



Campus Compact

Mid-Atlantic

**Financial Statements and
Independent Accountants' Review Report**

For the Years Ended June 30, 2019 and 2018

**Campus Compact Mid-Atlantic
For the Years Ended June 30, 2019 and 2018**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of Campus Compact Mid-Atlantic

We have reviewed the accompanying financial statements of Campus Compact Mid-Atlantic (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018 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 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.

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Independent Accountants' Review Report
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Emphasis of Matter

Campus Compact Mid-Atlantic has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, as described in Note 2. Our conclusion is not modified with respect to this matter.

DeLeon & Stang

**DeLeon and Stang, CPAs and Advisors
Frederick, Maryland
January 9, 2020**



CAMPUS COMPACT MID-ATLANTIC
Statements of Financial Position
June 30, 2019 and 2018

	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 284,464	\$ 185,967
Grants receivable	41,806	5,090
Pledges receivable	100,000	100,000
Prepaid expenses	5,517	8,526
Total Current Assets	431,787	299,583
Other Assets		
Long term investments	684,666	665,887
Total Other Assets	684,666	665,887
Total Assets	\$ 1,116,453	\$ 965,470
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ -	\$ -
Accrued liabilities	39,451	47,270
Deferred revenue	186,230	71,500
Total Current Liabilities	225,681	118,770
Net Assets		
Undesignated	390,772	346,700
Board designated	400,000	400,000
Total net assets without donor restrictions	790,772	746,700
With donor restrictions	100,000	100,000
Total Net Assets	890,772	846,700
Total Liabilities and Net Assets	\$ 1,116,453	\$ 965,470

CAMPUS COMPACT MID-ATLANTIC
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2019 and 2018

	2019	2018
Support and Revenues Without Donor Restrictions		
Contributions	\$ 8,134	\$ 3,262
VISTA grant	43,762	35,703
PeaceJam grant	59,465	-
Administration fees	176,000	161,000
Membership dues	249,763	246,702
Investment income	23,727	36,472
Other income	330	383
Conferences and meetings	38,049	18,272
Total Support and Revenues Without Donor Restrictions	599,230	501,794
Net assets released from restrictions	100,000	100,000
Total Support and Revenues Without Donor Restrictions and Reclassifications	699,230	601,794
Expenses		
Program services	435,784	348,251
Supporting Services:		
General and administrative	215,623	153,587
Fundraising	3,751	3,490
Total Expenses	655,158	505,328
Change in net assets without donor restrictions	44,072	96,466
Net Assets With Donor Restrictions		
Contributions	100,000	100,000
Net assets released from restrictions	(100,000)	(100,000)
Change in net assets with donor restrictions	-	-
Change in net assets	44,072	96,466
Net assets - beginning of year	846,700	750,234
Net assets - end of year	\$ 890,772	\$ 846,700

CAMPUS COMPACT MID-ATLANTIC
Statement of Functional Expenses
For the Year Ended June 30, 2019

Supporting Services

Expenses	Program	General and		Total
	Activities	Administrative	Fundraising	
Salaries & benefits	\$ 329,004	\$ 141,356	\$ 3,150	\$ 473,510
Conferences & meetings	28,473	-	-	28,473
Travel	20,653	-	-	20,653
Dues	28,494	-	-	28,494
Other program expenses	20,400	-	-	20,400
Printing	1,530	-	-	1,530
Contracted services	7,230	25,318	-	32,548
Insurance	-	1,732	-	1,732
Office expenses	-	32,300	-	32,300
Investment management fees	-	4,948	-	4,948
Professional fees	-	8,967	-	8,967
Miscellaneous	-	1,002	601	1,603
Total Expenses	<u>\$ 435,784</u>	<u>\$ 215,623</u>	<u>\$ 3,751</u>	<u>\$ 655,158</u>

CAMPUS COMPACT MID-ATLANTIC
Statement of Functional Expenses
For the Year Ended June 30, 2018

