

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

With Independent Auditor's Report Thereon

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.
DECEMBER 31, 2022 AND 2021

TABLE OF CONTENTS

Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to the Financial Statements	9-13

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Alliance for Children's Grief, Inc.
Lubbock, Texas

Opinion

We have audited the accompanying financial statements of National Alliance for Children's Grief, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Alliance for Children's Grief, Inc. as of December 31, 2022 and 2021, 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 Alliance for Children's Grief, Inc. 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 these 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 Alliance for Children's Grief, Inc.'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 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, including omissions, 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 the audit 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 National Alliance for Children's Grief, Inc.'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 National Alliance for Children's Grief, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate 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.



Morrow, Georgia

June 2, 2023

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,691,797	\$ 1,401,902
Accounts receivable	6,827	-
Grants receivable	50,000	50,000
Pledges receivable	-	10,000
Inventory	24,487	26,144
Prepaid expenses	<u>30,381</u>	<u>27,823</u>
TOTAL CURRENT ASSETS	1,803,492	1,515,869
FIXED ASSETS, NET	<u>23,309</u>	<u>17,667</u>
TOTAL ASSETS	<u>\$ 1,826,801</u>	<u>\$ 1,533,536</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 6,170	\$ 17,605
Payroll accruals	6,485	4,682
Deferred revenue- membership	<u>43,505</u>	<u>40,637</u>
TOTAL CURRENT LIABILITIES	<u>56,160</u>	<u>62,924</u>
TOTAL LIABILITIES	<u>56,160</u>	<u>62,924</u>
NET ASSETS		
Without donor restrictions	1,665,641	1,440,612
With donor restrictions	<u>105,000</u>	<u>30,000</u>
TOTAL NET ASSETS	<u>1,770,641</u>	<u>1,470,612</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,826,801</u>	<u>\$ 1,533,536</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUES			
Grants and other support	\$ 325,000	\$ 385,000	\$ 710,000
Symposium and conference revenue	373,020	-	373,020
Contributions and donations	229,834	-	229,834
Membership revenue	93,075	-	93,075
Program services	32,954	-	32,954
In-kind services	4,774	-	4,774
Interest	<u>1,548</u>	<u>-</u>	<u>1,548</u>
Public support and revenue	1,060,205	385,000	1,445,205
Net assets released from restriction	<u>310,000</u>	<u>(310,000)</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUES	1,370,205	75,000	1,445,205
EXPENSES			
Program services	1,034,991	-	1,034,991
Supporting services:			
Management and general expenses	65,116	-	65,116
Fundraising expenses	<u>45,069</u>	<u>-</u>	<u>45,069</u>
Total supporting services	<u>110,185</u>	<u>-</u>	<u>110,185</u>
TOTAL EXPENSES	<u>1,145,176</u>	<u>-</u>	<u>1,145,176</u>
CHANGE IN NET ASSETS	225,029	75,000	300,029
NET ASSETS AT BEGINNING OF YEAR	<u>1,440,612</u>	<u>30,000</u>	<u>1,470,612</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,665,641</u>	<u>\$ 105,000</u>	<u>\$ 1,770,641</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUES			
Grants and other support	\$ 386,350	\$ 280,000	\$ 666,350
Symposium and conference revenue	145,514	-	145,514
Contributions and donations	39,823	-	39,823
Membership revenue	97,779	-	97,779
Program services	83,015	-	83,015
In-kind services	4,466	-	4,466
Interest	<u>1,832</u>	<u>-</u>	<u>1,832</u>
Public support and revenue	758,779	280,000	1,038,779
Net assets released from restriction	<u>280,000</u>	<u>(280,000)</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUES	1,038,779	-	1,038,779
EXPENSES			
Program services	405,863	-	405,863
Supporting services:			
Management and general expenses	51,278	-	51,278
Fundraising expenses	<u>22,678</u>	<u>-</u>	<u>22,678</u>
Total supporting services	<u>73,956</u>	<u>-</u>	<u>73,956</u>
TOTAL EXPENSES	<u>479,819</u>	<u>-</u>	<u>479,819</u>
CHANGE IN NET ASSETS	558,960	-	558,960
NET ASSETS AT BEGINNING OF YEAR	<u>881,652</u>	<u>30,000</u>	<u>911,652</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,440,612</u>	<u>\$ 30,000</u>	<u>\$ 1,470,612</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and related costs	\$ 375,744	\$ 46,388	\$ 41,750	\$ 463,882
Conferences, webinars, and events	301,051	-	-	301,051
Grants	230,000	-	-	230,000
General and operations	58,061	4,228	3,055	65,344
Professional fees	25,470	4,454	264	30,188
Camp U	26,068	-	-	26,068
Advertising and marketing	12,699	-	-	12,699
Travel	5,898	3,146	-	9,044
Depreciation	-	4,883	-	4,883
Board and staff training	-	2,017	-	2,017
 TOTAL EXPENSES	 <u>\$ 1,034,991</u>	 <u>\$ 65,116</u>	 <u>\$ 45,069</u>	 <u>\$ 1,145,176</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and related costs	\$ 282,309	\$ 33,708	\$ 21,067	\$ 337,084
Conferences, webinars, and events	44,183	-	-	44,183
General and operations	44,841	3,804	1,309	49,954
Professional fees	24,897	8,518	206	33,621
Advertising and marketing	7,740	-	-	7,740
Travel	1,085	4,503	-	5,588
Depreciation	281	34	21	336
Board and staff training	-	561	-	561
Occupancy and utilities	<u>527</u>	<u>150</u>	<u>75</u>	<u>752</u>
 TOTAL EXPENSES	 <u>\$ 405,863</u>	 <u>\$ 51,278</u>	 <u>\$ 22,678</u>	 <u>\$ 479,819</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 300,029	\$ 558,960
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,883	336
Decrease (Increase) in operating assets:		
Pledges receivable	10,000	(10,000)
Contributions receivable	(6,827)	400
Grants receivable	-	(50,000)
Inventory	1,657	(8,764)
Prepaid expenses	(2,558)	3,763
(Decrease) Increase in operating liabilities:		
Accounts payable	(11,435)	12,139
Payroll liabilities	1,803	4,682
Deferred revenue – Symposium	-	(42,850)
Deferred revenue – membership	<u>2,868</u>	<u>(8,959)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	300,420	459,707
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(10,525)</u>	<u>(17,325)</u>
NET CASH USED IN INVESTING ACTIVITIES	(10,525)	(17,325)
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	289,895	442,382
CASH AT BEGINNING OF YEARS	<u>1,401,902</u>	<u>959,520</u>
CASH AT END OF YEARS	<u>\$ 1,691,797</u>	<u>\$ 1,401,902</u>

