

THE CAMPAGNA CENTER, INC.
(a nonprofit organization)

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Year Ended August 31, 2021
with Summarized Comparative Information for the year ended
August 31, 2020

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, 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 - Contingencies

As noted in Note 16 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Center's 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated January 19, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2020, 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 29 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 December 31, 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
December 31, 2021

THE CAMPAGNA CENTER, INC.

STATEMENT OF FINANCIAL POSITION

August 31, 2021 (with Comparative Information as of August 31, 2020)

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$ 2,517,760	\$ 2,241,280
Receivables, net of allowance	1,311,712	866,478
Prepaid expense	<u>117,784</u>	<u>82,280</u>
TOTAL CURRENT ASSETS	<u>3,947,256</u>	<u>3,190,038</u>
PROPERTY AND EQUIPMENT , at cost, net of accumulated depreciation	<u>976,216</u>	<u>1,009,226</u>
OTHER ASSETS		
Investments	2,343,716	1,907,792
Security deposits	<u>11,000</u>	<u>11,000</u>
TOTAL OTHER ASSETS	<u>2,354,716</u>	<u>1,918,792</u>
TOTAL ASSETS	<u><u>\$ 7,278,188</u></u>	<u><u>\$ 6,118,056</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 690,391	\$ 678,687
Refundable advances	91,767	174,418
Paycheck Protection Program loan	-	1,497,688
Capital lease obligation	<u>3,426</u>	<u>20,172</u>
TOTAL CURRENT LIABILITIES	<u>785,584</u>	<u>2,370,965</u>
LONG-TERM LIABILITIES		
Capital lease obligation, net of current portion	<u>-</u>	<u>3,426</u>
TOTAL LIABILITIES	<u>785,584</u>	<u>2,374,391</u>
NET ASSETS		
Without donor restrictions	6,198,035	3,456,820
With donor restrictions	<u>294,569</u>	<u>286,845</u>
TOTAL NET ASSETS	<u>6,492,604</u>	<u>3,743,665</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,278,188</u></u>	<u><u>\$ 6,118,056</u></u>

See Notes to Financial Statements.

THE CAMPAGNA CENTER, INC.

STATEMENT OF ACTIVITIES

Year Ended August 31, 2021 (with Summarized Comparative Information for the year ended August 31, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Program funds from government grants	\$ 7,683,475	\$ -	\$ 7,683,475	\$ 7,868,560
Contributions and grants	1,949,408	566,181	2,515,589	1,522,454
Other income	2,272,176	-	2,272,176	39,771
In-kind contributions	1,448,971	-	1,448,971	2,063,095
Supplemental education fees	543,600	-	543,600	1,700,560
Investment income	413,882	23,569	437,451	154,209
Special events and projects	85,694	-	85,694	210,305
Membership activities	11,150	-	11,150	20,750
Net assets released from restrictions	582,026	(582,026)	-	-
TOTAL REVENUE AND SUPPORT	14,990,382	7,724	14,998,106	13,579,704
EXPENSES				
Program	11,369,912	-	11,369,912	12,489,618
Management and general	648,539	-	648,539	631,339
Fundraising	230,716	-	230,716	351,484
TOTAL EXPENSES	12,249,167	-	12,249,167	13,472,441
CHANGE IN NET ASSETS	2,741,215	7,724	2,748,939	107,263
NET ASSETS, beginning of year	3,456,820	286,845	3,743,665	3,636,402
NET ASSETS, end of year	\$ 6,198,035	\$ 294,569	\$ 6,492,604	\$ 3,743,665

See Notes to Financial Statements.

