

**NATIONAL ALLIANCE FOR CAREGIVING**

FINANCIAL STATEMENTS

December 31, 2020 and 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
National Alliance for Caregiving  
Washington, D.C.

We have audited the accompanying financial statements of National Alliance for Caregiving, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

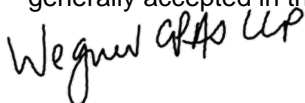
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Alliance for Caregiving as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Wegner CPAs, LLP  
Alexandria, Virginia  
May 24, 2021

**NATIONAL ALLIANCE FOR CAREGIVING**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,072,371	\$ 969,961
Unconditional promises to give	17,842	130,108
Accounts receivable (net of allowance of \$10,000 and \$6,850, respectively)	46,912	110,072
Due from International Alliance of Carer Organizations	-	7,076
Prepaid expenses	<u>12,980</u>	<u>5,368</u>
Total current assets	1,150,105	1,222,585
<b>EQUIPMENT AND FURNITURE</b>		
Equipment and furniture	11,153	11,153
Less accumulated depreciation	<u>(7,418)</u>	<u>(6,452)</u>
Equipment and furniture, net	3,735	4,701
<b>OTHER ASSETS</b>		
Security deposit	<u>5,368</u>	<u>5,368</u>
<b>Total assets</b>	<u><u>\$ 1,159,208</u></u>	<u><u>\$ 1,232,654</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 25,905	\$ 51,518
Accrued payroll	49,128	34,371
Accrued vacation	11,894	8,942
Deferred lease liability	6,249	9,892
Deferred sponsorships	-	53,579
Deferred membership dues	131,000	75,000
Deferred grants and contracts	<u>695,838</u>	<u>743,574</u>
Total liabilities	920,014	976,876
<b>NET ASSETS</b>		
Without donor restrictions	239,194	222,606
With donor restrictions	<u>-</u>	<u>33,172</u>
Total net assets	<u>239,194</u>	<u>255,778</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 1,159,208</u></u>	<u><u>\$ 1,232,654</u></u>

See accompanying notes.

**NATIONAL ALLIANCE FOR CAREGIVING**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Grants and contracts	\$ 605,738	\$ -	\$ 605,738	\$ 445,469	\$ -	\$ 445,469
Membership dues	481,035	-	481,035	398,175	-	398,175
Contributions and sponsorships	185,490	-	185,490	335,970	-	335,970
IACO secretariat fees	14,067	-	14,067	39,086	-	39,086
Honoraria and stipends	5,150	-	5,150	3,653	-	3,653
Conference registrations	-	-	-	5,650	-	5,650
Interest	1,011	-	1,011	1,577	-	1,577
Other revenue	6	-	6	8,823	-	8,823
Total support and revenue	1,292,497	-	1,292,497	1,238,403	-	1,238,403
<b>EXPENSES</b>						
Program services	892,715	-	892,715	956,701	-	956,701
Management and general	322,969	-	322,969	321,231	-	321,231
Fundraising	93,397	-	93,397	59,422	-	59,422
Total expenses	1,309,081	-	1,309,081	1,337,354	-	1,337,354
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>						
Satisfaction of purpose restrictions	33,172	(33,172)	-	105,173	(105,173)	-
<b>Change in net assets</b>	16,588	(33,172)	(16,584)	6,222	(105,173)	(98,951)
Net assets at beginning of year	222,606	33,172	255,778	216,384	138,345	354,729
<b>Net assets at end of year</b>	<u>\$ 239,194</u>	<u>\$ -</u>	<u>\$ 239,194</u>	<u>\$ 222,606</u>	<u>\$ 33,172</u>	<u>\$ 255,778</u>

See accompanying notes.

