

CFS 596-Q
Rev 7/2010

State of Illinois
Department of Children and Family Services

Annual Report for Illinois Licensed Adoption Agencies

Date: 4/5/2011

Name of Agency: JOURNEYS OF THE HEART

Corporate Address*: P.O. Box 28

GLEN ELLYN, IL 60138

Illinois DCFS

License/Provider ID number: 340122 Telephone: 630-469-4367

License Effective date: 4/9/09 to 4/9/10

The reporting period and answers to all questions for this report relate to the agency's most recent fiscal year. Specify the dates of your agency's fiscal year and reporting period for this report: 1/1/10 - 12/31/10

*If the agency operates satellite or branch offices, please attach a separate sheet listing complete addresses of all other offices.

This report is to be completed by agencies providing adoption services and shall be filed with the Department of Children and Family Services and with the Illinois Attorney General's Office. In addition, each licensed agency that maintains a website shall provide this report on its website. The report shall be filed annually, no later than the 45th day following an adoption agency's license anniversary date. Failure to provide the annual report or disclose certain information required in the report may result in the suspension of an agency's license for a period of 90 days. Subsequent violations may result in a revocation of the license. [Rule 401.530]

This report applies only to the provision of adoption services and includes agencies providing foster care conversion services.

Question number 1 (A - M) pertains only to domestic and international agency-assisted adoption services, and home study services-only programs. Question number 1 (A-M) does not pertain to foster care conversion adoptions. Agencies that provide adoption services only through foster care conversions must answer questions 2 - 12, but need not answer question number 1.

Please respond to the following questions with a yes or no answer on the left and provide additional detail as requested:

 1. Non-identifying information for the past year concerning adoption is attached:

Domestic Agency-Assisted Adoptions

(FIGURES FOR ENTIRE AGENCY)

A. The number of adoptive families who have submitted an agency application but who are not yet licensed: 3

B. The number of adoptive families who are licensed and awaiting domestic placement as of the agency's fiscal year end: 9

C. The number of biological parents who the agency provided services to during the reporting period for domestic adoption: 42 TOTAL (22-IL)

D. The number of children placed in adoptive homes during the year:
Adoptive parents/families who are Illinois Residents: 13
Adoptive parents/families who are non-Illinois Residents: 26

- E. The number of adoptions initiated during the year:
 Adoptive parents/families who are Illinois Residents: 17
 Adoptive parents/families who are non-Illinois Residents: 73
- F. The number of adoptions finalized during the year:
 Adoptive parents/families who are Illinois Residents: 12
 Adoptive parents/families who are non-Illinois Residents: 27
- G. The number of adoptive placement disruptions: 0
- H. The number of domestic adoption dissolutions this year: 0

International Adoptions (either by direct placements/referrals, or through home-study-services-only)

Check the boxes that apply to the intercountry adoption services the agency provides:

- Child referral/matching placement services;
- Adoption home study/post placement services (utilized by families who are working with another agency for their referral/match);
- None.

The number of adoptive families who have submitted an agency application but who are not yet approved or licensed: 4

The number of adoptive families who are licensed or approved and awaiting international placement: 8

The number of international adoptive placements made during the year: 75

List the countries with which you have accredited international adoption programs:

INDIA, CHINA, MARSHALL ISLANDS, TAIWAN, NEPAL

The number of international adoptions finalized this year in the U.S., specifying the countries of origin: INDIA = 19, CHINA = 14, MARSHALL ISLANDS = 18, TAIWAN = 21, NEPAL = 1

The number of finalizations in other countries, specifying the countries of origin:

0

The number of international adoptive placement disruptions: 0

- NO 2. Has the agency:
- lost the right to provide adoption services in any state or country,
 - had it's license suspended for cause, or
 - was the agency the subject of other sanctions by any court, governmental agency, or governmental regulatory body relating to the provision of adoption services?

If the answer to any portion of this question is yes, attach a full and complete statement of explanation.

