



Campus Compact
Mid-Atlantic

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

**For the Years Ended
June 30, 2021 and 2020**

CAMPUS COMPACT MID-ATLANTIC
June 30, 2021 and 2020

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Draft



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of Campus Compact Mid-Atlantic Frederick, Maryland

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, 2021 and 2020 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 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.

We are required to be independent of Campus Compact Mid-Atlantic and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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.

DeLeon & Stang, CPAs and Advisors
Frederick, Maryland
_____, 2021

CAMPUS COMPACT MID-ATLANTIC
Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 485,163	\$ 380,864
Grants receivable	8,494	15,191
Pledges receivable	100,000	100,000
Prepaid expenses	-	3,634
Total Current Assets	593,657	499,689
Other Assets		
Long term investments	889,046	678,735
Total Other Assets	889,046	678,735
Total Assets	\$ 1,482,703	\$ 1,178,424
Liabilities and Net Assets		
Current Liabilities		
Accrued liabilities	\$ 45,696	\$ 44,113
Deferred revenue	156,736	124,246
Total Current Liabilities	202,432	168,359
Other Liabilities		
Loan payable	90,600	90,600
Total Other Liabilities	90,600	90,600
Total Liabilities	293,032	258,959
Net Assets		
Without donor restrictions		
Undesignated	679,671	419,465
Board designated	400,000	400,000
Total net assets without donor restrictions	1,079,671	819,465
With donor restrictions	110,000	100,000
Total Net Assets	1,189,671	919,465
Total Liabilities and Net Assets	\$ 1,482,703	\$ 1,178,424

CAMPUS COMPACT MID-ATLANTIC
Statements of Activities
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Support and Revenues Without Donor Restrictions		
Contributions	\$ 4,866	\$ 29,506
VISTA grant	30,001	42,000
PeaceJam grant	-	15,239
Administration fees	199,500	210,500
Membership dues	219,051	234,707
Investment income (loss), net	210,311	(5,931)
Other income	577	10,000
Conferences and meetings	-	7,141
	<hr/>	<hr/>
Total Support and Revenues Without Donor Restrictions	664,306	543,162
Net assets released from restrictions	100,000	100,000
	<hr/>	<hr/>
Total Support and Revenues Without Donor Restrictions and Reclassifications	764,306	643,162
Expenses		
Program services	337,879	435,700
Supporting Services:		
General and administrative	162,749	175,044
Fundraising	3,472	3,725
	<hr/>	<hr/>
Total Expenses	504,100	614,469
Change in net assets without donor restrictions	<hr/>	<hr/>
	260,206	28,693
Net Assets With Donor Restrictions		
Contributions	110,000	100,000
Net assets released from restrictions	(100,000)	(100,000)
	<hr/>	<hr/>
Change in net assets with donor restrictions	10,000	-
Change in net assets	270,206	28,693
Net assets - beginning of year	<hr/>	<hr/>
	919,465	890,772
Net assets - end of year	<hr/> <u>\$ 1,189,671</u>	<hr/> <u>\$ 919,465</u>

**CAMPUS COMPACT MID-ATLANTIC
Statement of Functional Expenses
For the Year Ended June 30, 2021**

Expenses	<u>Supporting Services</u>				Total
	<u>Program Activities</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries & benefits	\$ 248,449	\$ 106,957	\$ 3,150	\$ 110,107	\$ 358,556
Conferences & meetings	489	-	-	-	489
Travel	2,725	-	-	-	2,725
Dues	21,690	-	-	-	21,690
Other program expenses	51,978	-	-	-	51,978
Contracted services	12,548	33,680	-	33,680	46,228
Insurance	-	2,984	-	2,984	2,984
Office expenses	-	18,585	-	18,585	18,585
Professional fees	-	530	-	530	530
Miscellaneous	-	13	322	335	335
Total Expenses	<u>\$ 337,879</u>	<u>\$ 162,749</u>	<u>\$ 3,472</u>	<u>\$ 166,221</u>	<u>\$ 504,100</u>

