

Washtenaw Housing Alliance

Financial Report
June 30, 2017

Washtenaw Housing Alliance

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Independent Accountant's Review Report

To the Board of Directors
Washtenaw Housing Alliance

We have reviewed the accompanying financial statements of Washtenaw Housing Alliance (the "Alliance"), which comprise the balance sheet as of June 30, 2017 and 2016 and the related statements of activities and changes in net assets, 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 company 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.

Accountant's 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 American Institute of Certified Public Accountants. 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 report.

Accountant's 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.

Plante & Moran, PLLC

August 31, 2017

Washtenaw Housing Alliance

Balance Sheet

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Assets		
Current Assets		
Cash	\$ 294,458	\$ 273,208
Pledges receivable (Note 2)	<u>11,100</u>	<u>15,300</u>
Total current assets	305,558	288,508
Long-term Pledges Receivable - Net of current portion (Note 2)	<u>4,853</u>	<u>6,309</u>
Total assets	<u>\$ 310,411</u>	<u>\$ 294,817</u>
Liabilities and Net Assets		
Current Liabilities - Trade accounts payable	\$ 12,485	\$ 14,430
Net Assets		
Unrestricted	281,744	254,778
Temporarily restricted (Note 4)	<u>16,182</u>	<u>25,609</u>
Total net assets	<u>297,926</u>	<u>280,387</u>
Total liabilities and net assets	<u>\$ 310,411</u>	<u>\$ 294,817</u>

Washtenaw Housing Alliance

Statement of Activities and Changes in Net Assets

	Year Ended	
	June 30, 2017	June 30, 2016
Changes in Unrestricted Net Assets		
Revenue and support:		
Contributions	\$ 155,613	\$ 103,135
In-kind donations (Note 3)	19,032	18,067
Membership fees	7,750	8,250
Other revenue	250	-
Interest income	238	242
Realized loss on investments	(52)	(661)
Total revenue and support	182,831	129,033
Net assets released from restrictions	19,700	59,048
Total unrestricted revenue, support, and net assets released from restrictions	202,531	188,081
Expenses:		
Program services	115,462	117,076
Support services:		
Management and general	26,415	24,656
Fundraising	33,688	33,294
Total expenses	175,565	175,026
Increase in Unrestricted Net Assets	26,966	13,055
Changes in Temporarily Restricted Net Assets		
Contributions, grants, and pledges	10,273	16,776
Net assets released from restrictions	(19,700)	(59,048)
Decrease in Temporarily Restricted Net Assets	(9,427)	(42,272)
Increase (Decrease) in Net Assets	17,539	(29,217)
Net Assets - Beginning of year	280,387	309,604
Net Assets - End of year	\$ 297,926	\$ 280,387

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Statement of Functional Expenses

Year Ended June 30								
	2017				2016			
	Program Services	Support Services Management and General	Fundraising	Total Expenses	Program Services	Support Services Management and General	Fundraising	Total Expenses
Audit and accounting	\$ 10,650	\$ 1,880	\$ -	\$ 12,530	\$ 9,960	\$ 1,758	\$ -	\$ 11,718
Charitable contributions	127	-	-	127	-	-	-	-
Conferences/Education	1,706	301	-	2,007	887	157	-	1,044
Contracted services	1,930	-	-	1,930	2,933	-	-	2,933
Contracted staff	64,790	15,549	6,047	86,386	61,961	14,871	5,782	82,614
Contracted staff benefits	16,025	3,846	1,496	21,367	13,812	3,315	1,289	18,416
Credit card service charges	505	89	-	594	439	78	-	517
Dues and subscriptions	-	761	-	761	-	270	-	270
Events	635	-	-	635	1,449	-	-	1,449
Filing fees	-	20	-	20	-	20	-	20
Insurance	2,456	433	-	2,889	2,355	416	-	2,771
Occupancy	9,556	2,294	892	12,742	9,556	2,294	892	12,742
Other	621	-	-	621	156	-	-	156
Postage	165	4	14	183	242	5	22	269
Printing	486	86	-	572	1,120	198	-	1,318
Professional/Consultant	-	-	25,000	25,000	1,626	287	25,000	26,913
Supplies	1,698	60	239	1,997	2,200	78	309	2,587
Travel	2,821	498	-	3,319	1,096	194	-	1,290
Training	781	-	-	781	6,774	-	-	6,774
Telephone	510	90	-	600	510	90	-	600
Website	-	504	-	504	-	625	-	625
Total functional expenses	<u>\$ 115,462</u>	<u>\$ 26,415</u>	<u>\$ 33,688</u>	<u>\$ 175,565</u>	<u>\$ 117,076</u>	<u>\$ 24,656</u>	<u>\$ 33,294</u>	<u>\$ 175,026</u>

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Statement of Cash Flows

	Year Ended	
	June 30, 2017	June 30, 2016
Cash Flows from Operating Activities		
Change in net assets	\$ 17,539	\$ (29,217)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Amortization of discount of long-term pledges receivable	(44)	(76)
Contributions restricted for future operations	(10,000)	(26,800)
Changes in operating assets and liabilities which provided (used) cash:		
Pledges receivable	15,700	71,700
Accounts payable	(1,945)	6,148
Net Increase in Cash - Net cash provided by operating activities	21,250	21,755
Cash - Beginning of year	273,208	251,453
Cash - End of year	\$ 294,458	\$ 273,208

Washtenaw Housing Alliance

Notes to Financial Statements June 30, 2017 and 2016

Note I - Nature of Business and Significant Accounting Policies

Nature of Organization - 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 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 (the "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.

