

COMMUNITY FOUNDATION OF  
HARFORD COUNTY, INC.

Financial Statements

June 30, 2019 and 2018

(With Independent Accountant's Review Report)

**Leo J. Knighton**  
Certified Public Accountant

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Independent Accountant's Review Report

The Board of Directors  
Community Foundation of Harford County, Inc.:

I have reviewed the accompanying financial statements of Community Foundation of Harford County, Inc. (CFHC), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and performing inquiries of the organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibilities 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 of material misstatement due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review in accordance with the Statements of Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements in order for them to be presented in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based upon my reviews, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be presented in accordance with accounting principles generally accepted in the United States of America.

*Leo J. Knighton*

July 27, 2020

COMMUNITY FOUNDATION OF HARTFORD COUNTY, INC.

Statements of Financial Position

June 30, 2019 and 2018

	2019			2018		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
	restriction	Operating	Endowment	restriction	Operating	Endowment
<b>Assets:</b>						
Cash	\$186,366	10,865	15,000	161,540	229,761	--
Investments (note 4)	<u>74,460</u>	<u>359,717</u>	<u>1,162,588</u>	<u>67,391</u>	<u>265,125</u>	<u>1,036,418</u>
Total financial assets (note 3)	260,826	370,582	1,177,588	228,931	494,886	1,036,418
Prepaid expenses	12,084	-	-	1,145	-	-
Office furnishings and equipment, net of accumulated depreciation and amortization of \$1,812 as of June 30, 2019 and 2018	-	-	-	-	-	-
Total assets	<u>\$272,910</u>	<u>370,582</u>	<u>1,177,588</u>	<u>230,076</u>	<u>494,886</u>	<u>1,036,418</u>
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 850	-	-	1,676	-	-
Distributions payable	-	23,500	-	23,000	-	-
Funds held as custodian trustee for agency funds	-	<u>57,506</u>	<u>327,653</u>	-	<u>51,982</u>	<u>238,256</u>
Total liabilities	<u>850</u>	<u>81,006</u>	<u>327,653</u>	<u>24,676</u>	<u>51,982</u>	<u>238,256</u>
<b>Net assets (notes 5 and 6):</b>						
Without donor restriction	74,460	-	-	67,391	-	-
Designated by Board of Directors - Operating Endowment	<u>197,600</u>	-	-	<u>138,009</u>	-	-
Total without restrictions	272,060	-	-	205,400	-	-
With donor restrictions	-	289,576	849,935	-	442,904	798,162
Total net assets	<u>272,060</u>	<u>289,576</u>	<u>849,935</u>	<u>205,400</u>	<u>442,904</u>	<u>798,162</u>
Total liabilities and net assets	<u>\$272,910</u>	<u>370,582</u>	<u>1,177,588</u>	<u>230,076</u>	<u>494,886</u>	<u>1,036,418</u>

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Statements of Activities

Years ended June 30, 2019 and 2018

	2019			2018			
	Without donor Restriction	With donor Restriction Operating	Without donor Restriction Endowment	Total	Without donor Restriction Operating	With donor Restriction Endowment	Total
Changes in net assets:							
Public support and revenues:							
Contributions (note 6):							
Accumulator and endowment funds, net (note 5)	\$ -	5,702	39,325	45,027	25,597	16,390	41,987
Government	25,000	-	-	25,000	-	-	25,000
Foundations	56,000	50,000	-	106,000	250,000	-	290,002
Corporate and individuals	198,603	63,008	-	261,611	111,330	-	153,718
Contributed facilities and services (note 7)	35,143	-	-	35,143	-	-	32,400
Other	283	-	-	283	-	-	154
Investment returns (note 4)	(3,311)	55,776	-	52,465	47,045	-	68,590
Accumulator net assets transferred to- endowment funds	-	(12,448)	12,448	-	(35,092)	35,092	-
Net assets released from restrictions:							
- satisfaction of restrictions	292,834	(292,834)	-	-	112,159	-	-
- satisfaction of endowment fund objectives	22,532	(22,532)	-	-	(28,246)	-	-
Total public support and revenues	627,084	(153,328)	51,773	525,529	258,475	51,482	611,851
Expenses:							
Program services	387,371	-	-	387,371	-	-	158,122
Management and general	165,213	-	-	165,213	-	-	117,853
Fund raising	7,840	-	-	7,840	-	-	11,943
Total expenses	560,424	-	-	560,424	-	-	287,918
Increases (decreases) in net assets	66,660	(153,328)	51,773	(34,895)	258,475	51,482	323,933
Net assets (notes 5 and 6):							
Beginning of year, restated for 2017	205,400	442,904	798,162	1,446,466	184,429	746,680	1,122,533
End of year, restated for 2018	\$272,060	289,576	849,935	1,411,571	442,904	798,162	1,446,466

See accompanying notes to the financial statements.



COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Statement of Cash Flows

Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (34,895)	323,933
Adjustments to reconcile increases in net assets to net cash provided by (used in) operating activities:		
Contributed investments	-	(1,021)
Investment income, including reinvested interest and dividends, net of investment expenses	(51,933)	(68,590)
Contributions of accumulator and endowment investment funds	(45,027)	(41,987)
(Increases) decrease in:		
Grants, pledges and accounts receivable	-	117,145
Prepaid expenses	(10,939)	(201)
Increases (decreases) in:		
Accounts payable and accrued liabilities	(826)	(2,631)
Distributions payable	<u>500</u>	<u>16,300</u>
Net cash provided by (used in) operating activities	<u>(143,120)</u>	<u>342,948</u>
Cash flows from investing activities:		
Receipts from sales of investments	123,644	380,456
Purchases of investments	<u>(204,621)</u>	<u>(462,283)</u>
Net cash used in investing activities	<u>(80,977)</u>	<u>(81,827)</u>
Cash flows from financing activities:		
Additions to accumulator and endowment funds	<u>45,027</u>	<u>41,987</u>
Net cash provided by financing activities	<u>45,027</u>	<u>41,987</u>
Net increase (decrease) in cash	(179,070)	303,108
Cash:		
Beginning of the year	<u>391,301</u>	<u>88,193</u>
End of the year	<u>\$212,231</u>	<u>391,301</u>

See accompanying notes to the financial statements.

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

June 30, 2019 and 2018

(1) Nature of organization

The Community Foundation of Harford County, Inc. (CFHC) was formed in 2006 as a not-for-profit organized exclusively for educational, scientific and charitable purposes. The CFHC is committed to promoting and increasing philanthropy by building and managing permanent endowments and gifts to meet the present and emerging needs of Harford County, Maryland and its nonprofit community. The CFHC is dependent upon the financial support from contributions from individuals, businesses and other sources.

The CFHC is exempt from Federal and State income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code.

(2) Summary of significant accounting policies

Basis of accounting - The financial statements of CFHC have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

As required by the *Financial Statements of Not-for-Profit Organizations* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), the organization is to present information regarding its net financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. Such classifications are determined upon grantor or donor imposed restrictions.

Net assets without donor restrictions include net assets that are not subject to externally imposed restrictions. Net assets with donor restrictions are subject to externally imposed restrictions that may or will be either satisfied by actions of the organization or the passage of time or are subject to externally imposed restrictions which are permanent in nature.

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(2) Summary of significant accounting policies (continued)

Use of estimates - The preparation of financial statements in accordance with generally accepted accounting principles requires management to make periodic estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the amounts estimated and reported upon.

Fair value of financial instruments - The estimated fair values of CFHC's financial instruments (other than investments) consisting of cash, accounts receivable and accounts payable are considered by management to approximate their respective carrying values for financial reporting purposes due to either their short-term nature or that such amounts are periodically adjusted to fair value.

Cash and cash equivalents - For financial reporting purposes, management considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments - Investments are presented at estimated fair values based upon quoted market prices provided by third party trustees and investment managers. Interest and dividend income is recorded when such income is determinable. Realized and unrealized gains and losses are included as investment returns in the Statements of Activities.

Office furnishings and equipment - Office furnishings and equipment with an estimated useful life in excess of one year are capitalized and recorded at cost, if purchased, or estimated fair value, if contributed, less accumulated depreciation and amortization. Depreciation and amortization of capitalized property and equipment is provided on a straight-line basis over the estimated useful lives of the assets. The costs of maintenance and repairs is charged to expense as incurred.

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(2) Summary of significant accounting policies (continued)

Public support and revenues - Public support and revenues are reflected as without donor restrictions and with donor restrictions depending on the existence and nature of any donor imposed restrictions. Upon the expiration or satisfaction of a restriction, net assets with donor restrictions are reclassified in the Statements of Activities as net assets with donor restrictions released from restrictions and are transferred to net assets without donor restrictions.

