

COMMUNITY FOUNDATION OF
ANNE ARUNDEL COUNTY, INC.

FINANCIAL STATEMENTS

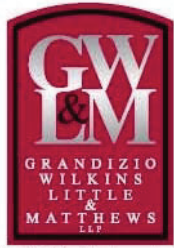
DECEMBER 31, 2018 AND 2017

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Community Foundation of Anne Arundel County, Inc. (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and functional expenses for the year ended December 31, 2018, and the related statements of cash flows for the years ended December 31, 2018 and 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of Anne Arundel County, Inc. as of December 31, 2018 and 2017, the changes in its net assets for the year ended December 31, 2018, and its cash flows for the years ended December 31, 2018 and 2017 in accordance with accounting principles generally accepted in the United States of America.

Community Foundation of Anne Arundel County, Inc.

Report on Summarized Comparative Information

We have previously audited Community Foundation of Anne Arundel County, Inc.'s statement of activities for the year ended December 31, 2017, and we expressed an unmodified audit opinion on that audited statement of activities in our report dated December 3, 2018. In our opinion, the summarized comparative information presented herein for the year ended December 31, 2017, is consistent, in all material respects, with the audited statement of activities from which it has been derived.

The summarized comparative information presented in the statement of functional expenses for the year ended December 31, 2018 has been subjected to the auditing procedures applied in the audit of the financial statements 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.

Grandizio, Wilkins, Little & Matthews, LLP

Grandizio, Wilkins, Little & Matthews, LLP
February 20, 2020

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION

December 31,	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 886,819	\$ 471,988
Grant Refund Receivable	-	20,000
Other Receivables	2,731	-
Unconditional Promises to Give - Current	299,596	310,420
Investments	9,727,840	9,566,004
Other Current Assets	4,507	2,021
TOTAL CURRENT ASSETS	10,921,493	10,370,433
PROPERTY AND EQUIPMENT		
Property and Equipment (Less Accumulated Depreciation of \$5,208 and \$4,476, Respectively)	3,667	1,693
OTHER ASSETS		
Other Asset	13,369	-
Unconditional Promises to Give	2,920,029	3,094,125
TOTAL OTHER ASSETS	2,933,398	3,094,125
TOTAL ASSETS	\$ 13,858,558	\$ 13,466,251
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 76,560	\$ 21,765
OTHER LIABILITIES		
Agency Funds	554,787	584,878
NET ASSETS		
Without Donor Restrictions	523,145	461,513
With Donor Restrictions	12,704,066	12,398,095
TOTAL NET ASSETS	13,227,211	12,859,608
TOTAL LIABILITIES AND NET ASSETS	\$ 13,858,558	\$ 13,466,251

The independent auditors' report and accompanying notes are
an integral part of these financial statements.

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018 with Comparative Totals for the Year Ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total	
			2018	2017
SUPPORT AND REVENUES				
Contributions	\$ 323,890	\$ 6,064,996	\$ 6,388,886	\$ 2,577,369
Special Events (Net of Costs of Direct Benefit to Participants of \$93,894 and \$70,777 for 2018 and 2017, Respectively)	-	122,597	122,597	119,306
Investment Income (Expense), Net	-	(559,501)	(559,501)	809,106
Net Assets Released from Restrictions (Note 6) Satisfaction of Program Restrictions	5,352,211	(5,352,211)	-	-
TOTAL SUPPORT AND REVENUES	5,676,101	275,881	5,951,982	3,505,781
EXPENSES				
Program Services				
Grants	4,994,916	-	4,994,916	2,434,118
Other Charitable Expenditures	263,015	-	263,015	217,353
Total Program Services	5,257,931	-	5,257,931	2,651,471
Supporting Services				
Philanthropic Development	138,810	-	138,810	142,420
Management and General	217,728	-	217,728	169,355
Total Supporting Services	356,538	-	356,538	311,775
TOTAL EXPENSES	5,614,469	-	5,614,469	2,963,246
CHANGE IN NET ASSETS	61,632	275,881	337,513	542,535
Net Assets - Beginning of Year	461,513	12,398,095	12,859,608	12,317,073
Reclassification of Agency Funds to Liabilities	-	30,090	30,090	-
NET ASSETS - END OF YEAR	\$ 523,145	\$ 12,704,066	\$ 13,227,211	\$ 12,859,608