**CAMPUS COMPACT MID-ATLANTIC
Statement of Functional Expenses
For the Year Ended June 30, 2020**

Expenses	Supporting Services				Total
	Program Activities	General and Administrative	Fundraising	Total Supporting Services	
Salaries & benefits	\$ 278,168	\$ 124,695	\$ 3,150	\$ 127,845	\$ 406,013
Conferences & meetings	14,663	-	-	-	14,663
Travel	13,244	-	-	-	13,244
Dues	23,374	-	-	-	23,374
Other program expenses	95,459	-	-	-	95,459
Printing	286	-	-	-	286
Contracted services	10,506	21,686	-	21,686	32,192
Insurance	-	2,175	-	2,175	2,175
Office expenses	-	19,959	-	19,959	19,959
Professional fees	-	6,476	-	6,476	6,476
Miscellaneous	-	53	575	628	628
Total Expenses	\$ 435,700	\$ 175,044	\$ 3,725	\$ 178,769	\$ 614,469

CAMPUS COMPACT MID-ATLANTIC
Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Reconciliation of change in net assets to net cash from operating activities		
Change in net assets	\$ 270,206	\$ 28,693
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (gain) loss on investments	(199,686)	23,280
Changes in operating assets and liabilities:		
Grants receivable	6,697	26,615
Prepaid expenses	3,634	1,883
Accrued liabilities	1,583	4,662
Deferred revenue	32,490	(61,984)
Net cash provided by operating activities	114,924	23,149
Cash flows from investing activities		
Net purchases of long term investments	(10,625)	(17,349)
Net cash used in investing activities	(10,625)	(17,349)
Cash flows from financing activities		
Proceeds from loan payable	-	90,600
Net cash provided by investing activities	-	90,600
Increase in cash and cash equivalents	104,299	96,400
Cash and cash equivalents, beginning of year	380,864	284,464
Cash and cash equivalents, end of year	\$ 485,163	\$ 380,864

CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2021 and 2020

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.

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.

CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021 and 2020 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:

	<u>2021</u>	<u>2020</u>
Membership dues	\$ 44,236	\$ 26,746
Administrative fees	<u>112,500</u>	<u>97,500</u>
Total	<u>\$ 156,736</u>	<u>\$ 124,246</u>

CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2021 and 2020

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 or future periods are recorded as net assets with donor restrictions until funds have been expended by the Organization for the purposes specified or when the stipulated time restriction ends. 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.

Various economic factors affect revenues and cash flows.

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, 2021 and 2020 were \$0 and \$286, 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.

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CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2021 and 2020

NOTE 3 - CONCENTRATIONS, RISK AND UNCERTAINTIES

Credit Risk

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

As of June 30, 2021 and 2020, there were unsecured deposits of \$43,483 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, 2021 and 2020 grants were due from one grantor for the VISTA program.

Sources of Revenues

For the years ended June 30, 2021 and 2020, contributions from one donor totaled \$110,000 and \$125,000, respectively, and represented 14% and 19% of total revenues, respectively.

Global Pandemic

U.S. and global business and financial markets continue to be severely impacted by the Coronavirus pandemic. This has resulted in extreme fluctuations of the fair values of investments in the immediate term. The potential long-term impact on the Organization's investments, revenue, expenses, and cash flows cannot be determined at this time.

NOTE 4 - PLEDGES RECEIVABLE

At June 30, 2021 and 2020, the Organization has a total \$100,000 pledge receivable from one donor, to be collected within the next year and to be used for fiscal year 2021 and 2020, respectively.

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CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2021 and 2020

NOTE 5 - INVESTMENTS

The following is a summary of the investments at June 30, 2021:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain/(Loss)</u>
Cash and Equivalents	\$ 15,642	\$ 15,642	\$ -
Taxable Bond Funds	122,089	124,599	2,510
Treasury Inflation			
Protected Securities	42,481	46,277	3,796
International Bonds	38,039	39,232	1,193
U.S. Equities	164,203	254,777	90,574
International Equities	69,874	101,110	31,236
Other	227,651	307,409	79,758
	<u>\$ 679,979</u>	<u>\$ 889,046</u>	<u>\$ 209,067</u>

