

NATIONAL ALLIANCE FOR CAREGIVING

FINANCIAL STATEMENTS

December 31, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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 22, 2024

NATIONAL ALLIANCE FOR CAREGIVING
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,278,453	\$ 1,152,169
Unconditional promises to give	263,239	8,034
Accounts receivable	218,862	167,500
Prepaid expenses	18,198	1,595
Total current assets	1,778,752	1,329,298
EQUIPMENT AND FURNITURE		
Equipment and furniture	17,284	17,284
Less accumulated depreciation	(11,605)	(9,778)
Equipment and furniture, net	5,679	7,506
OTHER ASSETS		
Security deposit	12,713	12,713
Operating lease right-of-use asset	429,203	500,781
Total other assets	441,916	513,494
Total assets	\$ 2,226,347	\$ 1,850,298
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 51,735	\$ 13,422
Accrued payroll	75,181	55,172
Accrued vacation	23,908	10,894
Current portion of operating lease liability	75,524	71,213
Deferred membership dues	125,000	141,000
Deferred contracts	16,500	-
Total current liabilities	367,848	291,701
CURRENT LIABILITIES		
Operating lease liability less current portion	415,856	491,381
Total liabilities	783,704	783,082
NET ASSETS		
Without donor restrictions	622,814	339,487
With donor restrictions	819,829	727,729
Total net assets	1,442,643	1,067,216
Total liabilities and net assets	\$ 2,226,347	\$ 1,850,298

See accompanying notes.

NATIONAL ALLIANCE FOR CAREGIVING
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants and contracts	\$ 527,061	\$ 1,111,977	\$ 1,639,038	\$ 313,778	\$ 1,074,336	\$ 1,388,114
Membership dues	622,150	-	622,150	559,125	-	559,125
Contributions	24,722	-	24,722	10,179	-	10,179
Service revenue	121,749	-	121,749	32,429	-	32,429
Honoraria and stipends	22,809	-	22,809	10,775	-	10,775
Interest	16,289	-	16,289	3,325	-	3,325
Other revenue	1,922	-	1,922	-	-	-
Total support and revenue	1,336,702	1,111,977	2,448,679	929,611	1,074,336	2,003,947
EXPENSES						
Program services	1,426,968	-	1,426,968	885,849	-	885,849
Management and general	519,312	-	519,312	392,502	-	392,502
Fundraising	126,972	-	126,972	113,720	-	113,720
Total expenses	2,073,252	-	2,073,252	1,392,071	-	1,392,071
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	1,019,877	(1,019,877)	-	496,607	(496,607)	-
Change in net assets	283,327	92,100	375,427	34,147	577,729	611,876
Net assets at beginning of year	339,487	727,729	1,067,216	305,340	150,000	455,340
Net assets at end of year	\$ 622,814	\$ 819,829	\$ 1,442,643	\$ 339,487	\$ 727,729	\$ 1,067,216

See accompanying notes.

NATIONAL ALLIANCE FOR CAREGIVING
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2023 and 2022

<u>2023</u>	Program Services	Management and General	Fundraising	Total
Salaries & wages	\$ 560,766	\$ 223,126	\$ 58,492	\$ 842,384
Fringe benefits	152,715	35,824	16,377	204,916
Professional fees	349,696	98,996	45,466	494,158
Grants & honoraria	103,923	-	-	103,923
Office supplies	148	20,497	-	20,645
Depreciation	-	1,827	-	1,827
Telephone	262	13,715	-	13,977
Printing & reproduction	24,707	331	100	25,138
Occupancy	53,091	21,125	5,538	79,754
Insurance	-	6,592	-	6,592
Travel, meetings & conferences	158,243	10,696	147	169,086
Dues & subscriptions	23,413	10,083	-	33,496
Bad debt expense	-	76,500	-	76,500
Other expenses	4	-	852	856
	<u>\$ 1,426,968</u>	<u>\$ 519,312</u>	<u>\$ 126,972</u>	<u>\$ 2,073,252</u>
Total expenses				
<u>2022</u>	Program Services	Management and General	Fundraising	Total
Salaries & wages	\$ 399,542	\$ 219,500	\$ 79,711	\$ 698,753
Fringe benefits	104,368	35,063	22,318	161,749
Professional fees	192,206	68,388	787	261,381
Grants & honoraria	91,550	-	-	91,550
Office supplies	17,388	8,443	1,436	27,267
Depreciation	-	1,394	-	1,394
Telephone	5,499	5,466	1,245	12,210
Printing & reproduction	10,666	487	209	11,362
Occupancy	39,257	32,639	7,795	79,691
Insurance	-	5,799	-	5,799
Travel, meetings & conferences	13,079	2,716	-	15,795
Dues & subscriptions	12,049	11,962	200	24,211
Other expenses	245	645	19	909
	<u>\$ 885,849</u>	<u>\$ 392,502</u>	<u>\$ 113,720</u>	<u>\$ 1,392,071</u>
Total expenses				

See accompanying notes.

