



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

**For the Years Ended  
June 30, 2024 and 2023**

**TRANSFORM MID-ATLANTIC**  
**June 30, 2024 and 2023**

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

### **Board of Directors of *Transform Mid-Atlantic* Frederick, Maryland**

We have reviewed the accompanying financial statements of ***Transform Mid-Atlantic*** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023 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.

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

### **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*

**DeLeon & Stang, CPAs and Advisors  
Frederick, Maryland  
September 4, 2024**

**TRANSFORM MID-ATLANTIC**  
**Statements of Financial Position**  
**June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 607,150	\$ 607,617
Grants receivable	24,501	6,000
Pledges receivable	110,000	100,000
Employee retention credit receivable	-	33,836
VISTA receivable	34,982	15,182
Total Current Assets	776,633	762,635
<b>Other Assets</b>		
Long term investments	940,402	855,467
Total Other Assets	940,402	855,467
<b>Total Assets</b>	\$ 1,717,035	\$ 1,618,102
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accrued liabilities	\$ 71,937	\$ 61,908
Deferred revenue	183,361	193,027
Total Current Liabilities	255,298	254,935
<b>Net Assets</b>		
<u>Without donor restrictions:</u>		
Undesignated	951,737	863,167
Board designated	400,000	400,000
Total net assets without donor restrictions	1,351,737	1,263,167
With donor restrictions	110,000	100,000
Total Net Assets	1,461,737	1,363,167
<b>Total Liabilities and Net Assets</b>	\$ 1,717,035	\$ 1,618,102

**TRANSFORM MID-ATLANTIC**  
**Statements of Activities**  
**For the Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Support and Revenues Without Donor Restrictions</b>		
Contributions	\$ 4,462	\$ 4,168
VISTA grant	57,369	22,633
Grants - other	80,910	-
Administration fees	275,500	250,500
Membership dues	219,176	235,213
Investment income, net	93,211	59,480
Employee retention credit	-	33,836
Other income	425	-
Conferences and meetings	5,687	5,055
 Total Support and Revenues Without Donor Restrictions	 736,740	 610,885
 Net assets released from restrictions	 110,000	 115,573
Total Support and Revenues Without Donor Restrictions and Reclassifications	846,740	726,458
 <b>Expenses</b>		
Program services	534,208	411,859
<u>Supporting services:</u>		
General and administrative	219,578	198,141
Fundraising	4,384	4,129
 Total Expenses	 758,170	 614,129
 Change in net assets without donor restrictions	 88,570	 112,329
 <b>Net Assets With Donor Restrictions</b>		
Contributions	120,000	115,573
Net assets released from restrictions	(110,000)	(115,573)
Change in net assets with donor restrictions	10,000	-
 <b>Change in net assets</b>	 98,570	 112,329
 <b>Net assets - beginning of year</b>	 1,363,167	 1,250,839
 <b>Net assets - end of year</b>	 \$ 1,461,737	 \$ 1,363,167

**TRANSFORM MID-ATLANTIC**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2024**

<b>Expenses</b>	<b>Supporting Services</b>				<b>Total</b>
	<b>Program Activities</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	
Salaries & benefits	\$ 459,076	\$ 165,618	\$ 3,704	169,322	\$ 628,398
Conferences & meetings	20,560	-	-	-	20,560
Travel	13,396	-	-	-	13,396
Other program expenses	37,974	-	-	-	37,974
Printing	137	-	-	-	137
Contracted services	3,065	14,391	-	14,391	17,456
Insurance	-	2,917	-	2,917	2,917
Office expenses	-	26,402	-	26,402	26,402
Professional fees	-	815	-	815	815
Miscellaneous	-	9,435	680	10,115	10,115
<b>Total Expenses</b>	<b><u>\$ 534,208</u></b>	<b><u>\$ 219,578</u></b>	<b><u>\$ 4,384</u></b>	<b><u>\$ 223,962</u></b>	<b><u>\$ 758,170</u></b>