THE CAMPAGNA CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2021 (with Summarized Comparative Information for the year ended August 31, 2020)

	2021			2020	
	Program	General and Administrative	Fund-Raising	Total	Total
Salaries, taxes, and benefits	\$ 6,977,937	\$ 519,720	\$ 82,063	\$ 7,579,720	\$ 8,493,303
In-kind	1,448,971	-	-	1,448,971	2,063,095
Professional services	1,073,005	58,290	105,125	1,236,420	1,082,779
Supplies	796,038	1,497	1,208	798,743	359,762
Telephone and technology	370,438	39,661	17,728	427,827	243,711
Insurance	139,781	6,268	599	146,648	85,409
Training and development	119,224	1,627	932	121,783	166,188
Equipment, repairs and maintenance	106,719	2,895	227	109,841	39,101
Occupancy	86,762	2,523	303	89,588	95,092
Food expense	88,399	51	6	88,456	353,953
Depreciation	66,637	4,033	484	71,154	72,195
Program activities	48,869	-	-	48,869	195,945
Printing	12,224	4,105	4,343	20,672	27,156
Licensing and permits	17,575	80	488	18,143	13,928
Special activities and events	409	413	15,244	16,066	72,544
Other	11,268	3,121	255	14,644	66,837
Postage	4,339	606	1,710	6,655	16,778
Advertising and publications	300	3,185	-	3,485	15,331
Travel	1,006	6	1	1,013	8,222
Interest	11	458	-	469	1,112
TOTAL EXPENSES	\$ 11,369,912	\$ 648,539	\$ 230,716	\$ 12,249,167	\$ 13,472,441

See Notes to Financial Statements.

THE CAMPAGNA CENTER, INC.

STATEMENT OF CASH FLOWS

Year Ended August 31, 2021 (with Summarized Comparative Information for the year ended August 31, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations		
Government grants, fees, contributions received	\$ 11,086,111	\$ 11,332,204
Investment income	55,894	62,740
	<u>11,142,005</u>	<u>11,394,944</u>
Cash disbursed by operations		
Payments to employees and suppliers	10,752,373	11,198,023
Interest paid	469	1,112
	<u>10,752,842</u>	<u>11,199,135</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>389,163</u>	<u>195,809</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(255,131)	(154,524)
Costs for building renovations	(12,944)	(94,940)
Costs for website redesign	(25,200)	-
Proceeds from sale of investments	200,764	91,662
	<u>(92,511)</u>	<u>(157,802)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(92,511)</u>	<u>(157,802)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital leases	(20,172)	(19,528)
Proceeds from paycheck protection program loan	-	1,497,688
	<u>(20,172)</u>	<u>1,478,160</u>
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	<u>(20,172)</u>	<u>1,478,160</u>
NET INCREASE IN CASH	276,480	1,516,167
CASH, beginning of year	<u>2,241,280</u>	<u>725,113</u>
CASH, end of year	<u>\$ 2,517,760</u>	<u>\$ 2,241,280</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Unrealized (gain) loss in fair value of investments	\$ (353,402)	\$ 10,238
Increase (decrease) in investment value	353,402	(10,238)
Forgiveness of Paycheck Protection Program loan	(1,497,688)	-
Recognition of forgiveness of Paycheck Protection Program loan	1,497,688	-
	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

THE CAMPAGNA CENTER, INC.

STATEMENT OF CASH FLOWS

Year Ended August 31, 2021 (with Summarized Comparative Information for the year ended August 31, 2020)

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	<u>\$ 2,748,939</u>	<u>\$ 107,263</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	71,154	72,195
Realized and unrealized gains on investments	(381,557)	(91,469)
Forgiveness of Paycheck Protection Program loan	<u>(1,497,688)</u>	<u>-</u>
	<u>(1,808,091)</u>	<u>(19,274)</u>
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS (USING) PROVIDING CASH		
ASSETS		
Receivables, net of allowance	(445,234)	8,914
Prepaid expense	<u>(35,504)</u>	<u>23,196</u>
	<u>(480,738)</u>	<u>32,110</u>
LIABILITIES		
Accounts payable and accrued expenses	11,704	114,820
Refundable advances	<u>(82,651)</u>	<u>(39,110)</u>
	<u>(70,947)</u>	<u>75,710</u>
NET CHANGES IN ASSETS AND LIABILITIES	<u>(551,685)</u>	<u>107,820</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 389,163</u></u>	<u><u>\$ 195,809</u></u>

