date, through __________, 2015, the date the financial statements were available to be issued. No events, other than as disclosed in Notes 6 and 8, have occurred in this period that would be required to be recognized and/or disclosed in these financial statements as required by generally accepted accounting principles.