

**COMMUNITY FOUNDATION OF  
ANNE ARUNDEL COUNTY, INC.  
Annapolis, MD**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS**

**December 31, 2014 and 2013**

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.  
Annapolis, Maryland**

**December 31, 2014 and 2013**

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Certified Public Accountant

## Independent Auditor's Report

Board of Trustees  
Community Foundation  
of Anne Arundel County, Inc.  
Annapolis, Maryland

We have audited the accompanying financial statements of the Community Foundation of Anne Arundel County, Inc. (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statement of activities for the year ended December 31, 2014, and the related statements of cash flows for the years ended December 31, 2014 and 2013, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 auditor's 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.

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## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Foundation of Anne Arundel County, Inc. as of December 31, 2014 and 2013, the changes in its net assets for the year ended December 31, 2014, and its cash flows for the years ended December 31, 2014 and 2013 in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited the Community Foundation of Anne Arundel County, Inc.'s statement of activities for the year ended December 31, 2013, and we expressed an unmodified audit opinion on that audited statement of activities in our report dated September 17, 2014. In our opinion, the summarized comparative information presented herein for the year ended December 31, 2013, is consistent, in all material respects, with the audited statement of activities from which it has been derived.

*Randy Welch CPA: March 11, 2015*

November 4, 2015  
Millersville, Maryland

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
**Annapolis, Maryland**

**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2014 AND 2013**

**ASSETS**

	<u>2014</u>	<u>2013</u>
<b><u>Current assets</u></b>		
Cash and cash equivalents	\$ 385,026	\$ 227,831
Unconditional promises to give - current	64,466	328,576
Investments	5,243,523	4,540,659
Other current assets	3,901	3,421
<b>Total current assets</b>	<b><u>5,696,916</u></b>	<b><u>5,100,487</u></b>
Unconditional promises to give	135,572	208,680
Investments - permanently restricted	294,000	103,000
Property and equipment (less accumulated depreciation of \$47,384 and \$31,868 at December 31, 2014 and 2013, respectively)	<u>2,129</u>	<u>17,645</u>
<b>Total Assets</b>	<b><u>\$ 6,128,617</u></b>	<b><u>\$ 5,429,812</u></b>

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable and accrued expenses	\$ <u>13,325</u>	\$ <u>20,495</u>
<b>Total current liabilities</b>	<b><u>13,325</u></b>	<b><u>20,495</u></b>

**Net Assets**

Unrestricted net assets	227,951	485,459
Temporarily restricted net assets	5,156,915	4,820,858
Permanently restricted net assets	<u>730,426</u>	<u>103,000</u>
<b>Total net assets</b>	<b><u>6,115,292</u></b>	<b><u>5,409,317</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 6,128,617</u></b>	<b><u>\$ 5,429,812</u></b>

The accompanying notes to financial statements  
are an integral part of this statement

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
Annapolis, Maryland

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2013)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2014</u>	<u>2013</u>
<b><u>SUPPORT AND REVENUES</u></b>					
Contributions	\$ 12,587	\$ 2,037,517	\$ 627,426	\$ 2,677,530	\$ 2,583,531
Special events, (net of costs of direct benefit to participants of \$97,646 and \$90,993 for 2014 and 2013, respectively)	-	151,739	-	151,739	254,634
Investment income, net	3,832	170,403	-	174,235	303,776
<u>Net assets released from restrictions (Note 6)</u>					
Satisfaction of program restrictions	2,023,602	(2,023,602)	-	-	-
<b>Total support and revenues</b>	<b><u>2,040,021</u></b>	<b><u>336,057</u></b>	<b><u>627,426</u></b>	<b><u>3,003,504</u></b>	<b><u>3,141,941</u></b>
<b><u>EXPENSES</u></b>					
Program services					
Grants	1,822,278	-	-	1,822,278	1,571,444
Other charitable expenditures	224,522	-	-	224,522	198,340
<b>Total program services</b>	<b><u>2,046,800</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,046,800</u></b>	<b><u>1,769,784</u></b>
Support services					
Philanthropic development	87,764	-	-	87,764	76,493
Management and general	162,964	-	-	162,964	135,463
<b>Total supporting services</b>	<b><u>250,729</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>250,729</u></b>	<b><u>211,956</u></b>
<b>Total expenses</b>	<b><u>2,297,529</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,297,529</u></b>	<b><u>1,981,740</u></b>
<b>Change in net assets</b>	<b>(257,508)</b>	<b>336,057</b>	<b>627,426</b>	<b>705,975</b>	<b>1,160,201</b>
Beginning net assets	485,459	4,820,858	103,000	5,409,317	4,249,116
<b>Ending net assets</b>	<b><u>\$ 227,951</u></b>	<b><u>\$ 5,156,915</u></b>	<b><u>\$ 730,426</u></b>	<b><u>\$ 6,115,292</u></b>	<b><u>\$ 5,409,317</u></b>