Public support and revenues which are restricted are to be reported as an increase in net assets without donor restrictions if the expiration or satisfaction of the restriction occurs in the same financial reporting period in which the public support and revenues are recognized. All other donor restricted funds are to be reported as an increase in net assets with donor restrictions.

Unexpended grant revenues, which are refundable if not ultimately expended, and special event advances which are refundable, are classified as either deferred revenue or refundable advances pursuant to the applicable terms of the grants or special event.

Contributed facilities and services - Certain facilities have been periodically contributed to CFHC or obtained at a significant discount. The estimated fair value of such contributions are estimated by management and reported as public support and revenues and as an expense.

Certain services and volunteers have contributed time to the organization's program and supporting services for which there is no objective method to measure their fair value or may not qualify for accounting recognition pursuant to generally accepted accounting principles. No amounts have been reflected in the financial statements for these contributed services.

Expense allocation - The costs of providing various programs and supporting services have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, costs have been classified among the programs and supporting services benefitted based upon the estimated actual time or resources devoted to each functional category.

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(2) Summary of significant accounting policies (continued)

Adoption of accounting pronouncement - In 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (ASU 2016-14). ASU 2016-14 changes the classification of a not-for-profit organization's net assets within the financial statements from potentially three classes of net assets to two classes of net assets. ASU 2016-14 requires expenses to be presented by their natural and functional classification and present investment returns net of external and direct internal investment expenses. Not-for-profit organizations are also required to provide additional information regarding their available resources and liquidity. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017. As the CFHC has applied the ASU retrospectively, the financial statements as of and for the year ended June 30, 2018 have been reclassified in order to conform to the current period financial statement presentation.

(3) Liquidity and Availability of Financial Assets

The following reflect's CFHC's financial assets as of the Statement of Financial Position date, reduced by amounts not available for general use due to donor imposed restrictions within one year of the Statement of Financial Position date:

	<u>2019</u>	<u>2018</u>
Financial assets as of June 30:	\$1,808,996	1,760,235
Less:		
Funds not available for general use due to		
- restricted endowment funds	1,177,588	1,036,418
- other donor restrictions	<u>370,582</u>	<u>494,886</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 260,826</u>	<u>228,931</u>

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(4) Investments

Investments consist of the following as of June 20, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Wells Fargo Advisors:		
Mutual Funds	\$1,073,370	1,053,126
Other Equity securities	335,500	287,942
Cash and sweep accounts	<u>187,895</u>	<u>27,866</u>
Total investments	<u>\$1,596,765</u>	<u>1,368,934</u>

The following schedule summarizes investment returns for the year ended June 30, 2019 and 2018 from all sources and its classification in the statement of activities:

Interest and dividends	\$ 65,993	62,464
Realized gains and (losses), net	(7,549)	(6,995)
Unrealized gains and (losses), net	16,183	36,850
Investment expenses	<u>(10,170)</u>	<u>(9,344)</u>
Total return on investments	64,457	82,975
Investment returns related to Agency funds	<u>11,992</u>	<u>14,385</u>
Net return on investments	<u>\$ 52,465</u>	<u>68,590</u>

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with these investments, it is possible that changes in the fair values of investments could occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

As required by the *Fair Value Measurements* Topic of the FASB Accounting Standards Codification, a fair value hierarchy that prioritizes inputs to valuation techniques is to be used to measure fair value of financial instruments. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of significant unobservable inputs. In general, fair value measurements using Level 1 inputs generally provide the most reliable evidence of fair value and Level 3 inputs provide the lowest priority. Level 3 inputs are used when Level 1 or Level 2 inputs were not available. The CFHC's investments using fair value measurements are considered to be measured using Level 1 inputs.

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(5) Restricted net assets

As of June 30, 2019 and 2018, donor restricted net assets were available for the following activities:

	2019		2018	
	Donor restricted net assets held for <u>endowment</u>	Other donor restricted <u>net assets</u>	Donor restricted net assets held for <u>endowment</u>	Other donor restricted <u>net assets</u>
Operational Endowment for CFHC	\$ 139,644	-	132,075	-
Women's Giving Circle	114,407	381,402	103,778	339,617
- satisfied to date	-	(355,084)	-	(330,169)
Scholarships to benefit advanced instrumental music students	102,268	5,000	101,450	5,000
- satisfied to date	-	(5,000)	-	(5,000)
Children in Harford County, Maryland	101,000	-	100,000	-
Support for the Albert P. Close Foundation *	100,000	-	100,000	-
Temple Adas Shalom, The Harford Jewish Center Endowment Fund*	82,000	-	-	-
Respite care for adult care givers	66,708	-	66,558	-
Greater Bel Air Community Foundation Endowment Fund*	45,224	-	45,048	-
Support to benefit students pursuing a career in Environmental Science	25,750	1,000	24,750	1,000
- satisfied to date	-	(1,000)	-	(1,000)
Support for Children and senior adults in Harford County, Maryland	25,000	-	25,000	-
Boys and Girls Club of Harford County, Maryland*	24,201	-	24,048	-
Undesignated for charitable purposes	23,217	-	19,817	-
Support for not-for-profit homeless organizations	22,500	-	22,500	-
Scholarships to benefit Harford County, Maryland students in honoring the life of Colin J Haller	21,165	-	20,911	-
Working to end hunger in Harford County, Maryland	20,985	-	19,985	-
Support for Homecoming Project, Inc.*	19,600	-	17,600	-
Support for academic arts and sciences	18,500	-	18,500	-

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(5) Restricted net assets (continued)

	2019		2018	
	Donor restricted net assets held for <u>endowment</u>	Other donor restricted <u>net assets</u>	Donor restricted net assets held for <u>endowment</u>	Other donor restricted <u>net assets</u>
Support for Edgewood, Maryland Community	\$ 18,398	15,000	18,398	15,000
- satisfied to date	-	(15,000)	-	(15,000)
Support for Harford County students	16,939	-	16,064	-
Scholarships for children pursuing higher education in agri-business and veterinary science	16,121	-	16,121	-
Support for charitable and educational activities in Harford County	15,000	-	15,000	-
Support for the We Can Cancer movement	14,305	42,351	14,080	42,301
- satisfied	-	(16,700)	-	(16,300)
Support for organizations providing services to Harford County residents	14,001	-	12,001	-
Memorial fund to honor the legacy of Gabriel Little	13,594	-	13,552	-
Support for general charitable purposes	12,186	-	11,686	-
Support for animal related charities	12,000	-	12,000	-
Support for animal rescue charities	12,000	-	12,000	-
Support for capital needs for Harford Family House*	16,012	-	11,012	-
Support for the general welfare of children in Harford County, Maryland	11,000	-	11,000	-
Nursing scholarships within Harford County, Maryland residents	10,916	-	10,516	-
Animal welfare	10,669	-	10,669	-
Support for the Y of Central Maryland center in Abingdon, Maryland*	10,500	-	10,500	-
Support for Children's vascular surgery	10,416	-	10,348	-
Scholarships to benefit students pursuing a post secondary degree in STEM	10,138	-	10,050	-
Greater Bel Air Community Foundation Endowment Fund*	10,116	-	10,048	-
Support for work of Chabad of Harford County*	10,000	-	10,000	-

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(5) Restricted net assets (continued)

	2019		2018	
	Donor restricted net assets held for endowment	Other donor restricted net assets	Donor restricted net assets held for endowment	Other donor restricted net assets
Support various charitable needs in Harford County	\$ -	311,550	-	261,550
- satisfied to date	10,000	(300,000)	-	-
Support for Lower Susquehanna Greenway Endowment*	10,000	-	10,000	-
Stack and Store Fund	10,000	-	-	-
Humane Society and at-risk Children	5,553	-	5,553	-
Harford County Preserves	1,065	-	-	-
Harford County Nutures	575	-	-	-
Harford County Cares	115	-	-	-
Total endowment and related contributions	1,233,788	63,519	1,092,618	296,999
Accumulated investment appreciation (depreciation) net of investment and administrative expenses	276,594	23,914	222,514	14,033
Accumulated distributions	(138,286)	-	(114,326)	-
Accumulator funds				
- corpus	-	12,719	-	24,505
- accumulated investment appreciation (depreciation)	-	1,378	-	2,211
Scholarships to benefit students in various academic areas	-	51,000	-	31,000
- satisfied to date	-	(11,000)	-	(11,000)
Support for opportunities that foster preservation of Deer Creek and its natural resources	-	81,850	-	50,964
- satisfied to date	-	(50,000)	-	(50,000)
Support for not-for-profit organizations to provide critical emergency supports for basic needs of local families	-	28,981	-	23,165
- satisfied to date	-	(9,184)	-	(8,550)
Support the needs of the homeless and betterment thereof	-	32,712	-	21,539
- satisfied to date	-	(1,878)	-	-
Harford County Grant Academy	-	13,500	-	13,500
- satisfied to date	-	(10,477)	-	(10,477)
Estimated value of funds	\$1,372,096	227,034	1,200,806	397,889

