

CONGRESSIONAL DISTRICT PROGRAMS, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

ROBERT D. BEN-KORI

CERTIFIED PUBLIC ACCOUNTANT

CONGRESSIONAL DISTRICT PROGRAMS, INC.
FINANCIAL STATEMENTS
December 31, 2008 and 2007

TABLE OF CONTENTS

	Page No.
INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	2
Statements of Activities	3
Statements of Functional Expenses.....	4
Statements of Cash Flows	6
Notes to Financial Statements	7

ROBERT D. BEN-KORI

Certified Public Accountant

7214 Hadlow Drive
Springfield, VA 22152

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Congressional District Programs, Inc.
Falls Church, Virginia

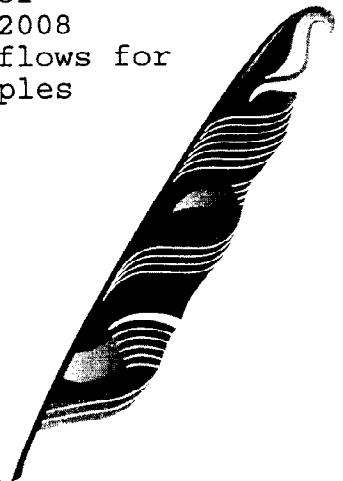
I have audited the accompanying statements of financial position of Congressional District Programs, Inc. (a nonprofit organization) as of December 31, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Congressional District Programs, Inc. as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Robert D. Ben-Kori

July 31, 2009



CONGRESSIONAL DISTRICT PROGRAMS, INC.
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2008 and 2007

	2008	2007
ASSETS		
Cash and Cash Equivalents	\$ 622,069	\$ 888,121
Investments	507,725	1,745,001
Due from Related Organization	1,000,000	996,518
Accounts Receivable	17,386	92,955
Property and Equipment	39,741	49,967
	\$ 2,186,921	\$ 3,772,562
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 141,786	\$ 134,156
Notes Payable	6,000	62,000
	147,786	196,156
Total Liabilities		
Unrestricted Net Assets	2,039,135	3,576,406
	\$ 2,186,921	\$ 3,772,562
TOTAL LIABILITIES AND NET ASSETS		

See accompanying notes to financial statements.

CONGRESSIONAL DISTRICT PROGRAMS, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2008 and 2007

	2008	2007
SUPPORT AND REVENUE		
Contributions and Grants	\$ 7,189,693	\$ 7,002,943
Non-Cash Contributions	20,405	498,328
Investment Income (Loss)	(1,159,995)	142,066
Loss on Disposal of Property and Equipment	(962)	
Program Service Fees	379,430	377,306
Other Income	607,729	807,233
Total Support and Revenue	7,036,300	8,827,876
 EXPENSES		
Program Services		
Foundation Programs	7,100,831	5,629,653
Total Program Services	7,100,831	5,629,653
Supporting Services		
General and Administrative	954,215	869,391
Fundraising	518,525	544,279
Total Supporting Services	1,472,740	1,413,670
Total Expenses	8,573,571	7,043,323
 INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(1,537,271)	1,784,553
UNRESTRICTED NET ASSETS, Beginning of Year	3,576,406	1,791,853
 UNRESTRICTED NET ASSETS, End of Year	\$ 2,039,135	\$ 3,576,406

See accompanying notes to financial statements.

CONGRESSIONAL DISTRICT PROGRAMS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2008

	<u>Foundation Programs</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Accounting and Legal	\$ 46,381	\$ 78,096	\$	\$ 124,477
Bank and Investment				
Fees	33,173	13,307		46,480
Conferences	96,111			96,111
Depreciation	23,313			23,313
Donations	1,193,354			1,193,354
Equipment Rental				
and Repair	164,220		25,800	190,020
Events	62,989		146,516	209,505
Grants	169,925			169,925
Insurance	25,481		1,969	27,450
Licenses, Taxes and				
Fees	22,366	11,777		34,143
Maintenance	56,953			56,953
Media	138,428	4,767	87,926	231,121
Miscellaneous	930	315		1,245
Office Expenses	73,431		82,348	155,779
Payroll	994,916	564,000		1,558,916
Employee Benefits	29,479	76,295		105,774
Payroll Taxes	66,833	43,173		110,006
Printing and Postage	177,262	1,682	35,734	214,678
Program Support	361,002			361,002
Publications	119,166			119,166
Rent and Occupancy	211,470	136,041	110,397	457,908
Sub-Contractors				
Program Consultants	2,464,907	23,616	25,581	2,514,104
Supplies	26,282			26,282
Telephone	52,000	315		52,315
Travel	490,459	831	2,254	493,544
	<u>\$ 7,100,831</u>	<u>\$ 954,215</u>	<u>\$ 518,525</u>	<u>\$ 8,573,571</u>

See accompanying notes to financial statements.

