

STUDENT SUPPORT NETWORK, INC.

FINANCIAL STATEMENTS

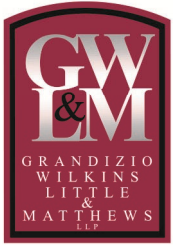
JUNE 30, 2022

STUDENT SUPPORT NETWORK, INC.

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For the Year Ended June 30, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Student Support Network, Inc.
Parkville, Maryland 21234

Opinion

We have audited the financial statements of Student Support Network, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of Student Support Network, Inc. as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Student Support Network, Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Student Support Network, Inc.'s ability to continue as a going concern for one (1) year after the date that the financial statements are 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 GAAS 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 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 GAAS, 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 Student Support Network, Inc.'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 Student Support Network, Inc.'s 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.

Grandizio, Wilkins, Little & Matthews LLP

Grandizio, Wilkins, Little & Matthews, LLP
March 14, 2023

STUDENT SUPPORT NETWORK, INC.
STATEMENT OF FINANCIAL POSITION

June 30, 2022

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$ 579,278
Donated Goods	23,565
Investments	12,967
Prepaid Expenses	<u>2,294</u>
TOTAL CURRENT ASSETS	618,104
OTHER ASSETS	
Deposit	<u>1,000</u>
TOTAL ASSETS	<u>\$ 619,104</u>

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts Payable	\$ 37,645
Accrued Expenses	<u>7,409</u>
TOTAL CURRENT LIABILITIES	<u>45,054</u>
NET ASSETS	
Without Donor Restrictions	528,296
With Donor Restrictions	<u>45,754</u>
TOTAL NET ASSETS	<u>574,050</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 619,104</u>

See independent accountants' review report and accompanying notes.

STUDENT SUPPORT NETWORK, INC.
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions	\$ 230,825	\$ -	\$ 230,825
In-Kind Donations	209,895	-	209,895
Program Income	192,526	45,754	238,280
Fundraising Income	<u>129,345</u>	<u>-</u>	<u>129,345</u>
 TOTAL SUPPORT AND REVENUES	 762,591	 45,754	 808,345
 Net Assets Released from Restrictions (Satisfaction of Program Restrictions)	 <u>125,204</u>	 <u>(125,204)</u>	 <u>-</u>
 TOTAL SUPPORT, REVENUES, AND RECLASSIFICATIONS	 <u>887,795</u>	 <u>(79,450)</u>	 <u>808,345</u>
EXPENSES			
Program Services	444,566	-	444,566
Management and General	78,287	-	78,287
Fundraising	<u>105,772</u>	<u>-</u>	<u>105,772</u>
 TOTAL EXPENSES	 <u>628,625</u>	 <u>-</u>	 <u>628,625</u>
 CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	 259,170	 (79,450)	 179,720
NONOPERATING ACTIVITIES			
Investment Return (Loss), Net	<u>(8,083)</u>	<u>-</u>	<u>(8,083)</u>
 Change in Net Assets	 251,087	 (79,450)	 171,637
 Net Assets - Beginning of Year	 <u>277,209</u>	 <u>125,204</u>	 <u>402,413</u>
 NET ASSETS - END OF YEAR	 <u>\$ 528,296</u>	 <u>\$ 45,754</u>	 <u>\$ 574,050</u>

See independent accountants' review report and accompanying notes.

STUDENT SUPPORT NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2022

	Program Services	Management and General	Fundraising	Total
Credit Card Collection Fees	\$ -	\$ 1,697	\$ -	\$ 1,697
Dues and Subscriptions	-	4,464	-	4,464
Facilities and Equipment	-	9,459	-	9,459
School Support Programs	377,217	3,410	-	380,627
Fundraising	-	-	62,185	62,185
Insurance	-	3,554	-	3,554
Office Expenses	-	1,511	-	1,511
Payroll Taxes	5,013	3,318	1,670	10,001
Printing and Copying	-	841	-	841
Professional Fees	-	13,133	19,250	32,383
Salaries and Wages	62,336	28,335	22,667	113,338
Travel and Lodging	-	702	-	702
Supplies	-	7,863	-	7,863
TOTAL EXPENSES	\$ 444,566	\$ 78,287	\$ 105,772	\$ 628,625

See independent accountants' review report and accompanying notes.

STUDENT SUPPORT NETWORK, INC.
STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Contributions and Other Support	\$ 574,885
Cash Paid to Providers and Support Services	<u>(387,568)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>187,317</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	<u>(21,050)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	166,267
Cash and Cash Equivalents - Beginning of Year	<u>413,011</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 579,278</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Change in Net Assets	\$ 171,637
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:	
Unrealized (Gain) Loss on Investments	8,083
Donated Goods	<u>(23,565)</u>
Changes in Assets and Liabilities	
(Increase) Decrease in Prepaid Expenses	(170)
Increase (Decrease) in Accounts Payable	27,263
Increase (Decrease) in Accrued Expenses	<u>4,069</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>\$ 187,317</u></u>

See independent accountants' review report and accompanying notes.