- NO 3. During the past year, were any actions related to licensure initiated against the agency by a licensing or accrediting body?
If the answer is yes, attach a complete statement of explanation.
- NO 4. During the past year, has the agency been a named party in any civil court actions in relation to the provision of foster care or adoption services?
If the answer is yes, attach a complete statement of explanation.
- NO 5. Is the agency currently the subject of a pending investigation by federal or state authorities?
If the answer is yes, attach a complete statement of explanation.
- NO 6. Were there any criminal charges, child abuse charges, malpractice complaints, or lawsuits related to the provision of adoption services against the agency or any of its employees, officers, or directors during the past year?
If the answer is yes, attach a complete statement of explanation and the basis or disposition of the actions.
- NO 7. Was the agency found liable for any civil or administrative violation or found guilty of or pled guilty to any criminal or administrative violation that relates to the provision of adoption services under federal, state or foreign law?
If the answer is yes, attach a complete statement of explanation.
- NO 8. Was any employee, officer or director of the agency found guilty of any crime or determined to have violated a civil law or administrative rule relating to the provision of adoption services under federal, state or foreign law?
If the answer is yes, attach a complete statement of explanation.
- NO 9. Was any civil or administrative proceeding relating to adoption services instituted by the agency during the year (excluding uncontested adoption proceedings and proceedings filed pursuant to Section 12a of the Adoption Act)?
If the answer is yes, attach a complete statement of explanation.
- YES 10. The agency's website address is: www.journeysoftheheart.net
- YES 11. An audited financial statement for the prior fiscal year, including a general description of fees, wages, salaries and other compensation described in Rule 401.565(a), certified by an independent public accountant, is attached.
- YES 12. This Annual Report with attachments and audited financial statement, certified by an independent public accountant, has been posted on the website listed in item 9.
- YES 13. Effective August 15, 2005, Annual Reports are available upon request.

Information contained in this report is subject to the applicable confidentiality requirements of the Child Care Act and the Adoption Act.

I certify that the above statements are true and accurate, based on information available to me at this time.

SUSAN TOMPRINS
Printed or typed name of Executive Director.

Susan Tomprins
Signature of Executive Director

4-5-11
Date

This report is to be mailed to your DCFS Regional Licensing Administrator and the Illinois Attorney General's Office:

Office of the Attorney General
State of Illinois
Charitable Trust Division
100 W. Randolph Street, 11th Floor
Chicago, IL 60601
312-814-3000

DCFS Regional Licensing Offices:

Cook Co. Region

1921 S. Indiana Ave. - 9th Fl.
Chicago, IL 60616

Northern Region

107 N. 3rd Street
Rockford, IL 61107

Central Region

4500 S. Sixth St. Road
Springfield, IL 62703

Southern Region

401 W. Industrial Dr - Ste B
Effingham, IL 62401

Journeys of the Heart Adoption Services, Inc.

Office Locations
2010

Home Office:

10003 N.E. Cornell Rd.
PO Box 39
Hillsboro, OR 97123
Phone: 503-681-3075
Fax: 503-640-5834

Illinois Office:

516 B North Main St.
P.O. Box 28
Glen Ellyn, IL 60138
Phone: 630-469-4367
Fax: 630-469-4382

Washington Office:

81 Clay Street, #122
Seattle, WA 98121
Phone: 206-542-4932
Fax: 206-546-4440

Journeys of the Heart

**Combined Financial Statements
and Supplementary Information**

December 31, 2009 and 2008

Journeys of the Heart

Combined Financial Statements and Supplementary Information

December 31, 2009 and 2008

CONTENTS

Report of Independent Auditors	1
Combined Financial Statements	
Combined Statements of Assets, Liabilities and Net Assets - Cash Basis	2
Combined Statements of Revenues, Expenses and Changes in Net Assets - Cash Basis	3
Notes to Combined Financial Statements	4
Supplementary Information	
Combining Statement of Revenues, Expenses and Changes in Net Assets - Cash Basis	7



**THOMPSON KESSLER
WIEST & BORQUIST PC**

Certified Public Accountants & Business Advisors

Report of Independent Auditors

To the Board of Directors
Journeys of the Heart
Hillsboro, Oregon

We have audited the accompanying combined statements of assets, liabilities and net assets - cash basis of Journeys of the Heart (a nonprofit organization) as of December 31, 2009 and 2008, and the related combined statements of revenues, expenses and other changes in net assets - cash basis for the years then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

As described in Note 2, these combined financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined assets, liabilities, and net assets of Journeys of the Heart as of December 31, 2009 and 2008, and its revenues, expenses and changes in net assets for the years then ended, on the basis of accounting described in Note 2.

Our audits were conducted for the purpose of forming an opinion of the combined financial statements taken as a whole. The combining statement of revenues, expenses and other changes in net assets - cash basis is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic combined financial statements taken as a whole.

Thompson Kessler Wiest & Borquist PC

June 21, 2010

Journeys of the Heart
 Combined Statements of Assets, Liabilities and Net Assets - Cash Basis

	December 31,	
	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents:		
Unrestricted	\$ 569,440	\$ 385,075
Client deposits	111,900	475,446
Temporarily restricted	29,595	47,586
Total current assets	<u>710,935</u>	<u>908,107</u>
PROPERTY AND EQUIPMENT, net	59,694	53,660
Total assets	<u>\$ 770,629</u>	<u>\$ 961,767</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Client deposits	\$ 111,900	\$ 475,446
Other liabilities - credit cards and withholdings	23,639	14,040
Total current liabilities	<u>135,539</u>	<u>489,486</u>
NET ASSETS		
Unrestricted	605,059	424,695
Temporarily restricted	30,031	47,586
Total net assets	<u>635,090</u>	<u>472,281</u>
Total liabilities and net assets	<u>\$ 770,629</u>	<u>\$ 961,767</u>

See Notes to Combined Financial Statements.