The accompanying notes to financial statements are an integral part of this statement

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
**Annapolis, Maryland**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>Cash Flows From Operating Activities</b>		
Cash received from grants and other support	\$ 3,576,449	\$ 3,075,870
Cash paid to providers and support services	(2,561,777)	(2,086,178)
Interest and dividend Income	103,218	74,699
<b>Net cash provided by (used in) operating activities</b>	<u>1,117,890</u>	<u>1,064,391</u>
<b>Cash Flows From Investing Activities</b>		
(Purchases) sale of investments, net	(960,695)	(1,120,445)
<b>Net cash provided by (used in) investing activities</b>	<u>(960,695)</u>	<u>(1,120,445)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>157,195</b>	<b>(56,054)</b>
Cash and cash equivalents - beginning of year	<u>227,831</u>	<u>283,885</u>
<b>Cash and cash equivalents - end of year</b>	<u><b>\$ 385,026</b></u>	<u><b>\$ 227,831</b></u>

**Reconciliation of Changes in Net Assets to Net Cash  
Provided By (Used In) Operating Activities**

<b>Change in Net Assets</b>	<b>\$ 705,975</b>	<b>\$ 1,160,201</b>
Adjustments		
Depreciation expense	15,516	15,630
Unrealized (gain) loss on investments	66,831	(242,714)
Changes in Assets and Liabilities:		
(Increase) decrease in other current assets	(480)	65,692
(Increase) decrease in unconditional promises to give	337,218	62,556
Increase (decrease) in accounts payable and accrued expenses	<u>(7,170)</u>	<u>3,026</u>
<b>Net cash provided by (used in) operating activities</b>	<u><b>\$ 1,117,890</b></u>	<u><b>\$ 1,064,391</b></u>

The accompanying notes to financial statements  
are an integral part of this statement

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.  
Annapolis, Maryland**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2014 and 2013**

**Note 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES**

Organization and Nature of Activities

The Community Foundation of Anne Arundel County, Inc. (Foundation), established in 1998 and incorporated in Maryland in 1999, is one of thirteen such foundations in Maryland and one of approximately 800 in the United States. Its goal is to build a permanent source of charitable funds that can be used to address the needs of the Anne Arundel County community of Maryland today and in the future. During 2007, the foundation changed its name from Community Foundation of the Chesapeake to Community Foundation of Anne Arundel County, Inc.

Founded by a group of community-minded citizens who wanted to ensure a permanent source of funds for our local charitable organizations, the Foundation's mission is to improve the quality of life for all people in Anne Arundel County by building and managing an endowment of charitable assets, responding to community needs, helping donors achieve their charitable objectives while strengthening the community, serving as a catalyst for community problem solving, and fostering greater giving and new philanthropy in our community.

Activity

Prior to 2007, the Foundation's primary purpose was to make charitable grants to qualifying recipients in Anne Arundel, Calvert, Charles, and St. Mary's Counties. Currently, the Foundation is focusing exclusively on Anne Arundel County. The Foundation receives its support directly from the public.