The accompanying notes are an integral part of these financial statements.

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. ORGANIZATION

National Alliance for Children's Grief, Inc. ("NACG") is a nonprofit organization formed to promote awareness of the needs of children and teens grieving a death and to provide education and resources for supportive individuals. It provides a network for nationwide communication between professionals and volunteers to share ideas, information, research and resources to better support grieving children and their families. NACG's principal activity is the hosting of an annual symposium on children's grief for education and outreach.

NACG offers online education, maintains a national database of children's bereavement support programs, facilitates networking among professionals in the field, develops and distributes grief support resources, and promotes national awareness to enhance public sensitivity to the issues relating to grieving children and teens.

NACG receives support through foundation grants, contributions, memberships, and programming including the annual symposium. NACG offers a variety of educational opportunities including an annual National Symposium on Children's Grief, a Fall Conference and Webcast as well as monthly educational webinars. These events are supported with sponsorships and registration fees. The goal of these events is to allow NACG to expand its reach to 500 participants at the Symposium and 200 in-person participants plus countless web participants at the Fall Conference and Webcast, and 80-120 participants through the monthly on-line education webinars. The NACG staff and leadership members provide training and awareness to other organizations and participate in other conferences, trainings, and webinars offered by related organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

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").

NACG classifies its net assets and revenues and expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the NACG and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of NACG's management and the board of directors.

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.
NOTES TO FINANCIAL STATEMENTS - Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of accounting - continued

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. All donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Estimates

Management of NACG makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from these estimates.

Cash and cash equivalents

NACG considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. For the years ended December 31, 2022 and 2021, NACG had no cash equivalents.

Furniture, equipment and leasehold improvements

Furniture, equipment, and leasehold improvements are capitalized at cost. It is NACG's policy to capitalize expenditures for these items in excess of \$2,500. Lesser amounts are generally expensed. Furniture and equipment are being depreciated over estimated useful lives of five to ten years using a straight-line method. Leasehold improvements are being amortized over the shorter of the lease term or useful life.

