




NATIONAL ALLIANCE TO END HOMELESSNESS, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021






NATIONAL ALLIANCE TO END HOMELESSNESS, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

CONTENTS

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





7501 WISCONSIN AVENUE | SUITE 1200 WEST
BETHESDA, MD 20814
T: 202.331.9880 | F: 202.331.9890

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, 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.

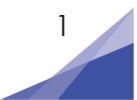
Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the Alliance 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 the Alliance'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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 the Alliance'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 the Alliance'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.

Calibre CPA Group, PLLC

Bethesda, MD
August 2, 2022



NATIONAL ALLIANCE TO END HOMELESSNESS, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

Assets	
Current assets	
Cash and cash equivalents	\$ 12,883,407
Investments	11,636,397
Grants and contributions receivable	1,564,110
Bequest receivable	19,034
Accounts receivable	12,960
Prepaid expenses	<u>138,822</u>
Total current assets	<u>26,254,730</u>
Property and equipment	
Furniture and equipment	282,672
Less: accumulated depreciation	<u>(204,313)</u>
Property and equipment, net	<u>78,359</u>
Other assets	
Deposits	<u>1,000</u>
Total assets	<u>\$ 26,334,089</u>
Liabilities and Net Assets	
Current liabilities	
Accounts payable	\$ 68,102
Accrued expenses	<u>260,873</u>
Deferred revenue	367,695
Total current liabilities	<u>696,670</u>
Net assets	
Without donor restrictions	23,544,289
With donor restrictions	<u>2,093,130</u>
Total net assets	<u>25,637,419</u>
Total liabilities and net assets	<u>\$ 26,334,089</u>

See accompanying notes to financial statements.



NATIONAL ALLIANCE TO END HOMELESSNESS, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Grant and contributions	\$ 5,444,550	\$ 422,000	\$ 5,866,550
Conference registrations fee	1,051,369	-	1,051,369
Contract income	96,922	-	96,922
Other revenue	3,825	-	3,825
Investment income	558,631	-	558,631
Center for Learning revenue	81,736	-	81,736
In-kind contributions	57,000	-	57,000
Net assets released from restrictions	<u>1,292,170</u>	<u>(1,292,170)</u>	<u>-</u>
Total support and revenue	<u>8,586,203</u>	<u>(870,170)</u>	<u>7,716,033</u>
Expenses			
Program services			
Advocacy	245,179	-	245,179
Capacity building	514,883	-	514,883
Conferences	589,143	-	589,143
HRI/Research education	2,143,634	-	2,143,634
Lobbying	<u>124,657</u>	<u>-</u>	<u>124,657</u>
Total program services	<u>3,617,496</u>	<u>-</u>	<u>3,617,496</u>
Supporting services			
General and administrative	564,868	-	564,868
Fundraising	<u>185,633</u>	<u>-</u>	<u>185,633</u>
Total supporting services	<u>750,501</u>	<u>-</u>	<u>750,501</u>
Total expenses	<u>4,367,997</u>	<u>-</u>	<u>4,367,997</u>
Change in net assets	4,218,206	(870,170)	3,348,036
Net assets			
Beginning of year	<u>19,326,083</u>	<u>2,963,300</u>	<u>22,289,383</u>
End of year	<u>\$ 23,544,289</u>	<u>\$ 2,093,130</u>	<u>\$ 25,637,419</u>

See accompanying notes to financial statements.

NATIONAL ALLIANCE TO END HOMELESSNESS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Program Services						Supporting Services			Total
	Advocacy	Capacity Building	Conferences	HRI/Research Education	Lobbying	Total Program Services	Administrative	Fundraising	Overhead	
Salaries	\$ 1,67,550	\$ 295,585	\$ 277,410	\$ 1,334,562	\$ 52,190	\$ 2,127,297	\$ 250,672	\$ 66,877	\$ 4,985	\$ 2,449,831
Benefits and payroll taxes	40,647	71,810	67,149	323,734	12,644	515,984	59,436	16,257	-	591,677
Advertising and promotion	-	1,252	-	-	-	1,252	8,322	1,900	721	12,195
Conference registrations	-	68	-	18,007	-	18,075	-	-	-	18,075
Consultant fees	1,387	3,186	6,482	30,005	20,332	61,392	125	1,382	121	63,020
Depreciation	-	-	-	-	-	-	-	-	21,089	21,089
Dues and subscriptions	3,318	1,450	-	32,529	-	37,297	-	8,388	433	46,118
Grants	-	-	-	190,000	-	190,000	-	-	-	190,000
Insurance	-	-	-	-	-	-	78	-	10,258	10,336
Lodging	-	-	-	1,852	-	1,852	-	-	-	1,852
Meals	-	-	1,772	4,260	-	6,032	87	-	1,199	7,318
On-line management system	-	92,823	-	2,000	-	94,823	-	-	-	94,823
Other expenses	-	1,961	24,962	116	-	27,039	10,994	51,852	-	89,885
Payroll services	-	-	-	-	-	-	3,763	-	-	3,763
Postage and delivery	950	138	4,888	89	8,622	14,687	127	8,905	840	24,559
Printing and copying	-	-	-	-	-	-	-	16,908	367	17,275
Professional fees	-	1,545	2,330	-	-	3,875	187,260	2,511	7,551	201,197
Rent	-	-	-	-	-	-	-	-	205,409	205,409
Repairs, maintenance, and leases	-	-	-	-	-	-	-	-	5,388	5,388
Supplies	6,608	83	89,552	-	3,696	99,939	976	-	5,901	106,816
Technology	1,265	3,439	75,319	18,162	19,869	118,054	8,019	1,288	50,033	177,394
Telephone	-	155	5	242	-	402	-	-	27,756	28,158
Travel	-	-	458	1,264	-	1,722	75	-	22	1,819
Overhead allocation	23,454	41,388	38,816	186,812	7,304	297,774	34,934	9,365	(342,073)	-
	\$ 245,179	\$ 514,883	\$ 589,143	\$ 2,143,634	\$ 124,657	\$ 3,617,496	\$ 564,868	\$ 185,633	\$ -	\$ 4,367,997

See accompanying notes to financial statements.



