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NORTH AMERICAN ASSOCIATION OF CHRISTIANS IN SOCIAL WORK

ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020

NORTH AMERICAN ASSOCIATION OF CHRISTIANS IN SOCIAL WORK

Contents

Year Ended December 31, 2020

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
The North American Association of Christians in Social Work
Palos Heights, IL

We have reviewed the accompanying financial statements of The North American Association of Christians in Social Work (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cashflows for the year 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 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 engagement 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.

Accountant's Conclusion

Based on our review, 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.

George Roach & Associates, P.C.

George Roach & Associates, P.C.
Crystal Lake, IL
March 19, 2021

BASIC FINANCIAL STATEMENTS

THE NORTH AMERICAN ASSOCIATION OF CHRISTIANS IN SOCIAL WORK

STATEMENT OF FINANCIAL POSITION

December 31, 2020

Assets	
Cash and cash equivalents	\$ 112,026
Inventory	23,663
Accounts receivable (net of \$0 allowance)	8,500
Prepaid expenses	11,460
Total Assets	155,649
Fixed Assets	
Office equipment	14,199
Less: accumulated depreciation	(14,199)
Total Fixed Assets	-
Total Assets	\$ 155,649
Liabilities	
Current Liabilities	
Accounts payable	\$ 1,416
Payroll & sales tax liabilities	4,769
Deferred revenue	38,307
Custodial funds	26,665
Total Current Liabilities	71,157
Total Liabilities	71,157
Net Assets	
Without donor restrictions	61,487
With donor restrictions	23,005
Total Net Assets	84,492
Total Liabilities and Net Assets	\$ 155,649

See accompanying notes and independent accountant's review report.

THE NORTH AMERICAN ASSOCIATION OF CHRISTIANS IN SOCIAL WORK

STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Dues	\$ 66,528	\$ -	\$ 66,528
Contributions	16,941	2,800	19,741
Convention income	45,373	-	45,373
Sales	70,934	-	70,934
Contributions - education program	10,058	-	10,058
Interest & dividends	212	-	212
Conference income	789	-	789
JobNet income	2,537	-	2,537
Other income	30,815	-	30,815
Total Revenue	244,187	2,800	246,987
Expenditures			
Program services	226,116	-	226,116
Supporting services			
Management & general	58,582	-	58,582
Fundraising	24,673	-	24,673
Total Expenditures	309,371	-	309,371
Change in Net Assets	(65,184)	2,800	(62,384)
Net Assets, Beginning of Year as Previously Stated	148,949	20,205	169,154
Net Assets, Beginning of Year as Restated	126,671	20,205	146,876
Net Assets, End of Year	\$ 61,487	\$ 23,005	\$ 84,492

See accompanying notes and independent accountant's review report.

THE NORTH AMERICAN ASSOCIATION OF CHRISTIANS IN SOCIAL WORK

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

Expenses	Program Services	Supporting Services		Total
		Management & General	Fundraising	
Salaries	\$ 159,162	\$ 36,564	\$ 19,358	\$ 215,084
Payroll taxes	17,162	3,942	2,087	23,191
Employee benefits	11,171	2,566	1,359	15,096
Cost of sales	5,138	-	-	5,138
Professional journal expenses	9,978	-	-	9,978
Accounting	-	1,673	-	1,673
Office supplies & expense	1,736	-	855	2,591
Telephone	2,509	836	-	3,345
Postage & shipping	701	14	686	1,401
Facilities expense	5,542	1,847	-	7,389
Technology support	4,532	1,511	-	6,043
Insurance expense	2,742	914	-	3,656
Depreciation expense	-	503	-	503
Bank & credit card fees	-	4,665	-	4,665
Travel	510	-	-	510
Miscellaneous expense	-	60	-	60
Convention	4,467	-	-	4,467
Publications, dues & fees	-	436	-	436
Chapter services	399	-	-	399
Marketing & advertising	-	3,043	-	3,043
Membership development	-	-	328	328
Training & development	67	8	-	75
Conference expense	300	-	-	300
Total Expenses	<u>\$ 226,116</u>	<u>\$ 58,582</u>	<u>\$ 24,673</u>	<u>\$ 309,371</u>

See accompanying notes and independent accountant's review report.