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 Foundation is required to report information regarding its financial position and activities according to three (3) classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The classes of net assets are determined by restrictions, if any, imposed by the donor.



**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
**Annapolis, Maryland**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

Cash and Cash Equivalents

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

Credit Risk

At various times during the year, the Foundation maintained cash balances in one financial institution in excess of \$250,000, the limit of federal insurance.

Income Taxes and Uncertainties

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The 2011 through 2013 tax years remain subject to examination by the IRS. The Foundation 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.

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 contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
**Annapolis, Maryland**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

Contributions, Grants and Support

Contributions and grants received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Receivables are charged off when deemed by the Organization to be uncollectible.

The Foundation reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Property and Equipment

Purchased property and equipment is recorded at cost and is comprised of computer equipment, furniture and software. Donated assets are recorded as contributions at their estimated fair value on the date received. The Foundation capitalizes individual assets with a cost that is equal to \$500 or greater. Depreciation is provided on the straight-line method over the estimated class life of the asset, which ranges from 3 to 7 years.

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
**Annapolis, Maryland**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

Investments

Investments in money market funds and marketable securities are reported at their fair market values based upon published quotations. Investments for which the fair market values are not readily determinable are recorded at cost or, if received as contribution, at their fair market value as determined at the time of gift. Gains and losses on investments for the year are reported in the statement of activities as part of investment income.

Component Funds

Contributions received by the Foundation are classified and administered according to the donor's instructions at the time the gift is made.

Component funds of the Foundation are as follows:

- Discretionary funds are expended in any charitable field.
- Field-of-interest funds are expended for some broadly defined charitable purpose such as mental health or aid to the aged.
- Advised funds are expended at the discretion of the Board of Trustees, who from time to time consider grant recommendations offered by donors.
- Designated funds are expended for the charitable purposes specified by donors at the time the component fund is created.
- Scholarship funds are expended in support of educational scholarship programs.

Each of the 5 kinds of funds previously listed may be created as endowed or non-endowed funds.

Date of Management Review

The Foundation has evaluated events and transactions that occurred during the period from the date of the financial statements through November 4, 2015, the date the 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 Foundation's financial statements.

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
**Annapolis, Maryland**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 2 – PROMISES TO GIVE**

Unconditional promises to give consist of the following:

	<u>2014</u>	<u>2013</u>
Unrestricted promises	\$ 205,504	\$ 542,064
Less: Unamortized discount	<u>(5,466)</u>	<u>(4,808)</u>
	<u>\$ 200,038</u>	<u>\$ 537,256</u>
Amounts due in:		
Less than one year	\$ 64,466	\$ 328,576
One to five years	<u>135,572</u>	<u>208,680</u>
	<u>\$ 200,038</u>	<u>\$ 537,256</u>

Unconditional promises to give due in more than one year are recognized at fair value, using present value techniques and a discount rate of 4%, when the donor makes an unconditional promise to give to the Foundation.

**Note 3 – OPERATING LEASE**

Operating Lease for Office Space

The office space is located on 914 Bay Ridge Road, Annapolis, MD 21401. The lease commenced on January 1, 2006, and was amended on January 1, 2008, and subsequently on January 1, 2011. Rent for the office was \$950 per month in each 2014 and 2013. The term of the amended agreement goes month-to-month and the Foundation is required to provide a 60 day notice before terminating its lease. Rent expense for 2014 and 2013 was \$12,825 and \$11,400, respectively.

**Note 4 – INVESTMENTS**

The Foundation invests in equity mutual funds, equity securities, U.S. government obligations, and corporate debt securities. Fair values for investments are determined by reference to quoted market prices for similar investments, yield curves, and other relevant information. There were no changes in valuation techniques in the years ended December 31, 2014 and 2013. The Foundation recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the years ended December 31, 2014 and 2013.