Journeys of the Heart

Combined Statements of Revenues, Expenses and Changes in Net Assets - Cash Basis

	2009		2008		Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	
REVENUE AND SUPPORT					
Program income	\$ 2,250,313	\$ 8,821	\$ 1,921,589	\$	\$ 1,921,589
Contributions	45,561		22,187	25,548	47,735
Fundraising	282		3,091		3,091
Other	15,650	417	17,093	679	17,772
Net assets released from restrictions	26,793	(26,793)	24,529	(24,529)	
Total revenue and support	2,338,599	(17,555)	1,988,489	1,698	1,990,187
EXPENSES					
Salary and wages	972,824		791,916		791,916
Payroll taxes	105,153		59,780		59,780
Employee benefits	124,800		156,269		156,269
Adoption expenses	399,113		372,200		372,200
Travel	59,978		84,463		84,463
Advertising	109,931		135,324		135,324
Occupancy	104,273		105,093		105,093
Legal and professional	12,269		25,643		25,643
Insurance	28,316		31,549		31,549
Supplies	26,411		21,982		21,982
Postage and shipping	22,727		32,294		32,294
Equipment rental and maintenance	21,430		21,250		21,250
Office expense	14,867		18,720		18,720
Dues and subscriptions	3,189		3,387		3,387
Fundraising expense					1,610
Charitable contributions	83,123		64,330		64,330
Professional education	16,814		15,094		15,094
Auto and truck expense	5,251		7,565		7,565
Business promotion	4,859		7,202		7,202
Security expense	3,294		3,807		3,807
Accreditation, taxes and licenses	2,463		1,215		1,215
Depreciation and amortization	23,265		23,029		23,029
Hospitality	5,467		3,409		3,409
Bank and finance charges	8,418		6,710		6,710
Total expenses	2,158,235		1,993,841		1,993,841
EXCESS (DEFICIT) OF REVENUE AND SUPPORT OVER EXPENSES	180,364	(17,555)	(5,352)	1,698	(3,654)
NET ASSETS, beginning of year	424,695	47,586	430,047	45,888	475,935
NET ASSETS, end of year	\$ 605,059	\$ 30,031	\$ 424,695	\$ 47,586	\$ 472,281

See Notes to Combined Financial Statements.

Journeys of the Heart
Notes to Combined Financial Statements
December 31, 2009 and 2008

NOTE 1 - DESCRIPTION OF THE ORGANIZATIONS

Journeys of the Heart (JOTH) is an Oregon corporation organized to make private adoption placements in compliance with ORS Chapter 418 and Oregon Administrative Rules governing adoptions and any corresponding sections of federal or state laws or regulations for licensed adoption agencies.

Journeys of the Heart - Illinois (JOTH-Illinois) was organized in Illinois to provide adoption services to impoverished children and children in "harm's way".

Both organizations operate domestically and worldwide.

The combined financial statements include the activities of both of these entities (collectively "the Organization") as they are under common management and have similar representation on the respective boards of directors. Inter-entity transactions have been eliminated on combination.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Organization maintains its accounts on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). Accordingly, revenues and support are recognized when received and expenses are recognized when paid in the statements of revenues, expenses and other changes in net assets. GAAP requires revenues to be recorded when earned and expenses to be recorded when incurred.

Cash and Cash Equivalents - The Organization considers money market funds, certificates of deposit and any other short-term debt securities with a maturity of three months or less at the time of purchase to be cash equivalents.

Concentration of Credit Risk - The Organization maintains cash balances held in FDIC-insured accounts. At December 31, 2009 and 2008, the Organization's uninsured balances approximated \$415,000 and \$742,000, respectively.

Property and Equipment - Furniture, equipment and vehicles are record at cost and depreciated using the straight-line method over an estimated useful life of three years. Leasehold improvements are recorded at cost and amortized using the straight-line method over ten years. Expenditures for repairs and maintenance are charged to expense as incurred; major betterments are capitalized.

Temporarily Restricted Net Assets - Temporarily restricted net assets represent donations received by the Organization that are limited by donor-imposed stipulations.

Journeys of the Heart
Notes to Combined Financial Statements - Continued

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Expenses - Approximately 68% and 60% of the Organization's expenses related to program services for the years ended December 31, 2009 and 2008, respectively. Approximately 32% and 40% related to supporting services for the years ended December 31, 2009 and 2008, respectively.

