

NATIONAL ALLIANCE FOR CAREGIVING

FINANCIAL STATEMENTS

December 31, 2021 and 2020

CONTENTS

Independent Auditor's Report	1
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of National Alliance for Caregiving, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of National Alliance for Caregiving as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Alliance for Caregiving 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 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.

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 National Alliance for Caregiving'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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 National Alliance for Caregiving'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Alliance for Caregiving'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.



Wegner CPAs, LLP
Alexandria, Virginia
April 25, 2022

NATIONAL ALLIANCE FOR CAREGIVING
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,072,853	\$ 1,072,371
Unconditional promises to give	150,000	17,842
Accounts receivable, net	161,562	46,912
Prepaid expenses	10,525	12,980
Total current assets	1,394,940	1,150,105
EQUIPMENT AND FURNITURE		
Equipment and furniture	11,153	11,153
Less accumulated depreciation	(8,384)	(7,418)
Equipment and furniture, net	2,769	3,735
OTHER ASSETS		
Security deposit	12,713	5,368
Total assets	\$ 1,410,422	\$ 1,159,208
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 33,088	\$ 25,905
Accrued payroll	109,745	49,128
Accrued vacation	7,662	11,894
Deferred lease liability	-	6,249
Deferred membership dues	189,000	131,000
Deferred grants and contracts	615,587	695,838
Total liabilities	955,082	920,014
NET ASSETS		
Without donor restrictions	305,340	239,194
With donor restrictions	150,000	-
Total net assets	455,340	239,194
Total liabilities and net assets	\$ 1,410,422	\$ 1,159,208

See accompanying notes.

NATIONAL ALLIANCE FOR CAREGIVING
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants and contracts	\$ 794,384	\$ -	\$ 794,384	\$ 605,738	\$ -	\$ 605,738
Membership dues	462,800	-	462,800	481,035	-	481,035
Contributions and sponsorships	235,341	150,000	385,341	185,490	-	185,490
IACO secretariat fees	-	-	-	14,067	-	14,067
Honoraria and stipends	12,494	-	12,494	5,150	-	5,150
Interest	2,739	-	2,739	1,011	-	1,011
Other revenue	21	-	21	6	-	6
Total support and revenue	1,507,779	150,000	1,657,779	1,292,497	-	1,292,497
EXPENSES						
Program services	941,590	-	941,590	892,715	-	892,715
Management and general	417,476	-	417,476	322,969	-	322,969
Fundraising	82,567	-	82,567	93,397	-	93,397
Total expenses	1,441,633	-	1,441,633	1,309,081	-	1,309,081
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	-	-	-	33,172	(33,172)	-
Change in net assets	66,146	150,000	216,146	16,588	(33,172)	(16,584)
Net assets at beginning of year	239,194	-	239,194	222,606	33,172	255,778
Net assets at end of year	<u>\$ 305,340</u>	<u>\$ 150,000</u>	<u>\$ 455,340</u>	<u>\$ 239,194</u>	<u>\$ -</u>	<u>\$ 239,194</u>

See accompanying notes.

NATIONAL ALLIANCE FOR CAREGIVING
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2021 and 2020

<u>2021</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries & wages	\$ 489,070	\$ 232,276	\$ 58,735	\$ 780,081
Fringe benefits	133,903	40,852	16,562	191,317
Professional fees	137,196	98,843	596	236,635
Grants & honoraria	28,280	-	-	28,280
Office supplies	21,512	2,577	2,290	26,379
Telephone	10,254	2,526	716	13,496
Printing & reproduction	61,103	138	19	61,260
Occupancy	46,655	11,493	3,259	61,407
Travel, meetings & conferences	676	786	135	1,597
Dues & subscriptions	12,814	4,679	-	17,493
Bad debt expense	-	20,350	-	20,350
Other expenses	127	2,956	255	3,338
Total expenses	<u>\$ 941,590</u>	<u>\$ 417,476</u>	<u>\$ 82,567</u>	<u>\$ 1,441,633</u>
<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
Total expenses	<u>\$ 892,715</u>	<u>\$ 322,969</u>	<u>\$ 93,397</u>	<u>\$ 1,309,081</u>

See accompanying notes.