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COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2018 with Comparative Totals for the Year Ended December 31, 2017

	Grants	Other Charitable Expenditures	Total Program Services	Philanthropic Development	Management and General	2018 Total	2017 Total
Accounting and Audit	\$ -	\$ 4,193	\$ 4,193	\$ 611	\$ 14,181	\$ 18,985	\$ 17,062
Administrative Expenses	-	1,836	1,836	1,837	-	3,673	1,466
Bank, Credit Card and Payment Processing Fees	-	8,376	8,376	12,745	189	21,310	4,466
Board Expense	-	-	-	-	2,887	2,887	4,255
Capacity Building - Development	-	-	-	2,782	-	2,782	3,748
Communications Staff Grant Expenses	-	2,365	2,365	2,365	-	4,730	7,979
Community Outreach	-	-	-	1,620	-	1,620	961
Consultants	-	323	323	81	-	404	7,918
Contractor - Donor Services	-	3,713	3,713	-	-	3,713	-
Depreciation Expense	-	447	447	-	286	733	211
Employee Benefits	-	6,287	6,287	4,425	2,691	13,403	12,921
Estate Planning Council Expenses	-	12,380	12,380	-	-	12,380	11,907
Grants/Scholarships	4,994,916	-	4,994,916	-	-	4,994,916	2,434,118
Insurance	-	1,105	1,105	202	4,537	5,844	4,811
Investment Expense - Foreign Tax	-	3,082	3,082	-	-	3,082	1,542
Licenses and Permits	-	-	-	-	311	311	1,450
Life Insurance Premiums	-	-	-	-	29,972	29,972	-
Marketing	-	-	-	3,097	-	3,097	1,760
Meals and Entertainment	-	8,481	8,481	837	304	9,622	5,419
Memberships/Subscriptions	-	3,894	3,894	-	3,895	7,789	3,698
Needs Assessment	-	7,500	7,500	-	-	7,500	-
Office Expenses	-	4,221	4,221	2,111	2,105	8,437	6,421
Other Restricted Expenses	-	3,979	3,979	6,708	9,000	19,687	1,684
Payroll Taxes	-	10,576	10,576	6,214	9,225	26,015	23,841
Postage	-	757	757	1,077	1,077	2,911	1,076
Printing	-	-	-	8,357	-	8,357	2,794
Professional Development	-	-	-	-	2,559	2,559	811
Program Expenses	-	28,066	28,066	-	-	28,066	18,986
Rent	-	4,327	4,327	-	12,410	16,737	13,259
Salaries and Wages	-	136,618	136,618	81,222	119,754	337,594	324,257
Special Events	-	-	-	828	-	828	1,006
Technology/Web	-	8,228	8,228	32	685	8,945	37,498
Telephone	-	612	612	870	871	2,353	2,260
Travel Expenses	-	561	561	789	789	2,139	1,515
WGT Expenses	-	1,088	1,088	-	-	1,088	2,146
TOTAL FUNCTIONAL EXPENSES	\$ 4,994,916	\$ 263,015	\$ 5,257,931	\$ 138,810	\$ 217,728	\$ 5,614,469	\$ 2,963,246

The independent auditors' report and accompanying notes are
an integral part of these financial statements.

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.
STATEMENTS OF CASH FLOWS

For the Years Ended December 31,	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributions and Other Support	\$ 6,989,598	\$ 4,269,524
Cash Paid to Providers and Support Services	(5,679,157)	(3,073,848)
Interest and Dividend Income	228,836	162,527
	<u>1,539,277</u>	<u>1,358,203</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
	<u>1,539,277</u>	<u>1,358,203</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(3,324,296)	(3,621,841)
Proceeds from Sale of Investments	2,177,171	2,214,873
Purchases of Fixed Assets	(2,706)	-
	<u>(1,149,831)</u>	<u>(1,406,968)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
	<u>(1,149,831)</u>	<u>(1,406,968)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Investment in Permanent Endowment	25,385	56,810
	<u>25,385</u>	<u>56,810</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
	<u>25,385</u>	<u>56,810</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	414,831	8,045
Cash and Cash Equivalents - Beginning of Year	<u>471,988</u>	<u>463,943</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 886,819</u></u>	<u><u>\$ 471,988</u></u>

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