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
**Annapolis, Maryland**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 4 – INVESTMENTS (CONTINUED)**

The Foundation uses quoted prices in active markets for identical assets or liabilities to determine fair value. This pricing methodology applies to all Level 1 investments.

Assets measured at fair value on a recurring basis at December 31, 2014 are as follows:

	<u>Level 1</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 638,904	\$ 638,904
U.S. Government obligations	110,958	110,958
Mutual Funds	146,3312	146,3312
U.S. Equities	1,183,346	1,183,346
International Equities	509,854	509,854
Corporate Obligations	468,069	468,069
Fixed Income	2,480,060	2,480,060
	<u>\$ 5,537,523</u>	<u>\$ 5,537,523</u>

Assets measured at fair value on a recurring basis at December 31, 2013 are as follows:

	<u>Level 1</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 622,234	\$ 622,234
U.S. Equities	1,482,820	1,482,820
International Equities	409,247	409,247
Fixed Income	2,129,358	2,129,358
	<u>\$ 4,643,659</u>	<u>\$ 4,643,659</u>

Net investment income (loss) is as follows for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Interest and dividend income	\$ 103,218	\$ 74,699
Net realized gain (loss) on sales of investments	156,286	48,877
Unrealized gain (loss) on investments	(66,831)	193,837
Fees	(18,438)	(13,637)
	<u>\$ 174,235</u>	<u>\$ 303,776</u>

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
**Annapolis, Maryland**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 5 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31 are available for the following purposes:

	<u>2014</u>	<u>2013</u>
<u>Scholarships</u>		
Collegiate Scholarship Fund	\$ 153,532	\$ 76,236
Grant Turner Scholarship Fund	82,923	92,209
Louis A. D'Camera Memorial Scholarship Fund	69,435	72,553
Margaret Sanders Chaires Foundation	18,804	18,232
Lepage Education	38,014	11,725
<u>Health and Human Services</u>		
Agnes Dixon Fund	144,071	111,440
Bowen Foundation	1,218	-
Carroll H. Hynson Foundation	2,759	5,712
Perinatal Loss Fund	13,333	13,266
Trish and Greg Strott Fund	10,316	11,039
Tommy Yeager Endowment Fund	8,334	8,829
Walker Fund	88,669	67,252
<u>Youth Programming</u>		
Frank & Susan Chaney Foundation	9,449	14,612
Boy Scouts	861	10,534
<u>Education Programming</u>		
Kurdle Family Fund	10,913	9,430
Grants 4 Teachers	965	4,791
Sunshine Fund	40,775	30,406
<u>Cancer Research and Education</u>		
The Elizabeth Carr Memorial Fund	36,885	39,653
Zoe Quinn Francis Fund	99,314	99,595
<u>Women/Children Issues</u>		
Anne Arundel Woman Giving Together	102,113	89,796
Anne Arundel Woman Endowment	66	75,212
Chrysalis House Endowment Fund	7,410	6,370
Women Giving Together	10,290	6,260

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.  
Annapolis, Maryland**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2014 and 2013**

**Note 5 – TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

	<u>2014</u>	<u>2013</u>
<u>General Purpose</u>		
Access Arts	14,691	-
Access Environment	1	-
Ames Fund for Financial Literacy	139	-
Barry & Mary Gossett Foundation	98,700	96,375
Baum Jackson Investment	8,936	4,560
Beauty for Ashes	49,750	-
Beer Family	4,393	4,626
Berkinshaw Family Foundation	1,911	2,545
Bird Family Fund	70,975	59,883
<u>General Purpose (continued)</u>		
Bird Fund for the Environment & Arts	20,010	29,835
Blaxall Fund for Economic Growth	149,863	114,360
Blessings Fund	38,094	27,244
Brown/Gill Giving Fund	29,313	33,400
Calliope Tsoulis Braun Fund	16,202	13,512
Carbaugh Family Fund	843,112	973,832
Carol Thompson Fund	5,472	5,116
Celebration of Philanthropy Luncheon	27,687	32,795
Chaney Foundation – Boys and Girls	127,263	105,664
Chaney Fund for Hope	61,340	-
Chaney Fund for Land Use Education	113,972	-
Chaney Memorial Endowment	545	-
Cohen Community Fund	4,949	5,093
Colonial Players Riley Endowment	5,451	-
Community Leadership 2	51,499	45,378
Deems Digital Foundation	30,631	21,012
Frank's Fund	10,267	11,437
Gable Signs Foundation	5,241	6,570
Gibbs Family Fund	13,086	12,821
Great Give	1,264	64,523
Greenberg Gibbons/Reliable Contracting Fund	248,037	362,412
Gurschick Family Foundation	217,043	197,724
Haller Family Foundation	10,545	9,289
Healthy Anne Arundel	25,506	25,861
Help Our Neighbors	13,288	8,223

