

THE CAMPAGNA CENTER, INC.
(a nonprofit organization)

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Year Ended August 31, 2020
with Summarized Comparative Information for the year ended
August 31, 2019

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Campagna Center, Inc.
Alexandria, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the Campagna Center, Inc. (the Center) which comprise the statement of financial position as of August 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of August 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Subsequent Event

As noted in Note 17 to the financial statements, economic uncertainties have arisen as a result of the spread of the novel coronavirus which are likely to negatively impact the Center's operations. Our opinion is not modified with respect to this matter and no pandemic implications are accounted for in these financial statements.

Report on Summarized Comparative Information

We have previously audited the Center's 2019 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 20, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses by Program on Page 28 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2021, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Renner and Company, CPA, P.C.

Alexandria, Virginia
January 19, 2021

THE CAMPAGNA CENTER, INC.

STATEMENT OF FINANCIAL POSITION

August 31, 2020 (with Comparative Information as of August 31, 2019)

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash	\$ 2,241,280	\$ 725,113
Receivables, net of allowance	866,478	875,392
Prepaid expense	<u>82,280</u>	<u>105,476</u>
TOTAL CURRENT ASSETS	<u>3,190,038</u>	<u>1,705,981</u>
PROPERTY AND EQUIPMENT , at cost, net of accumulated depreciation	<u>1,009,226</u>	<u>986,481</u>
OTHER ASSETS		
Investments	1,907,792	1,753,461
Security deposits	<u>11,000</u>	<u>11,000</u>
TOTAL OTHER ASSETS	<u>1,918,792</u>	<u>1,764,461</u>
TOTAL ASSETS	<u><u>\$ 6,118,056</u></u>	<u><u>\$ 4,456,923</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 678,687	\$ 563,867
Refundable advances	174,418	213,528
Paycheck Protection Program loan	1,497,688	-
Capital lease obligation	<u>20,172</u>	<u>19,528</u>
TOTAL CURRENT LIABILITIES	<u>2,370,965</u>	<u>796,923</u>
LONG-TERM LIABILITIES		
Capital lease obligation, net of current portion	<u>3,426</u>	<u>23,598</u>
TOTAL LIABILITIES	<u>2,374,391</u>	<u>820,521</u>
NET ASSETS		
Without donor restrictions	3,456,820	3,437,193
With donor restrictions	<u>286,845</u>	<u>199,209</u>
TOTAL NET ASSETS	<u>3,743,665</u>	<u>3,636,402</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,118,056</u></u>	<u><u>\$ 4,456,923</u></u>

See Notes to Financial Statements.

THE CAMPAGNA CENTER, INC.

STATEMENT OF ACTIVITIES

Year Ended August 31, 2020 (with Summarized Comparative Information for the year ended August 31, 2019)

	2020		2019	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Program funds from government grants	\$ 7,868,560	\$ -	\$ 7,868,560	\$ 8,353,543
Supplemental education fees	1,700,560	-	1,700,560	2,448,733
Contributions and grants	1,085,690	436,764	1,522,454	1,058,966
In-kind contributions	2,063,095	-	2,063,095	2,236,719
Special events and projects	210,305	-	210,305	392,945
Membership activities	20,750	-	20,750	23,500
Investment income	141,291	12,918	154,209	32,122
Other	39,771	-	39,771	105,937
Net assets released from restrictions	362,046	(362,046)	-	-
TOTAL REVENUE AND SUPPORT	13,492,068	87,636	13,579,704	14,652,465
EXPENSES				
Program	12,489,618	-	12,489,618	13,354,574
Management and general	631,339	-	631,339	675,721
Fundraising	351,484	-	351,484	550,065
TOTAL EXPENSES	13,472,441	-	13,472,441	14,580,360
CHANGE IN NET ASSETS	19,627	87,636	107,263	72,105
NET ASSETS, beginning of year	3,437,193	199,209	3,636,402	3,564,297
NET ASSETS, end of year	\$ 3,456,820	\$ 286,845	\$ 3,743,665	\$ 3,636,402

See Notes to Financial Statements.