**NATIONAL ALLIANCE FOR CAREGIVING**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2020 and 2019

<u>2020</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries & wages	\$ 452,742	\$ 142,247	\$ 64,293	\$ 659,282
Fringe benefits	126,767	17,177	18,003	161,947
Professional fees	124,640	93,663	1,777	220,080
Grants & honoraria	72,000	-	-	72,000
Office supplies	15,832	804	1,933	18,569
Telephone	9,593	3,021	1,334	13,948
Printing & reproduction	24,042	2,185	33	26,260
Occupancy	42,237	13,302	5,872	61,411
Travel, meetings & conferences	14,863	5,743	-	20,606
Dues & subscriptions	9,498	1,955	-	11,453
Bad debt expense	-	37,228	-	37,228
Other expenses	501	5,644	152	6,297
	<u>\$ 892,715</u>	<u>\$ 322,969</u>	<u>\$ 93,397</u>	<u>\$ 1,309,081</u>
<u>2019</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries & wages	\$ 329,079	\$ 147,303	\$ 41,309	\$ 517,691
Fringe benefits	79,778	28,981	10,401	119,160
Professional fees	133,785	81,445	1,638	216,868
Grants & honoraria	256,334	-	-	256,334
Office supplies	12,910	7,566	1,075	21,551
Telephone	7,292	2,456	724	10,472
Printing & reproduction	33,630	3,539	-	37,169
Occupancy	24,349	8,201	2,416	34,966
Travel, meetings & conferences	68,971	3,667	1,371	74,009
Dues & subscriptions	10,476	5,160	488	16,124
Bad debt expense	-	28,980	-	28,980
Other expenses	97	3,933	-	4,030
	<u>\$ 956,701</u>	<u>\$ 321,231</u>	<u>\$ 59,422</u>	<u>\$ 1,337,354</u>

See accompanying notes.

**NATIONAL ALLIANCE FOR CAREGIVING**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2020 and 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (16,584)	\$ (98,951)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	966	853
(Increase) decrease in assets		
Unconditional promises to give	112,266	(112,340)
Accounts receivable	63,160	(95,985)
Due from International Alliance of Carer Organizations	7,076	27,723
Prepaid expenses	(7,612)	632
Security deposit	-	(5,368)
Increase (decrease) in liabilities		
Accounts payable	(25,613)	8,465
Accrued payroll	14,757	32,834
Accrued vacation	2,952	2,596
Deferred lease liability	(3,643)	9,892
Deferred sponsorships	(53,579)	(78,421)
Deferred membership dues	56,000	15,000
Deferred grants and contracts	(47,736)	717,282
<b>Net cash flows from operating activities</b>	<b>102,410</b>	<b>424,212</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of equipment and furniture	-	(4,192)
<b>Change in cash</b>	<b>102,410</b>	<b>420,020</b>
Cash at beginning of year	969,961	549,941
<b>Cash at end of year</b>	<b>\$ 1,072,371</b>	<b>\$ 969,961</b>

See accompanying notes.

**NATIONAL ALLIANCE FOR CAREGIVING**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

National Alliance for Caregiving (NAC) is a non-profit coalition of national organizations focusing on issues of family caregiving. NAC members include grassroots organizations, professional associations, service organizations, disease-specific organizations, government agencies, and corporations. NAC conducts research, policy analysis, develops national programs to increase public awareness of family caregiving issues and works to strengthen state and local caregiving coalitions, and represent the United States caregiving communities internationally. Recognizing that family caregivers provide important societal and financial contributions toward maintaining the well-being of those they care for; NAC's mission is to be the objective national resource on family caregiving with the goal of improving the quality of life for families and care recipients.

**Unconditional Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and promises become unconditional. At December 31, 2020 and 2019, all unconditional promises to give are collectible within one year.

**Accounts Receivable**

Accounts receivable primarily consists of dues. Accounts receivable are stated at the amount management expects to be collected from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. 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 accounts receivable. As of December 31, 2020 and 2019, accounts receivable are reported net of an allowance for doubtful accounts of \$10,000 and \$6,850, respectively.

**Equipment and Furniture**

Purchased equipment and furniture is capitalized and recorded at cost. Donated equipment and furniture are carried at fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' estimated useful lives, which range from three to ten years. Depreciation expense was \$966 and \$853 for the years ended December 31, 2020 and 2019, respectively.

**Revenue Recognition**

NAC's annual membership period is the calendar year. Membership benefits include access to member-only educational trainings and discounted materials and support. NAC recognizes revenue from membership dues ratably over the membership period. Membership dues received in advance of the applicable membership period are deferred and recognized as revenue in that future period. Membership dues are nonrefundable.



**NATIONAL ALLIANCE FOR CAREGIVING**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues from conferences and trainings are generally considered to be single performance obligations that are satisfied at the point in time when the convention or respective educational training takes place.

Revenues from IACO secretariat fees are recorded as revenue when earned. Revenue is earned when services are performed on a monthly basis.

**Grants and Contributions**

Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries & wages, fringe benefits, professional fees, office supplies, telephone, occupancy, and travel, meetings & conferences, which are allocated on the basis of estimates of time and effort.

**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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Income Tax Status**

NAC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to NAC's tax-exempt purpose is subject to taxation as unrelated business income. In addition, NAC qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

**Date of Management's Review**

In preparing these financial statements, NAC has evaluated events and transactions for potential recognition or disclosure through May 24, 2021, the date the financial statements were available to be issued.

