

# **The Washtenaw Housing Alliance**

(a Michigan nonprofit corporation)

Ann Arbor, Michigan

## **Financial Statements**

June 30, 2021 and 2020



# The Washtenaw Housing Alliance

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## **Independent Accountants' Review Report**

To the Board of Directors  
The Washtenaw Housing Alliance  
Ann Arbor, Michigan

We have reviewed the accompanying financial statements of The Washtenaw Housing Alliance (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountants' Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Altruic Advisors, CPAs*

Certified Public Accountants

Ann Arbor, Michigan  
April 8, 2022

# The Washtenaw Housing Alliance

## Statements of Financial Position

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 315,541	\$ 322,453
Pledges and grants receivable, current, net	23,495	74,500
Total current assets	<u>339,036</u>	<u>396,953</u>
<b>Other Assets</b>		
Pledges receivable, noncurrent, net	<u>4,854</u>	<u>8,252</u>
Total assets	<u>\$ 343,890</u>	<u>\$ 405,205</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 12,928	\$ 66,935
Total current liabilities	<u>12,928</u>	<u>66,935</u>
<b>Net Assets</b>		
Without donor restrictions	271,813	230,726
With donor restrictions	<u>59,149</u>	<u>107,544</u>
Total net assets	<u>330,962</u>	<u>338,270</u>
Total liabilities and net assets	<u>\$ 343,890</u>	<u>\$ 405,205</u>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Page 1 should be read with these financial statements

# The Washtenaw Housing Alliance

## Statement of Activities

Year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support</b>			
Contributions	\$ 157,195	\$ 51,753	\$ 208,948
In-kind contributions	29,824	-	29,824
Member contributions	7,250	-	7,250
Net assets released from restrictions			
Expiration of time restrictions	57,000	(57,000)	-
Release of purpose restrictions	43,148	(43,148)	-
Total operating support	294,417	(48,395)	246,022
<b>Operating Expenses</b>			
Program services	159,647	-	159,647
Supporting services			
General and administrative	38,381	-	38,381
Fundraising	56,363	-	56,363
Total supporting services	94,744	-	94,744
Total operating expenses	254,391	-	254,391
Total operating support in excess (deficit) of operating expenses	40,026	(48,395)	(8,369)
<b>Other Changes</b>			
Interest	61	-	61
Miscellaneous	1,000	-	1,000
Total other changes	1,061	-	1,061
<b>Change in Net Assets</b>	41,087	(48,395)	(7,308)
<b>Net Assets, Beginning of Year</b>	230,726	107,544	338,270
<b>Net Assets, End of Year</b>	\$ 271,813	\$ 59,149	\$ 330,962

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Page 1 should be read with these financial statements

# The Washtenaw Housing Alliance

## Statement of Activities

Year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support and Revenue</b>			
<b>Operating Support</b>			
Contributions	\$ 746,355	\$ 66,992	\$ 813,347
In-kind contributions	25,504	-	25,504
Member contributions	6,500	-	6,500
Net assets released from restrictions			
Expiration of time restrictions	14,000	(14,000)	-
Release of purpose restrictions	7,083	(7,083)	-
Total operating support	799,442	45,909	845,351
<b>Operating Revenue</b>			
Program income	5,061	-	5,061
Total operating revenue	5,061	-	5,061
Total operating support and revenue	804,503	45,909	850,412
<b>Operating Expenses</b>			
Program services	746,595	-	746,595
Supporting services			
General and administrative	42,328	-	42,328
Fundraising	57,234	-	57,234
Total supporting services	99,562	-	99,562
Total operating expenses	846,157	-	846,157
Total operating support and revenue in excess (deficit) of operating expenses	(41,654)	45,909	4,255
<b>Other Changes</b>			
Interest	428	-	428
Miscellaneous	2,615	-	2,615
Total other changes	3,043	-	3,043
<b>Change in Net Assets</b>	(38,611)	45,909	7,298
<b>Net Assets, Beginning of Year</b>	269,337	61,635	330,972
<b>Net Assets, End of Year</b>	\$ 230,726	\$ 107,544	\$ 338,270

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Page 1 should be read with these financial statements