THE CAMPAGNA CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2020 (with Summarized Comparative Information for the year ended August 31, 2019)

	2020			2019	
	Program	General and Administrative	Fund-Raising	Total	Total
Salaries, taxes, and benefits	\$ 7,890,723	\$ 493,794	\$ 108,786	\$ 8,493,303	\$ 8,601,920
Professional services	912,525	77,137	93,117	1,082,779	1,150,795
In-kind	2,059,915	3,180	-	2,063,095	2,236,719
Food expense	352,402	1,551	-	353,953	526,304
Supplies	334,693	1,144	23,925	359,762	508,319
Special activities and events	2,324	-	70,220	72,544	121,849
Telephone and technology	192,138	36,082	15,491	243,711	240,232
Training and development	164,195	818	1,175	166,188	206,920
Insurance	80,447	4,367	595	85,409	81,963
Depreciation	69,446	2,419	330	72,195	75,764
Program activities	195,945	-	-	195,945	460,320
Travel	8,124	41	57	8,222	24,142
Equipment, repairs and maintenance	37,418	1,526	157	39,101	51,851
Advertising and publications	12,026	-	3,305	15,331	21,270
Postage	13,403	868	2,507	16,778	12,773
Printing	11,846	100	15,210	27,156	26,357
Licensing and permits	12,971	99	858	13,928	17,537
Interest	-	1,112	-	1,112	1,736
Contributions	-	789	-	789	1,769
Occupancy	89,151	2,000	3,941	95,092	132,170
Recognition	-	805	-	805	2,290
Other	49,926	3,507	11,810	65,243	77,360
TOTAL EXPENSES	\$ 12,489,618	\$ 631,339	\$ 351,484	\$ 13,472,441	\$ 14,580,360

See Notes to Financial Statements.

THE CAMPAGNA CENTER, INC.

STATEMENT OF CASH FLOWS

Year Ended August 31, 2020 (with Summarized Comparative Information for the year ended August 31, 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations		
Government grants, fees, contributions received	\$ 11,332,204	\$ 14,330,666
Investment income	62,740	123,766
	<u>11,394,944</u>	<u>14,454,432</u>
Cash disbursed by operations		
Payments to employees and suppliers	11,198,023	14,464,789
Interest paid	1,112	1,736
	<u>11,199,135</u>	<u>14,466,525</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>195,809</u>	<u>(12,093)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(154,524)	(412,407)
Costs for building renovations	(94,940)	-
Purchases of vehicles	-	(25,896)
Proceeds from sale of investments	91,662	288,645
	<u>(157,802)</u>	<u>(149,658)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(157,802)</u>	<u>(149,658)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital leases	(19,528)	(18,903)
Proceeds from Paycheck Protection Program loan	1,497,688	-
	<u>1,478,160</u>	<u>(18,903)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>1,478,160</u>	<u>(18,903)</u>
NET INCREASE (DECREASE) IN CASH	1,516,167	(180,654)
CASH, beginning of year	<u>725,113</u>	<u>905,767</u>
CASH, end of year	<u><u>\$ 2,241,280</u></u>	<u><u>\$ 725,113</u></u>
NON-CASH INVESTING ACTIVITIES		
Unrealized (gain) loss in fair value of investments	\$ (10,238)	\$ 99,798
Increase (decrease) in investment value	10,238	(99,798)
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements.

THE CAMPAGNA CENTER, INC.

STATEMENT OF CASH FLOWS

Year Ended August 31, 2020 (with Summarized Comparative Information for the year ended August 31, 2019)

	<u>2020</u>	<u>2019</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	<u>\$ 107,263</u>	<u>\$ 72,105</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Depreciation	72,195	75,764
Realized and unrealized (gains) losses on investments	<u>(91,469)</u>	<u>91,644</u>
	<u>(19,274)</u>	<u>167,408</u>
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS PROVIDING (USING) CASH		
ASSETS		
Receivables, net of allowance	8,914	(177,317)
Prepaid expense	<u>23,196</u>	<u>(13,836)</u>
	<u>32,110</u>	<u>(191,153)</u>
LIABILITIES		
Accounts payable and accrued expenses	114,820	51,907
Refundable advances	<u>(39,110)</u>	<u>(112,360)</u>
	<u>75,710</u>	<u>(60,453)</u>
NET CHANGES IN ASSETS AND LIABILITIES	<u>107,820</u>	<u>(251,606)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 195,809</u></u>	<u><u>\$ (12,093)</u></u>

See Notes to Financial Statements.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

1. ORGANIZATION, PURPOSE, AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Campagna Center, Inc. (the Center), is a community-based nonprofit organization in Alexandria, VA. The Center operates a variety of programs to address the needs of children, youth and families. The Center provides early childhood education programs to children under five years-of-age, after school programs to children attending local elementary schools, literacy tutoring/mentoring for elementary school students, youth development programs for high school students, and an English Language Learner program designed for immigrants and refugees that includes a child care for adult students enrolled in the program.