See Notes to Financial Statements.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

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 component 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. Families collaborate with staff to foster these outcomes and work toward their own self-sufficiency goals. 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. This past year several sites had to initiate the accreditation/ reaccreditation process. Barring any COVID challenges, all sites should have accreditation reviews completed by the end of the next fiscal year. All Head Start sites 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. COVID adversely impacted the completion of its accreditation through NAEYC this fiscal year. The Center is on track to have this process completed in the coming fiscal year. The Center also participates in the Virginia Quality Initiative.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

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

Organization and Purpose (Continued)

Early Childhood Programs (Continued)

Early Head Start Family 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 school-aged 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 and high 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 also offers students externship experiences 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, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

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. 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, 2020, from which the summarized information was derived.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

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

Summary of Significant Accounting Policies (Continued)

Adoption of New Accounting Standard

The Center has adopted the financial statement presentation and disclosure standards contained in the Financial Accounting Standards Board Accounting Standards Update 2014-09, *Revenue from Contracts with Customers*, modifying ASC section 606. The change has been applied as of August 31, 2021, with no effect on beginning net assets without donor restrictions.

Cash and Cash Equivalents

As of August 31, 2021 and 2020, 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, 2021 and 2020. Cash and money market funds held by investment custodians are considered investments.

Accounts Receivable

Student fees for the Campagna Kids program are billed two weeks prior to the month of service and are due by the first of each month. If an account becomes past due, the Center contacts the family or guardian to determine the payment status, evaluate alternatives and take the appropriate course of action. The provision for doubtful accounts is evaluated regularly against outstanding student fees.

Programs funded through federal, state, local and foundation grants are typically invoiced as costs are incurred and either collected within 30 days or paid in advance.

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, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

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, 2021 and 2020 are \$3,485 and \$14,099, respectively.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

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, 2021 and 2020.

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.

Revenue Recognition

The Center provides a multitude of services that assist families with child care and services in the DC metropolitan area, but only a limited amount of services are directly engaged with a customer, including before and after care. The large majority of income is government grants and contributions, which are utilized to support the general public, based off reimbursements and budgets provided.

Performance Obligations

Before and after care is recognized as the services are provided. The agreement for the care is established upon receipt of a signed agreement to identify which type of services the customer would like, in which case the Center provides personal services in the form of child care before and/or after school. These agreements can vary depending on the amount of care provided and the income status of the parents. With daily rates ranging from \$1.50 to \$65.00 per day, or monthly agreements that have a monthly fixed fee ranging from \$30 to \$1,300, which would be indicated in the individual agreements. Refunds are not provided once services are performed.

Disaggregation of Revenue

The Center disaggregates revenue according to the type of revenue and whether the service is provided to personal users (customers) or the general public.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

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

Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Significant Judgments

The Center's management determines the amounts charged to parents for its before and after care each year.

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, supplies, telephone and technology, insurance, training and development, equipment repairs and maintenance, occupancy, food expense, depreciation, printing, licensing and permits, special activities and events, other, postage and travel have been allocated to program, general and administrative, and fundraising expenses based on level of effort.

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 12 and 14, respectively.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

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

Summary of Significant Accounting Policies (Continued)

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, 2021 and 2020. The Center renewed the line of credit at June 27, 2021 with a maturity date of June 27, 2023.

