



**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2021 AND 2020**

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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## Independent Auditor's Report

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

### **Opinion**

We have audited the accompanying financial statements of Community Foundation of Anne Arundel County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets and cash flows for the years 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 Community Foundation of Anne Arundel County, Inc. as of December 31, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Foundation of Anne Arundel County, 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 Community Foundation of Anne Arundel County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's 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 auditor's 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 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 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 Community Foundation of Anne Arundel County, 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 Community Foundation of Anne Arundel County, 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 audits.

*Alta CPA Group, LLC*

July 11, 2022

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,196,737	\$ 612,003
Other Receivables	-	10,000
Unconditional Promises to Give, Current Portion	234,596	241,624
Prepaid Expenses	-	7,321
Investments	22,394,226	19,252,243
Other Current Assets	2,100	2,100
Total Current Assets	<u>23,827,659</u>	<u>20,125,291</u>
Property and Equipment, Net	14,366	17,115
Right of Use Asset - Operating Lease	324,755	417,896
Total Property and Equipment	<u>339,121</u>	<u>435,011</u>
Other Assets:		
Other Assets	52,124	25,113
Unconditional Promises to Give, Net of Current Portion	2,454,188	2,609,505
Total Other Assets	<u>2,506,312</u>	<u>2,634,618</u>
Total Assets	<u>\$ 26,673,092</u>	<u>\$ 23,194,920</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 69,828	\$ 50,666
Grants Payable	17,174	21,250
Deferred Revenue	6,042	1,050
Operating Lease Liability, Current Portion	91,552	89,028
Total Current Liabilities	<u>184,596</u>	<u>161,994</u>
Noncurrent Liabilities:		
Agency Funds	1,506,090	1,184,506
Operating Lease Liability, Net of Current Portion	240,032	331,584
Total Non Current Liabilities	<u>1,746,122</u>	<u>1,516,090</u>
Total Liabilities	1,930,718	1,678,084
Net Assets:		
Without Donor Restrictions	1,132,686	849,240
With Donor Restrictions	23,609,688	20,667,596
Total Net Assets	<u>24,742,374</u>	<u>21,516,836</u>
Total Liabilities and Net Assets	<u>\$ 26,673,092</u>	<u>\$ 23,194,920</u>

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, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>						
Contributions	\$ 856,618	\$ 4,010,430	\$ 4,867,048	\$ 234,013	\$ 5,965,652	\$ 6,199,665
Government Grants	-	-	-	1,114,800	-	1,114,800
Program Services	652	1,650	2,302	23,150	-	23,150
Special Events, Net of Costs of Direct Benefit to Participants of \$99,834 and \$77,450 for 2021 and 2020, Respectively	26,980	212,020	239,000	(21,346)	7,845	(13,501)
Investment Income, Net	10,766	2,559,150	2,569,916	6,899	1,190,028	1,196,927
Agency Funds Management Fees	12,570	-	12,570	9,832	-	9,832
Net Assets Released from Restrictions	3,841,158	(3,841,158)	-	4,126,363	(4,126,363)	-
<b>Total Public Support and Revenue</b>	<b>4,748,744</b>	<b>2,942,092</b>	<b>7,690,836</b>	<b>5,493,711</b>	<b>3,037,162</b>	<b>8,530,873</b>
<b>EXPENSES</b>						
Program Services						
Grants	3,768,543	-	3,768,543	4,432,379	-	4,432,379
Other Charitable Expenditures	246,322	-	246,322	292,004	-	292,004
Supporting Services						
Philanthropic Development	202,372	-	202,372	116,409	-	116,409
Management and General	248,061	-	248,061	286,699	-	286,699
<b>Total Expenses</b>	<b>4,465,298</b>	<b>-</b>	<b>4,465,298</b>	<b>5,127,491</b>	<b>-</b>	<b>5,127,491</b>
Change in Net Assets	283,446	2,942,092	3,225,538	366,220	3,037,162	3,403,382
Net Assets at Beginning of Year	849,240	20,667,596	21,516,836	483,020	17,630,434	18,113,454
Net Assets at End of Year	\$ <u>1,132,686</u>	\$ <u>23,609,688</u>	\$ <u>24,742,374</u>	\$ <u>849,240</u>	\$ <u>20,667,596</u>	\$ <u>21,516,836</u>

