

The Washtenaw Housing Alliance

(a Michigan nonprofit corporation)

Ann Arbor, Michigan

Financial Statements

June 30, 2022 and 2021



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, 2022 and 2021, 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
November 10, 2022

The Washtenaw Housing Alliance

Statements of Financial Position

June 30	2022	2021
ASSETS		
Current Assets		
Cash	\$ 478,203	\$ 315,541
Pledges and grants receivable, current, net	94,199	23,495
Total current assets	<u>572,402</u>	<u>339,036</u>
Other Assets		
Pledges and grants receivable, noncurrent, net	<u>2,854</u>	<u>4,854</u>
Total assets	<u>\$ 575,256</u>	<u>\$ 343,890</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 24,707	\$ 12,928
Grants payable	149,988	-
Total current liabilities	<u>174,695</u>	<u>12,928</u>
Net Assets		
Without donor restrictions	312,260	271,813
With donor restrictions	88,301	59,149
Total net assets	<u>400,561</u>	<u>330,962</u>
Total liabilities and net assets	<u>\$ 575,256</u>	<u>\$ 343,890</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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Contributions	\$ 178,870	\$ 95,000	\$ 273,870
In-kind contributions	25,341	-	25,341
Member contributions	8,500	-	8,500
Net assets released from restrictions			
Expiration of time restrictions	49,477	(49,477)	-
Release of purpose restrictions	16,371	(16,371)	-
Total operating support	<u>278,559</u>	<u>29,152</u>	<u>307,711</u>
Operating Expenses			
Program services	<u>144,876</u>	-	<u>144,876</u>
Supporting services			
General and administrative	37,278	-	37,278
Fundraising	57,535	-	57,535
Total supporting services	<u>94,813</u>	-	<u>94,813</u>
Total operating expenses	<u>239,689</u>	-	<u>239,689</u>
Total operating support in excess of operating expenses	<u>38,870</u>	<u>29,152</u>	<u>68,022</u>
Other Changes			
Realized gains	1,544	-	1,544
Interest	33	-	33
Total other changes	<u>1,577</u>	-	<u>1,577</u>
Change in Net Assets	40,447	29,152	69,599
Net Assets, Beginning of Year	<u>271,813</u>	<u>59,149</u>	<u>330,962</u>
Net Assets, End of Year	<u>\$ 312,260</u>	<u>\$ 88,301</u>	<u>\$ 400,561</u>

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The Washtenaw Housing Alliance

Statement of Activities

Year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
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	<u>294,417</u>	<u>(48,395)</u>	<u>246,022</u>
Operating Expenses			
Program services	<u>159,647</u>	<u>-</u>	<u>159,647</u>
Supporting services			
General and administrative	38,381	-	38,381
Fundraising	56,363	-	56,363
Total supporting services	<u>94,744</u>	<u>-</u>	<u>94,744</u>
Total operating expenses	<u>254,391</u>	<u>-</u>	<u>254,391</u>
Total operating support in excess (deficit) of operating expenses	<u>40,026</u>	<u>(48,395)</u>	<u>(8,369)</u>
Other Changes			
Interest	61	-	61
Miscellaneous	1,000	-	1,000
Total other changes	<u>1,061</u>	<u>-</u>	<u>1,061</u>
Change in Net Assets	41,087	(48,395)	(7,308)
Net Assets, Beginning of Year	<u>230,726</u>	<u>107,544</u>	<u>338,270</u>
Net Assets, End of Year	<u>\$ 271,813</u>	<u>\$ 59,149</u>	<u>\$ 330,962</u>

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The Washtenaw Housing Alliance

Statement of Functional Expenses

Year ended June 30, 2022

	Program	Supporting Services			Total Expenses
	Blueprint to End Homelessness	General and Administrative	Fundraising	Total	
Contracted staff	\$ 110,292	\$ 19,117	\$ 17,646	\$ 36,763	\$ 147,055
Occupancy	13,836	3,321	1,291	4,612	18,448
Accounting fees	4,185	8,369	4,185	12,554	16,739
Fundraising expenses	-	-	16,480	16,480	16,480
Development consultant and fees	-	-	15,584	15,584	15,584
Contracted staff benefits	10,644	1,845	1,703	3,548	14,192
Insurance	-	3,686	-	3,686	3,686
Office expenses	1,769	118	472	590	2,359
Program expenses	1,253	-	-	-	1,253
Communication expenses	900	100	-	100	1,000
Postage and printing	743	44	87	131	874
Dues and subscriptions	831	-	-	-	831
Bank and service charges	-	535	87	622	622
Conferences and seminars	423	-	-	-	423
Miscellaneous expense	-	143	-	143	143
Total expenses	<u>\$ 144,876</u>	<u>\$ 37,278</u>	<u>\$ 57,535</u>	<u>\$ 94,813</u>	<u>\$ 239,689</u>