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, 2022 are as follows:

Financial Assets	
Cash	\$ 2,517,760
Investments	2,343,716
Accounts receivable, net of allowance	1,311,712
Total Financial assets	<u>6,173,188</u>
Less amounts not available within one year	
Purpose restricted net assets	<u>(294,569)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u><u>\$ 5,878,619</u></u>

2. CASH

Cash at August 31 consisted of the following:

	<u>2021</u>	<u>2020</u>
Checking	\$ 2,310,103	\$ 2,035,709
Certificates of deposit	<u>207,657</u>	<u>205,571</u>
	<u><u>\$ 2,517,760</u></u>	<u><u>\$ 2,241,280</u></u>

As of August 31, 2021 and 2020, bank balances not insured by the Federal Deposit Insurance Corporation were \$2,502,093 and \$2,018,277, respectively.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

3. RECEIVABLES

Receivables at August 31 consisted of the following:

Program funds from governments	2021	2020
Campagna Kids	\$ 229,254	\$ 226,902
Head Start	773,573	344,358
Early Head Start	147,307	186,839
Family Child Care Partnership Project	37,693	84,771
Other Miscellaneous Grants	72,800	-
	<u>1,260,627</u>	<u>842,870</u>
Supplemental education fees	59,477	32,000
	<u>1,320,104</u>	<u>874,870</u>
Less: Provision for doubtful accounts	(8,392)	(8,392)
	<u><u>\$ 1,311,712</u></u>	<u><u>\$ 866,478</u></u>

4. PROPERTY AND EQUIPMENT

Property, equipment, and accumulated depreciation at August 31, 2021 and 2020, and depreciation expense for the years then ended is as follows:

	August 31, 2021			
	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	1,079,038	44,788
Building renovations in process	5 to 25 years	107,884	-	-
Furniture and equipment	3 to 10 years	105,936	99,884	21,187
Automobiles	5 years	99,691	85,447	5,179
Website	5 years	25,200	-	-
		<u><u>\$ 2,390,508</u></u>	<u><u>\$ 1,414,292</u></u>	<u><u>\$ 71,154</u></u>

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

4. PROPERTY AND EQUIPMENT (CONTINUED)

	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>

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:

	2021	2020
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, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

5. INVESTMENTS

The Center had the following investments as of August 31:

	<u>2021</u>	<u>2020</u>
Mutual funds		
Foreign Large Value	\$ 164,237	\$ 41,125
Intermediate-Term Bond	-	60,282
Small Blend	92,282	-
Large Blend	103,421	82,590
Large Growth	424,251	120,400
Large Value	124,578	-
Short-Term Bond	133,664	132,902
Mid-Cap Growth	139,236	362,021
Mid-Cap Value	54,403	-
Income Fund	-	170,417
Small Growth	-	67,463
Foreign Large Growth	-	131,369
Large Growth/ Moderate Alloc	98,414	104,530
World Large - Stock Growth	66,821	-
Ultrashort Bond	62,458	61,751
Preferred stock	14,734	11,951
Large Value	-	91,571
Large Cap	186,175	133,791
World Allocation	210,337	172,463
Corporate Bond	59,957	-
85% Equity	30,642	-
80% Equity	-	90,374
70% Equity	99,497	-
Multisector Bond	236,749	10,371
Money market funds	<u>41,860</u>	<u>62,421</u>
	<u><u>\$ 2,343,716</u></u>	<u><u>\$ 1,907,792</u></u>

Investments are allocated to the following classes of net assets:

	<u>2021</u>	<u>2020</u>
Net assets without donor restrictions	\$ 2,049,147	\$ 1,620,947
Net assets with donor restrictions	<u>294,569</u>	<u>286,845</u>
	<u><u>\$ 2,343,716</u></u>	<u><u>\$ 1,907,792</u></u>

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

5. INVESTMENTS (CONTINUED)

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

	2021	2020
Dividend and interest income	\$ 75,748	\$ 78,890
Capital gain, realized	28,155	81,231
Unrealized gain in market value	353,402	10,238
Investment management fees	(19,854)	(16,150)
	<u>\$ 437,451</u>	<u>\$ 154,209</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, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

