



DELERME CPA

Accounting | Tax | Consulting

Independent Auditor's Report
NATIONAL ASSOCIATION FOR THE EDUCATION OF
HOMELESS CHILDREN & YOUTH
December 31, 2021 and 2020

Content

Report of Independent Auditor	2
Audited Financial Statements	
Statements of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Cash flows	5
Notes to audited Financial Statements	





Report of Independent Auditor

Report on the Financial Statements

We have audited the accompanying financial statements of National Association for the Education of Homeless Children & Youth ("NAEHCY"), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise NAEHCY's basic financial statements as listed in the table of contents.

Management's Responsibility 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; 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 the financial statements based on our audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 our 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, we consider internal control relevant to the Entity's preparation and fair



presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NAEHCY's internal control. Accordingly, I 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 I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of NAEHCY, as of December 31, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Delorme CPA

Address: 4651 Roswell Road B 105 Atlanta

Phone: (678) 585 6580

Web: <https://www.delermecpa.com>



NATIONAL ASSOCIATION FOR THE EDUCATION OF HOMELESS CHILDREN & YOUTH

Statements of Financial Position

at December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash	\$ 891,400	\$ 735,061
Accounts receivable	136,738	34,970
Other assets	3,893	-
Total current assets	<u>1,032,031</u>	<u>770,031</u>
Total assets	<u>\$ 1,032,031</u>	<u>\$ 770,031</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ 40,268</u>
Total current liabilities	-	40,268
Net Assets		
Restricted	5,694	4,694
Unrestricted	<u>1,026,337</u>	<u>725,069</u>
Total net assets	<u>1,032,031</u>	<u>729,763</u>
Total liabilities and net assets	<u>\$ 1,032,031</u>	<u>\$ 770,031</u>

(See Independent Auditor Report)



NATIONAL ASSOCIATION FOR THE EDUCATION OF HOMELESS CHILDREN & YOUTH

Statements of Activities and Changes in Net Assets

for the years ended December 31, 2021 and 2020

	2021			2020
	Restricted	Unrestricted	Total	Total
Revenue and Other Support				
Conference and memberships	\$ -	\$ 1,048,678	\$ 1,048,678	\$ 312,805
Contributions	-	26,750	26,750	26,770
PPP loan proceeds		20,300	20,300	29,900
Other miscellaneous	7,500	29,416	36,916	1,309
Total revenues and other support	7,500	1,125,144	1,132,644	370,784
Net Assets released from restrictions				
Program restrictions	(6,500)	6,500	-	-
Net assets released	(6,500)	6,500	-	-
Expenses				
Payroll	-	208,955	208,955	-
Contractors and Professional Services	-	61,683	61,683	126,835
General Administrative	-	31,077	31,077	30,633
Marketing and Communications	-	4,987	4,987	5,769
Conference and meetings	-	477,018	477,018	64,420
Travel Expense	-	577	577	4,656
Bad Debt Expense	-	45,949	45,949	-
Meals & Entertainment	-	130	130	-
Technology	-	-	-	59,244
	-	-	-	-
Total Expenses	-	830,376	830,376	291,557
Changes in Net Assets	1,000	301,268	302,268	79,227
Net assets, beginning of the year	4,694	725,069	729,763	650,536
Net assets, end of the year	\$ 5,694	\$ 1,026,337	\$ 1,032,031	\$ 729,763

(See Independent Auditor Report)



NATIONAL ASSOCIATION FOR THE EDUCATION OF HOMELESS CHILDREN & YOUTH

Statement of Cash flows

December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Changes in net assets	\$ 288,468	\$ 87,352
Adjustments to reconcile change in net assets		
Accounts receivable	(119,156)	(9,692)
Other assets	(2,707)	-
Accounts payable	(10,267)	(50,940)
Total Adjustments	(129,423)	(60,632)
Net cash provided by operating activities	156,339	26,720
Cash flows from financing activities		
PPP loan proceeds	20,300	29,900
Net cash provided by financing activities	20,300	29,900
Net change in cash	176,639	56,620
Cash - beginning of year	735,061	678,441
Cash - end of year	\$ 891,400	\$ 735,061

(See Independent Auditor Report)