A brief description of major programs includes:

Early Childhood Programs

Early Head Start provides care for low-income infants and toddlers (birth - three years old) and expectant families. Early Head Start offers comprehensive services—educational, social, physical health, mental health, and nutrition—to ensure that children are getting off to the very best possible start in life. The Center's Early Head Start program delivers services through various settings including center-based, home visiting, and family child care. Sites have earned accreditation through the National Association for the Education of Young Children (NAEYC) and also participate in the Virginia Quality Initiative.

Alexandria Head Start promotes school readiness for preschool children (ages 3 to 5) from low-income families living in the city of Alexandria. The program intentionally focuses on helping children develop skills in the areas of cognitive and language development, early reading, and mathematics, social emotional and physical development necessary for school readiness. Families collaborate with staff to foster these outcomes and work toward their own self-sufficiency goals. Sites are accredited through the National Association for the Education of Young Children and also participate in the Virginia Quality Initiative.

Campagna Early Learning Center (CELC) is a full day pre-school program created to provide more families with access to quality preschool programs, including those who do not qualify for publicly funded preschool programs like Head Start. The CELC operates through a partnership with AHC, Inc., an affordable and workforce housing developer. The Center is in its third year of full operation and will execute its plan to resume a focus on accreditation through NAEYC in the next fiscal year. The Center should also receive its first rating as a participant in the Virginia Quality Initiative. These activities were postponed in FY2020 due to the pandemic.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization and Purpose (Continued)

Early Childhood Programs (Continued)

Early Head Start Child Care Partnership Project works with a network of independent family child care providers regulated by the City of Alexandria to serve children who qualify for Early Head Start services. These providers participate in training and professional development experiences that enhance the quality of care provided to children enrolled in their programs. Providers also gain access to resources that strengthen their knowledge of child development and the many ways to integrate the use of curriculum resources into their program. Families with children enrolled in the program have access to the comprehensive array of services provided by Head Start funded programs.

School-Age Programs

Campagna Kids provides recreational, social, and academic enrichment to nearly 1,000 children through its after school and summer camp program. Operated in partnership with the City of Alexandria and the Alexandria City Public Schools, it offers parents access to safe, affordable and high quality enrichment programs for their children.

Wright to Read provides volunteer-based one-on-one sustained literacy tutoring and mentoring relationships to students enrolled in Alexandria City Public Schools. Enrollment targets elementary aged children, but with a small number of students continuing to work with their tutor-mentor through middle school. Wright to Read collaborates with families, schools and community partners to create a comprehensive support network that guides each child toward success.

Building Better Futures provides tutoring, mentoring, leadership and life skills development to primarily high school students in Alexandria. The program provides access to tutoring and enrichment seminars focused on topics that support postsecondary planning. Students have an opportunity to visit college campuses as they consider their postsecondary plans. The program has recently expanded its focus to include offering students externship experience to bridge their knowledge of various career paths. Many of the youth enrolled in the program may be the first in their family to pursue college, post high school graduation and/or have immigrated to the United States.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization and Purpose (Continued)

Adult/Family Development Programs

New Neighbors English Language Learners program (New Neighbors) is an important and innovative program developed to meet Alexandria's need for high quality, easily accessible English language training to enhance the job possibilities and economic security of immigrants and refugees who reside in the community. It provides a 14 week, 3 day per week, 2.5 hours per day program model. Two semesters are offered each year, one 14-week session in the fall, and the other during the spring. Students are immigrants and refugees new to our community and one third require child care assistance to enroll and attend classes. The program is designed to increase self-sufficiency and support community integration.

Summary of Significant Accounting Policies

Classes of Assets

In accordance with U.S. GAAP, the Center's net assets are classified into two categories: without donor restriction and with donor restriction. Net assets without donor restriction are available for the general operations of the Center or are designated by the Board for a particular purpose. Net assets with donor restriction are subject to donor-imposed stipulations as to their use for specific programs conducted by the Center or are held in perpetuity.

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Summarized Comparative Information

The financial statements include certain summarized comparative information in total but not by each class of net assets. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended August 31, 2019, from which the summarized information was derived.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

As of August 31, 2020 and 2019, cash consisted of checking accounts and certificates of deposit. Cash equivalents are considered to be highly liquid debt instruments with an initial maturity of 90 days or less. There were no cash equivalents as of August 31, 2020 and 2019. Cash and money market funds held by investment custodians are considered investments.