# The Washtenaw Housing Alliance

## Statement of Functional Expenses

Year ended June 30, 2021

	Program	Supporting Services			
	Blueprint to End	General and			Total
	Homelessness	Administrative	Fundraising	Total	Expenses
Contracted staff	\$ 108,960	\$ 18,886	\$ 17,434	\$ 36,320	\$ 145,280
Contracted staff benefits	-	-	32,523	32,523	32,523
Development consultant and fees	22,687	3,932	3,630	7,562	30,249
Occupancy	13,836	3,321	1,291	4,612	18,448
Accounting fees	-	6,835	-	6,835	6,835
Program expenses	6,652	-	-	-	6,652
Consultants and contractors	3,825	675	-	675	4,500
Insurance	-	3,304	-	3,304	3,304
Office expenses	1,159	77	309	386	1,545
Communication expenses	1,188	132	-	132	1,320
Fundraising expenses	-	-	1,053	1,053	1,053
Bank and service charges	-	563	92	655	655
Miscellaneous expense	-	641	-	641	641
Conferences and seminars	550	-	-	-	550
Dues and subscriptions	530	-	-	-	530
Postage and printing	260	15	31	46	306
Total expenses	<u>\$ 159,647</u>	<u>\$ 38,381</u>	<u>\$ 56,363</u>	<u>\$ 94,744</u>	<u>\$ 254,391</u>

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# The Washtenaw Housing Alliance

## Statement of Functional Expenses

Year ended June 30, 2020

	Programs Services			Supporting Services			
	Permanent Supportive Housing Services	Blueprint to End Homelessness	Total	General and Administrative	Fundraising	Total	Total Expenses
Grants expense	\$ 593,834	\$ -	\$ 593,834	\$ -	\$ -	\$ -	\$ 593,834
Contracted staff	-	91,654	91,654	15,887	14,664	30,551	122,205
Development consultant and fees	-	-	-	-	37,157	37,157	37,157
Contracted staff benefits	-	17,622	17,622	3,055	2,820	5,875	23,497
Occupancy	-	12,542	12,542	3,010	1,171	4,181	16,723
Consultants and contractors	-	13,843	13,843	2,443	-	2,443	16,286
Accounting fees	-	-	-	12,790	-	12,790	12,790
Professional development	-	9,210	9,210	-	-	-	9,210
Program expenses	-	3,589	3,589	-	-	-	3,589
Insurance	-	-	-	3,080	-	3,080	3,080
Travel	-	1,713	1,713	302	-	302	2,015
Office expenses	-	1,032	1,032	69	275	344	1,376
Fundraising expenses	-	-	-	-	1,077	1,077	1,077
Communication expenses	-	957	957	106	-	106	1,063
Postage and printing	-	599	599	35	70	105	704
Miscellaneous expense	-	-	-	633	-	633	633
Bank and service charges	-	-	-	562	-	562	562
Dues and subscriptions	-	-	-	356	-	356	356
Total expenses	<u>\$ 593,834</u>	<u>\$ 152,761</u>	<u>\$ 746,595</u>	<u>\$ 42,328</u>	<u>\$ 57,234</u>	<u>\$ 99,562</u>	<u>\$ 846,157</u>

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# The Washtenaw Housing Alliance

## Statements of Cash Flows

Decrease in Cash

Years ended June 30	2021	2020
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (7,308)	\$ 7,298
Increase (decrease) from changes in assets and liabilities		
Pledges receivable	54,403	(54,492)
Deposits	-	225
Accounts payable	(54,007)	43,165
Net cash used by operating activities	(6,912)	(3,804)
<b>Net Decrease in Cash</b>	<b>(6,912)</b>	<b>(3,804)</b>
<b>Cash, Beginning of Year</b>	<b>322,453</b>	<b>326,257</b>
<b>Cash, End of Year</b>	<b>\$ 315,541</b>	<b>\$ 322,453</b>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountants' Review Report on Page 1 should be read with these financial statements

# The Washtenaw Housing Alliance

## Notes to Financial Statements

June 30, 2021 and 2020

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### Note 1 – Nature of Organization and Significant Accounting Policies

*Nature of Organization.* The Washtenaw Housing Alliance ("the Alliance") is a broad-based coalition of nonprofit and public organizations serving persons experiencing or at risk of homelessness that work together toward the common vision of ending homelessness in Washtenaw County. The Alliance's activities are funded by contributions and membership fees.