Significant accounting policies are as follows:

Pledges - Pledges are generally available for unrestricted use in the year the funds are received, unless specifically restricted by the donor. Pledges are recorded as received. Pledges to give due in the next year are recorded as current pledges receivable and are recorded at their net realizable value. Pledges to give due in subsequent years are recorded as long-term pledges receivable and are recorded at the present value of their net realizable value, using interest rates applicable to the years in which the promises are received to discount the amounts. The Alliance has recorded an allowance for doubtful accounts, which was determined based on historical collectibility.

Contributions - Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received.

Membership Fees Revenue - There were 27 alliance members for the years ended June 30, 2017 and 2016. Annual dues per alliance member organization are typically \$500 for core members and \$250 for ancillary service providers and are recognized over the one-year term of the membership.

Donated Services and Assets - In accordance with accounting standards for contributions received, certain donated services are recognized as contributions in the statement of activities and changes in net assets. Such services are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Alliance. The value of these services is determined based on estimated fair value.

Functional Allocation of Expenses - The costs of providing program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Indirect costs have been allocated between the various programs and support services based on estimates as determined by management. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

Washtenaw Housing Alliance

Notes to Financial Statements June 30, 2017 and 2016

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Classification of Net Assets - Net assets of the Alliance are classified as unrestricted, temporarily restricted, or permanently restricted depending on the presence and characteristics of donor-imposed restrictions limiting the Alliance's ability to use or dispose of contributed assets or the economic benefits embodied in those assets. Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are fulfilled in the same period as the gift are both reported as unrestricted support. Other restricted gifts are reported as restricted support and temporarily or permanently restricted net assets.

Donor-imposed restrictions that expire with the passage of time or can be removed by meeting certain requirements result in temporarily restricted net assets. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. There were no permanently restricted net assets as of June 30, 2017 or 2016. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Federal Income Taxes - The Alliance is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

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, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including August 31, 2017, which is the date the financial statements were available to be issued.

Note 2 - Pledges Receivable

Pledges are recognized as revenue in the period the pledges are received. Long-term pledges receivable are reported at present value using a discount rate of 1.00 percent. The pledges receivable for June 30, 2017 and 2016 were as follows:

	2017	2016
Gross pledges due within one year	\$ 11,600	\$ 15,800
Allowance for uncollectible pledges	(500)	(500)
Net pledges receivable - Current	<u>\$ 11,100</u>	<u>\$ 15,300</u>

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Notes to Financial Statements June 30, 2017 and 2016

Note 2 - Pledges Receivable (Continued)

	2017	2016
Gross pledges due in one to five years	\$ 5,000	\$ 6,500
Less unamortized discount	<u>(147)</u>	<u>(191)</u>
Net pledges receivable - Long-term	<u>\$ 4,853</u>	<u>\$ 6,309</u>

Note 3 - Donated Services and Facilities

The value of services donated to the Alliance included as contribution revenue in the financial statements and the corresponding expenses for the year ended June 30, 2017 are as follows:

	Programs	Management and General	Fundraising	Total
Contracted staff benefits	\$ 4,718	\$ 1,132	\$ 440	\$ 6,290
Occupancy costs - Washtenaw County	<u>9,556</u>	<u>2,294</u>	<u>892</u>	<u>12,742</u>
Total	<u>\$ 14,274</u>	<u>\$ 3,426</u>	<u>\$ 1,332</u>	<u>\$ 19,032</u>

The value of services donated to the Alliance included as contribution revenue in the financial statements and the corresponding expenses for the year ended June 30, 2016 are as follows:

	Programs	Management and General	Fundraising	Total
Contracted staff benefits	\$ 3,994	\$ 958	\$ 373	\$ 5,325
Occupancy costs - Washtenaw County	<u>9,556</u>	<u>2,294</u>	<u>892</u>	<u>12,742</u>
Total	<u>\$ 13,550</u>	<u>\$ 3,252</u>	<u>\$ 1,265</u>	<u>\$ 18,067</u>

Note 4 - Temporarily Restricted Net Assets

Temporarily restricted net assets are those assets resulting from contributions whose use by the Alliance is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Alliance pursuant to those stipulations. Temporarily restricted net assets consist of the following as of June 30:

	2017	2016
Time restricted - Future operating	\$ 16,182	\$ 25,609