



FINANCIAL STATEMENTS

**NATIONAL ASSOCIATION FOR THE EDUCATION OF HOMELESS CHILDREN & YOUTH
MAPLE GROVE, MINNESOTA**

**FOR THE YEARS ENDED
DECEMBER 31, 2024 and 2023**

National Association for the Education of Homeless Children and Youth
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December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
National Association for the Education of Homeless Children and Youth
Maple Grove, Minnesota

Opinion

We have audited the accompanying financial statements of National Association for the Education of Homeless Children and Youth (the Organization), a nonprofit organization, which comprise the statements of financial position as of December 31, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of National Association for the Education of Homeless Children and Youth as of December 31, 2024 and 2023, 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 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 National Association for the Education of Homeless Children and Youth and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 National Association for the Education of Homeless Children and Youth'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 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 Organization'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 Organization'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.

Abdo

Abdo
Minneapolis, Minnesota
April 17, 2025



FINANCIAL STATEMENTS

National Association for the Education of Homeless Children & Youth

Statements of Financial Position

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,210,699	\$ 1,458,908
Accounts receivable, net of allowance of \$15,245 and \$150,000, respectively	<u>137,205</u>	<u>168,988</u>
Total Assets	<u><u>\$ 3,347,904</u></u>	<u><u>\$ 1,627,896</u></u>
Liabilities		
Current Liabilities		
Accounts payable	\$ 925,794	\$ 26,172
Accrued liabilities	<u>20,191</u>	<u>-</u>
Total Current Liabilities	<u><u>945,985</u></u>	<u><u>26,172</u></u>
Net Assets		
Total Net Assets Without Donor Restrictions	<u>2,401,919</u>	<u>\$ 1,601,724</u>
Total Liabilities and Net Assets	<u><u>\$ 3,347,904</u></u>	<u><u>\$ 1,627,896</u></u>

See Independent Auditor's Report and Notes to the Financial Statements.

National Association for the Education of Homeless Children & Youth

Statements of Activities For the Year Ended December 31, 2024

	Without Donor Restriction	With Donor Restriction	Total
Support and Revenue			
Support			
Contributions	\$ 12,450	\$ -	\$ 12,450
In-kind contributions	349	-	349
Total Support	<u>12,799</u>	<u>-</u>	<u>12,799</u>
Revenue			
Conference	2,519,792	-	2,519,792
Membership	39,250	-	39,250
Miscellaneous revenue	14,360	-	14,360
Interest income	4,271	-	4,271
Total Revenue	<u>2,577,673</u>	<u>-</u>	<u>2,577,673</u>
Total Revenue and Support	<u>2,590,472</u>	<u>-</u>	<u>2,590,472</u>
Expenses			
Program services	<u>1,354,964</u>	<u>-</u>	<u>1,354,964</u>
Supporting services			
Management and general	435,059	-	435,059
Fundraising	254	-	254
Total Supporting services	<u>435,313</u>	<u>-</u>	<u>435,313</u>
Total Expenses	<u>1,790,277</u>	<u>-</u>	<u>1,790,277</u>
Change in Net Assets	800,195	-	800,195
Net Assets, Beginning	<u>1,601,724</u>	<u>-</u>	<u>1,601,724</u>
Net Assets, Ending	<u><u>\$ 2,401,919</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,401,919</u></u>

See Independent Auditor's Report and Notes to the Financial Statements.

National Association for the Education of Homeless Children & Youth

Statements of Activities (Continued)
For the Year Ended December 31, 2023

	Without Donor Restriction	With Donor Restriction	Total
Support and Revenue			
Support			
Contributions	\$ 20,007	\$ -	\$ 20,007
In-kind contributions	5,000	-	5,000
Total Support	<u>25,007</u>	<u>-</u>	<u>25,007</u>
Revenue			
Conference	2,349,841	-	2,349,841
Membership	49,200	-	49,200
Miscellaneous revenue	12,690	-	12,690
Interest income	3,727	-	3,727
Total Revenue	<u>2,415,458</u>	<u>-</u>	<u>2,415,458</u>
Net Assets Released from Restrictions	<u>5,694</u>	<u>(5,694)</u>	<u>-</u>
Total Revenue and Support	<u>2,446,159</u>	<u>(5,694)</u>	<u>2,440,465</u>
Expenses			
Program services	1,246,586	-	1,246,586
Management and general	835,761	-	835,761
Total Expenses	<u>2,082,347</u>	<u>-</u>	<u>2,082,347</u>
Change in Net Assets	363,812	(5,694)	358,118
Net Assets, Beginning	<u>1,237,912</u>	<u>5,694</u>	<u>1,243,606</u>
Net Assets, Ending	<u>\$ 1,601,724</u>	<u>\$ -</u>	<u>\$ 1,601,724</u>

See Independent Auditor's Report and Notes to the Financial Statements.