NATIONAL ASSOCIATION FOR THE EDUCATION OF HOMELESS CHILDREN & YOUTH

Notes to Audited Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

National Association for the Education of Homeless Children & Youth is a nonprofit organization with the objective of ensuring educational equity and excellence for children and youth experiencing homelessness. Children and youth experiencing homelessness are invisible in our communities and throughout our nation. They suffer out of sight of the general public, policymakers, and even school personnel. Left unaddressed, this lack of awareness contributes to misunderstanding and inaction, creating barriers to services and solutions.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of presentation

The financial statements have been prepared in accordance with Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) No. 958, Not-for-Profit Entities, which requires that all not-for-profit organizations provide a balance sheet, a statement of operations and a statement of cash flows. ASC 958 requires not-for-profit entities to classify and report net assets in two groups, net assets with donor restrictions and net assets without donor restrictions, based on the existence or absence of donor-imposed restrictions, and changes of the amounts in each of these classifications presented in the statement of operations.

In addition, ASC 958 requires not-for-profit entities to disclose expenses by both their natural classification and their functional classification, and the disclosure of quantitative and qualitative information regarding liquidity and availability of resources.

Revenue is reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Cash and equivalents

NAEHCY considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Revenue recognition

NAEHCY sources of income are from conference, contributions, and fund-raising activities. Revenue is measured and recognized when the performance obligations are satisfied to a point in time or over time.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.



NATIONAL ASSOCIATION FOR THE EDUCATION OF HOMELESS CHILDREN & YOUTH

Notes to Audited Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

NAEHCY elect to be treated as a non-profit organization under Section 1362 of the Internal Revenue Code. Management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended December 31, 2021.

New Accounting pronouncements

ASC No. 606, Revenue from Contracts with Customers, establishes that an entity should recognize revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which NAEHCY expects to be entitled in exchange for those goods or services. An entity shall consider the terms of the contract and all relevant facts and circumstances when applying ASC 606. An entity shall apply ASC 606 consistently to contracts with similar characteristics and in similar circumstances. In addition, ASC 606 expands the disclosure requirements to include sufficient information to enable users of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. NAEHCY opted to delay the implementation of ASC 606 as permitted by FASB, Accounting Standards Update No. 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) — Effective Dates for Certain Entities, which defers, for one year, the required effective date of ASC 606.

FUNCTIONAL EXPENSES

The statements of activities and changes in net assets report certain categories of expenses that are attributable to one or more program or supporting functions of NAEHCY. NAEHCY expenses by function for the year ended December 31, 2021 and 2020 were as follows

	2021			2020
	Program Activities	General and Support	Total	Total
Expenses				
Payroll	\$ 156,716	\$ 52,239	\$ 208,955	\$ -
Contractors and Professional Services	46,262	15,421	61,683	126,835
General Administrative	-	24,577	24,577	30,633
Marketing and Communications	-	4,987	4,987	5,769
Conference and meetings	477,018	-	477,018	64,420
Travel Expense	-	577	577	4,656
Bad Debt Expense	-	45,949	45,949	-
Meals & Entertainment	-	130	130	-
Technology	-	-	-	59,244
Scholarships	6,500	-	6,500	-
Total Expenses	<u>686,497</u>	<u>143,880</u>	<u>830,376</u>	<u>291,557</u>



NATIONAL ASSOCIATION FOR THE EDUCATION OF HOMELESS CHILDREN & YOUTH

Notes to Audited Financial Statements

PAYCHECK PTOTECTION PROGRAM (PPP) LOAN

In March 2020, the President of the United States of America signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to provide emergency assistance to individuals, families, and businesses affected by the COVID-19 pandemic. As part of the CARES Act, the Small Business Administration (SBA) received funding and authority to issued certain loans under the Paycheck Protection Program (PPP). Proceeds from the PPP loan may be used for payroll costs, health care benefits, and other qualifying expenses, as defined in the CARES Act. Furthermore, under the terms of the PPP, certain amounts under the loan agreement may be forgiven if they are used for qualifying expenses as provided by the CARES Act.

The entity received a loan from Wells Fargo in the amount of \$20,400 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. In December 2021 the entity was notified that the full amount of the loan has been forgiven.

SUBSEQUENT EVENTS

NAEH CY has evaluated subsequent events through the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date and through the date the financial statements were available to be issued, that would require additional adjustment to or disclosure in the financial statements.