Supporting Services

Expenses	Program	General and		Total
	Activities	Administrative	Fundraising	
Salaries & benefits	\$ 206,291	\$ 87,284	\$ 3,150	\$ 296,725
Rent	1,200	-	-	1,200
Conferences & meetings	20,804	-	-	20,804
Travel	11,789	-	-	11,789
Dues	25,968	-	-	25,968
Other program expenses	69,863	-	-	69,863
Printing	378	-	-	378
Contracted services	11,958	22,309	-	34,267
Insurance	-	3,596	-	3,596
Office expenses	-	28,942	-	28,942
Investment management fees	-	3,415	-	3,415
Professional fees	-	644	-	644
Miscellaneous	-	7,397	340	7,737
Total Expenses	<u>\$ 348,251</u>	<u>\$ 153,587</u>	<u>\$ 3,490</u>	<u>\$ 505,328</u>

CAMPUS COMPACT MID-ATLANTIC
Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

	2019	2018
Reconciliation of change in net assets to net cash from operating activities		
Change in net assets	\$ 44,072	\$ 96,466
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (gain) loss on investments	1,241	(19,019)
Changes in operating assets and liabilities:		
Grants receivable	(36,716)	20,480
Prepaid expenses	3,009	(8,526)
Accounts payable	-	(6,750)
Accrued liabilities	(7,819)	16,690
Deferred revenue	114,730	(43,726)
Net cash provided by operating activities	118,517	55,615
Cash flows from investing activities		
Net purchase of long term investments	(20,020)	(214,038)
Net cash used in investing activities	(20,020)	(214,038)
Increase (decrease) in cash and cash equivalents	98,497	(158,423)
Cash and cash equivalents, beginning of year	185,967	344,390
Cash and cash equivalents, end of year	\$ 284,464	\$ 185,967

CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 1 - NATURE OF OPERATIONS

Campus Compact Mid-Atlantic (the Organization), formerly Maryland-District of Columbia Campus Compact (MDCCC), is a non-profit membership association of public, private, 2- and 4-year colleges and universities. The Organization provides leadership to colleges and universities in Maryland, Delaware and Washington, D.C., by advocating, supporting, and encouraging institutional participation in academic and co-curricular based public service and civic engagement programs. The Organization strengthens the capacity of member institutions to enhance student learning and to meaningfully engage with communities.

MDCCC changed its name to Campus Compact Mid-Atlantic, effective May 25, 2017.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting principles followed are described below.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when they are incurred, without regard to receipt or payment of cash.

Financial Statement Presentation

The financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210, "Not-for-Profit Entities". Under FASB ASC 958-210, 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 – net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization.

Net Assets With Donor Restrictions – net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, 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.

CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Organization considers all short-term, highly liquid investments with a maturity date within 90 days of purchase as cash equivalents.

Receivables

Receivables are stated at the amount management expects to collect from balances outstanding at year end. Accounts receivable are written off when deemed uncollectible. The Organization considers all receivables at June 30, 2019 and 2018 to be fully collectible; accordingly, no allowance for doubtful accounts is deemed necessary.

Property and equipment

The Organization has adopted a capitalization policy of \$5,000. To date, there have been no items acquired exceeding that threshold. Accordingly, all equipment purchased or acquired by donation has been recorded as office expense in the statements of activities and changes in net assets.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

Investment balances are subject to market fluctuations and credit risks. Therefore, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value in subsequent periods.

Deferred revenue

Deferred revenue represents membership dues collected in advance from members for the next fiscal year and administrative fees collected in advance from the participating institutions for the next fiscal year's VISTA program. The totals are as follows as of June 30:

	2019	2018
Membership dues	\$ 71,230	\$ -
Administrative fees	<u>115,000</u>	<u>71,500</u>
Total	<u>\$ 186,230</u>	<u>\$ 71,500</u>

CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support and Revenue

Contributions are recorded as income when made, which may be when cash or other assets are received or unconditionally promised. Contributions restricted by the donor for a specific purpose are recorded as net assets with donor restrictions until funds have been expended by the Organization for the purposes specified. Upon satisfaction of the restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Membership dues are recorded as income in the fiscal year for which they are assessed. Dues paid in advance are reflected as deferred revenue.