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
**Annapolis, Maryland**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 5 – TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

<u>General Purpose - Continued</u>	<u>2014</u>	<u>2013</u>
Howard Bank	5,211	5,176
Invictus (IMDV) Fund	30,658	24,631
Insurance Force Foundation	4,750	-
Kramer-Schaefer Family Fund	61,840	65,648
Ladd Charitable Fund	186,117	-
Ladders/ Arts & Culture	52,744	39,400
Ladders/ Economic Opportunity	113,211	90,634
Ladders/ Education and Youth	19,753	560
Ladders/ Environment	270	660
Ladders/ Health and Wellness	7	7
Magnolia Family	745,592	689,904
Marcus, Beverly & Stephen Foundation	368,516	442,720
Meisenberg	14	-
Next Generation	10,425	14,695
Potter	14,091	18,284
Potter Env Fund	53,122	-
Powell Family Fund	2,378	7,021
Richard & Susan Franyo Foundation	97,565	155,828
South County Fund	40,381	40,918
Speciale Family Fund	9,753	
Thornton Fund	12,541	17,261
What's Up Foundation	20,430	21,002
Women & Girls Fund	37,921	37,267
	<u>\$ 5,156,915</u>	<u>\$ 4,820,858</u>

**Note 6 – RELEASE FROM DONOR RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2014</u>	<u>2013</u>
<b>Purpose restrictions accomplished</b>		
Access Arts	\$ 9,100	\$ -
Access Environment	4,600	-
Agnes Dixon Fund	1,186	4,477



**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
**Annapolis, Maryland**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 6 – RELEASE FROM DONOR RESTRICTIONS (continued)**

	<u>2014</u>	<u>2013</u>
<b>Purpose restrictions accomplished (continued)</b>		
Ames Fund for Financial Literacy	10,426	-
Anne Arundel Women Endowment	1,519	4,657
Anne Arundel Women Giving Together	93,715	88,628
Bowen Foundation	8	47,140
Boy Scouts	152	250
Carrol H. Hynson Foundation	9,193	295
Collegiate Scholarship Fund	14,462	30,115
Frank and Susan Chaney Foundation	43,826	79,239
Gibbs Family Fund	260	250
Grant Turner Scholarship Fund	20,690	17,301
Haller Family Foundation	248	280
Howard Bank	177	250
Kramer-Schaefer Family Fund	4,647	7,503
Kurdle Family Fund	217	250
Louis A. D'Camera Memorial Scholarship Fund	6,426	1,341
Lydia Morrow Fund	-	7,085
Magnolia Family Foundation	74,521	81,203
Margaret Sanders Chaires Foundation	278	254
Meidenberg	4	-
Sherole Scholarship Fund	217	250
South County Fund	819	732
Sunshine Fund	347	250
The Elizabeth Carr Memorial Fund	4,522	14,277
Tommy Yeager Endowment Fund	2,565	1,653
Trish and Greg Strott Fund	1,236	250
Women Giving Together	17,088	10,323
Zoe Quinn Francis Fund	28,530	29,576
Barry & Mary Gossett Foundation	27,051	16,823
Baum Jackson Investment	6,677	14,750
Beauty for Ashes	250	-
Beer Family Fund	234	544
Berkinshaw Family Foundation	651	250
Bird Family Fund	19,397	17,468
Bird Fund for the Environment & Arts	1,516	250
Blaxall Fund for Economic Growth	3,539	7,250
Blessings Fund	2,895	633