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(5) Restricted net assets (continued)

	<u>2019</u>		<u>2018</u>	
	Donor restricted net assets held for <u>endowment</u>	Other donor restricted <u>net assets</u>	Donor restricted net assets held for <u>endowment</u>	Other donor restricted <u>net assets</u>
Estimated value of funds	\$1,372,096	227,034	1,200,806	397,889
Net investment appreciation (depreciation) classified as donor restricted net assets other than endowment	(138,308)	138,308	(108,188)	108,188
Unrestricted net assets included in endowment funds - Operation Endowment for CFHC	<u>(56,200)</u>	<u>(18,260)</u>	<u>(56,200)</u>	<u>(11,191)</u>
Total funds held	1,177,588	347,082	1,036,418	494,886
Funds held as custodian trustee for agency funds	<u>(327,653)</u>	<u>(57,506)</u>	<u>(238,256)</u>	<u>(51,982)</u>
Total	\$ <u>849,935</u>	<u>289,576</u>	<u>798,162</u>	<u>442,904</u>

\* agency funds

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(5) Restricted net assets (continued):

Consistent with the CFHC management's interpretation of the applicable law(s) that underlie the classification of donor-restricted endowment funds, net assets with restrictions held for endowment are to be held for perpetuity with the intention that only the related income derived from the investment of these net assets may provide the support for the program activities as identified by the donor. Effective during 2009, the State of Maryland adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) that serves as a guideline to states to use in enacting legislation. CFHC classifies as net assets with restrictions held for endowment (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the discretion of the applicable donor gifts at time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund, including accumulator funds, that is not classified in net assets with restrictions held for endowment is classified as net assets with restrictions available operating activities until those amounts are explicitly appropriated by the CFHC Board of Directors for expenditure in a manner consistent with the standard of prudence as described by the UPMIFA.

Accumulator funds are donor contributions which are contributed over a period of specified time which, ultimately, are expected to amount to the minimum required amount for classification as a net assets held for endowment. In the event that the total contributed funds do not attain the minimum level for endowment in the specified time, the CFHC may disburse such funds for other charitable purposes.

The investment goal is to provide income and capital growth to be used and future financial obligations of CFHC while limiting the risk of funds in order to preserve the endowed principal. The investment objective is pursued as a long-term goal designed to maximize returns after expenses while limiting exposure to investment risk.

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(5) Restricted net assets (continued):

Changes in endowment net assets (including agency funds) for the year ended June 30, 2018 and 2019 consist of the following:

	<u>Accumulator Funds</u>	<u>Endowment Funds</u>	<u>Total</u>
Estimated value of funds, June 30, 2017	\$ <u>34,235</u>	<u>1,085,517</u>	<u>1,119,752</u>
Year ended June 30, 2018:			
Contributions	27,223	54,190	81,413
Transfers	(35,092)	35,092	-
Distributions	<u>(1,000)</u>	<u>(27,246)</u>	<u>(28,246)</u>
Net additions	<u>(8,869)</u>	<u>62,036</u>	<u>53,167</u>
Investment income (loss)			
Interest and dividends	1,018	53,235	54,253
Realized and unrealized gains and (losses) and expenses	332	17,985	18,317
CFHC Administrative fees	<u>-</u>	<u>(17,967)</u>	<u>(17,967)</u>
Net investment gains	<u>1,350</u>	<u>53,253</u>	<u>54,603</u>
Estimated value of funds, June 30, 2018	<u>26,716</u>	<u>1,200,806</u>	<u>1,227,522</u>
Year ended June 30, 2019:			
Contributions	662	128,722	129,384
Transfers	(12,448)	12,448	-
Distributions	<u>-</u>	<u>(23,960)</u>	<u>(23,960)</u>
Net additions	<u>(11,786)</u>	<u>117,210</u>	<u>105,424</u>
Investment income (loss)			
Interest and dividends	-	48,276	48,276
Realized and unrealized gains and (losses) and expenses	(833)	20,325	19,492
CFHC Administrative fees	<u>-</u>	<u>(14,521)</u>	<u>(14,521)</u>
Net investment gains	<u>(833)</u>	<u>54,080</u>	<u>53,247</u>
Estimated value of funds, June 30, 2019	<u>\$ 14,097</u>	<u>1,372,096</u>	<u>1,386,193</u>

Fees charged by CFHC to the various funds for the administration of the funds during 2019 and 2018 amounted to \$14,521 and \$17,967, respectively. These charges are included in the net assets released from restrictions in the Statements of Activities.