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The Washtenaw Housing Alliance

Statement of Functional Expenses

Year ended June 30, 2021

	Program	Supporting Services			Total Expenses
	Blueprint to End Homelessness	General and Administrative	Fundraising	Total	
Contracted staff	\$ 108,960	\$ 18,886	\$ 17,434	\$ 36,320	\$ 145,280
Development consultant and fees	-	-	32,523	32,523	32,523
Contracted staff benefits	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

Statements of Cash Flows

Increase (Decrease) in Cash

Years ended June 30	2022	2021
Cash Flows From Operating Activities		
Change in net assets	\$ 69,599	\$ (7,308)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Donated stock	(1,283)	-
Realized gain on investments	(1,544)	-
Increase (decrease) from changes in assets and liabilities		
Pledges and grants receivable	(68,704)	54,403
Accounts payable	11,779	(54,007)
Grants payable	149,988	-
Net cash provided (used) by operating activities	<u>159,835</u>	<u>(6,912)</u>
Cash Flows From Investing Activities		
Sales of investments	<u>2,827</u>	-
Net cash provided by investing activities	<u>2,827</u>	-
Net Increase (Decrease) in Cash	162,662	(6,912)
Cash, Beginning of Year	<u>315,541</u>	<u>322,453</u>
Cash, End of Year	<u><u>\$ 478,203</u></u>	<u><u>\$ 315,541</u></u>

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The Washtenaw Housing Alliance

Notes to Financial Statements

June 30, 2022 and 2021

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:

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. Approximately 56% and 58% of fundraising expenses for years ending June 30, 2022 and 2021, respectively, were spent on activities to increase the Sister Yvonne Gellise Fund for Permanent Supportive Housing, an endowment that was established at the Ann Arbor Area Community Foundation (AAACF) to provide on-going support for permanent supportive housing services.

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, 2022 and 2021

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, 2022 and 2021.

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, 2022 and 2021. 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 either (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. 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, 2022 and 2021

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.

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 November 10, 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:

	<u>2022</u>	<u>2021</u>
Pledges and grants receivable, current, net	<u>\$ 94,199</u>	<u>\$ 23,495</u>
Due in one to five years	\$ 3,000	\$ 5,000
Less unamortized present value discount	<u>(146)</u>	<u>(146)</u>
Pledges and grants receivable, noncurrent, net	<u>\$ 2,854</u>	<u>\$ 4,854</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, 2022 are as follows:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Releases</u>	<u>June 30, 2022</u>
<i>Time restrictions</i>	\$ 23,354	\$ 95,000	\$ 49,477	\$ 68,877
<i>Purpose restrictions</i>				
Risk mitigation	14,499	-	1,253	13,246
Housing Locator position	7,917	-	1,739	6,178
SYG Fund Development Coordinator	13,379	-	13,379	-
	<u>\$ 59,149</u>	<u>\$ 95,000</u>	<u>\$ 65,848</u>	<u>\$ 88,301</u>

The Washtenaw Housing Alliance

Notes to Financial Statements

June 30, 2022 and 2021

Note 3 – Net Assets with Donor Restrictions (continued)

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>

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 \$6,893 and \$11,376 for the years ended June 30, 2022 and 2021, 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 \$18,448 and was recognized as in-kind contribution and occupancy expense during each of the years ended June 30, 2022 and 2021.

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, 2022 and 2021, the level of liquidity and reserves was managed within the policy requirements.

The Washtenaw Housing Alliance

Notes to Financial Statements

June 30, 2022 and 2021

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, 2022 and 2021:

Financial assets at year-end:	<u>2022</u>	<u>2021</u>
Cash	\$ 478,203	\$ 315,541
Pledges and grants receivable	<u>97,053</u>	<u>28,349</u>
	<u>575,256</u>	<u>343,890</u>
Less amounts not available to be used within one year:		
Pledges and grants receivable for long-term purposes	<u>(2,854)</u>	<u>(4,854)</u>
Financial assets available for general expenditures w/in one year	<u>\$ 572,402</u>	<u>\$ 339,036</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, 2022 will be fully released during the next fiscal year.

Note 6 – Concentrations

Major Contributors. The Alliance had two major contributors who comprised 53% of total support for the year ended June 30, 2022. The Alliance had three major contributors who comprised 51% of total support for the year ended June 30, 2021.

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

Bank Deposits. At certain times during the year ended June 30, 2022, the Alliance maintained cash balances in excess of federally insured limits.