Income Taxes - JOTH and JOTH-Illinois are non-profit corporations exempt from federal and state taxation under Internal Revenue Code Section 501(c)(3). Management believes that no activities conducted by JOTH and JOTH-Illinois result in taxation for unrelated business income. Accordingly, no provision for income taxes has been recorded in the accompanying combined financial statements.

Use of Estimates - Management uses estimates and assumptions in preparing these financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could vary from the estimates that were used.

NOTE 3 - CLIENT DEPOSITS

The Organization held \$111,900 and \$475,446 of client deposits at December 31, 2009 and 2008, respectively. These funds are deposited with the Organization by clients and are used to pay for certain adoption fees and expenses charged by other agencies and individuals in connection with the adoption. Any unexpended funds are returned to the client at the conclusion of the adoption.

NOTE 4 - RELATED PARTY TRANSACTIONS

JOTH leases its office space in Hillsboro, Oregon, from the Director of the International Program and the Executive Director (husband and wife). The lease expires September 30, 2010 and requires monthly rent payments of \$1,600. Rent paid for the years ended December 31, 2009 and 2008 was \$19,200.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	December 31,	
	2009	2008
Furniture and equipment	\$ 119,737	\$ 101,369
Vehicles	17,550	17,550
Leasehold improvements	46,032	37,296
	183,319	156,214
Less accumulated depreciation and amortization	123,625	102,554
Property and equipment, net	<u>\$ 59,694</u>	<u>\$ 53,660</u>

Journeys of the Heart
Notes to Combined Financial Statements - Continued

NOTE 6 - OPERATING LEASES

The Organization is obligated under an operating lease for the use of a copier that expires in 2011. In addition, the Organization has operating leases for office space in several locations. The leases have various termination dates through December 31, 2011. Future minimum lease payments as of December 31, 2009 are as follows:

	Oregon	Illinois	Total
2010	\$ 40,798	\$ 5,900	\$ 46,698
2011	5,508	-	5,508
	\$ 46,306	\$ 5,900	\$ 52,206

Rent expense for the years ended December 31, 2009 and 2008 totaled \$52,080 and \$50,843, respectively.

NOTE 7 - RETIREMENT PLAN

The Organization sponsors a 401(k) retirement plan covering all employees who are at least 20 years of age with one or more years of service. The Organization may elect to make matching and other discretionary contributions to the plan. Contributions for the years ended December 31, 2009 and 2008 were \$30,515 and \$82,160, respectively.

NOTE 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 21, 2010, which is the date the financial statements were available to be issued.

Journeys of the Heart
Combining Statements of Revenues, Expenses and
Changes in Net Assets - Cash Basis
Year Ended December 31, 2009

	<u>Journeys of the Heart - Oregon</u>			Journeys of the Heart - Illinois	Combined Total
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>		
REVENUE AND SUPPORT					
Program income	\$ 1,922,417		\$ 1,922,417	\$ 327,896	\$ 2,250,313
Contributions	30,011	\$ 8,821	38,832	15,550	54,382
Fundraising	282		282		282
Other	15,500	417	15,917	150	16,067
Net assets released from restrictions	26,793	(26,793)			
Total revenue and support	1,995,003	(17,555)	1,977,448	343,596	2,321,044
EXPENSES					
Salary and wages	867,702		867,702	105,122	972,824
Payroll taxes	94,840		94,840	10,313	105,153
Employee benefits	122,188		122,188	2,612	124,800
Adoption expenses	293,260		293,260	105,853	399,113
Travel	46,586		46,586	13,392	59,978
Advertising	108,877		108,877	1,054	109,931
Occupancy	84,495		84,495	19,778	104,273
Legal and professional	12,269		12,269		12,269
Insurance	23,092		23,092	5,224	28,316
Supplies	26,411		26,411		26,411
Postage and shipping	19,750		19,750	2,977	22,727
Equipment rental and maintenance	19,950		19,950	1,480	21,430
Office expense	6,661		6,661	3,206	14,867
Dues and subscriptions	3,189		3,189		3,189
Charitable contributions	81,123		81,123	2,000	83,123
Professional education	13,060		13,060	3,754	16,814
Auto and truck expense	5,142		5,142	109	5,251
Business promotions	4,556		4,556	303	4,859
Security expense	2,862		2,862	432	3,294
Accreditation, taxes and licenses	2,094		2,094	369	2,463
Depreciation and amortization	22,510		22,510	755	23,265
Hospitality	3,318		3,318	2,149	5,467
Bank and finance charges	6,278		6,278	2,140	8,418
Total expenses	1,870,213	-	1,870,213	288,022	2,158,235
EXCESS (DEFICIT) OF REVENUE AND SUPPORT OVER EXPENSES	\$ 124,790	\$ (17,555)	\$ 107,235	\$ 55,574	\$ 162,809

See Independent Auditors' Report.