**TRANSFORM MID-ATLANTIC**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2023**

<b>Expenses</b>	<b>Supporting Services</b>				<b>Total</b>
	<b>Program Activities</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	
Salaries & benefits	\$ 348,806	\$ 132,310	\$ 3,704	136,014	\$ 484,820
Conferences & meetings	12,472	-	-	-	12,472
Travel	7,457	-	-	-	7,457
Other program expenses	16,804	-	-	-	16,804
Contracted services	26,320	22,728	-	22,728	49,048
Insurance	-	3,378	-	3,378	3,378
Office expenses	-	37,847	-	37,847	37,847
Professional fees	-	1,458	-	1,458	1,458
Miscellaneous	-	420	425	845	845
<b>Total Expenses</b>	<u>\$ 411,859</u>	<u>\$ 198,141</u>	<u>\$ 4,129</u>	<u>\$ 202,270</u>	<u>\$ 614,129</u>

**TRANSFORM MID-ATLANTIC**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Reconciliation of change in net assets to net cash from operating activities</b>		
Change in net assets	\$ 98,570	\$ 112,329
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gain on investments	(66,513)	(41,258)
Changes in operating assets and liabilities:		
Pledges receivable	(10,000)	-
Grants receivable	(18,501)	5,643
Employee retention credit receivable	33,836	(33,836)
Vista receivable	(19,800)	(15,182)
Prepaid expenses	-	841
Accrued liabilities	10,029	13,196
Deferred revenue	(9,666)	(21,265)
Net cash provided by operating activities	17,955	20,468
<b>Cash flows from investing activities</b>		
Purchases of long term investments	(18,422)	(134,316)
Proceeds from sale of long term investments	-	116,094
Net cash used in investing activities	(18,422)	(18,222)
Increase (Decrease) in cash and cash equivalents	(467)	2,246
Cash and cash equivalents, beginning of year	607,617	605,371
<b>Cash and cash equivalents, end of year</b>	<b>\$ 607,150</b>	<b>\$ 607,617</b>

**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2024 and 2023**

**NOTE 1 - NATURE OF OPERATIONS**

Transform Mid-Atlantic (the Organization), formerly Campus Compact Mid-Atlantic, 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.

Campus Compact Mid-Atlantic changed its name to Transform Mid-Atlantic, effective August 2, 2022.

**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 statements 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.

**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2024 and 2023**

**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. Receivables are written off when deemed uncollectible. The Organization considers all receivables at June 30, 2024 and 2023 to be fully collectible; accordingly, no allowance 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.

**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>2024</u>	<u>2023</u>
Membership dues	\$ 33,361	\$ 47,027
Administrative fees	<u>150,000</u>	<u>146,000</u>
Total	<u>\$ 183,361</u>	<u>\$ 193,027</u>

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**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2024 and 2023**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Support and Revenue**

Contributions are recorded as revenue 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 as net assets released from restrictions.

Membership dues are recorded as revenue 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.

**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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**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2024 and 2023**

**NOTE 3 - CONCENTRATIONS, RISKS, 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, 2024 and 2023, there were uninsured deposits of \$270,748 and \$230,064, 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, 2024 and 2023 grants were due from one grantor for the VISTA program.

**Sources of Revenues**

For the years ended June 30, 2024 and 2023, contributions from one donor totaled \$120,000 and \$115,573, respectively, and represented 14% and 16% of total revenues, respectively.

**NOTE 4 - PLEDGES RECEIVABLE**

At June 30, 2024 and 2023, the Organization has a \$110,000 and \$100,000 pledge receivable due from one donor, to be collected within the next year and to be used for fiscal year 2025 and 2024, respectively.