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, 2021	
	Total	Level 1
Mutual funds		
Foreign Large Value	\$ 164,237	\$ 164,237
Small Blend	92,282	92,282
Large Blend	103,421	103,421
Large Growth	424,251	424,251
Large Value	124,578	124,578
Short-Term Bond	133,664	133,664
Mid-Cap Growth	139,236	139,236
Mid-Cap Value	54,403	54,403
Large Growth/ Moderate Alloc	98,414	98,414
World Large - Stock Growth	66,821	66,821
Ultrashort Bond	62,458	62,458
Preferred stock	14,734	14,734
Large Cap	186,175	186,175
World Allocation	210,337	210,337
Corporate Bond	59,957	59,957
85% Equity	30,642	30,642
70% Equity	99,497	99,497
Multisector Bond	236,749	236,749
Money market funds	41,860	41,860
	<u>\$ 2,343,716</u>	<u>\$ 2,343,716</u>

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

6. FAIR VALUE MEASUREMENTS (CONTINUED)

	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>

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:

	2021	2020
Campagna Kids program	\$ -	\$ 80,225
Foundations - Other	35,000	30,243
All other	56,767	63,950
	<u>\$ 91,767</u>	<u>\$ 174,418</u>

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

8. 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
2022	<u>\$ 3,440</u>	<u>\$ 14</u>	<u>\$ 3,426</u>

Total payments relating to this lease during the year ended August 31, 2021 were \$20,641, including \$469 in interest payments.

9. 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, 2021 and 2020, the interest rate of the old line of credit was 5.75% for each year respectively. The interest rate of a new line of credit was 4%. The maturity date of the old line of credit was June 27, 2021, and the Center renewed the line of credit at that time with a maturity date of June 27, 2023. The unused line of credit at August 31, 2021 and 2020 was \$1,200,000. The outstanding balance on this line of credit was \$0 at August 31, 2021 and 2020, respectively. The interest expense related to this line of credit was \$0 for the years ended August 31, 2021 and 2020.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

10. ENDOWMENTS

The Center's endowments represent funds received for the Sonosky Fund that were established for employee and client support 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.

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 7% 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.

Although the Center has yet to distribute any amounts from this fund, the Center's board will provide guidance and approval authority over any future distributions in such fashion as to preserve the original value of the gift.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

10. ENDOWMENTS (CONTINUED)

Endowment funds as of August 31, 2021 and 2020 are as follows:

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>
Balance as of August 31, 2020	\$ 103,834
Investment income	5,271
Change in fair value of investments	<u>18,298</u>
Balance as of August 31, 2021	<u>\$ 127,403</u>

11. NET ASSETS WITH DONOR RESTRICTIONS

As of August 31, 2021 and 2020, net assets with donor restriction balances consisted of the following:

	2021			Balance August 31, 2021
	Balance August 31, 2020	Additions	Releases	
Sonosky Fund (Endowment)	\$ 103,834	\$ 23,569	\$ -	\$ 127,403
Wright to Read	24,822	276,497	(301,319)	-
St. James ELC	33,541	368	(33,909)	-
Capital Campaign	111,793	55,373	-	167,166
Diaper Drive Program	12,855	15,430	(28,285)	-
Grocery Gift Cards	-	218,513	(218,513)	-
	<u>\$ 286,845</u>	<u>\$ 589,750</u>	<u>\$ (582,026)</u>	<u>\$ 294,569</u>

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

11. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

	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>

12. 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, 2021 and 2020 are as follows:

	2021	2020
Donated rent and facilities	\$ 997,172	\$ 1,715,388
Donated goods - programs	181,546	183,645
Donated professional services	270,253	164,062
	<u>\$ 1,448,971</u>	<u>\$ 2,063,095</u>

13. 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, 2021 and 2020.

