



FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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Independent Auditor's Report

Board of Directors
Community Foundation of Anne Arundel County, Inc.

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, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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.

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, 2019 , 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.

Prior Period Financial Statements

The financial statements of Community Foundation of Anne Arundel County, Inc. as of December 31, 2018 were audited by other auditors whose report dated February 20, 2020 expressed an unmodified opinion on those statements.

Alta CPA Group, LLC

October 8, 2020

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 2,419,276	\$ 886,819
Other Receivables	6,758	2,731
Unconditional Promises to Give, Current Portion	243,596	299,596
Investments	13,511,932	9,727,840
Other Current Assets	4,010	4,507
Total Current Assets	16,185,572	10,921,493
PROPERTY AND EQUIPMENT:		
Property and Equipment	10,375	8,875
Accumulated Depreciation	(6,547)	(5,208)
Net Property and Equipment	3,828	3,667
Other Assets:		
Other Asset	13,369	13,369
Unconditional Promises to Give, Net of Current Portion	2,761,191	2,920,029
Total Other Assets	2,774,560	2,933,398
Total Assets	\$ 18,963,960	\$ 13,858,558
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 52,119	\$ 76,560
Deferred Revenue	5,880	-
Total Current Liabilities	57,999	76,560
Noncurrent Liabilities:		
Agency Funds	792,507	554,787
Total Non Current Liabilities	792,507	554,787
Total Liabilities	850,506	631,347
Net Assets:		
Without Donor Restrictions	483,020	523,145
With Donor Restrictions	17,630,434	12,704,066
Total Net Assets	18,113,454	13,227,211
Total Liabilities and Net Assets	\$ 18,963,960	\$ 13,858,558

See auditor's report and accompanying notes to financial statements.

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Contributions	\$ 61,487	\$ 6,645,547	\$ 6,707,034	\$ 316,040	\$ 6,064,996	\$ 6,381,036
Program Services	12,985	-	12,985	7,850	-	7,850
Special Events, Net of Costs of Direct Benefit to Participants of \$111,061 and \$98,894 for 2019 and 2018, Respectively,	1,841	(11,555)	(9,714)	-	122,597	122,597
Investment Income (Loss), Net	28,761	1,392,642	1,421,403	-	(559,501)	(559,501)
Agency Funds Mangement Fees	7,670	-	7,670	-	-	-
Net Assets Released from Restrictions	3,100,266	(3,100,266)	-	5,352,211	(5,352,211)	-
Total Public Support and Revenue	3,213,010	4,926,368	8,139,378	5,676,101	275,881	5,951,982
EXPENSES						
Program Services						
Grants	2,657,610	-	2,657,610	4,994,916	-	4,994,916
Other Charitable Exenditures	294,721	-	294,721	263,015	-	263,015
Supporting Services						
Philanthropic Development	55,101	-	55,101	138,810	-	138,810
Management and General	245,703	-	245,703	217,728	-	217,728
Total Expenses	3,253,135	-	3,253,135	5,614,469	-	5,614,469
Change in Net Assets	(40,125)	4,926,368	4,886,243	61,632	275,881	337,513
Net Assets at Beginning of Year	523,145	12,704,066	13,227,211	461,513	12,398,095	12,859,608
Reclassification of Agency Funds Activity to Liabilities	-	-	-	-	30,090	30,090
Net Assets at End of Year	\$ 483,020	\$ 17,630,434	\$ 18,113,454	\$ 523,145	\$ 12,704,066	\$ 13,227,211

See auditor's report and accompanying notes to financial statements.

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services			Supporting Services		Total
	Grants	Other Charitable Expenditures	Total Program Services	Philanthropic Development	Management and General	
Accounting and Audit	\$ -	5,401	5,401	\$ 540	\$ 21,062	\$ 27,003
Bank, Credit Card, and Payment Processing Fees	-	8,609	8,609	39	2,500	11,148
Board Expense	-	-	-	-	2,096	2,096
Communications Staff Grant Expenses	-	-	-	-	-	-
Community Outreach	-	-	-	1,038	-	1,038
Consultants	-	1,654	1,654	-	-	1,654
Contractor-Donor Services	-	4,981	4,981	-	-	4,981
Depreciation Expense	-	803	803	-	536	1,339
Employee Benefits	-	5,602	5,602	912	4,916	11,430
Estate Planning Council Expenses	-	12,448	12,448	-	-	12,448
Grants/Scholarships	2,657,610	-	2,657,610	-	-	2,657,610
Insurance	-	1,834	1,834	211	4,537	6,582
Investment Expense- Foreign Tax	-	60	60	-	-	60
Licenses and Permits	-	-	-	-	325	325
Life Insurance Premiums	-	-	-	-	20,148	20,148
Marketing	-	2,760	2,760	3,695	-	6,455
Meals and Entertainment	-	18,316	18,316	-	1,266	19,582
Memberships/Subscriptions	-	3,167	3,167	-	3,167	6,334
Needs Assessment	-	10,629	10,629	-	-	10,629
Office Expenses	-	3,750	3,750	1,638	1,637	7,025
Payroll Taxes	-	13,216	13,216	2,055	11,470	26,741
Postage	-	948	948	1,348	1,348	3,644
Printing	-	555	555	13,319	-	13,874
Professional Development	-	-	-	-	1,538	1,538
Rent	-	4,185	4,185	-	12,667	16,852
Salaries and Wages	-	169,570	169,570	27,038	149,518	346,126
Supplies	-	5,740	5,740	-	-	5,740
Technology/Web	-	16,709	16,709	-	3,704	20,413
Telephone	-	890	890	1,267	1,267	3,424
Travel Expenses	-	1,406	1,406	2,001	2,001	5,408
WGT Expenses	-	1,488	1,488	-	-	1,488
Total Expenses	\$ 2,657,610	294,721	2,952,331	\$ 55,101	\$ 245,703	\$ 3,253,135

See auditor's report and accompanying notes to financial statements.

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

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

See auditor's report and accompanying notes to financial statements.

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 4,886,243	\$ 337,513
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Realized and Unrealized (Gains)/Losses	(1,220,820)	958,568
Donated Securities	(395,575)	(594,029)
Depreciation	1,339	733
(Increase) Decrease in Grant Refund Receivables	-	20,000
(Increase) Decrease in Other Receivables	(4,027)	(2,731)
(Increase)Decrease in Unconditional Promises to Give	214,838	184,920
(Increase)Decrease in Other Assets	497	(15,855)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(24,441)	54,795
Increase (Decrease) in Deferred Revenue	5,880	-
Increase (Decrease) in Agency Funds Liabilities	237,720	(30,091)
	3,701,654	913,823
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(5,849,791)	(2,730,267)
Proceeds from Sale of Investments	3,682,094	2,177,171
Purchases of Fixed Assets	(1,500)	(2,706)
	(2,169,197)	(555,802)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Contributions Restricted for Investment in Permanent Endowment	-	56,810
	-	56,810
Net Increase in Cash and Cash Equivalents	1,532,457	414,831
Cash and Cash Equivalents at Beginning of Year	886,819	471,988
Cash and Cash Equivalents at End of Year	\$ 2,419,276	\$ 886,819
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Income Taxes	\$ -	\$ -
Interest	\$ -	\$ -

See auditor's report and accompanying notes to financial statements.