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 6 – RELEASE FROM DONOR RESTRICTIONS (continued)**

	<u>2014</u>	<u>2013</u>
<b>Purpose restrictions accomplished (continued)</b>		
Brown/Gill Giving Fund	673	433
Calliope Tsoulis Braun Fund	7,761	13,303
Carbaugh Family Fund	151,342	88,607
Carol Thompson Fund	176	253
Celebration of Philanthropy Luncheon	6,311	6,330
Chaney Foundation – Boys and Girls	5,238	250
Chaney Fund for Hope	109,169	-
Chaney Fund for Land Use Education	122,813	-
Chaney Memorial Endowment	402	-
Chrysalis House Endowment Fund	191	250
Cohen Community Fund	176	1,250
Colonial Players Riley Endowment	1,099	-
Community Leadership	-	18
Deems Digital Foundation	1,049	500
Frank's Fund	6,240	3,750
Gable Signs Foundation	6,738	9,250
Grants 4 Teachers	8,015	19,647
Great Give	768,106	143,604
Greenberg Gibbons/Reliable Contracting Fund	87,117	550,739
Gurschik Family Foundation	39,571	37,213
Healthy Anne Arundel	517	525
Help Our Neighbors	7,608	7,500
Insurance Force Foundation	250	-
Invictus (IMDV) Fund	24,103	15,375
Ladd Charitable Fund	250	-
Ladders/ Arts & Culture	-	7,268
Ladders/ Economic Opportunity	72,010	102,452
Ladders/ Education and Youth	61,705	500
Ladders/ Environment	400	1,250
Ladders/ Health and Wellness	-	10,500
Laurie Sharp Endowment Fund	128	-
Marcus, Beverly & Stephen Foundation	73,781	65,295
Morrell Family Fund	-	5,825
Next Generation	16,014	10,686
Perinatal Loss Fund	267	261
Potter	4,828	6,413
Potter Env Fund	4,985	-

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**Note 6 – RELEASE FROM DONOR RESTRICTIONS (continued)**

	<u>2014</u>	<u>2013</u>
<b>Purpose restrictions accomplished (continued)</b>		
Powell Family Fund	4,677	1,927
Putts Fore Mutts	-	13,163
Richard & Susan Franyo Fund	61,598	59,207
Scenic River Land Trust	8,422	-
Speciale Family Fund	4,250	-
Thornton Fund	5,327	37,750
Walker Fund	31,353	20,902
What's Up Foundation	141	5,031
Women & Girls Fund	864	10,375
Total Restrictions Released	<u>2,118,854</u>	<u>1,743,399</u>
Less: Special Event Expenses	<u>(97,646)</u>	<u>(90,993)</u>
<b>Net Restrictions Released</b>	<b><u>\$ 2,024,208</u></b>	<b><u>\$ 1,652,406</u></b>

**Note 7 – PERMANENTLY RESTRICTED NET ASSETS**

Net assets were permanently restricted for the following purpose at December 31:

	<u>2014</u>	<u>2013</u>
<u>Designated Fund</u>		
Sherole Fund - Scholarship	\$ -	\$ 25,000
Chrysalis House Endowment	20,000	20,000
Tommy Yeager Endowment Fund	38,000	38,000
Bebe & Dick Chaney Memorial Endowment	25,000	-
Colonial Players Riley Endowment	165,000	-
Ladders to Success Endowment	1,000	-
Anne Arundel Women Giving Together	78,298	-
Boy Scouts	13,010	-
Scenic River Land Trust Stewardship	265,574	-
Meisenberg	870	-
Meisenberg Endowment Fund	99,024	-
Sharp Endowment Fund	3,900	-
<u>Discretionary Fund</u>		
The Beer Family Fund – General Purpose	20,750	20,000
	<u>\$ 730,426</u>	<u>\$ 103,000</u>

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 8 – ENDOWMENT FUNDS**

Interpretation of Relevant Law

The Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated 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 permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the UPMIFA. In accordance with the UPMIFA, the Foundation 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 organization and the donor-restricted endowment fund.
- 3) General endowment conditions.

