National Alliance To End Homelessness, Inc.

Financial Statements

December 31, 2020

CALIBRE
CPA GROUP

National Alliance To End Homelessness, Inc.

Financial Statements

Year Ended December 31, 2020

Contents

CALIBRE
CPA GROUP

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
National Alliance To End Homelessness, Inc.

We have audited the accompanying financial statements of National Alliance To End Homelessness, Inc. (the Alliance), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 Alliance'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 Alliance'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 the Alliance as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Calibre CPA Group, PLLC

Bethesda, MD
July 9, 2021

National Alliance To End Homelessness, Inc.

Statement of Financial Position

December 31, 2020

Assets	
Current assets	
Cash and cash equivalents	$ 11,773,980
Investments	8,079,202
Grants and contributions receivable	2,422,958
Bequest receivable	24,364
Accounts receivable	93,903
Prepaid expenses	140,059
Total current assets	22,534,466
Property and equipment	
Furniture and equipment	263,949
Less: accumulated depreciation	(183,224)
Property and equipment, net	80,725
Other assets	
Deposits	1,000
Total assets	$ 22,616,191
Liabilities and Net Assets	
Current liabilities	
Accounts payable	$ 45,891
Accrued expenses	256,281
Deferred rent	24,636
Total current liabilities	326,808
Net assets	
Without donor restrictions	19,326,083
With donor restrictions	2,963,300
Total net assets	22,289,383
Total liabilities and net assets	$ 22,616,191

See accompanying notes to financial statements.

National Alliance To End Homelessness, Inc.

Statement of Activities

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Grant and contributions	$ 8,841,482	$ 3,628,000	$ 12,469,482
Conference registrations fee	611,645	-	611,645
Contract income	138,108	-	138,108
Other revenue	9,327	-	9,327
Investment income	516,130	-	516,130
Center for Learning revenue	19,976	-	19,976
Net assets released from restrictions	1,206,084	(1,206,084)	-
Total support and revenue	11,342,752	2,421,916	13,764,668
Expenses			
Program services			
Advocacy	258,922	-	258,922
Capacity building	478,402	-	478,402
Conferences	661,497	-	661,497
HRI/Research education	1,981,931	-	1,981,931
Lobbying	60,497	-	60,497
Total program services	3,441,249	-	3,441,249
Supporting services			
General and administrative	335,551	-	335,551
Fundraising	167,522	-	167,522
Total supporting expenses	503,073	-	503,073
Total expenses	3,944,322	-	3,944,322
Change in net assets	7,398,430	2,421,916	9,820,346
Net assets			
Beginning of year	11,927,653	541,384	12,469,037
End of year	$ 19,326,083	$ 2,963,300	$ 22,289,383

See accompanying notes to financial statements.

National Alliance To End Homelessness, Inc.

Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services						Supporting Services				
	Advocacy	Capacity Building	Conferences	HRI/Research Education	Lobbying	Total Program Services	General and Administrative	Fundraising	Total Support Services	Overhead	Total
Salaries	$ 176,373	$ 269,870	$ 109,915	$ 1,275,877	$ 37,500	$ 1,869,535	$ 205,051	$ 62,115	$ 267,166	$ 58,666	$ 2,195,367
Benefits and payroll taxes	42,371	65,767	26,965	307,456	8,920	451,479	47,557	15,325	62,882	-	514,361
Advertising and promotion	-	-	-	-	-	-	423	1,900	2,323	-	2,323
Conference registrations	-	-	-	2,538	-	2,538	-	-	-	-	2,538
Consultant fees	3,135	9,845	24,125	91,450	-	128,555	-	1,028	1,028	306	129,889
Depreciation	-	-	-	-	-	-	-	-	-	15,888	15,888
Dues and subscriptions	2,150	-	-	34,302	-	36,452	679	6,911	7,590	605	44,647
Insurance	-	-	-	-	-	-	-	-	-	12,308	12,308
Lodging	138	2,710	35,223	1,599	2,084	41,754	-	-	-	-	41,754
Meals	-	1,918	311,736	551	-	314,205	1,236	-	1,236	1,548	316,989
On-line management system	-	67,375	-	1,425	-	68,800	-	-	-	-	68,800
Other expenses	-	901	1,690	-	-	2,591	4,207	45,901	50,108	1,296	53,995
Payroll services	-	-	-	-	-	-	3,403	-	3,403	-	3,403
Postage and delivery	61	165	6,121	162	-	6,509	19	6,931	6,950	2,103	15,562
Printing and copying	-	-	3,355	-	-	3,355	-	8,289	8,289	2,326	13,970
Professional fees	-	655	2,267	-	-	2,922	19,500	4,625	24,125	7,056	34,103
Rent	-	-	-	-	-	-	-	-	-	206,829	206,829
Repairs, maintenance, and leases	-	-	76,087	-	-	76,087	-	-	-	6,063	82,150
Supplies	-	1,225	19,019	1,478	-	21,722	5,490	933	6,423	5,642	33,787
Technology	-	2,336	19,068	17,254	3,780	42,438	7,613	1,680	9,293	60,446	112,177
Telephone	-	631	208	2,531	-	3,370	1,607	-	1,607	25,427	30,404
Travel	1,125	3,497	4,712	2,327	1,089	12,750	-	-	-	328	13,078
Overhead allocation	33,569	51,507	21,006	242,981	7,124	356,187	38,766	11,884	50,650	(406,837)	-
	$ 258,922	$ 478,402	$ 661,497	$ 1,981,931	$ 60,497	$ 3,441,249	$ 335,551	$ 167,522	$ 503,073	$ -	$ 3,944,322