National Association for the Education of Homeless Children & Youth
Statements of Functional Expenses
For the Year Ended December 31, 2024

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Personnel Costs					
Salaries and wages	\$ 52,984	\$ 98,400	\$ -	\$ 98,400	\$ 151,384
Payroll taxes	3,666	6,809	-	6,809	10,475
Employee benefits	3,150	5,850	-	5,850	9,000
Total Personnel Costs	59,800	111,059	-	111,059	170,859
Facilities, meals, and entertainment	720,614	-	-	-	720,614
Professional fees	-	267,388	-	267,388	267,388
Audio visual	207,329	-	-	-	207,329
Event planning	127,063	-	-	-	127,063
Bad debt	66,752	-	-	-	66,752
Technology	51,746	-	-	-	51,746
Supplies and materials	24,776	6,385	-	6,385	31,161
Photography/videography/graphic design	30,351	-	-	-	30,351
Bank/credit card fees	24,396	762	254	1,016	25,412
Scholarships	21,000	-	-	-	21,000
Dues and subscriptions	-	17,176	-	17,176	17,176
Website	-	14,010	-	14,010	14,010
Board expenses	-	12,288	-	12,288	12,288
Travel	11,141	305	-	305	11,446
Continuing Education Unit expense	4,215	-	-	-	4,215
Internet	4,111	-	-	-	4,111
Reimbursable expense	20	3,034	-	3,034	3,054
Postage/delivery	1,288	436	-	436	1,724
Telephone	-	1,028	-	1,028	1,028
Insurance	-	602	-	602	602
Printing	362	-	-	-	362
Professional development	-	300	-	300	300
Office expenses	-	286	-	286	286
Total Expenses	\$ 1,354,964	\$ 435,059	\$ 254	\$ 435,313	\$ 1,790,277

See Independent Auditor's Report and Notes to the Financial Statements.

National Association for the Education of Homeless Children & Youth

Statements of Functional Expenses (Continued)

For the Year Ended December 31, 2023

	Program Services	Management and General	Total
Personnel Costs			
Salaries and wages	\$ -	\$ 263,840	263,840
Payroll taxes	-	21,231	21,231
Employee benefits	-	23,483	23,483
Total Personnel Costs	-	308,554	308,554
Conference	1,121,043	-	1,121,043
Bad debt	-	328,469	328,469
Professional fees	25,525	165,021	190,546
Travel	30,093	23,841	53,934
Office expenses	26,168	2,293	28,461
Dues and subscriptions	14,656	2,174	16,830
Scholarships	16,000	-	16,000
Printing	10,389	-	10,389
Postage/delivery	2,712	-	2,712
Meals and meetings	-	2,580	2,580
Insurance	-	2,087	2,087
Website	-	597	597
Interest	-	145	145
Total Expenses	<u>\$ 1,246,586</u>	<u>\$ 835,761</u>	<u>\$ 2,082,347</u>

See Independent Auditor's Report and Notes to the Financial Statements.

National Association for the Education of Homeless Children & Youth

Statements of Cash Flows For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 800,195	\$ 358,118
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	66,752	328,469
Changes in assets and liabilities		
Accounts receivable	(34,969)	(193,222)
Accounts payable	899,622	(263,408)
Accrued liabilities	20,191	-
Net Cash Provided by Operating Activities	<u>1,751,791</u>	<u>229,957</u>
Change in Cash and Cash Equivalents	1,751,791	229,957
Beginning Cash and Cash Equivalents	<u>1,458,908</u>	<u>1,228,951</u>
Ending Cash and Cash Equivalents	<u><u>\$ 3,210,699</u></u>	<u><u>\$ 1,458,908</u></u>

See Independent Auditor's Report and Notes to the Financial Statements.

National Association for the Education of Homeless Children and Youth

Notes to the Financial Statements

December 31, 2024 and 2023

Note 1: Summary of Significant Accounting Policies

A. Nature of Activities

National Association for the Education of Homeless Children and Youth (NAEHCY or the Organization) is a national nonprofit membership association. Our mission is dedicated to ensuring educational equity and excellence for children and youth experiencing homelessness, including high-mobility children and youth, through collaboration, learning, leadership, and capacity building of our members.

We fulfill our mission by providing technical assistance and sharing best-practice implementation strategies to build the capacity of individuals, agencies, and organizations to ensure the academic success of children. As such, we support state and federal administrators, homeless liaisons, educators, community service providers, advocates, parents and youth. In addition, we collaborate with partners to advocate for public policy change to ensure all children and youth succeed in school. Our members serve the approximately 1.5 million children and youth experiencing homelessness.

B. Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America on the accrual basis of accounting with revenue being recorded when earned and expenditures recorded when the obligation is incurred, or the benefits are received. Net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restriction

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Net assets without donor restrictions are available for use at the discretion of the board and/or management for general operating purposes.

With Donor Restriction

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. There are no net assets with donor restrictions at December 31, 2024 and 2023.

C. Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

D. Accounts Receivable

Accounts receivable consist of unpaid conference registrations. These amounts are stated at the amount the Organization expects to collect from outstanding balances. The Organization grants credit to its customers in the normal course of business.

E. Allowance for Credit Losses

The allowance for credit losses is an estimate of the expected credit losses over the remaining life of the receivables. This estimate is derived from a review of the Organization's historical losses based on the aging of receivables. Historical loss information is a reasonable starting point for calculating the expected allowance for credit losses, as the Organization's portfolio segment has remained constant since the company's inception.