Accounts Receivable

Supplemental education fees receivable from parents are billed two weeks prior to the month of service and are due by the first of each month. If the payments are not made by the seventh of the month of service, the Center shall have the right to notify parents and guardians that services will be terminated by the fifteenth of the month and a late charge will be incurred after the fifteenth of the month.

The Center currently charges a flat fee of \$10 on the past due invoices. The provision for doubtful accounts is based on management's evaluation of the collectability of existing receivables.

Property and Equipment

The Center capitalizes all property and equipment with a cost of \$5,000 or more. Property and equipment are stated at cost, and are depreciated on the straight line basis over the estimated useful lives of 3 to 30 years. Betterments and improvements that extend the life of the asset are capitalized.

Fair Value Measurements

The Center applies U.S. GAAP for fair value measurements of financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Investments

Investments are stated at fair value based on quoted market prices. Unrealized gains and losses are included in investment income in the statement of activities.

The Center invests in a professionally managed portfolio that contains mutual funds and money market funds. Such investments are exposed to various risks such as market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Restricted Revenue

Contributions received are recorded as support without donor restriction or support with donor restriction, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Donor-restricted support that is utilized within the fiscal year it is received is recorded as support without donor restrictions.

Revenue related to third-party reimbursement arrangements is recognized in the period in which the reimbursable costs are incurred.

Deferred revenue represents fees collected in advance for future services.

In-kind Contributions

In-kind contributions of rent and professional volunteer services have been recorded for the Campagna Kids and Head Start programs based on estimated fair value. In-kind items donated for various special events are recorded based on estimated fair value.

Advertising

Advertising costs are expensed as incurred. Total advertising expenses for the years ended August 31, 2020 and 2019 are \$14,099 and \$19,258, respectively.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Income Taxes

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. In addition, the Center qualifies for the charitable contributions deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The Center had no material taxable unrelated business income for the years ended August 31, 2020 and 2019.

In accounting for uncertainty in income taxes, accounting standards require an entity to recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will not be sustained upon examination. Management evaluated the Center's tax positions and concluded there are no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Allocated Expenses

Direct costs associated with specific programs are recorded as program expenses. Administrative staff and staff working on multiple programs use time sheets to capture actual hours devoted to project areas.

The Center's policy is to allocate allocable general operating expenses and management expenses to certain programs based on the average number of personnel employed by the Center's functions. Allocated management and general expenses not reimbursed by grant programs are borne by the Center.

Salaries, taxes, and benefits, professional services, in-kind, food expense, supplies, special activities and events, telephone and technology, training and development, insurance, depreciation, travel, equipment repairs and maintenance, advertising and publications, postage, printing, licensing and permits, occupancy, and other have been allocated to program, general and administrative, and fundraising expenses based on level of effort.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Estimates

Management uses estimates and assumptions in preparing the financial statements in accordance with U.S. GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

The significant estimates affecting the financial statements include the estimated fair value of the in-kind support of donated facilities, goods, and services and the estimate that there are no significant unallowable costs as discussed in Notes 13 and 17, respectively.

Liquidity

The Center maintains a liquid cash balance in checking accounts in an amount necessary to meet its anticipated expenditures for the next 30 days. Cash in excess of this amount is invested in short-term investments.

The Center has maintained a line of credit of up to \$1,200,000 to help manage cash flow. There was no borrowing during the years ended August 31, 2020 and 2019. The line of credit expires June 27, 2021 and the Center intends to renew the line of credit at that time.

The Center reconciles the balance of financial assets subject to donor restrictions monthly, based on restricted amounts used and received. Restricted cash and investments are separately identified and monitored as part of the Center's monthly financial reporting process.

The Center's financial assets available within one year to meet cash needs for general expenditures through August 31, 2021 are as follows:

Financial Assets	
Cash	\$ 2,241,280
Investments	1,907,792
Accounts receivable, net of allowance	866,478
Total Financial assets	<u>5,015,550</u>
Less amounts not available within one year	
Purpose restricted net assets	<u>(286,845)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u><u>\$ 4,728,705</u></u>

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

2. CASH

Cash at August 31 consisted of the following:

	<u>2020</u>	<u>2019</u>
Checking	\$ 2,035,709	\$ 522,370
Certificates of deposit	205,571	201,543
Petty cash	-	1,200
	<u>\$ 2,241,280</u>	<u>\$ 725,113</u>

As of August 31, 2020 and 2019, bank balances not insured by the Federal Deposit Insurance Corporation were \$2,018,277 and \$487,527, respectively.