See accompanying notes to financial statements.

National Alliance To End Homelessness, Inc.

Statement of Cash Flows

Year Ended December 31, 2020

Cash flows from operating activities	
Change in net assets	$ 9,820,346
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	15,888
Net appreciation in fair value of mutual funds	(441,215)
Change in assets	
Grants and contributions receivable	(2,311,329)
Bequest receivable	(24,364)
Accounts receivable	98,913
Prepaid expenses	(12,101)
Change in liabilities	
Accounts payable	(56,235)
Accrued expenses	58,717
Deferred revenue	(464,772)
Deferred rent	(35,916)
Net cash provided by operating activities	6,647,932
Cash flows from investing activities	
Purchase of furniture and equipment	(29,702)
Proceeds from sale of investments	720,617
Purchase of investments	(3,494,805)
Net cash used for investing activities	(2,803,890)
Net change in cash and cash equivalents	3,844,042
Cash and cash equivalents	
Beginning of year	7,929,938
End of year	$ 11,773,980

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION

Organization

National Alliance to End Homelessness, Inc. (the Alliance) is a non-profit organization incorporated in the District of Columbia in 1983 as the National Citizens Committee on Food and Shelter and changed their name in 1988 for the purpose of addressing the long-term problems of homelessness through program research, advocacy, project operation, and public awareness.

The Alliance offers the following program services:

Advocacy - The Alliance is a leading voice on federal homelessness policy. The Alliance analyzes and educates the public about proposed and enacted federal legislation and consults with partners around the country about the impact on homelessness of federal policy. The Alliance works collaboratively with public, private, and nonprofit partners to develop, analyze, and advocate for policy solutions to homelessness.

Capacity Building - The Alliance provides capacity-building assistance through its Center for Capacity Building to help communities turn policy solutions and proven best practices into viable, on-the-ground programs. The Alliance provides communities across the country with best practices, how-to kits, technical assistances, and training to help them implement solutions developed through policy, research, and practice.

Conferences - The Alliance holds two conferences each year that focus on strategies to end homelessness, including rapid re-housing and family intervention, as well as the development of a crisis response system and coordinated entry process, retooling transitional housing, the role of mainstream programs, and federal policy goals for Congress. Attendees and speakers include national and local experts on homelessness.

HRI/Research Education - The Homelessness Research Institute (HRI), the research and education arm of the Alliance, builds the intellectual capital around solutions to homelessness. HRI advances data and research so that policymakers, practitioners, and the public have the best information about trends in homelessness and emerging solutions.

Lobbying - The Alliance's staff spends a small proportion of its time attempting to influence the content of specific federal legislation, on issues directly related to the Alliance's mission. A portion of this work involves enlisting others from outside the organization to communicate with Congressional offices.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Alliance prepares its financial statements on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Revenue is recognized when earned and expenses are recorded as incurred.