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**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2024 and 2023**

**NOTE 5 - INVESTMENTS**

The following is a summary of the investments at June 30, 2024:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain/(Loss)</u>
Cash and Equivalents	\$ 14,214	\$ 14,214	\$ -
Taxable Bond Funds	212,492	194,343	(18,149)
Treasury Inflation			
Protected Securities	50,070	44,326	(5,744)
International Bonds	46,000	39,864	(6,136)
U.S. Equities	160,690	232,529	71,839
International Equities	102,803	124,871	22,068
Other	241,123	290,255	49,132
	<u>\$ 827,392</u>	<u>\$ 940,402</u>	<u>\$ 113,010</u>

The following is a summary of the investments at June 30, 2023:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain/(Loss)</u>
Cash and Equivalents	\$ 18,929	\$ 18,929	\$ -
Taxable Bond Funds	204,613	185,175	(19,438)
Treasury Inflation			
Protected Securities	48,304	43,166	(5,138)
International Bonds	45,062	38,230	(6,832)
U.S. Equities	135,932	190,184	54,252
International Equities	98,917	113,493	14,576
Other	231,795	266,290	34,495
	<u>\$ 783,552</u>	<u>\$ 855,467</u>	<u>\$ 71,915</u>

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

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 33,342	\$ 24,360
Realized gain	26,450	25,198
Unrealized gain	40,063	16,060
Less: Investment management fees	(6,644)	(6,138)
Investment income, net	<u>\$ 93,211</u>	<u>\$ 59,480</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.

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.

**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2024 and 2023**

**NOTE 6 - FAIR VALUES** (Continued)

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* – identical 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.

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**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2024 and 2023**

**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, 2024, are as follows:

	<b>Fair Value</b>	<b>Level 1</b>
Cash and Equivalents	\$ 14,214	\$ 14,214
Taxable Bond Funds	194,343	194,343
Treasury Inflation Protected Securities	44,326	44,326
International Bonds	39,864	39,864
U.S. Equities	232,529	232,529
International Equities	124,871	124,871
Other mutual funds	<u>290,255</u>	<u>290,255</u>
	<u>\$ 940,402</u>	<u>\$ 940,402</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, 2023, are as follows:

	<b>Fair Value</b>	<b>Level 1</b>
Cash and Equivalents	\$ 18,929	\$ 18,929
Taxable Bond Funds	185,175	185,175
Treasury Inflation Protected Securities	43,166	43,166
International Bonds	38,230	38,230
U.S. Equities	190,184	190,184
International Equities	113,493	113,493
Other mutual funds	<u>266,290</u>	<u>266,290</u>
	<u>\$ 855,467</u>	<u>\$ 855,467</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, 2024 and 2023 were \$44,780 and \$28,443, respectively.

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**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2024 and 2023**

**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, 2024 and 2023.

The Organization considers 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, 2024 and 2023, 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, 2024 and 2023. 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 2021.

**NOTE 9 - NET ASSETS**

As of June 30, 2024 and 2023, the board has designated \$400,000 as an operating reserve for future periods.

As of June 30, 2024 and 2023, net assets with donor restrictions consist of the following:

	<u>2024</u>	<u>2023</u>
<u>Time-restricted:</u>		
Pledges receivable	<u>\$ 110,000</u>	<u>\$ 100,000</u>

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**TRANSFORM MID-ATLANTIC**  
**Notes to the Financial Statements**  
**June 30, 2024 and 2023**

**NOTE 10 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following table reflects the Organization’s financial assets as of June 30, 2024 and 2023, 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>2024</u>	<u>2023</u>
<b>Financial assets at year-end:</b>		
Cash and cash equivalents	\$ 607,150	\$ 607,617
Investments	940,402	855,467
Grants receivable	24,501	6,000
VISTA receivable	34,982	15,182
Employee retention credit receivable	-	33,836
Pledges receivable	<u>110,000</u>	<u>100,000</u>
Total financial assets	\$ 1,717,035	\$ 1,618,102
<b>Less amounts not available to be used within one year:</b>		
Funds earmarked for future operating reserves	<u>400,000</u>	<u>400,000</u>
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<u>\$ 1,317,035</u>	<u>\$ 1,218,102</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 11 - SUBSEQUENT EVENTS**

The Organization performed an evaluation as of September 4, 2024 the date the financial statements were available to be issued. There were no events or transactions requiring recognition or disclosure in the financial statements.