**CONGRESSIONAL DISTRICT PROGRAMS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2007**

	<u>Foundation Programs</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Accounting and Legal	\$ 34,060	\$ 46,321		\$ 80,381
Bank and Investment				
Fees	16,015	6,476		22,491
Conferences	125,252	700		125,952
Donations	579,808			579,808
Equipment Rental				
and Repairs	201,981	200	\$ 6,230	208,411
Depreciation	19,962			19,962
Events			222,710	222,710
Insurance	25,187	2,571	383	28,141
Grants	160,996			160,996
Licenses, Taxes and				
Fees	12,789	291		13,080
Maintenance	44,721			44,721
Miscellaneous	825			825
Media	111,630	23,159	99,479	234,268
Office Expense	53,195		62,891	116,086
Payroll	715,689	560,656		1,276,345
Payroll Taxes	42,022	38,483		80,505
Employee Benefits	21,599	70,010		91,609
Printing and Postage	117,214	7,130	9,894	134,238
Program Support	307,463			307,463
Publications	80,033			80,033
Rent and Occupancy	186,011	110,339	79,170	375,520
Sub-Contractors				
Program Consultants	2,310,877	125	57,683	2,368,685
Telephone	71,287	2,546		73,833
Travel	391,037	384	5,839	397,260
	<u>\$ 5,629,653</u>	<u>\$ 869,391</u>	<u>\$ 544,279</u>	<u>\$ 7,043,323</u>

See accompanying notes to financial statements.

CONGRESSIONAL DISTRICT PROGRAMS, INC.
 STATEMENTS OF CASH FLOWS
 For the Years Ended December 31, 2008 and 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$(1,537,271)	\$ 1,784,553
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	23,313	19,962
Realized (Gain) Loss on Investments	5,697	
Loss on Disposal of Property and Equipment	962	
Unrealized (Gain) Loss on Investments	1,213,051	(63,995)
Non-Cash Contributions	(20,405)	(498,328)
(Increase) Decrease in:		
Accounts Receivable	75,569	(92,955)
Due from Related Organization	(3,482)	3,482
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	7,631	64,123
Due to Related Organization		(64,754)
Income Taxes Payable		(5,830)
Net Cash Provided (Used) by Operating Activities	(234,935)	1,146,258
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of Investments	79,400	9,910
Sales of Property and Equipment	12,750	
Purchases of Investments	(59,217)	(53,442)
Purchases of Property and Equipment	(8,050)	(37,995)
Loans to Related Organization	(680,187)	(1,000,000)
Payments on Loans to Related Organization	680,187	
Net Cash Provided (Used) by Investing Activities	24,883	(1,081,527)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Notes Payable	14,536	110,010
Principal Payments on Notes Payable	(70,536)	(52,010)
Net Cash Provided (Used) by Financing Activities	(56,000)	58,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(266,052)	122,731
CASH AND CASH EQUIVALENTS, Beginning of Year	888,121	765,390
CASH AND CASH EQUIVALENTS, End of Year	\$ 622,069	\$ 888,121
Supplemental Disclosure of Cash Flow Information:		
Income Taxes Paid	\$ -	\$ 5,830

See accompanying notes to financial statements.

CONGRESSIONAL DISTRICT PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 1 - Organization

Congressional District Programs, Inc. (the "Organization") was incorporated on December 21, 1998 in the state of Florida to encourage philanthropy for charitable purposes by individuals and entities. The Organization facilitates the conduct of charitable, educational, scientific or religious activities by consolidating the administration of these charitable projects.

Any person or corporation, with approval from the Organization's Board, may establish a "Project Account" to engage in activities compatible to the mission objectives of the Organization. Project Accounts are held and administered by the Organization. Use of public contributions or grants received by the Organization may be nominated for a particular charitable purpose by the project manager. However, the Organization's staff maintains final approval authority for the use of funds.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Organization presents its financial statements on the accrual basis of accounting where support is recognized when earned, and costs and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, 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.

The Organization's net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. All donors relinquish ownership and custody of assets donated into Organization Accounts. Since the Board of Directors of the Organization maintains final authority over the use of the funds, the net assets of the Organization and changes therein are classified and reported as unrestricted.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the

CONGRESSIONAL DISTRICT PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 2 - Summary of Significant Accounting Policies (continued)

reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and investments purchased with original maturities of three months or less.

Fair Value of Financial Instruments

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2008, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position. The carrying value of cash and any notes receivable approximate fair value because of the relatively short maturity of these instruments.

Intentions to Give

Intentions to give which may be rescinded at any time were not recognized in the financial statements because they did not meet the criteria for revenue recognition under SFAS No. 116.

Investments

The Organization follows SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations,". Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. The unrealized gain or loss on investments is reflected in the statements of activities.

Investments are originally recorded at cost if purchased or estimated fair value on the date of donation. Subsequently, investments are carried at estimated fair value, except those investments in closely held companies and limited partnerships, for which fair values are not readily determinable, which are carried at the lesser of cost or net realizable value. Net investment income represents interest, dividends, and realized and unrealized gains and losses on investments.