NATIONAL ALLIANCE FOR CAREGIVING
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 375,427	\$ 611,876
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Bad debt expense	76,500	-
Depreciation	1,827	1,394
Amortization of operating lease right-of-use assets	71,578	70,840
(Increase) decrease in assets		
Unconditional promises to give	(255,205)	141,966
Accounts receivable	(127,862)	(5,938)
Prepaid expenses	(16,603)	8,930
Increase (decrease) in liabilities		
Accounts payable	38,313	(19,666)
Accrued payroll	20,009	(54,573)
Accrued vacation	13,014	3,232
Operating lease liabilities	(71,214)	(9,027)
Deferred membership dues	(16,000)	(48,000)
Deferred contracts	16,500	(615,587)
Net cash flows from operating activities	126,284	85,447
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment and furniture	-	(6,131)
Change in cash	126,284	79,316
Cash at beginning of year	1,152,169	1,072,853
Cash at end of year	\$ 1,278,453	\$ 1,152,169

See accompanying notes.

NATIONAL ALLIANCE FOR CAREGIVING
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

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.

Accounts Receivable

Accounts receivable primarily consists of dues. Accounts receivable are stated at the amount management expects to be collected from outstanding balances. NAC uses historical loss information based on the aging of accounts receivable and believes the composition of accounts receivable at the end of the year is consistent with historical conditions because credit terms and practices and the client base has not changed significantly.

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.

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, and occupancy, which are allocated on the basis of estimates of time and effort.

NATIONAL ALLIANCE FOR CAREGIVING
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

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.

Leases

NAC does not recognize short-term leases in the statement of financial position. For these leases, NAC recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. NAC also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, NAC uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

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).

NATIONAL ALLIANCE FOR CAREGIVING
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Date of Management’s Review

In preparing these financial statements, NAC has evaluated events and transactions for potential recognition or disclosure through April 22, 2024, the date the financial statements were available to be issued.

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 December 31, 2023 and 2022, NAC’s uninsured cash balances total approximately \$1,028,000 and \$898,000, respectively.

NOTE 3 – NET ASSETS

NAC’s governing board of directors has designated, from net assets without donor restrictions, \$180,000 for the purpose of creating a liquidity operating reserve for operating costs and \$60,000 for a fund development consultant. 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 are restricted for the following periods or purposes:

	2023	2022
Blood Cancer Caregiving	\$ -	\$ 125,759
RAISE National Strategy	49,745	459,154
Transplant Caregiving	213,130	68,326
Mental Health Initiative	25,000	74,490
Cancer Caregiving	190,744	-
Caregiving in the U.S.	191,210	-
Time Restrictions	150,000	-
Net assets with donor restrictions	\$ 819,829	\$ 727,729

NOTE 4 – 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, 2023 and 2022, NAC contributed 10% of eligible compensation. Pension expense under this plan for the years ended December 31, 2023 and 2022 was \$78,665 and \$58,961, respectively.

NATIONAL ALLIANCE FOR CAREGIVING
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 5 – OPERATING LEASE

NAC leases office space in Washington, D.C. under an operating lease. The lease has a remaining term of six years. Operating lease cost was \$79,754 and \$80,675 for the year ended December 31, 2023 and 2022, respectively.

Other information related to the operating lease is as follows:

	<u>2023</u>	<u>2022</u>
Cash payments classified as part of operating cash flows for amounts included in the measurement of lease liabilities	\$ 79,326	\$ 17,878
Weighted-average remaining lease term	5.67 years	6.67 years
Weighted-average discount rate	1.55%	1.55%

Future lease liabilities as of December 31, 2023 are as follows:

2024	\$ 82,499
2025	85,799
2026	89,231
2027	92,800
2028	96,512
Thereafter	<u>66,915</u>
Total minimum lease payments	\$ 513,756
Imputed interest	<u>(22,376)</u>
Total lease liability	<u>\$ 491,380</u>

NOTE 6 – 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.

NATIONAL ALLIANCE FOR CAREGIVING
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

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:

	<u>2023</u>	<u>2022</u>
Financial assets at end of year		
Cash	\$ 1,278,453	\$ 1,152,169
Promises to give	263,239	8,034
Accounts receivable	<u>218,862</u>	<u>167,500</u>
Total financial assets	1,760,554	1,327,703
Less amounts unavailable for general expenditures within one year:		
Net assets with purpose restrictions	(669,829)	(727,729)
Designated by board of directors for liquidity reserve	<u>(240,000)</u>	<u>(240,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 850,725</u>	<u>\$ 359,974</u>

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