NATIONAL ALLIANCE TO END HOMELESSNESS, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

Cash flows from operating activities

Change in net assets	\$ 3,348,036
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	21,089
Net appreciation in fair value of mutual funds	(364,055)
Change in assets	
Grants and contributions receivable	858,848
Bequest receivable	5,330
Accounts receivable	80,943
Prepaid expenses	1,237
Change in liabilities	
Accounts payable	22,211
Accrued expenses	4,592
Deferred revenue	367,695
Deferred rent	(24,636)
Net cash provided by operating activities	<u>4,321,290</u>

Cash flows from investing activities

Purchase of furniture and equipment	(18,723)
Proceeds from sale of investments	2,718,828
Purchase of investments	<u>(5,911,968)</u>
Net cash used for investing activities	<u>(3,211,863)</u>

Net change in cash and cash equivalents

1,109,427

Cash and cash equivalents

Beginning of year	<u>11,773,980</u>
End of year	<u>\$ 12,883,407</u>



NATIONAL ALLIANCE TO END HOMELESSNESS, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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.



NOTE 1. ORGANIZATION (CONTINUED)

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.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, corporate bonds 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.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Contributions of stock are recorded at the fair value of the stock on the date received. The Alliance's policy is to immediately sell the stock and any difference between the proceeds received from the sale of stock and the fair market value recorded on the date the stock was donated is recorded as a realized gain or loss. If the Alliance incurs any fees related to selling the stock, the amount is recorded as investment fee expense.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing these skills and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received. The value of in-kind donations recognized was \$57,000 for the year ended December 31, 2021. This includes pro bono services valued at their fair value of \$57,000 for pro bono legal services.

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, 2021 totaled \$21,089.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The following table represents the Alliance's financial assets available to meet cash needs for general expenditures within one year of December 31, 2021:

Total assets at end of year	\$ 26,334,089
Less: nonfinancial assets	
Prepaid expenses	(138,822)
Deposits	(1,000)
Property and equipment, net	<u>(78,359)</u>
Total financial assets at end of year	26,115,908
Less: amounts not available to meet general expenditures coming due within one year	
Donor restricted funds	<u>(2,093,130)</u>
Total financial assets available for general expenditures within one year	<u>\$ 24,022,778</u>



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, 2018 through 2020 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.

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.

NOTE 5. INVESTMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following are the descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the valuation methodologies at December 31, 2021.

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

Corporate bonds are generally valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

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, 2021:

Description	12/31/2021 Total	Quoted Market Prices for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 2,928	\$ 2,928	\$ -	\$ -
Corporate bonds	55,557	-	55,557	-
Mutual funds	11,577,912	11,577,912	-	-
	<u>\$ 11,636,397</u>	<u>\$ 11,580,840</u>	<u>\$ 55,557</u>	<u>\$ -</u>

Investment income consisted of the following for the year ended December 31, 2021:

Interest and dividend	\$ 283,789
Unrealized gain	31,893
Realized gain	332,162
Investment expenses	<u>(89,213)</u>
	<u>\$ 558,631</u>



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, 2021 totaled \$170,549.

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, which has been extended through December 31, 2022. 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%. The extensions were given with reduced base rental amounts. 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 statements of financial position.

Total future minimum lease payments are as follows:

2022	<u>\$ 216,011</u>
------	-------------------

Total rent charged to operations for the year ended December 31, 2021 totaled \$205,409.

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

The Alliance had the following net assets with donor restrictions as of December 31, 2021:

Conrad N. Hilton Foundation	\$ 558,530
Melville Charitable Trust	180,000
Oak Foundation	1,225,000
Blue Cross/Anthem	23,600
Wells Fargo Foundation	100,000
National Low Income Housing Coalition	<u>6,000</u>
Total	<u>\$ 2,093,130</u>

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

The following net assets with donor restrictions were released from donor restrictions by incurring expenses, which satisfied the restricted purpose specified by the donors or the passage of time during the years ended December 31, 2021:

Conrad N. Hilton Foundation	\$	320,170
Melville Charitable Trust		360,000
Oak Foundation		350,000
Wells Fargo Foundation		200,000
National Low Income Housing Coalition		12,000
Ting Tsung & Wei Fong Chao Foundation		50,000
Total	\$	<u>1,292,170</u>

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, 2021 are as follows:

	<u>2021</u>	<u>2020</u>
Accounts receivable		
Contract income	<u>\$ 12,960</u>	<u>\$ 93,903</u>
Deferred revenue		
Conference registrations fee	<u>\$ 367,695</u>	<u>\$ -</u>

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, 2021, 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.

The Alliance invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term.



NOTE 11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 2, 2022, 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.