THE CAMPAGNA CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

14. MAJOR GRANTORS

Program funds from government grants totaled \$7,683,475 for the year ended August 31, 2021 and \$7,868,560 for the year ended August 31, 2020, which is approximately 51% and 58% 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, 2021 and 2020 the amount outstanding from the above government grants was \$1,260,627 and \$842,870, respectively, which approximates 95% and 96% of total receivables, respectively.

15. CONDITIONAL GRANTS

The Center has been conditionally awarded the following grants for the year ending August 31, 2021:

Head Start	\$ 2,546,389
Early Head Start	1,581,860
Family and Childcare Partnership	<u>1,057,742</u>
	<u>\$ 5,185,991</u>

16. 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 was held in September 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, 2021 (with Summarized Comparative Information as of and for the year ended August 31, 2020)

16. 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:	
2022	\$ 25,895
2023	26,672
2024	27,472
2025	28,297
2026	29,145
2027 and thereafter	<u>55,659</u>
	<u>\$ 193,140</u>

Novel COVID-19 Coronavirus

Citizens and economies of the United States and other countries have been significantly impacted by the coronavirus (COVID-19) pandemic. 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 2022 financial results will be impacted and the implications beyond 2022, while unclear, could also be adversely impacted. No pandemic implications are accounted for in these financial statements.

17. SUBSEQUENT EVENTS

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through December 31, 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, 2021 (with Summarized Comparative Information for the year ended August 31, 2020)

	2021							2020			
	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	Total	Total
Salaries, taxes, and benefits	\$ 4,403,993	\$ 2,074,171	\$ 206,932	\$ 108,131	\$ 101,830	\$ 82,880	\$ 6,977,937	\$ 519,720	\$ 82,063	\$ 7,579,720	\$ 8,493,303
In-kind	882,672	329,560	54,654	180,829	1,256	-	1,448,971	-	-	1,448,971	2,063,095
Professional services	1,012,876	31,089	17,323	2,353	4,124	5,240	1,073,005	58,290	105,125	1,236,420	1,082,779
Supplies	507,115	75,325	9,405	7,554	93	196,546	796,038	1,497	1,208	798,743	359,762
Telephone and technology	255,455	78,585	23,611	2,881	4,522	5,384	370,438	39,661	17,728	427,827	243,711
Insurance	89,673	40,020	5,491	2,359	893	1,345	139,781	6,268	599	146,648	85,409
Training and development	104,428	11,465	2,594	223	436	78	119,224	1,627	932	121,783	166,188
Equipment, repairs and maintenance	93,554	6,862	1,308	455	190	4,350	106,719	2,895	227	109,841	39,101
Occupancy	73,066	9,133	1,741	605	252	1,965	86,762	2,523	303	89,588	95,092
Food expense	81,582	6,758	35	12	5	7	88,399	51	6	88,456	353,953
Depreciation	43,318	17,838	3,544	968	405	564	66,637	4,033	484	71,154	72,195
Program activities	13,704	22,505	11,352	129	1,179	-	48,869	-	-	48,869	195,945
Printing	8,589	3,288	79	26	1	241	12,224	4,105	4,343	20,672	27,156
Licensing and permits	11,722	2,565	2,480	6	2	800	17,575	80	488	18,143	13,928
Special activities and events	409	-	-	-	-	-	409	413	15,244	16,066	72,544
Other	7,738	3,025	311	-	194	-	11,268	3,121	255	14,644	66,837
Postage	2,361	1,131	713	17	7	110	4,339	606	1,710	6,655	16,778
Advertising and publications	-	300	-	-	-	-	300	3,185	-	3,485	15,331
Travel	707	17	280	1	-	1	1,006	6	1	1,013	8,222
Interest	-	11	-	-	-	-	11	458	-	469	1,112
TOTAL EXPENSES	\$ 7,592,962	\$ 2,713,648	\$ 341,853	\$ 306,549	\$ 115,389	\$ 299,511	\$ 11,369,912	\$ 648,539	\$ 230,716	\$ 12,249,167	\$ 13,472,441

See Independent Auditors' Report.