#### *Description of Program Services:*

*Permanent Supportive Housing Services.* The Sister Yvonne Gellise Fund for Permanent Supportive Housing Services ("SYG Fund"), an endowment fund of the Ann Arbor Area Community Foundation, was established to create lasting systemic solutions to homelessness in Washtenaw County. The SYG Fund was established with a \$1 million gift from the St. Joseph Mercy Health System to mark St. Joseph Mercy Hospital's 100th anniversary. The Ann Arbor Area Community Foundation matched the St. Joseph Mercy Health System's inaugural gift with another \$1 million to help build the endowment. The Alliance works to grow the SYG fund in order to develop an infrastructure of permanent supportive housing services which help to sustain housing for the most needy members of the community, in partnership with federal, county, and community efforts.

*Blueprint to End Homelessness.* The Alliance is charged with responsibility for both developing and orchestrating implementation of the community's comprehensive strategic plan addressing this goal - the Blueprint to End Homelessness ("Blueprint"). The Alliance's board, staff, and partners are actively engaged in facilitating community collaborations and initiatives intended to achieve objectives established through the evolving Blueprint planning process.

#### *Description of Supporting Services:*

*General and Administrative.* Includes the functions necessary to provide support to the Alliance's program activities. General and administrative activities include those that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar activities that ensure an adequate working environment and an equitable employment program.

*Fundraising.* Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

*Basis of Accounting.* The financial statements of the Alliance have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

*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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Cash.* Cash includes, but is not limited to, currency on hand, demand deposits with banks or financial institutions, and other accounts with general characteristics of demand deposits.

# The Washtenaw Housing Alliance

## Notes to Financial Statements

June 30, 2021 and 2020

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### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Pledges and Grants Receivable.* Pledges and grants receivable are recognized only when the conditions on which they depend are substantially met and the pledges or grants become unconditional. Pledges and grants receivable are stated net of allowances for uncollectible accounts. Management provides for probable uncollectible accounts through a provision for bad debt expenses and an adjustment to the allowance account based on its assessment of the current status of individual pledges and grants. Balances still outstanding after management has used reasonable collection efforts are written off through a reduction to the allowance account and a corresponding reduction to the receivable. Management has determined that pledges and grants receivable are fully collectible. Consequently, management has not recorded an allowance for doubtful accounts as of June 30, 2021 and 2020.

*Basis of Net Asset Presentation.* The Alliance reports 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:

*Net Assets Without Donor Restrictions.* Net assets resulting from revenues generated, receiving contributions that have no donor stipulations, and receiving interest and other income, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

*Net Assets With Donor Restrictions.* Net assets resulting from the gifts of cash and other assets that are received with donor stipulations that limit the use of the donated net assets, until the donor restriction expires, that is, until the stipulated time restriction ends or the purpose restriction is accomplished.

*Contributions.* Contributions are recognized when donations are received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

*Member Contributions.* There were 28 alliance members for the years ended June 30, 2021 and 2020. Annual contributions per alliance member organization are typically \$500 for core members and \$250 for ancillary service providers.

*Contributed Services.* Contributed services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services totaled \$11,375 and \$8,781 for the years ended June 30, 2021 and 2020, respectively (see Note 4). Certain other volunteer services are not recorded in these financial statements as they do not meet the criteria for recognition.

*Income Taxes.* The Alliance is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

# The Washtenaw Housing Alliance

## Notes to Financial Statements

June 30, 2021 and 2020

### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Functional Allocation of Expenses.* Direct expenses have been allocated to the applicable program for which the expense was incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

*Reclassifications.* Certain amounts from the prior year financials have been reclassified to conform to the current year presentation without affecting net assets as of June 30, 2020.

*Subsequent Events.* The Alliance evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through April 8, 2022, the date at which the financial statements were available for release.

### Note 2 – Pledges and Grants Receivable

Pledges and grants receivable are expected to be collected as follows at June 30:

	2021	2020
Pledges and grants receivable, current, net	<u>\$ 23,495</u>	<u>\$ 74,500</u>
Due in one to five years	\$ 5,000	\$ 8,500
Less unamortized present value discount	<u>(146)</u>	<u>(248)</u>
Pledges and grants receivable, noncurrent, net	<u>\$ 4,854</u>	<u>\$ 8,252</u>

Pledges receivable due in more than one year are recognized at fair value using present value techniques and a discount rate of 3%.