THE NORTH AMERICAN ASSOCIATION OF CHRISTIANS IN SOCIAL WORK**STATEMENT OF CASHFLOWS***Year Ended December 31, 2020*

Change in Net Assets	\$ (62,384)
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**Adjustments to Reconcile Net Assets to Cash
Used by Operating Activities**

Depreciation/Amortization	503
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Change in Net Assets:

(Increase)/decrease inventory	(7,255)
(Increase)/decrease receivables	(1,538)
(Increase)/decrease prepaid expenses	745
(Increase)/decrease deferred expenses	(1,500)
Increase/(decrease) accounts payable	1,415
Increase/(decrease) deferred revenue	3,521
Increase/(decrease) payroll & sales tax liabilities	4,769

Net Cash Provided by Operating Activities	<u>(61,724)</u>
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Cashflows from Investing Activities

Increase/(decrease) custodial funds	<u>2,022</u>
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Net Cash Provided by Investing Activities	<u>2,022</u>
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Net Increase/(Decrease) in Cash	(59,702)
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Cash, Beginning of Year	<u>171,728</u>
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Cash, End of Year	<u><u>\$ 112,026</u></u>
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Cash payments for interest made during the year were \$0.

See accompanying notes and independent accountant's review report.

NOTES TO THE BASIC
FINANCIAL STATEMENTS

NORTH AMERICAN ASSOCIATION OF CHRISTIANS IN SOCIAL WORK

Notes to Financial Statements

Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the North American Association of Christians in Social Work (N.A.C.S.W.) is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of the organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

NATURE OF ACTIVITIES–

N.A.C.S.W. is a non-profit organization founded in 1954. The organization supports the integration of Christian faith and professional social work practice in the lives of its members, the profession and the church, promoting love and justice in social service and social reform.

BASIS OF ACCOUNTING –

The financial statements of N.A.C.S.W. have been prepared using the accrual basis of accounting. Therefore, revenues are recognized when earned, and expenses when the obligation is incurred.

BASIS OF PRESENTATION –

Under Financial Accounting Standards Board (FASB) Accounting Codified Standards (ASU) 2016-14, *Not-for-profit Entities*, the organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions represent funds which are fully available at the discretion of the Board of Directors for the organization to utilize in any of its programs or supporting services.

Net assets with donor restrictions are comprised of funds which are restricted by donors for specific purposes or time periods. Donor imposed stipulations may or will be met, either by actions of the organization or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restrictions and reported on the statement of revenues, expenses, and other changes in net assets as net assets released from restrictions. Net assets with donor restrictions include contributions which donors have specified must be maintained in perpetuity by the organization. The related income may be expended for some such purposes as specified by the donor, or if none, then for the general purpose of the organization.

USE OF ESTIMATES –

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NORTH AMERICAN ASSOCIATION OF CHRISTIANS IN SOCIAL WORK

Notes to Financial Statements

Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE AND BAD DEBTS –

Accounts receivable are amounts due from sales of publications and videos. Since there have been very few bad debts in the past several years, N.A.C.S.W. writes off bad debts when they are deemed uncollectible.

INVENTORY –

Inventory is stated at the lower of cost or market and consists primarily of publications, video and audio media and other items available for resale.

CASH AND CASH EQUIVALENTS –

Cash and cash equivalents consist of cash held in checking and investment money market accounts. Management believes the organization is not exposed to any significant credit risk on cash and cash equivalents.

PROPERTY AND EQUIPMENT –

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method based upon the following useful lives:

<u>Property Type</u>	<u>Life in Years</u>
Building Improvements	3 to 20
Furniture and Fixtures	5
Computer Equipment	5
Office and Other Equipment	5

Maintenance, repairs and renewals which neither materially add to the value of the property nor prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income. Generally, \$1,000 is the amount at which assets will be capitalized.