The VISTA grant is a cost-reimbursement grant for the AmeriCorps VISTA program. Revenue is recognized in the period during which the costs are incurred.

All other revenues are recognized in the period earned.

Functional Allocation of Expenses

The costs of providing various program services and supporting activities have been reported on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated based on actual work hours reported on employee time sheets.

Advertising Expense

Advertising costs are expensed as incurred. Advertising expenses for the years ended June 30, 2019 and 2018 were \$0 and \$378, respectively.

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.

CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Standards

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Organization adopted the provisions of this new standard for the year ended June 30, 2019. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources, required analysis of expenses by both nature and function and additional disclosures related to the functional allocation of expenses. This ASU has been applied retrospectively to all periods presented with the exception of the omission of certain information as permitted by the ASU.

NOTE 3 - CONCENTRATIONS

Credit Risk

The Organization maintains cash balances at one local financial institution. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

As of June 30, 2019 and 2018, there were unsecured deposits of \$78,499 and \$0, respectively.

The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk.

Grants Receivable

At June 30, 2019, grants receivable were due from two grantors. At June 30, 2018, grants receivable were due from one grantor for the VISTA program.

Sources of Revenues

For the years ended June 30, 2019 and 2018, contributions from one donor totaled \$100,000 and represented 14% and 17% of total revenues, respectively.

NOTE 4 - PLEDGES RECEIVABLE

At June 30, 2019 and 2018, the Organization has a total \$100,000 pledge receivable from one donor, to be collected within the next year and to be used, respectively, for fiscal year 2020 and 2019, respectively.

CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 5 - INVESTMENTS

The following is a summary of the investments at June 30, 2019:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain/(Loss)</u>
Cash and Equivalents	\$ 13,558	\$ 13,558	\$ -
Taxable Bond Funds	122,756	124,214	1,458
Treasury Inflation Protected Securities	41,896	41,559	(337)
International Bonds	35,865	36,528	663
U.S. Equities	153,631	178,792	25,161
International Equities	74,142	79,023	4,881
Other	205,541	210,992	5,451
	<u>\$ 647,389</u>	<u>\$ 684,666</u>	<u>\$ 37,277</u>

The following is a summary of the investments at June 30, 2018:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain/(Loss)</u>
Cash and Equivalents	\$ 13,586	\$ 13,586	\$ -
Taxable Bond Funds	119,293	117,176	(2,117)
Treasury Inflation Protected Securities	41,157	39,694	(1,463)
International Bonds	34,927	34,500	(427)
U.S. Equities	144,737	169,565	24,828
International Equities	71,008	79,763	8,755
Other	202,376	211,603	9,227
	<u>\$ 627,084</u>	<u>\$ 665,887</u>	<u>\$ 38,803</u>

The following is a summary of investment income for the year ended June 30:

	<u>2019</u>	<u>2018</u>
Interest and dividends	24,968	17,453
Realized gain (loss)	(3,838)	3,275
Unrealized gain	2,597	15,744
	<u>\$ 23,727</u>	<u>\$ 36,472</u>

NOTE 6 - FAIR VALUES

FASB ASC 820-10 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 6 - FAIR VALUES (Continued)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The input levels used for valuing the assets and liabilities are not necessarily an indication of risk