Financial Statement Presentation

Financial statement presentation follows the recommendations of U.S. generally accepted accounting principles in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Not-for-Profit Entities - Presentation of Financial Statements*. Under those principles, the Alliance is required to report information regarding its financial position and activities according to two classes of net assets - net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturities of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturity terms of those financial instruments. The Alliance maintains its cash in bank deposit accounts which may, at times, exceed federally insured limits. The Alliance believes it is not exposed to any significant credit risk on cash or cash equivalents.

Accounts, Grants and Contributions Receivables

Accounts, grants and contributions receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon review of outstanding receivables, historical collection of information, and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. Management believes all receivables are fully collectible within one year or less and no provision for allowance for doubtful accounts is deemed necessary.

Unconditional promises to give are recognized as support when the donor makes a promise to give to the Alliance that is, in substance, unconditional. Pledges that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate applicable to the year in which the pledge is made. All unconditional promises to give are expected to be received in one year or less and therefore there was no discount calculated on these pledges.

Investments

Investments consist of amounts held in equities and mutual funds, all of which are reported at fair value, generally as determined by published market prices. Income earned is derived from interest, dividends, and changes in fair value. Unrealized gains (losses) resulting from increases (decreases) in fair value of securities held as well as the net realized gains (losses) arising from sales of securities are included in investment income. Dividends and interests are recognized as they are earned. Investment income is reported in the statement of activities net of all external and direct internal investment expenses.

Net Assets

Net assets are reported in two distinct classes as follows:

Net assets without donor restrictions - These net assets are available to finance the general operations of the Alliance. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Alliance, the environment in which it operates, and the purposes specified in its organizing documents.

Net assets with donor restrictions - These net assets result from contributions and other inflows of assets, the use of which by the Alliance is limited by donor-imposed time or purpose restrictions that are either temporary or perpetual.

Revenue Recognition

Revenue is derived from both exchange transactions and contribution transactions. Revenue from exchange transactions is recognized when control of promised goods or services is transferred to our and customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. All goods and services are transferred at a point in time. Payments are generally required in advance are reported as deferred revenue until the related revenue is recognized. Unconditional contributions are recognized upon receipt of cash or other assets or when a donor promises to transfer cash or other assets in the future. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return or release, are not recognized until the conditions on which they depend have been substantially met.

Revenue from Other Exchange Transactions - Revenue from event registrations, exhibitor fees and similar amounts are recognized when the event takes place.

Contributions - Contributions received are reported as increases in net assets without donor restrictions unless received with donor stipulations that require the assets be used for specific purposes or in specific time periods. All donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Similar Agreements - Most grant agreements are accounted for as contribution transactions. When an agreement includes both a barrier and either a right of return of assets to the resource provider or a right of release from obligation by the resource provider, the contribution is considered to be conditional. Amounts received under conditional transfers are reported as a liability (refundable advance) and recognized as contribution revenue only when the conditions are met.

Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are generally 3 to 7 years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred. Depreciation expense for the year ended December 31, 2020 totaled $15,888.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities of the Alliance have been summarized on a functional basis in the statements of activities and functional expenses. Costs that can be specifically identified with a final cost objective are charged directly to that activity. Other costs are allocated among the program and supporting services benefited based on management's best estimates. Salaries and related fringe benefits are allocated based on employee time and effort studies. Other common costs such as occupancy, depreciation and related infrastructure costs are allocated based on employee time and effort studies.

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 reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As part of the Alliance's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Alliance invests cash in excess of its current requirements in a portfolio of investments designed to maximize long-term earnings with acceptable risk to investment principal.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (CONTINUED)

The following table represents the Alliance's financial assets available to meet cash needs for general expenditures within one year of December 31, 2020:

Total assets at end of year	$ 22,616,191
Less: nonfinancial assets	
Prepaid expenses	(140,059)
Deposits	(1,000)
Property and equipment, net	(80,725)
Total financial assets at end of year	22,394,407
Less: amounts not available to meet general expenditures coming due within one year	
Donor restricted funds	(2,963,300)
Total financial assets available for general expenditures within one year	$ 19,431,107

NOTE 4. INCOME TAXES

The Alliance is a 501(c)(3) entity exempt from federal income tax under Section 501(a) of the Internal Revenue Code. The Alliance is, however, subject to tax on business income unrelated to their exempt purpose.