3. RECEIVABLES

Receivables at August 31 consisted of the following:

	<u>2020</u>	<u>2019</u>
Program funds from governments		
Campagna Kids	\$ 226,902	\$ 467,084
Head Start	344,358	201,304
Early Head Start	186,839	68,029
Family Child Care Partnership Project	84,771	68,542
	<u>842,870</u>	<u>804,959</u>
Supplemental education fees	32,000	78,825
	<u>874,870</u>	<u>883,784</u>
Less: Provision for doubtful accounts	(8,392)	(8,392)
	<u>\$ 866,478</u>	<u>\$ 875,392</u>

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

4. PROPERTY AND EQUIPMENT

Property, equipment, and accumulated depreciation at August 31, 2020 and 2019, and depreciation expense for the years then ended is as follows:

	August 31, 2020			
	Estimated Lives	Cost	Accumulated Depreciation	Depreciation Expense
Land	-	\$ 364,217	\$ -	\$ -
Building	25 to 30 years	149,923	149,923	-
Building improvements	5 to 25 years	1,537,657	1,034,250	45,829
Building renovations in process	5 to 25 years	94,940	-	-
Furniture and equipment	3 to 10 years	105,936	78,697	21,187
Automobiles	5 years	99,691	80,268	5,179
		<u>\$ 2,352,364</u>	<u>\$ 1,343,138</u>	<u>\$ 72,195</u>
August 31, 2019				
	Estimated Lives	Cost	Accumulated Depreciation	Depreciation Expense
Land	-	\$ 364,217	\$ -	\$ -
Building	25 to 30 years	149,923	149,923	-
Building improvements	5 to 25 years	1,537,657	988,421	53,282
Furniture and equipment	3 to 10 years	105,936	57,510	21,187
Automobiles	5 years	99,691	75,089	1,295
		<u>\$ 2,257,424</u>	<u>\$ 1,270,943</u>	<u>\$ 75,764</u>

The Center's property is recorded at historical cost in accordance with U.S. GAAP. The assessed market value of the Center's land and building based on the City of Alexandria's Department of Real Estate Assessments at August 31 is as follows:

	2020	2019
Land	\$ 2,979,500	\$ 2,979,500
Building	850,000	850,000
	<u>\$ 3,829,500</u>	<u>\$ 3,829,500</u>

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

5. INVESTMENTS

The Center had the following investments as of August 31:

	<u>2020</u>	<u>2019</u>
Mutual funds		
Foreign Large Value	\$ 41,125	\$ 44,764
Intermediate-Term Bond	60,282	59,308
Large Blend	82,590	74,833
Large Growth	120,400	112,634
Large Value/World Allocation	-	187,260
Short-Term Bond	132,902	133,688
Mid-Cap Growth	362,021	308,335
Income Fund	170,417	182,836
Small Growth	67,463	67,540
Foreign Large Growth	131,369	99,045
Large Growth/Moderate Alloc	104,530	88,090
Large Value/Moderate Alloc	-	88,843
Ultrashort Bond	61,751	63,871
Preferred stock	11,951	12,928
Large Value	91,571	86,385
Large Cap	133,791	115,113
World Allocation	172,463	-
80% Equity	90,374	-
Multisector Bond	10,371	-
Money market funds	62,421	27,988
	<u>\$ 1,907,792</u>	<u>\$ 1,753,461</u>

Investments are allocated to the following classes of net assets:

	<u>2020</u>	<u>2019</u>
Net assets without donor restrictions	\$ 1,620,947	\$ 1,554,252
Net assets with donor restrictions	286,845	199,209
	<u>\$ 1,907,792</u>	<u>\$ 1,753,461</u>

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

5. INVESTMENTS (CONTINUED)

Investment income for the years ended August 31 consisted of the following:

	2020	2019
Dividend and interest income	\$ 78,890	\$ 139,812
Capital gain, realized	81,231	8,154
Unrealized gain (loss) in market value	10,238	(99,798)
Investment management fees	(16,150)	(16,046)
	<u>\$ 154,209</u>	<u>\$ 32,122</u>

6. FAIR VALUE MEASUREMENTS

The Center records investments based on fair value on a recurring basis. Financial accounting and reporting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. The standard emphasizes that fair value is a market-based measurement, not an entity specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the standards established a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent from the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities that the Center has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets, as well as inputs that are observable for the assets or liabilities (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The determination of the fair value level within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Center's assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the assets and liabilities.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

6. FAIR VALUE MEASUREMENTS (CONTINUED)

The following summarizes investments, measured at fair value on a recurring basis, aggregated by the level in the fair value hierarchy within which those measurements fall, as of August 31:

	August 31, 2020	
	Total	Level 1
Mutual funds		
Foreign Large Value	\$ 41,125	\$ 41,125
Intermediate-Term Bond	60,282	60,282
Large Blend	82,590	82,590
Large Growth	120,400	120,400
Short-Term Bond	132,902	132,902
Mid-Cap Growth	362,021	362,021
Income Fund	170,417	170,417
Small Growth	67,463	67,463
Foreign Large Growth	131,369	131,369
Large Growth/Moderate Alloc	104,530	104,530
Ultrashort Bond	61,751	61,751
Preferred stock	11,951	11,951
Large Value	91,571	91,571
Large Cap	133,791	133,791
World Allocation	172,463	172,463
80% Equity	90,374	90,374
Multisector Bond	10,371	10,371
Money market funds	62,421	62,421
	<u>\$ 1,907,792</u>	<u>\$ 1,907,792</u>

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

6. FAIR VALUE MEASUREMENTS (CONTINUED)

	August 31, 2019	
	Total	Level 1
Mutual funds		
Foreign Large Value	\$ 44,764	\$ 44,764
Intermediate-Term Bond	59,308	59,308
Large Blend	74,833	74,833
Large Growth	112,634	112,634
Large Value/World Allocation	187,260	187,260
Short-Term Bond	133,688	133,688
Mid-Cap Growth	308,335	308,335
Income Fund	182,836	182,836
Small Growth	67,540	67,540
Foreign Large Growth	99,045	99,045
Large Growth/Moderate Alloc	88,090	88,090
Large Value/Moderate Alloc	88,843	88,843
Ultrashort Bond	63,871	63,871
Preferred stock	12,928	12,928
Large Value	86,385	86,385
Large Cap	115,113	115,113
Money market funds	27,988	27,988
	<u>\$ 1,753,461</u>	<u>\$ 1,753,461</u>

7. REFUNDABLE ADVANCES

The Center has an operating advance from the City of Alexandria to facilitate the Center's ongoing performance of reimbursable contract work for the Campagna Kids program. Refundable advances as of August 31 consisted of the following:

	2020	2019
Campagna Kids program	\$ 80,225	\$ -
Foundations - Other	30,243	115,503
All other	63,950	98,025
	<u>\$ 174,418</u>	<u>\$ 213,528</u>

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

8. PAYCHECK PROTECTION PROGRAM LOAN

During the fiscal year, the Center received loan proceeds in the amount of \$1,497,688 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1% with a deferral of payments for the first six months. The Center believes it has used the proceeds for the purposes consistent with the PPP, and will apply for loan forgiveness in FY 2021.

9. OBLIGATIONS UNDER CAPITAL LEASE

The Center leases a copier machine under a capital lease that expires October 2021. The assets and liabilities under capital lease are recorded at the lower of the present value of the minimum lease payments or the market value of the asset. The asset is amortized over its estimated useful life. The capital lease is secured by the leased asset.

Future minimum lease payments for the remainder of this lease are as follows:

For the fiscal year ended:	Total Payments	Interest Portion	Net
2021	\$ 20,640	\$ 468	\$ 20,172
2022	3,440	14	3,426
	<u>\$ 24,080</u>	<u>\$ 482</u>	<u>\$ 23,598</u>

Total payments relating to this lease during the year ended August 31, 2020 were \$20,640, including \$1,112 in interest payments.

10. LINE OF CREDIT

The Center has a \$1,200,000 line of credit secured by the property located at 418 and 418A South Washington Street. Bank advances on the credit line are payable on demand. The interest rate is Prime minus 0.25% based on the Wall Street Journal Prime Rate. For the years ended August 31, 2020 and 2019, the interest rate was 5.75% for each year respectively. The maturity date is June 27, 2021 and the Center intends to renew the line of credit at that time. The unused line of credit at August 31, 2020 and 2019 was \$1,200,000. The outstanding balance on this line of credit was \$0 at August 31, 2020 and 2019, respectively. The interest expense related to this line of credit was \$0 for the years ended August 31, 2020 and 2019.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

11. ENDOWMENTS

The Center's endowments represent funds received for the Sonosky Fund that were established for scholarships via donor restriction. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Center has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Center classifies as net assets with donor restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restriction is classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Center, and (7) the Center's investment policies.