This historical data is then adjusted for management's assessment of current conditions and reasonable and supportable forecasts regarding future events. Factors that may affect the collectability of accounts receivable include, but are not limited to, the overall economic environment, changes in customer creditworthiness, and other relevant internal and external factors deemed significant by the Organization.

National Association for the Education of Homeless Children and Youth
Notes to the Financial Statements
December 31, 2024 and 2023

Note 1: Summary of Significant Accounting Policies (Continued)

E. Allowance for Credit Losses (Continued)

The Organization continually evaluates the adequacy of the allowance for credit losses by considering factors such as historical loss experience, the aging of the receivables, and expected future conditions. Management believes that the allowance for credit losses is adequate to cover any potential uncollectible accounts.

For the years ended December 31, 2024, and December 31, 2023, management has determined that an allowance for credit losses of \$15,245 and \$150,000, respectively, is necessary. These amounts reflect the nature of conference registrations, which typically carry receivables for up to 90 days before payment is received.

F. Revenue Recognition Policy

Membership dues are recognized over the membership period. These dues are billed annually, and any dues received before the start of the membership period are recorded as deferred membership dues. The performance obligation related to the membership dues is satisfied over the membership period; therefore, the Organization recognizes revenue over a period of time on a yearly basis.

Conference registrations revenue is recognized at the time the event is held. The performance obligation related to the conference registrations is satisfied upon completion of the event; therefore, the Organization recognizes revenue at a point in time.

Disaggregation of Revenue

The following table disaggregates the Organization's revenue based on the timing of the satisfaction of performance obligations for the year ended December 31:

	2024	2023
Performance obligations satisfied at a point in time	\$ 2,519,792	\$ 2,349,841
Performance obligations satisfied over time	\$ 53,610	\$ 49,200

Contract Balances

The Organization may offer payment terms resulting in accounts receivable, considered contract assets. These accounts receivable, representing all amounts billed and earned in the current year, appear on the statement of financial position due to the timing of revenue recognition and primarily consist of small credit amounts extended for conference registrations.

The following table displays the contract balances at the associated dates:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract assets - conference	\$ 152,450	\$ 318,988	\$ 345,153
Allowance for credit losses	\$ 15,245	\$ 150,000	\$ 40,918

National Association for the Education of Homeless Children and Youth
Notes to the Financial Statements
December 31, 2024 and 2023

Note 1: Summary of Significant Accounting Policies (Continued)

F. Revenue Recognition Policy (Continued)

Revenue is recognized when the contribution is received, and contributions received are recorded as donor restricted support or unrestricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted support.

G. Allocation of Functional Expenses

The costs of providing various programs are reflected on the statement of functional expense. Directly identifiable expenses are charged to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. The Organization allocates expenses that relate to more than one function based on a systematic and rational allocation methodology. The allocation is performed based on various factors, including time and effort, and other relevant criteria. These allocation methods are reviewed periodically to ensure they remain appropriate and accurately reflect the costs associated with each function.

H. Credit Risk

The Organization cash balances with banks are insured by the Federal Deposit Insurance Corporation (FDIC). These deposits may, from time to time, exceed the balances insured by the FDIC.

I. 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. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

J. Income Taxes

The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization also qualifies as a tax-exempt organization under applicable statutes of the State. Contributions to the Organization may qualify for the charitable contribution deduction.

K. In-kind Contributions

In accordance with GAAP for non-profit organizations, contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. In-kind contributions consisted of centerpieces for the conference, were used for program functions, were valued at fair market value, and were without donor restrictions.

L. Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 17, 2025, the date the financial statements were available to be issued.

National Association for the Education of Homeless Children and Youth
Notes to the Financial Statements
December 31, 2024 and 2023

Note 2: Changes in the Allowance for Credit Losses

Changes in the allowance for credit losses during the years ended December 31:

	2024	2023
Balance, beginning of year	\$ 150,000	\$ 40,918
Provision for allowance	66,752	328,469
Write off of prior year provision	(150,000)	(40,918)
Write off in excess of prior year allowance	(51,507)	(178,469)
	<u>\$ 15,245</u>	<u>\$ 150,000</u>
Balance, end of year	<u>\$ 15,245</u>	<u>\$ 150,000</u>

Note 3: Liquidity and Availability of Financial Assets

The Organization has the following assets available to meet financial needs on December 31 as follows:

	2024	2023
Financial Assets		
Cash and cash equivalents	\$ 3,210,699	\$ 1,458,908
Accounts receivable, net of allowance of \$15,245 and \$150,000, respectively	<u>137,205</u>	<u>168,988</u>
Assets Available to Meet Financial Needs for General Expenditures Within One Year	<u>\$ 3,347,904</u>	<u>\$ 1,627,896</u>

As part of the Organization'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. The Organization has board designated net assets without donor restrictions that, while the Organization does not intend to spend for purposes other than those identified, the amounts could be made available for current operations, if necessary.