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(6) Restatement of Net Assets and 2018 Financial Statements

Through the year ended June 30, 2018, the organization previously reflected agency funds as a component of its activities and operating balance sheets. Pursuant to generally accepted accounting principles and subject to certain considerations including variance power and potential discretionary abilities, certain funds provided by and held by another entity on behalf of that entity constitute agency funds and are not to be considered to be the contributions, earnings, distributions and the net assets of the entity in which they may be held and the amount held as of the balance sheet dates are to be accounted for as a liability of the entity holding such assets. Effective July 1, 2017, the net assets and related activities for 2018 which are considered as agency funds have been restated to conform to generally accepted accounting principles.

Accordingly, the financial statements of CFHC have been restated as follows:

Net assets as of June 30, 2017:

	<u>Net assets as of June 30, 2017</u>		
	<u>Previously Reported</u>	<u>Restatement</u>	<u>Restated</u>
Without donor restrictions (Unrestricted)	\$ 191,424	-	191,424
With donor restrictions:			
Operating (Temporarily restricted)	220,400	(35,971)	184,429
Endowment (Permanently restricted)	<u>947,136</u>	<u>(200,456)</u>	<u>746,680</u>
Total	<u>\$1,358,960</u>	<u>(236,427)</u>	<u>1,122,533</u>

The financial statement effects as of and for the year ended June 30, 2018:

	<u>Previously Reported</u>	<u>Restatement</u>	<u>Restated</u>
Contributions	\$ 81,413	(39,426)	41,987
Investment income	82,975	(14,385)	68,590
As of June 30, 2018:			
Total liabilities	24,676	290,238	314,914
Net assets without donor restrictions	205,400	-	205,400
Net assets with donor restrictions:			
Operating	494,886	(51,982)	442,904
Endowment	1,036,418	(238,256)	798,162
Total net assets	1,736,704	(290,238)	1,446,466

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(7) Concentrations

Concentrations of financial contributions during the years ended June 30, 2019 and 2018 consisted of:

	<u>2019</u>	<u>2018</u>
Foundations, groups, corporations and individuals:		
A	\$ 52,414	64,229
B	50,350	28,725
C	50,000	250,000
D	30,886	50
E	20,000	20,000
F	275	19,780
Government	25,000	25,000
Contributed facilities and services	35,143	32,400
Other	<u>208,996</u>	<u>103,077</u>
Total	<u>\$473,064</u>	<u>543,261</u>

(8) Contributed facilities and services

For the years ended June 30, 2019 and 2018, estimated contributed facilities and services consisted of

Facilities	\$ 24,000	24,000
Professional services	<u>11,143</u>	<u>8,400</u>
Total contributed facilities and services	<u>\$ 35,143</u>	<u>32,400</u>

(9) Agency accounts

Changes in the agency funds for the years ended June 30, 2019 and 2018, which have not been included in the Statement of Activities consisted of the following:

Agency funds as of July 1,	\$290,238	236,427
Contributions and similar additions	84,357	39,426
Investment income	11,992	14,385
Disbursements for beneficiaries	<u>(1,428)</u>	<u>-</u>
Agency funds as of June 30,	<u>\$385,159</u>	<u>290,238</u>

COMMUNITY FOUNDATION OF HARFORD COUNTY, INC.

Notes to the Financial Statements

(10) Income tax

The management of CFHC has evaluated the organization's tax position relative to FASB ASC 740, *Income Taxes* (which include FASB Interpretation No. 48 (FIN 48) - *Accounting for Uncertainties in Income Tax*) and concluded that the organization has maintained its tax exempt status and has taken no uncertain tax positions. Accordingly, no provision for income tax has been included in the financial statements. With few exceptions, CFHC is not subject to income tax examination for years prior to 2016.

(11) Evaluation of subsequent events

The management of CFHC has evaluated subsequent events through July 27, 2020, the date which the financial statements were available to be issued.

During 2020, the corona-virus crisis has affected CFHC as well as all persons and organizations throughout the world at large. Management is continuing to be attentive to the developing crisis, complying to recently imposed governmental restrictions as well as implementing its own policies and procedures in order to safely provide its current program services during this period.

The duration of this crisis remains very much uncertain as well as the ultimate impact it may have on the lives of the organization's clientele, employees and community. Unfortunately, the financial support for the organization is also anticipated to be affected during this period.