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, 2021

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Philanthropic Development</u>	<u>Management and General</u>	
Accounting and Audit	\$ 6,844	\$ 6,484	\$ 4,683	\$ 18,011
Bank, Credit Card, and Payment Processing Fees	13,385	-	236	13,621
Board Expense	-	-	43	43
Community Outreach	471	-	-	471
Consultants	-	-	500	500
Depreciation Expense	1,511	1,431	1,033	3,975
Employee Benefits	5,755	7,885	4,612	18,252
Estate Planning Council Expenses	4,446	-	-	4,446
Grants/Scholarships	3,674,535	-	-	3,674,535
Insurance	2,935	2,780	2,008	7,723
Licenses and Permits	-	-	650	650
Life Insurance Premiums	20,120	-	-	20,120
Marketing	1,972	1,016	-	2,988
Meals and Entertainment	2,153	1,473	2,040	5,666
Memberships/Subscriptions	3,585	2,453	3,396	9,434
Needs Assessment	10,000	-	-	10,000
Office Expenses	2,064	1,412	1,749	5,225
Payroll Taxes	15,308	10,211	13,249	38,768
Postage	1,834	945	-	2,779
Printing	4,165	4,165	-	8,330
Professional Development	967	662	916	2,545
Rent	36,041	24,660	34,145	94,846
Salaries and Wages	191,557	128,488	167,370	487,415
Technology/Web	8,830	6,042	8,365	23,237
Telephone	3,237	2,215	3,066	8,518
Travel Expenses	50	50	-	100
WGT Expenses	3,100	-	-	3,100
	-	-	-	-
Total Expenses	<u>\$ 4,014,865</u>	<u>\$ 202,372</u>	<u>\$ 248,061</u>	<u>\$ 4,465,298</u>

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, 2020

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Philanthropic Development</u>	<u>Management and General</u>	
Accounting and Audit	\$ 3,542	\$ 354	\$ 13,815	\$ 17,711
Bank, Credit Card, and Payment Processing Fees	14,360	506	-	14,866
Board Expense	-	-	542	542
Community Outreach	-	305	-	305
Consultants	20,710	-	-	20,710
Depreciation Expense	2,321	-	1,547	3,868
Employee Benefits	6,825	2,947	5,738	15,510
Estate Planning Council Expenses	2,395	-	-	2,395
Grants/Scholarships	4,432,379	-	-	4,432,379
Insurance	1,943	5,265	245	7,453
Investment Expense- Foreign Tax	-	-	30	30
Licenses and Permits	-	-	127	127
Life Insurance Premiums	-	-	20,148	20,148
Marketing	1,909	5,412	-	7,321
Meals and Entertainment	5,057	637	-	5,694
Memberships/Subscriptions	3,052	-	3,052	6,104
Office Expenses	2,310	1,155	9,278	12,743
Payroll Taxes	13,416	8,080	10,688	32,184
Postage	636	906	906	2,448
Printing	790	5,395	-	6,185
Professional Development	-	-	1,262	1,262
Rent	2,007	-	51,567	53,574
Salaries and Wages	186,796	82,420	158,511	427,727
Supplies	576	-	-	576
Technology/Web	21,237	-	6,998	28,235
Telephone	1,694	2,801	2,019	6,514
Travel Expenses	159	226	226	611
WGT Expenses	269	-	-	269
<b>Total Expenses</b>	<b>\$ 4,724,383</b>	<b>\$ 116,409</b>	<b>\$ 286,699</b>	<b>\$ 5,127,491</b>

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, 2021 AND 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 3,225,538	\$ 3,403,382
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Realized and Unrealized Gains	(2,275,084)	(1,032,561)
Donated Securities	(997,014)	(1,679,752)
Depreciation	3,975	3,868
(Increase) Decrease in Other Receivables	10,000	(3,242)
(Increase) Decrease in Unconditional Promises to Give	162,345	153,658
(Increase) Decrease in Prepaid Expenses	7,321	(7,321)
(Increase) Decrease in Right of Use Asset- Operating Lease	93,141	46,625
(Increase) Decrease in Other Assets	(12,855)	1,910
Increase (Decrease) in Accounts Payable and Accrued Expenses	19,162	(1,453)
Increase (Decrease) in Grants Payable	(4,076)	21,250
Increase (Decrease) in Deferred Revenue	4,992	(4,830)
Increase (Decrease) in Agency Funds Liabilities	321,584	391,999
Increase (Decrease) Operating Lease Obligations Liability	(89,028)	(43,909)
Net Cash Provided by Operating Activities	470,001	1,249,624
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment of Security Deposit	-	(7,321)
Purchases of Investments	(5,350,696)	(9,162,085)
Proceeds from Sale of Investments	5,466,655	6,129,664
Purchases of Fixed Assets	(1,226)	(17,155)
Net Cash Provided (Used) by Investing Activities	114,733	(3,056,897)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net Increase (Decrease) in Cash and Cash Equivalents	584,734	(1,807,273)
Cash and Cash Equivalents at Beginning of Year	612,003	2,419,276
Cash and Cash Equivalents at End of Year	\$ 1,196,737	\$ 612,003
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for:		
Income Taxes	\$ -	\$ -
Interest	\$ -	\$ -
Noncash Operating Activities:		
Obtaining Right of Use Asset in Exchange for a Lease Liability	\$ -	\$ (464,521)
Obligations of Lease Liability- Operating Lease	\$ -	\$ 464,521

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