Interpretation of Relevant Law (continued)

- 4) The possible effect of inflation and deflation.
- 5) The expected total return from income and the appreciation (depreciation) of investment.
- 6) Other resources of the Foundation.
- 7) The investment policies of the Foundation.

Foundation's Policy for Appropriation of Endowment Assets for Expenditure

The Foundation's Board of Trustees has adopted a "Total Return" approach to determine the annual amount available for grant-making from the Foundation's endowed component funds. Under this philosophy, the Foundation appropriates at least 3% of its assets each year while maintaining and increasing the real value of its assets and covering reasonable administrative expenses.

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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 8 – ENDOWMENT FUNDS (continued)**

Foundation's Endowment Investment Policies

The Foundation's investment objective for the endowment funds is to achieve an average annual rate of return of the Consumer Price Index plus 3% evaluated over a period of five years. The total return concept is used to most effectively balance current demands and future needs. A conservative risk level is used for endowments. The following schedule shows the target and acceptable ranges for assets categories of the endowments:

<u>Asset Category</u>	<u>Target Allocation</u>	<u>Acceptable Range</u>
Cash	5%	5-25%
Fixed Income	35%	15-50%
Stocks	60%	50-70%
Total	<u>100%</u>	

The following are the types of investments that have been approved for endowment investing:

Money Market	Real Estate Investment Trust
U.S. Bonds	Guaranteed Fixed Rate
Government Bonds	International Bonds
Balanced Account	International Balanced Account
U.S. Stock Account	International Stock Account

At all times, there must be a minimum of three asset classes represented among endowment assets. There shall be no maximum limit to the number of classes.

Endowment Net Assets (Deficit) composition by Type of Fund as of December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 26,468</u>	<u>\$ 730,426</u>

**COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 8 – ENDOWMENT FUNDS (continued)**

Changes in Endowment Net Assets (Deficits) for the Year Ended December 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Endowment net assets, beginning of year	\$ -	\$ 31,550	\$ 103,000
Contributions	-	-	627,426
Investment return	-	23,422	-
Appropriation of endowment for expenditure	-	(28,504)	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 26,468</u>	<u>\$ 730,426</u>

Endowment Net Assets (Deficit) composition by Type of Fund as of December 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 31,550</u>	<u>\$ 103,000</u>

Changes in Endowment Net Assets (Deficits) for the Year Ended December 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Endowment net assets, beginning of year	\$ (289)	\$ 17,078	\$ 103,000
Contributions	-	400	-
Investment return	-	16,768	-
Reclassification	289	(289)	-
Appropriation of endowment for expenditure	-	(2,407)	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 31,550</u>	<u>\$ 103,000</u>

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.  
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NOTES TO FINANCIAL STATEMENTS  
December 31, 2014 and 2013

**Note 9 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31, 2014 and 2013, respectively:

	<u>Estimated Life</u>	<u>2014</u>	<u>2013</u>
Equipment	5 years	\$ 4,629	\$ 4,629
Furniture	7 years	514	514
Software	3 years	<u>44,370</u>	<u>44,370</u>
		49,513	49,513
Less: Accumulated depreciation		<u>(47,384)</u>	<u>(31,868)</u>
		<u>\$ 2,129</u>	<u>\$ 17,645</u>

Depreciation expense was \$15,516 and \$15,630 for the years ended December 31, 2014 and 2013, respectively.