**NATIONAL ALLIANCE FOR CAREGIVING**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2020 and 2019

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**NOTE 2 – CONCENTRATIONS OF CREDIT RISK**

NAC maintains its cash balances in three financial institutions located in Bethesda, Maryland. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020 and 2019, NAC's uninsured cash balances total approximately \$454,000 and \$474,000, respectively.

**NOTE 3 – NET ASSETS**

In October 2017, NAC's governing board of directors has designated, from net assets without donor restrictions, \$280,000 for the purpose of creating a liquidity operating reserve. The operating reserve is based upon budgeted expense and an estimate of average operating costs.. These funds have been segregated and are on deposit in an interest-bearing account with a financial institution. Future use of this operating reserve requires approval by the board of directors.

There were no net assets with donor restrictions as of December 31, 2020. Net assets with donor restrictions were restricted for the IBD study as of December 31, 2019.

**NOTE 4 – RELATED PARTY TRANSACTIONS**

NAC is related to International Alliance of Carer Organizations (IACO) through shared management, facilities, and some common board members. Management fees and expenses incurred by NAC on behalf of IACO are invoiced and reimbursed as funds allow. For the years ended December 31, 2020 and 2019, NAC earned management fees of \$14,067 and \$39,086, respectively. There were no amounts due to NAC as of December 31, 2020. At December 31, 2019, \$7,076 was due to NAC from IACO. Effective December 31, 2020, the relationship with IACO was ended as IACO underwent a dissolution.

**NOTE 5 – PENSION PLAN**

NAC maintains a 403(b) defined contribution pension plan. NAC has the ability to contribute to eligible employees enrolled in the plan on an annual basis at NAC's discretion. For the year ended December 31, 2020 and 2019, NAC contributed 10% of eligible compensation. Pension expense under this plan for the years ended December 31, 2020 and 2019 was \$64,720 and \$41,194, respectively.

**NOTE 6 – OFFICE LEASE**

NAC entered into an operating lease for office space at a location in Washington, D.C., commencing on September 15, 2019 and expiring December 30, 2021. The lease requires monthly payments of \$5,368, increasing 4% each lease year. For financial statement reporting purposes, annual rent expense will be recognized evenly across the term of the leases, taking the total lease payments divided by the total months of the lease. Any difference in cash payments and rent recognized is adjusted through the deferred lease liability on the statements of financial position. Rent expense for the years ended December 31, 2020 and 2019 totaled \$61,411 and \$34,966, respectively.

**NATIONAL ALLIANCE FOR CAREGIVING**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

NOTE 6 – OFFICE LEASE (continued)

Future minimum payments under this lease agreement for the year ending December 31, 2021 is \$67,768.

NOTE 7 – LIQUIDITY AND AVAILABILITY

The following reflects NAC's financial assets as of the date of the statements of financial position, reduced by amounts not available for general expenditures within one year of the date of the statements of financial position because of donor-imposed or other restrictions:

	2020	2019
Financial assets at end of year		
Cash	\$ 1,072,371	\$ 969,961
Promises to give	17,842	130,108
Accounts receivable	46,912	110,072
Due from International Alliance of Carer Organizations	-	7,076
 Total financial assets	 1,137,125	 1,217,217
 Less amounts unavailable for general expenditures within one year:		
Designated by board of directors for liquidity reserve	(280,000)	(280,000)
Restricted by donors with purpose restrictions	-	(33,172)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 857,125	 \$ 904,045

NAC's goal is to maintain a reserve balance of \$280,000, which is the equivalent of roughly three months of operating expenses. While excluded from amounts available for general expenditures within one year, these funds could be made available if needed subject to board approval. As part of NAC's liquidity management, it has a policy to structure its financial assets to be available as expenditures, liabilities, and other obligations come due.

NOTE 8 – CONTINGENCY

Reimbursements from grant related expenses and overhead applicable to programs are subject to audits by the granting agencies, which may result in adjustments for disallowed costs. No determination has been made regarding the effect, if any, such audits could have on the financial statements.

NOTE 9 – RISKS AND UNCERTAINTIES

The COVID-19 outbreak has caused disruption for nonprofit organizations and other businesses and has resulted in significant volatility in financial markets. There have been mandated and voluntary closings of business including cancellations of events and meetings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of restrictions on gathers and potential economic impacts. At this time, the potential related financial impact cannot be reasonably estimated.