### Note 3 – Net Assets with Donor Restrictions

The balances of net assets with donor restrictions at June 30, 2021 are as follows:

	July 1, 2020	Additions	Releases	June 30, 2021
<i>Time restrictions</i>	\$ 65,252	\$ 15,102	\$ 57,000	\$ 23,354
<i>Purpose restrictions</i>				
Sr. Yvonne Gellise Fund	17,500	-	17,500	-
Risk mitigation	10,875	5,651	2,027	14,499
Housing Locator position	13,917	6,000	12,000	7,917
SYG Fund Development Coordinator	-	25,000	11,621	13,379
	<u>\$ 107,544</u>	<u>\$ 51,753</u>	<u>\$ 100,148</u>	<u>\$ 59,149</u>

# The Washtenaw Housing Alliance

## Notes to Financial Statements

June 30, 2021 and 2020

### Note 3 – Net Assets with Donor Restrictions (continued)

The balances of net assets with donor restrictions at June 30, 2020 are as follows:

	July 1, 2019	Additions	Releases	June 30, 2020
<i>Time restrictions</i>	\$ 28,260	\$ 50,992	\$ 14,000	\$ 65,252
<i>Purpose restrictions</i>				
Sr. Yvonne Gellise Fund	17,500	-	-	17,500
Risk mitigation	5,875	5,000	-	10,875
Housing Locator position	10,000	11,000	7,083	13,917
	<u>\$ 61,635</u>	<u>\$ 66,992</u>	<u>\$ 21,083</u>	<u>\$ 107,544</u>

### Note 4 – Donated Services and Use of Facilities

The Alliance received donated time, used solely for programs, from contracted staff with an approximate value of \$11,375 and \$8,781 for the years ended June 30, 2021 and 2020, respectively. The amount is recorded in the financial statements as an in-kind contribution and related expense.

The Alliance entered into an agreement with Washtenaw County for free use of their facilities. The value to the Alliance of the in-kind facilities-use was \$18,449 and \$16,723 and was recognized as in-kind contribution and occupancy expense during the years ended June 30, 2021 and 2020, respectively.

### Note 5 – Liquidity and Availability of Resources

The Alliance receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Alliance manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve this target, the Alliance forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended June 30, 2021 and 2020, the level of liquidity and reserves was managed within the policy requirements.

# The Washtenaw Housing Alliance

## Notes to Financial Statements

June 30, 2021 and 2020

### Note 5 – Liquidity and Availability of Resources (continued)

The Alliance's financial assets available for general expenditures within one year are as follows at June 30, 2021 and 2020:

Financial assets at year-end:	2021	2020
Cash	\$ 315,541	\$ 322,453
Pledges and grants receivable	28,349	82,752
	<u>343,890</u>	<u>405,205</u>
Less amounts not available to be used within one year:		
Pledges and grants receivable for long-term purposes	<u>(4,854)</u>	<u>(8,252)</u>
Financial assets available for general expenditures within on year	<u>\$ 339,036</u>	<u>\$ 396,953</u>

Substantially all of the Alliance's net asset restrictions are generally released within the next fiscal year. The Alliance anticipates that all net asset restrictions as of June 30, 2021 will be fully released during the next fiscal year.

### Note 6 – Concentrations

*Major Contributors.* The Alliance had three major contributors who comprised 51% of total support for the year ended June 30, 2021. The Alliance had two major contributors who comprised 71% of total support and revenue for the year ended June 30, 2020.

*Geographical.* The Alliance receives a substantial amount of its operating support and revenue from within the Ann Arbor, Michigan area.

### Note 7 – Uncertainty Related to the Virus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") originated in Wuhan, China and has since spread to a number of other countries, including the U.S. On March 11, 2020 the World Health Organization characterized COVID-19 as a pandemic.

Potential impacts to the Alliance include restrictions on the Alliance's ability to work which may include restrictions on its ability to provide services, raise funds, and perform necessary administrative tasks. The potential impacts of COVID-19 on the Alliance's funders that may affect the funders' ability to continue to supporting the Alliance's operations are unknown.

COVID-19 may also adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could adversely impact the Alliance's operating results. Although management continues to monitor and assess the effects of the COVID-19 pandemic on its operations, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.