The Alliance believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

The Alliance's income tax returns are subject to examination by the Internal Revenue Service (IRS) for a period of three years from the date they were filed, except under certain circumstances. The Alliance's Form 990 tax returns for the years ended December 31, 2017 through 2019 are open for a tax examination by the IRS, although no request has been made as of the date of these financial statements.

NOTE 5. INVESTMENT AND FAIR VALUE MEASUREMENTS

Accounting standards provide the framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Alliance has the ability to access.

NOTE 5. INVESTMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2 Inputs to the valuation methodology include other significant observable inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is the description of the valuation methodology used for assets measured at fair value. There have been no changes in the valuation methodology at December 31, 2020.

Mutual funds are valued at the closing price reported in the active market in which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, although the Alliance's management believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following table set forth by level, within the fair value hierarchy, the Alliance's investments at fair value as of December 31, 2020:

	2020			
Description	Total	Quoted Market Prices for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	$ 8,079,202	$ 8,079,202	$ -	$ -

NOTE 5. INVESTMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investment income consisted of the following for the year ended December 31, 2020:

Interest and dividend	$ 121,736
Unrealized loss	382,073
Realized loss	59,142
Investment expenses	(46,821)
	$ 516,130

NOTE 6. PENSION PLAN

The Alliance offers a 403(b) retirement plan to all eligible employees. Effective January 1, 2009, the Alliance revised its pension plan agreement. According to the revised terms, the Alliance will decide each year how much, if any, to contribute to the retirement plan. To qualify as a participant under the plan, employees must meet certain requirements. Employees may make voluntary contributions to the plan. Pension expense for the year ended December 31, 2020 totaled $142,442.

NOTE 7. COMMITMENTS AND CONTINGENCIES

In 2013, the Alliance entered into a new agreement for its office lease beginning May 1, 2014 for an 87-month period, ending July 31, 2021. According to the lease terms, the base rental rate shall be $16,052 per month for the first lease year, and each successive lease year the base rental rate shall be increased by 4.5%. Accounting principles generally accepted in the United States of America require that the total rent commitment be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between actual monthly payments and the rent expense recognized for financial statement purposes is reported as a deferred rent liability in the statement of financial position.

Total future minimum lease payments are as follows:

2021	$ 146,328

Total rent charged to operations for the year ended December 31, 2020 totaled $206,829.

NOTE 8. TEMPORARILY NET ASSETS WITH DONOR RESTRICTIONS

The Alliance had the following temporarily net assets with donor restrictions as of December 31, 2020:

Conrad N. Hilton Foundation	$	878,700
Melville Charitable Trust		180,000
Oak Foundation		1,575,000
Blue Cross/Anthem		23,600
Wells Fargo Foundation		300,000
National Low Income Housing Coalition		6,000
Total	$	2,963,300

NOTE 9. CONTRACT BALANCES

The timing of billings, cash collections, and revenue recognition result in contract assets and contract liabilities associated with revenue from exchange transactions. Contract assets consist entirely of trade accounts receivable, which are recognized only to the extent it is probable that we will collect substantially all of the consideration to which we are entitled in exchange for the goods or services that will be or have been transferred. Contract liabilities consist entirely of deferred revenue that results when we receive advance payments from our customers before revenue is recognized. Balances in these accounts as of the beginning and end of the year ended December 31, 2020 are as follows:

	2020	2019
Accounts receivable		
Contract income	$ 93,903	$ 192,816
Deferred revenue		
Conference registrations fee	$ -	$ 464,772

NOTE 10. CONCENTRATION OF CREDIT RISK

The Alliance maintains cash and cash equivalent balances at two financial institutions in the United States. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2020, amounts on deposit exceeded the FDIC insurance limit by approximately $7,322,653. The Alliance has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances.

NOTE 11. SIGNIFICANT UNCERTAINTIES

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of the pandemic on the Alliance's operational and financial performance, will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Alliance's donors, customers, employees, and vendors, all of which, at present, cannot be determined. Accordingly, the extent to which the pandemic may impact the Alliance's financial position, activities, and cash flows is uncertain, and the accompanying financial statements include no adjustments relating to the potential future effects of this pandemic.

NOTE 12. SUBSEQUENT EVENTS

All subsequent events have been evaluated through July 9, 2021, which is the date the financial statements were available to be issued. This review and evaluation revealed no material event or transaction which would require an adjustment to or disclosure in the accompanying financial statements.