The Center has adopted investment and spending policies, approved by the Center's board, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes mutual funds. The Center expects its endowment assets, over time, to produce an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

The Center has a policy of appropriating for distribution each year amounts as approved by the Center's board. In establishing this policy, the Center considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Center expects the current spending policy to allow its endowment funds to grow at an average rate of 7.6% annually. This is consistent with the Center's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

11. ENDOWMENTS (CONTINUED)

Endowment funds as of August 31, 2020 and 2019 are as follows:

Balance as of August 31, 2018	\$ 89,455
Investment income	7,175
Change in fair value of investments	<u>(5,715)</u>
Balance as of August 31, 2019	<u>\$ 90,915</u>
Balance as of August 31, 2019	\$ 90,915
Investment income	4,749
Change in fair value of investments	<u>8,170</u>
Balance as of August 31, 2020	<u>\$ 103,834</u>

12. NET ASSETS WITH DONOR RESTRICTIONS

As of August 31, 2020 and 2019, net assets with donor restriction balances consisted of the following:

	2020			Balance August 31, 2020
	Balance August 31, 2019	Additions	Releases	
Sonosky Fund (Endowment)	\$ 90,916	\$ 12,918	\$ -	\$ 103,834
Wright to Read	35,548	173,359	(184,085)	24,822
St. James ELC	72,745	-	(39,204)	33,541
Capital Campaign	-	135,793	(24,000)	111,793
Diaper Drive Program	-	62,855	(50,000)	12,855
Grocery Gift Cards	-	64,757	(64,757)	-
	<u>\$ 199,209</u>	<u>\$ 449,682</u>	<u>\$ (362,046)</u>	<u>\$ 286,845</u>

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

12. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	2019			Balance August 31, 2019
	Balance August 31, 2018	Additions	Releases	
Sonosky Fund (Endowment)	\$ 89,455	\$ 1,461	\$ -	\$ 90,916
Wright to Read	21,298	150,000	(135,750)	35,548
FCCP	-	24,000	(24,000)	-
St. James ELC	-	72,745	-	72,745
	<u>\$ 110,753</u>	<u>\$ 248,206</u>	<u>\$ (159,750)</u>	<u>\$ 199,209</u>

13. DONATED GOODS AND SERVICES

The Center occupies designated space for its Head Start and Campagna Kids programs that is provided without charge by the City of Alexandria and the Alexandria City Public School System. The Center estimates the value of this rent-free space based on prevailing market conditions in the area of its operations and has recognized this as support and occupancy expense in the statement of activities. The Center also receives various donated goods for its Early Head Start and Head Start programs as well as its various events. Donated professional services are also received throughout the fiscal year.

Donated goods and services recorded as revenue and expenses as of August 31, 2020 and 2019 are as follows:

	2020	2019
Donated rent and facilities	\$ 1,715,388	\$ 1,922,607
Donated goods - programs	183,645	33,751
Donated professional services	164,062	280,361
	<u>\$ 2,063,095</u>	<u>\$ 2,236,719</u>

14. RETIREMENT PLAN

The Center has a 403(b) defined contribution plan. With respect to elective deferrals, the Plan covers all employees working at least 20 hours per week. With respect to employer contributions, the employee must work at least 1,000 hours during the year. Both the employer and employee deferral contributions are limited by the tax laws. The Center can make annual discretionary contributions to the Plan. There were no employer contributions to the Plan for the years ended August 31, 2020 and 2019.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

15. MAJOR GRANTORS

Program funds from government grants totaled \$7,868,560 for the year ended August 31, 2020 and \$8,353,543 for the year ended August 31, 2019, which is approximately 58% and 57% of total revenue and support of the Center, respectively. These grants consist of funds from the federal government, the Commonwealth of Virginia, the City of Alexandria, Virginia, and the Alexandria City Public Schools. A significant reduction in the level of this revenue and support, if this were to occur, might have a significant effect on the Center's programs and activities.

As of August 31, 2020 and 2019 the amount outstanding from the above government grants was \$842,869 and \$804,959, respectively, which approximates 96% and 91% of total receivables, respectively.

16. CONDITIONAL GRANTS

The Center has been conditionally awarded the following grants for the year ending August 31, 2020:

Head Start	\$ 2,386,738
Early Head Start	1,479,274
Family and Childcare Partnership	<u>990,898</u>
	<u>\$ 4,856,910</u>

17. COMMITMENTS AND CONTINGENCIES

Government Grants

The Center participates in a number of federally assisted programs which are subject to financial and compliance audits by the federal agencies or their representatives. As such, there is a possibility that questioned costs might result from such an audit. Management does not anticipate any significant adjustments as a result of such an audit for the current year costs.