STUDENT SUPPORT NETWORK, INC. NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Note 1: Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

Student Support Network, Inc. (Organization), a nonprofit organization, was organized in October of 2016 for the purpose of improving the lives of Baltimore County Maryland students living in poverty by providing food, other basic necessities, and advocacy support. The Organization partners with school staff to assist qualified students in need to improve their lives and support their education through the provision of food, clothing, educational supplies, and other critical items. The Organization receives assistance from companies, local churches, community groups and foundations, the Baltimore County government, and individual volunteers who have donated funds, in-kind donations, and their time to the Organization. Distributions are open to any Baltimore County students and families in need.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization's financial statement reporting follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC No. 958). Under FASB ASC No. 958, the Organization is required to report information regarding its financial position and activities according to two (2) classes of net assets; with and without donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments purchased with an initial maturity of three (3) months or less to be cash equivalents.

Revenue Recognition

Contributions are recognized upon receipt and program service revenue is recognized in the period it is earned. The Organization reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the time period or manner of use. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Donated noncash assets are recorded at their fair values in the period received. Donated services, that create or enhance nonfinancial assets or that require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

For the year ended June 30, 2022, the Organization received donated goods in the amount of \$209,895, which have been recorded as contributions without donor restrictions. Of that, \$23,565 were held for distribution as of the year ended June 30, 2022. The remaining contributions of \$186,330 were used for program purposes and were fully expensed in the year ended June 30, 2022.

STUDENT SUPPORT NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2022

**Note 1: Nature of Organization and Summary of Significant Accounting Policies
(Continued)**

Income Taxes

The Organization is a nonprofit organization that is exempt from federal and state taxation under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private organization.

The Organization's evaluation on June 30, 2022 revealed no uncertain tax positions that would have a material impact on the financial statements. Tax returns for the previous three (3) years remain subject to examination by the IRS. The Organization does not believe that any reasonably possible changes will occur within the next twelve (12) months that will have a material impact on the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments in equity securities with readily determinable fair values are reported at their fair values in the statement of financial position. Donated securities are recognized at fair value upon receipt. Realized and unrealized gains and losses are reflected within investment return (loss), net, in the statement of activities. Investment return on investments restricted by a donor is reported as increases in net assets with donor restrictions in the reporting period in which the income is recognized.

Functional Allocation of Expenses

Expenses are charged directly to program, management and general, or fundraising categories based on specific identification, when determinable. A reasonable allocation is made for costs not specifically identifiable.

Concentration of Credit Risk

The Organization maintains cash balances at financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, the Organization's cash balances may exceed the insured limits. The Organization believes that no significant concentration of credit risk exists with respect to cash balances.

Date of Management Review

The Organization has evaluated events and transactions that occurred during the period from the date of the financial statements through March 14, 2023, the date the Organization's financial statements were available to be issued. There were no events or transactions that occurred during the period that materially impacted the amounts or disclosures in the Organization's financial statements.

STUDENT SUPPORT NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Note 2: Grants

The Organization was awarded one (1) grant from the Baltimore County COVID Emergency Response. The award for the Organization's fiscal year 2022 amounted to \$74,900. Payments are released based on actual expenditures incurred by the Organization.

Several other grants were also received during the fiscal year where the payments are released based on actual expenditures incurred by the Organization in accordance with the approved line-item budget.

The Organization was awarded one (1) operating grant from Baltimore Community Foundation. The award for the Organization's fiscal year 2022 amounted to \$30,000. Payments are released based on actual expenditures incurred by the Organization in accordance with the approved line-item budget.

The Organization was awarded one (1) operating grant from Middendorf Foundation, Inc. The award for the Organization's fiscal year 2022 amounted to \$26,530. Payments are released based on actual expenditures incurred by the Organization in accordance with the approved line-item budget.

The Organization was awarded one (1) operating grant from the Envision Fund. The award for the Organization's fiscal year 2022 amounted to \$13,200. Payments are released based on actual expenditures incurred by the Organization in accordance with the approved line-item budget.

Any above awards not expended by the end of the fiscal year are included in the balance of net assets with donor restrictions on these financial statements.

Note 3: Related Party Transactions

The Organization has monthly accounting services provided by a board member. This time is often comingled with their board duties and is therefore inestimable. For the year ended June 30, 2022, no amount has been included in the financial statements for these accounting services.

Note 4: Net Assets With Donor Restrictions

The following are net assets with donor restrictions and their purposes at June 30, 2022:

Salaries	\$	960
Supplemental Food and Grocery Cards		<u>44,794</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$	<u>45,754</u>

Net assets released from donor restrictions:

Food and Essentials	\$	15,500
Salaries		<u>109,704</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$	<u>125,204</u>

STUDENT SUPPORT NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Note 5: Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the date of the statement of financial position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one (1) year of the date of the statement of financial position.

Financial Assets at Year-End	\$ 592,245
Less those Unavailable for General Expenditures Within One (1) Year, Due to:	
Student Support Programs	(44,794)
Donor-Restricted for G&A	<u>(960)</u>
Financial Assets Available (Shortage) to Meet Cash Needs for General Expenditures Within One (1) Year	<u>\$ 546,491</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 6: Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three (3) levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Fair Value Measurements

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

Level 2 Fair Value Measurements

Inputs to the valuation methodology include:

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

STUDENT SUPPORT NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Note 6: Fair Value Measurements (Continued)

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

Level 3 Fair Value Measurements

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

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

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

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

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

Description	Fair Value	Significant Observable Inputs (Level 1)
Mutual Funds	\$ 12,967	\$ 12,967
TOTAL	<u>\$ 12,967</u>	<u>\$ 12,967</u>