The following is a summary of the investments at June 30, 2020:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain/(Loss)</u>
Cash and Equivalents	\$ 10,557	\$ 10,557	\$ -
Taxable Bond Funds	100,697	105,340	4,643
Treasury Inflation			
Protected Securities	33,694	35,692	1,998
International Bonds	37,325	37,443	118
U.S. Equities	158,774	179,765	20,991
International Equities	76,217	80,598	4,381
Other	246,500	229,340	(17,160)
	<u>\$ 663,764</u>	<u>\$ 678,735</u>	<u>\$ 14,971</u>

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

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 16,428	\$ 21,790
Realized gain (loss)	3,505	(835)
Unrealized gain (loss)	196,181	(22,445)
Less: Investment management fees	(5,803)	(4,441)
Investment income (loss), net	<u>\$ 210,311</u>	<u>\$ (5,931)</u>

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CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2021 and 2020

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.

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, 2021 and 2020

NOTE 6 - FAIR VALUES (Continued)

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2021, are as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Cash and Equivalents	\$ 15,642	\$ 15,642
Taxable Bond Funds	124,599	124,599
Treasury Inflation		
Protected Securities	46,277	46,277
International Bonds	39,232	39,232
U.S. Equities	254,777	254,777
International Equities	101,110	101,110
Other mutual funds	<u>307,409</u>	<u>307,409</u>
	<u>\$ 889,046</u>	<u>\$ 889,046</u>

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2020, are as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Cash and Equivalents	\$ 10,557	\$ 10,557
Taxable Bond Funds	105,340	105,340
Treasury Inflation		
Protected Securities	35,692	35,692
International Bonds	37,443	37,443
U.S. Equities	179,765	179,765
International Equities	80,598	80,598
Other mutual funds	<u>229,340</u>	<u>229,340</u>
	<u>\$ 678,735</u>	<u>\$ 678,735</u>

NOTE 7 - LOAN PAYABLE

On May 15, 2020, the Organization entered into a loan agreement with PNC Bank in the amount of \$90,600 under the Paycheck Protection Program (PPP), which was established as a part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses, as described in the CARES Act such as payroll, benefits, rent, and utilities, and if the Organization maintains its payroll levels.

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CAMPUS COMPACT MID-ATLANTIC
Notes to the Financial Statements
June 30, 2021 and 2020

NOTE 8 - 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, 2021 and 2020 were \$25,118 and \$34,898, respectively.

NOTE 9 - 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, 2021 and 2020.

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, 2021 and 2020, 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, 2021 and 2020. 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 2018.

NOTE 10 - 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 \$21,690 and \$23,374 for the years ended June 30, 2021 and 2020, respectively.

NOTE 11 - NET ASSETS

As of June 30, 2021 and 2020, the board has designated \$400,000 as an operating reserve for future periods.

As of June 30, 2021 and 2020, net assets with donor restrictions consist of \$110,000 and \$100,000, respectively, a 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, 2021 and 2020

NOTE 12 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects the Organization's financial assets as of June 30, 2021 and 2020, 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>2021</u>	<u>2020</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 485,163	\$ 380,864
Investments	889,046	678,735
Grants receivable	8,494	15,191
Pledges receivable	<u>100,000</u>	<u>100,000</u>
Total financial assets	\$ 1,482,703	\$ 1,174,790
Less amounts not available to be used within one year:		
Funds earmarked for future operating reserves	<u>400,000</u>	<u>400,000</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 1,082,703</u>	 <u>\$ 774,790</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 approval, for both organization growth and to meet short term liquidity needs that may arise from unexpected events.

NOTE 13 - SUBSEQUENT EVENTS

On August 6, 2021, the Small Business Administration approved forgiveness of their Paycheck Protection Program loan in the amount of \$86,062 and interest in the amount of \$1,061. The remaining loan amount of \$4,538 plus interest will be paid in fiscal year ending June 30, 2022.

The Organization performed an evaluation as of _____, 2021, the date the financial statements were available to be issued. Except as described above, there were no events requiring recognition or disclosure in the financial statements.