Contingencies

The Center has appealed a Virginia Employment Commission determination letter and a hearing on the appeal is scheduled for March 2021. An estimate of the possible loss or range of loss, if any, the Center may incur cannot be made at this time.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020 (with Summarized Comparative Information as of and for the year ended August 31, 2019)

17. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Classroom Lease

The Center has entered into an operating sublease for classroom space at St. James Plaza in Alexandria. The lease commenced July 1, 2018 and will continue through June 30, 2028. The lease includes options for renewing and terminating that agreement during this time period.

Future minimum lease payments to be received related to this lease are as follows:

For the fiscal year ended:	
2021	\$ 25,141
2022	25,895
2023	26,672
2024	27,472
2025	28,297
2026 and thereafter	<u>84,805</u>
	<u>\$ 218,282</u>

Novel COVID-19 Coronavirus

The coronavirus (COVID-19) pandemic severely impacted the Center by the end of March 2020 due to the restrictions imposed on schools and group gatherings. The Center quickly pivoted its approach to delivering services to the community and ensuring continuity in its ongoing operations. While it is premature to accurately predict how the coronavirus will ultimately affect the Center's future operations because the disease's severity and duration are uncertain, we expect 2021 financial results will be impacted and the implications beyond 2021, while unclear, could also be adversely impacted. No pandemic implications are accounted for in these financial statements.

18. SUBSEQUENT EVENTS

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through January 19, 2021, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

THE CAMPAGNA CENTER, INC.

SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM

Year Ended August 31, 2020 (with Summarized Comparative Information for the year ended August 31, 2019)

	2020							2019			
	Program Services						Support Services			Total	
	Early Childhood Education	Campagna Kids	Wright to Read	New Neighbors	Building Better Futures	Other Programs	Total Program	Management and General	Fund-Raising		
Salaries, taxes, and benefits	\$ 3,833,055	\$ 3,471,553	\$ 84,107	\$ 133,093	\$ 96,670	\$ 272,245	\$ 7,890,723	\$ 493,794	\$ 108,786	\$ 8,493,303	\$ 8,601,920
Professional services	672,294	128,951	26,056	2,258	7,387	75,579	912,525	77,137	93,117	1,082,779	1,150,795
In-kind	903,307	950,273	6,587	195,380	4,368	-	2,059,915	3,180	-	2,063,095	2,236,719
Food expense	244,335	95,436	348	-	268	12,015	352,402	1,551	-	353,953	526,304
Supplies	145,743	95,118	16,408	9,295	148	67,981	334,693	1,144	23,925	359,762	508,319
Special activities and events	180	-	-	-	-	2,144	2,324	-	70,220	72,544	121,849
Telephone and technology	122,399	44,735	16,041	1,202	3,543	4,218	192,138	36,082	15,491	243,711	240,232
Training and development	99,375	61,779	593	305	1,334	809	164,195	818	1,175	166,188	206,920
Insurance	37,180	37,215	1,594	1,164	618	2,676	80,447	4,367	595	85,409	81,963
Depreciation	26,004	20,923	1,179	198	132	21,010	69,446	2,419	330	72,195	75,764
Program activities	2,414	182,405	8,513	610	2,088	(85)	195,945	-	-	195,945	460,320
Travel	7,303	726	6	3	2	84	8,124	41	57	8,222	24,142
Equipment, repairs and maintenance	8,084	8,610	199	94	63	20,368	37,418	1,526	157	39,101	51,851
Advertising and publications	-	7,247	-	-	-	4,779	12,026	-	3,305	15,331	21,270
Postage	8,045	3,745	920	24	30	639	13,403	868	2,507	16,778	12,773
Printing	4,454	4,292	1,616	150	13	1,321	11,846	100	15,210	27,156	26,357
Licensing and permits	4,773	4,627	2,868	228	5	470	12,971	99	858	13,928	17,537
Interest	-	-	-	-	-	-	-	1,112	-	1,112	1,736
Contributions	-	-	-	-	-	-	-	789	-	789	1,769
Occupancy	43,722	19,747	346	164	109	25,063	89,151	2,000	3,941	95,092	132,170
Recognition	-	-	-	-	-	-	-	805	-	805	2,290
Other	8,722	34,792	4,756	626	304	726	49,926	3,507	11,810	65,243	77,360
TOTAL EXPENSES	\$ 6,171,389	\$ 5,172,174	\$ 172,137	\$ 344,794	\$ 117,082	\$ 512,042	\$ 12,489,618	\$ 631,339	\$ 351,484	\$ 13,472,441	\$ 14,580,360

See Independent Auditors' Report.