



FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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Independent Auditor's Report

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

Report on the Financial Statements

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, 2020 and 2019, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2020 and 2019, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2021, on our consideration of Community Foundation of Anne Arundel County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Foundation of Anne Arundel County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Foundation of Anne Arundel County, Inc.'s internal control over financial reporting and compliance.

Alta CPA Group, LLC

May 21, 2021

COMMUNITY FOUNDATION OF ANNE ARUNDEL COUNTY, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2020 AND 2019

	2020	2019
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 612,003	\$ 2,419,276
Other Receivables	10,000	6,758
Unconditional Promises to Give, Current Portion	241,624	243,596
Prepaid Expenses	7,321	-
Investments	19,252,243	13,511,932
Other Current Assets	2,100	4,010
Total Current Assets	20,125,291	16,185,572
Property and Equipment, Net	17,115	3,828
Right of Use Asset - Operating Lease	417,896	-
Other Assets:		
Other Assets	25,113	13,369
Unconditional Promises to Give, Net of Current Portion	2,609,505	2,761,191
Total Other Assets	2,634,618	2,774,560
Total Assets	\$ 23,194,920	\$ 18,963,960
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 50,666	\$ 52,119
Grants Payable	21,250	-
Deferred Revenue	1,050	5,880
Operating Lease Liability, Current Portion	89,028	-
Total Current Liabilities	161,994	57,999
Noncurrent Liabilities:		
Agency Funds	1,184,506	792,507
Operating Lease Liability, Net of Current Portion	331,584	-
Total Non Current Liabilities	1,516,090	792,507
Total Liabilities	1,678,084	850,506
Net Assets:		
Without Donor Restrictions	849,240	483,020
With Donor Restrictions	20,667,596	17,630,434
Total Net Assets	21,516,836	18,113,454
Total Liabilities and Net Assets	\$ 23,194,920	\$ 18,963,960

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, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Contributions	\$ 234,013	\$ 5,965,652	\$ 6,199,665	\$ 61,487	\$ 6,645,547	\$ 6,707,034
Government Grants	1,114,800	-	1,114,800	-	-	-
Program Services	23,150	-	23,150	12,985	-	12,985
Special Events, Net of Costs of Direct Benefit to Participants of \$77,450 and \$111,061 for 2020 and 2019, Respectively	(21,346)	7,845	(13,501)	1,841	(11,555)	(9,714)
Investment Income, Net	6,899	1,190,028	1,196,927	28,761	1,392,642	1,421,403
Agency Funds Management Fees	9,832	-	9,832	7,670	-	7,670
Net Assets Released from Restrictions	4,126,363	(4,126,363)	-	3,100,266	(3,100,266)	-
Total Public Support and Revenue	5,493,711	3,037,162	8,530,873	3,213,010	4,926,368	8,139,378
EXPENSES						
Program Services						
Grants	4,432,379	-	4,432,379	2,657,610	-	2,657,610
Other Charitable Expenditures	292,004	-	292,004	294,721	-	294,721
Supporting Services						
Philanthropic Development	116,409	-	116,409	55,101	-	55,101
Management and General	286,699	-	286,699	245,703	-	245,703
Total Expenses	5,127,491	-	5,127,491	3,253,135	-	3,253,135
Change in Net Assets	366,220	3,037,162	3,403,382	(40,125)	4,926,368	4,886,243
Net Assets at Beginning of Year	483,020	17,630,434	18,113,454	523,145	12,704,066	13,227,211
Net Assets at End of Year	<u>\$ 849,240</u>	<u>\$ 20,667,596</u>	<u>\$ 21,516,836</u>	<u>\$ 483,020</u>	<u>\$ 17,630,434</u>	<u>\$ 18,113,454</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

	Program Services			Supporting Services		Total
	Grants	Other Charitable Expenditures	Total Program Services	Philanthropic Development	Management and General	
Accounting and Audit	\$ -	\$ 3,542	\$ 3,542	\$ 354	\$ 13,815	\$ 17,711
Bank, Credit Card, and Payment Processing Fees	-	14,360	14,360	506	-	14,866
Board Expense	-	-	-	-	542	542
Community Outreach	-	-	-	305	-	305
Consultants	-	20,710	20,710	-	-	20,710
Depreciation Expense	-	2,321	2,321	-	1,547	3,868
Employee Benefits	-	6,825	6,825	2,947	5,738	15,510
Estate Planning Council Expenses	-	2,395	2,395	-	-	2,395
Grants/Scholarships	4,432,379	-	4,432,379	-	-	4,432,379
Insurance	-	1,943	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	1,909	5,412	-	7,321
Meals and Entertainment	-	5,057	5,057	637	-	5,694
Memberships/Subscriptions	-	3,052	3,052	-	3,052	6,104
Office Expenses	-	2,310	2,310	1,155	9,278	12,743
Payroll Taxes	-	13,416	13,416	8,080	10,688	32,184
Postage	-	636	636	906	906	2,448
Printing	-	790	790	5,395	-	6,185
Professional Development	-	-	-	-	1,262	1,262
Rent	-	2,007	2,007	-	51,567	53,574
Salaries and Wages	-	186,796	186,796	82,420	158,511	427,727
Supplies	-	576	576	-	-	576
Technology/Web	-	21,237	21,237	-	6,998	28,235
Telephone	-	1,694	1,694	2,801	2,019	6,514
Travel Expenses	-	159	159	226	226	611
WGT Expenses	-	269	269	-	-	269
Total Expenses	\$ 4,432,379	\$ 292,004	\$ 4,724,383	\$ 116,409	\$ 286,699	\$ 5,127,491

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
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.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,403,382	\$ 4,886,243
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Realized and Unrealized Gains	(1,032,561)	(1,220,820)
Donated Securities	(1,679,752)	(395,575)
Depreciation	3,868	1,339
(Increase) Decrease in Other Receivables	(3,242)	(4,027)
(Increase)Decrease in Unconditional Promises to Give	153,658	214,838
(Increase)Decrease in Prepaid Expenses	(7,321)	-
(Increase) Decrease in Right of Use Asset- Operating Lease	46,625	-
(Increase) Decrease in Other Assets	1,910	497
Increase (Decrease) in Accounts Payable and Accrued Expenses	(1,453)	(24,441)
Increase (Decrease) in Grants Payable	21,250	-
Increase (Decrease) in Deferred Revenue	(4,830)	5,880
Increase (Decrease) in Agency Funds Liabilities	391,999	237,720
Increase (Decrease) Operating Lease Obligations Liability	(43,909)	-
	1,249,624	3,701,654
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment of Security Deposit	(7,321)	-
Purchases of Investments	(9,162,085)	(5,849,791)
Proceeds from Sale of Investments	6,129,664	3,682,094
Purchases of Fixed Assets	(17,155)	(1,500)
	(3,056,897)	(2,169,197)
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(1,807,273)	1,532,457
Cash and Cash Equivalents at Beginning of Year	2,419,276	886,819
Cash and Cash Equivalents at End of Year	\$ 612,003	\$ 2,419,276
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
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.