Public support and revenue

Contributions are generally available for unrestricted use in the year received unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Donated goods and services

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial 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. Total contributed advertising services were \$4,774 and \$4,466 for the years ended December 31, 2022 and 2021, respectively.

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Income taxes

NACG qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is only subject to federal or state income taxes on specific types of income from activities that are unrelated to its exempt purpose. NACG had no income from unrelated activities and has no income taxes due as of December 31, 2022 and 2021.

NACG's application of ASC 740 regarding uncertain tax positions had no effect on its financial position as management believes NACG has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. NACG would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. NACG is no longer subject to examination by federal, state or local tax authorities for periods before 2019.

Functional expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of NACG. Those expenses including salaries and wages, payroll taxes, employee benefits, office expenses, professional fees, professional development, postage, printing, insurance and depreciation, which are allocated on the basis of estimates of time and effort.

Recently adopted accounting guidance

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on the entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standard, as amended, is to be applied retrospectively to annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The NACG adopted the standard on January 1, 2022, on a retrospective basis. The standard did not have a material impact on the financial statements or disclosures.

Subsequent events

Subsequent events have been evaluated through June 2, 2023, which is the date the financial statements were available to be issued.

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

3. AVAILABILITY AND LIQUIDITY

The following represents NACG's financial assets at December 31, 2022, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

Financial assets:	
Cash and cash equivalents	\$ 1,691,797
Accounts receivable	6,827
Grants receivable	<u>50,000</u>
Financial assets at year-end	1,748,624
Less amounts unavailable to be used within one year:	
Net assets with donor restrictions	<u>(105,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,643,624</u>

NACG's goal is generally to maintain financial assets to meet 6 month of operating expenses.

4. FIXED ASSETS, NET

Equipment at December 31, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Office equipment	\$ 3,342	\$ 3,342
Website	27,850	17,325
Less accumulated depreciation	<u>(7,883)</u>	<u>(3,000)</u>
Fixed assets, net	<u>\$ 23,309</u>	<u>\$ 17,667</u>

5. INVENTORY

Inventory consists of books. The books are stated at the lower of cost or net realizable value.

6. NET ASSETS

Net assets with donor restrictions were as follows for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to expenditures for specific purpose:		
Restricted for resource development	<u>\$ 105,000</u>	<u>\$ 30,000</u>
Total net assets with donor restrictions	<u>\$ 105,000</u>	<u>\$ 30,000</u>

NATIONAL ALLIANCE FOR CHILDREN'S GRIEF, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

6. NET ASSETS – continued

Net assets with donor restrictions released from restrictions were as follows for the years ended December 31, 2022 and 2021:

	2022	2021
Restricted for providing grants to established bereavement providers	\$ 230,000	\$ -
Restricted for Summer Grief Day Camp	35,000	-
Restricted for resource development	30,000	30,000
Restricted for symposium	15,000	-
Restricted for various programs	-	<u>250,000</u>
Total released from restrictions	<u>\$ 310,000</u>	<u>\$ 280,000</u>

7. PAYCHECK PROTECTION PROGRAM

In March 2020, the President of the United States signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act, which provides Payroll Protection Program (PPP) loans to small businesses facing an unprecedented economic disruption due to the Coronavirus (COVID-19) outbreak. Paycheck Protection Program loans provide a direct incentive for small businesses to keep their workers on the payroll and to maintain their operations. On February 4, 2021, NACG was granted a loan of \$61,350 from the U.S. Government's Payroll Protection Program (PPP). The loan was fully forgiven in 2021, and NACG recognized \$61,350 as grants and other support for the year ended December 31, 2021.

8. CONCENTRATIONS

Banking:

At certain times during the years, NACG had funds in excess of federally insured deposit limits on deposit with federally insured financial institutions. However, management does not believe that this creates any undue risk for NACG.

Revenue and receivables:

Approximately 29% of revenue for the year ended December 31, 2022 was from one grantor. Grant receivables related to this grantor was \$50,000, which is approximately 88% of all receivables.

Approximately 29% of revenue for the year ended December 31, 2021 was from one grantor. Grant receivables related to this grantor was \$50,000, which is approximately 83% of all receivables.