NORTH AMERICAN ASSOCIATION OF CHRISTIANS IN SOCIAL WORK

Notes to Financial Statements

Year Ended December 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION –

Contributions under Financial Accounting Standards Board (FASB) Accounting Codified Standards (ASU) 2016-14 Not-for-profit Entities, contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the absence or existence of any donor restrictions. When the donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

ALLOCATION OF EXPENSES –

Certain expenses, including salaries, depreciation and facility operations are allocated on a functional basis between program and supporting services in the statement of activities. These allocations are based upon management's estimate of the percentage of expenses used for each purpose.

INCOME TAXES –

The organization is exempt from most federal and state income taxes under Internal Revenue Code Section 501(c)(3). As a tax-exempt entity, the organization has not paid or accrued any income taxes, interest or penalties associated with income taxes. In addition, the organization has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. As of December 31, 2020, the organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The organization's Form 990, “Return of an Organization Exempt from Income Tax” for the years ending December 31, 2019, 2018 and 2017 are subject to examination by the IRS, for generally up to three years after they have been filed.

SUBSEQUENT EVENTS –

The organization has reviewed and evaluated subsequent events from the balance sheet date of December 31, 2020 through the financial statement issue date as shown on the independent accountant's review report. There were no material subsequent events that occurred during this time frame.

NOTE 2 – CASH DEPOSITS

At December 31, 2020, the reported cash amount was \$112,026 and the bank balance was \$119,132. Of the bank balance, \$119,132 was covered by federal depository insurance. The uninsured and uncollateralized deposits were \$0 for the year ended December 31, 2020.

NORTH AMERICAN ASSOCIATION OF CHRISTIANS IN SOCIAL WORK

Notes to Financial Statements

Year Ended December 31, 2020

NOTE 3 – PROPERTY AND EQUIPMENT

Property and Equipment consist of the following as of December 31, 2020:

Capital Asset Activity for the year is as follows:

	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020
Depreciable Capital Assets				
Equipment, furniture, and fixtures	\$ 14,199	\$ -	\$ -	\$ 14,199
Total Depreciable Capital Assets	14,199	-	-	14,199
Accumulated Depreciation				
Equipment, furniture, and fixtures	13,696	503	-	14,199
Total Accumulated Depreciation	13,696	503	-	14,199
Total Net Depreciable Capital Assets	503	(503)	-	-
Total Net Capital Assets	\$ 503	\$ (503)	\$ -	\$ -

NOTE 4 – BOARD DESIGNATED NET ASSETS

The Board of Directors has, in the past, designated that a portion of the net assets without donor restrictions be set aside as a reserve for the possibility of a future convention shortfall. During the year ended December 31, 2020, the board release all \$7,150 that had been designated in the past for use in the current year for operating expenses due to the current year convention shortfall.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2020, the organization has net assets with donor restrictions for program expenditures and a permanent endowment. Purpose restricted funds amount to \$20,740 and the permanent endowment amounts to \$2,265.

NOTE 6 – CONTINGENCIES

The Organization is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 7 – SUBSEQUENT EVENTS

The organization has reviewed and evaluated material for subsequent events disclosure from the balance sheet date of December 31, 2020 through the financial statement issue date as shown on the independent accountant's review report. There are no materially significant events that need to be recognized during this period.

NORTH AMERICAN ASSOCIATION OF CHRISTIANS IN SOCIAL WORK

Notes to Financial Statements

Year Ended December 31, 2020

NOTE 8 – RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major assets and programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 9 –RESTATEMENT OF NET ASSETS WITHOUT DONOR RESTRICTIONS

The organization, in prior years, had accumulated accounts receivable balances that are determined by management to have been uncollectable. The accumulation of this balance had occurred in prior years and no collection of these prior balances have occurred in the current fiscal year, therefore management determined that in review, these balances should also have not been recognized in those prior years.

Net Assets Without Donor Restrictions, as Previously Stated	\$ 148,949
Prior Period Uncollectable Accounts Receivable	<u>(22,278)</u>
Net Assets Without Donor Restrictions, as Restated	<u><u>\$ 126,671</u></u>