The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds, Treasury Securities and Federal Agencies – similar assets valued at the closing price reported on the active market on which the individual securities are traded.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 6 - FAIR VALUES (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Equivalents	\$ 13,558	\$ -	\$ -	\$ 13,558
Taxable Bond Funds	124,214	-	-	124,214
Treasury Inflation Protected Securities	41,559	-	-	41,559
International Bonds	36,528	-	-	36,528
U.S. Equities	178,792	-	-	178,792
International Equities	79,023	-	-	79,023
Other mutual funds	210,992	-	-	210,992
	<u>\$684,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$684,666</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's investments as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Equivalents	\$ 13,586	\$ -	\$ -	\$ 13,586
Taxable Bond Funds	117,176	-	-	117,176
Treasury Inflation Protected Securities	39,694	-	-	39,694
International Bonds	34,500	-	-	34,500
U.S. Equities	169,565	-	-	169,565
International Equities	79,763	-	-	79,763
Other mutual funds	211,603	-	-	211,603
	<u>\$665,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$665,887</u>

NOTE 7 - RETIREMENT PLAN

The Organization maintains a SEP IRA plan for its employees and contributes up to 15% of gross wages into each eligible employee's account, depending on how much money is available in the budget. Contributions are made every six months as funds are available. Total contributions for the years ended June 30, 2019 and 2018 were \$36,766 and \$25,320, respectively.

CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 8 - INCOME TAXES

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation under Section 509(a) of the Code. As such, it is exempt from income taxes on all but unrelated business income. The Organization has not received any notices from the Internal Revenue Service which would affect its status as an exempt, charitable organization. There was no unrelated business income for the years ended June 30, 2019 and 2018.

The Organization has adopted FASB ASC 740-10 and Accounting Standards Update (ASU) 2009-06. As part of that adoption, the Organization considered the possibility of uncertain tax positions and their impact on the financial position of the Organization. The most significant tax positions of the Organization are its tax-exempt status and the determination of unrelated business taxable income. As of June 30, 2019 and 2018, management did not identify any uncertain tax positions.

The Organization accrues interest and penalties (if applicable) in income taxes payable on the Statement of Financial Position and records any expense in the provision for income taxes in the Statement of Activities and Changes in Net Assets. The Organization had no penalties or income taxes for the years ended June 30, 2019 and 2018. Pursuant to Internal Revenue Service rules for the statute of limitations, the Organization believes it is no longer subject to U.S. federal, state, and local income tax examinations by taxing authorities for years before 2016.

NOTE 9 - RELATED PARTY TRANSACTIONS

The Organization collects membership dues for the National Campus Compact (NCC) together with its member dues. All the dues collected are recorded as revenue, and the NCC portion is then recorded as expense. The total expense for NCC dues was \$28,494 and \$25,968 for the years ended June 30, 2019 and 2018, respectively.

NOTE 10 - NET ASSETS

As of June 30, 2019 and 2018, the board has designated \$400,000 as an operating reserve for future periods.

As of June 30, 2019 and 2018, net assets with donor restrictions consist of \$100,000 pledge made in the current fiscal year to be used in the following fiscal year.

CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2019 and 2018

NOTE 11 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects the Organization’s financial assets as of June 30, 2019, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid, not convertible to cash within one year or because the governing board has set aside the funds for a specific purpose.

	<u>2019</u>
Financial assets at year-end	
Cash and cash equivalents	\$ 284,464
Investments	684,666
Grants receivable	41,806
Pledges receivable	<u>100,000</u>
Total financial assets	\$ 1,110,936
Less amounts not available to be used within one year:	
Funds earmarked for future operating reserves	<u>400,000</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u><u>\$ 710,936</u></u>

The Organization’s goal is generally to maintain financial assets to meet six months of operating expenses. The Organization has policies to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The \$400,000 balance in Funds earmarked for future operating reserves can be accessed, with Board approvals, for both organization growth and to meet short term liquidity needs that may arise from unexpected events.

NOTE 12 - SUBSEQUENT EVENTS

Subsequent events are defined as events or transactions that occur after the statement of financial position date through the date that the financial statements are available to be issued. The Organization performed an evaluation as of January 9, 2020, the date the financial statements were available to be issued. There were no events requiring recognition or disclosure in the financial statements.