Property and Equipment

Property and equipment is stated at cost or, if donated, at its fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment is depreciated using the

CONGRESSIONAL DISTRICT PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 2 - Summary of Significant Accounting Policies (continued)

straight-line method over the estimated useful lives of the assets. The estimated useful lives of the assets range from 3 to 5 years.

All acquisitions of property and equipment of \$2,500 or more and all expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Designated Net Assets

The Board of Directors has designated net assets to be used for specific purposes. An amount has been designated for use in charitable activities of Project Accounts.

Contributions

Non-cash contributions are recorded at fair value on the date of donation.

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions are recorded when received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for general support of the Organization unless specifically restricted by the donor or sought by the Organization for a specific purpose.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Tax Status

The Organization has filed and received a final determination letter from the Internal Revenue Service under Section 501 (c) (3) that it qualifies as a not-for-profit corporation exempt from federal income taxes as provided under Section 501 (a) of the Internal Revenue Code. However, unrelated business income may be subjected to taxation. There was no unrelated business income for the years ending December 31, 2008 or December 31, 2007.

CONGRESSIONAL DISTRICT PROGRAMS, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008 and 2007

Note 2 - Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing the 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 program and supporting services benefited.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

Note 3 - Investments

Investments as of December 31, 2008 and 2007, consist of mutual funds held with various brokers. Investments in mutual funds are not covered by insurance.

Investments are summarized as follows as of December 31:

	2008	2007
Mutual Funds	\$ 507,725	\$ 1,745,001
	\$ 507,725	\$ 1,745,001

Investment income (loss) is summarized as follows for the years ending December 31, 2008 and 2007:

Interest and Dividends	\$ 58,753	\$ 78,071
Net Realized Gains and (Losses)	(5,697)	
Net Unrealized Gains and (Losses)	(1,213,051)	63,995
	\$ (1,159,995)	\$ 142,066

CONGRESSIONAL DISTRICT PROGRAMS, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2008 and 2007

Note 4 - Property and Equipment

Property and equipment consists of the following at December 31:

	2008	2007
Furniture and Equipment	\$ 31,465	\$ 26,302
Vehicles	38,277	33,277
Collectibles	11,350	10,350
	81,092	69,929
Less: Accumulated Depreciation	(41,351)	(19,962)
	\$ 39,741	\$ 49,967

Note 5 - Notes Payable

The notes payable balance as of December 31, 2008 consists of two short-term, unsecured notes payable totaling \$6,000. \$1,000 was incurred in 2008 and \$5,000 was incurred in 2007.

The notes payable balance as of December 31, 2007 consists of two short-term, unsecured notes payable totaling \$62,000. \$58,000 was incurred in 2007 and \$4,000 was incurred in 2006.

The notes bear no interest and are expected to be repaid in 2009.

Note 6 - Project Accounts

Each project approved by the Organization's Board becomes a "Project Account." At December 31, 2008, the Organization had approximately 1,025 Project Accounts compared to 772 Project Accounts as of December 31, 2007. Net assets primarily represent the initial contribution made by the founder and contributions and fees received for Project Accounts approved by the Board. The donor may nominate contributions or gifts received by the Organization for a particular charitable use. Unexpended amounts are treated as unrestricted net assets. Amounts designated for Project Accounts approximates \$2,962,717 as of December 31, 2008 compared to \$2,894,533 as of December 31, 2007.

Upon establishment of a Project Account, a one-time application fee of \$285 and an administrative fee of 6 percent on each incoming donation are generally assessed by the Organization. The application fee and administrative fee can be decreased or waived at the discretion of the Foundation.

Each Project Account having an average quarterly balance more than \$10,000 is charged an administration fee of 0.5 percent of the average balance for that quarter.

CONGRESSIONAL DISTRICT PROGRAMS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 7 - Related Party Transactions

The Organization has officers and directors in common with two other nonprofit organizations. The Organization received contributions from one of the aforementioned nonprofit organizations ("the Other Organization") of \$1,243,196 in 2008 and \$1,929,288 in 2007. The Organization made contributions to the same aforementioned nonprofit organization of \$70,834 in 2008 and \$64,884 in 2007. The Organization had a balance due from the other organization of \$1,000,000 as of December 31, 2008 and \$996,518 as of December 31, 2007, representing loans at an interest rate of prime minus one percent. The Organization was charged \$810,187 and \$775,988 by the other organization for shared expenses for employees and occupancy for the years ending December 31, 2008 and 2007, respectively. The Organization paid \$31,750 for consulting services to an LLC owned by a director for the year ending December 31, 2008.

Note 8 - Concentration of Credit Risk

As of December 31, 2008 and 2007 the Organization had cash balances in a financial institution that exceeded the federally insured limits. The uninsured amount was approximately \$352,000 as of December 31, 2008 and \$777,000 as of December 31, 2007.

Note 9 - Commitments and Contingencies

The Organization may periodically be involved in various legal proceedings. It is the Organization's policy to accrue for amounts related to these legal matters if it is probable that a liability has been incurred and an amount is reasonably estimable. The Organization believes that any legal proceedings in which it is involved will not materially affect its financial position, future operating results or cash flows.