NATIONAL ALLIANCE FOR CAREGIVING
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 216,146	\$ (16,584)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Bad debt expense	20,350	37,228
Depreciation	966	966
(Increase) decrease in assets		
Unconditional promises to give	(132,158)	112,266
Accounts receivable, net	(135,000)	25,932
Due from International Alliance of Carer Organizations	-	7,076
Prepaid expenses	2,455	(7,612)
Security deposit	(7,345)	-
Increase (decrease) in liabilities		
Accounts payable	7,183	(25,613)
Accrued payroll	60,617	14,757
Accrued vacation	(4,232)	2,952
Deferred lease liability	(6,249)	(3,643)
Deferred sponsorships	-	(53,579)
Deferred membership dues	58,000	56,000
Deferred grants and contracts	(80,251)	(47,736)
Change in cash	482	102,410
Cash at beginning of year	1,072,371	969,961
Cash at end of year	\$ 1,072,853	\$ 1,072,371

See accompanying notes.

NATIONAL ALLIANCE FOR CAREGIVING
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

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. NAC is primarily funded through grants and contracts and membership dues.

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, 2021 and 2020, 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, 2021 and 2020, accounts receivable are reported net of an allowance for doubtful accounts of \$18,100 and \$10,000, 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 for each of the years ended December 31, 2021 and 2020.

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.

NATIONAL ALLIANCE FOR CAREGIVING
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Revenues from conferences and trainings are recognized when the convention or respective educational training takes place.

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.

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 April 25, 2022, the date the financial statements were available to be issued.

NATIONAL ALLIANCE FOR CAREGIVING
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

NAC maintains its cash balances in three financial institutions located in Washington, D.C. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, NAC's cash balances exceed the FDIC insurance amount. Management believes the risk in these situations to be minimal.

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. In June 2021, the reserve policy was amended to \$240,000. 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.

Net assets with donor restrictions included \$150,000 subject to time restrictions as of December 31, 2021. There were no net assets with donor restrictions as of December 31, 2020.

NOTE 4 – RELATED PARTY TRANSACTIONS

NAC was related to International Alliance of Carer Organizations (IACO) through shared management, facilities, and some common board members. Effective December 31, 2020, the relationship with IACO was ended as IACO underwent a dissolution. Management fees and expenses incurred by NAC on behalf of IACO were invoiced and reimbursed as funds allow. For the year ended December 31, 2020, NAC earned management fees of \$14,067.

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, 2021 and 2020, NAC contributed 10% of eligible compensation. Pension expense under this plan for the years ended December 31, 2021 and 2020 was \$68,940 and \$64,720, 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 required monthly payments of \$5,368, increasing 4% each lease year. Rent expense for the years ended December 31, 2021 and 2020 totaled \$61,407 and \$61,411, respectively.

NATIONAL ALLIANCE FOR CAREGIVING
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 6 – OFFICE LEASE (continued)

Upon expiration of the lease, NAC entered into an operating lease for office space at a location in Washington, D.C., commencing on January 1, 2022 and expiring August 31, 2029. The lease requires monthly payments of \$6,356, increasing 4% each lease year with no rent due the first eight months. 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 accrued rent liability on the statements of financial position. The lease allows for a relocation allowance of \$8,475.

Future minimum payments under this lease agreement are as follows:

2022	\$	25,425
2023		79,326
2024		82,499
2025		85,799
2026		89,231
Thereafter		256,227

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:

	2021	2020
Financial assets at end of year		
Cash	\$ 1,072,853	\$ 1,072,371
Promises to give	150,000	17,842
Accounts receivable	161,562	46,912
Total financial assets	1,384,415	1,137,125
Less amounts unavailable for general expenditures within one year:		
Designated by board of directors for liquidity reserve	(240,000)	(280,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,144,415	\$ 857,125

NAC's goal is to maintain a reserve balance of \$240,000, 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.

NATIONAL ALLIANCE FOR CAREGIVING
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

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.