BALTIMORE CIVIC FUND, INC. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

Year Ended June 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Baltimore Civic fund

Report on the Financial Statements

We have audited the accompanying financial statements of Baltimore Civic Fund, Inc. and Affiliate (the Organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 Baltimore Civic Fund, Inc. and Affiliate as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, Baltimore Civic Fund, Inc. adopted Accounting Standards Update 2014-09, Revenue from Contracts with Customers (Topic 606) during the year ended September 30, 2021. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Baltimore Civic Fund, Inc.'s June 30, 2020, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 1, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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* (CFR) 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting principles as well as 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 March 31, 2023, on our consideration of Baltimore Civic Fund, Inc. and Affiliate'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 solely 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 Baltimore Civic Fund, Inc. and Affiliate'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 Baltimore Civic Fund, Inc. and Affiliate's internal control over financial reporting and compliance.

Bethesda, Maryland
March 31, 2023

BALTIMORE CIVIC FUND, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(with comparative totals for June 30, 2020)

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	$ 12,672,837	$ 3,400,993
Investments	9,015,233	7,467,519
Accounts receivable, net of allowance for doubtful accounts	1,430,254	994,000
Prepaid expenses and other current assets	53,165	2,200
TOTAL ASSETS	$ 23,171,489	$ 11,864,712

LIABILITIES AND NET ASSETS

	2021	2020
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 477,233	363,982
Deferred revenue	-	300,000
Due to City of Baltimore	3,847,879	1,808,211
TOTAL LIABILITIES	4,325,112	2,472,193
NET ASSETS		
Without donor restrictions	4,078,704	3,082,722
With donor restrictions	14,767,673	6,309,797
TOTAL NET ASSETS	18,846,377	9,392,519
TOTAL LIABILITIES NET ASSETS	$ 23,171,489	$ 11,864,712

The accompanying notes are an integral part of these financial statements.

BALTIMORE CIVIC FUND, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(with comparative totals for June 30, 2020)

	Without donor Restrictions	With donor Restrictions	2021 Total	2020 Total
REVENUES, GAINS AND OTHER SUPPORT				
Support from the public:				
Contributions	$ 410,575	19,581,208	$ 19,991,783	$ 9,404,541
Federal grants	5,287,805	-	5,287,805	-
Investment income:				
Net realized and unrealized investment income	1,547,805	-	1,547,805	249,666
Total revenue, gains and other support	7,246,185	19,581,208	26,827,393	9,654,207
Net assets released from restriction	11,123,332	(11,123,332)	-	-
Total revenue	18,369,517	8,457,876	26,827,393	9,654,207
Expenses				
Program services	16,411,137	-	16,411,137	7,340,044
Management and general	962,398	-	962,398	550,438
Total expenses	17,373,535	-	17,373,535	7,890,482
CHANGE IN NET ASSETS	995,982	8,457,876	9,453,858	1,763,725
NET ASSETS, beginning of year	3,082,722	6,309,797	9,392,519	7,628,794
NET ASSETS, end of year	$ 4,078,704	$ 14,767,673	$ 18,846,377	$ 9,392,519

The accompanying notes are an integral part of these financial statements.

BALTIMORE CIVIC FUND, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(with comparative totals for June 30, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 9,453,858	$ 1,763,725
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized investment income	(1,547,714)	(212,128)
(Increase) decrease in assets:		
Accounts receivable	(436,254)	(975,770)
Prepaid expenses and other current assets	(50,965)	266,533
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	113,251	88,014
Due to City of Baltimore	2,039,668	902,085
Deferred revenue	(300,000)	-
CASH PROVIDED BY OPERATING ACTIVITIES	9,271,844	1,832,459
CASH AT BEGINNING OF YEAR	3,400,993	1,568,534
CASH AT END OF YEAR	$ 12,672,837	$ 3,400,993

The accompanying notes are an integral part of these 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 Baltimore Civic Fund, Inc. and Affiliate as of June 30, 2021, 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.

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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* (CFR) 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting principles as well as 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.

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Bethesda, Maryland
March 31, 2023

BALTIMORE CIVIC FUND, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2021
(with comparative totals for June 30, 2020)

1. Organization

Baltimore Civic Fund, Inc. (dba Baltimore City Foundation, Inc.) was incorporated on January 5, 1981 under the laws of the State of Maryland as a non-stock, not-for-profit corporation to foster and promote the growth, progress, and general welfare of the City of Baltimore. Baltimore Civic Fund, Inc. services as a channel for the collection and disbursement of funds for various programs administered by local community organizations and Baltimore City agencies. Baltimore Civic Fund, Inc. support comes primarily from individual and business donor's contributions.

Baltimore Civic Fund Holdings, LLC, a for-profit Company, was established on March 26, 2021. The Company is formed to carry on any and all business, transactions, and activities that may be deemed desirable by the Company's management, to the fullest extent empowered and permitted by law. Baltimore Civic Fund, Inc. is the sole member of Baltimore Civic Fund Holdings, LLC.

2. Summary of Significant Accounting Policies

Comparative Financial Information

The accompanying consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Principles of Consolidation

The consolidated financial statements include the accounts of Baltimore Civic Fund, Inc. and Baltimore Civic Fund Holdings, LLC (collectively, the "Organization"). All significant intercompany acounts and transactions between the organizations have been eliminated.

2. Summary of Significant Accounting Policies (continued)

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Non-operating activities are limited to resources that generate return from other activities considered to be of a more unusual or nonrecurring nature.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates, and those differences could be material.

Cash and Cash Equivalents

Cash consists of checking accounts and money market accounts. For the purposes of the statement of cash flows, the Organization considers all money market and highly liquid investments with original maturities less than 90 days to be cash equivalents.

The Organization has not experienced any losses related to these accounts and does not believe they are exposed to any significant credit risk on cash and cash equivalents.

2. Summary of Significant Accounting Policies (continued)

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Investments that are measured at fair value using NAV per share are not classified in the fair value hierarchy.

Accounts and Other Receivables

Accounts and other receivables are recorded at net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Functional Allocation of Expenses

The costs of providing various programs and other activities of the Organization have been summarized on a functional basis in the statement of activities. Expenses are allocated among the programs and supporting services based on the functions they directly benefit or upon management's estimates of the proportion of the expenses applicable to each function. Management and general expenses include those expenses that are not directly identifiable with any specific function but that provide for the overall support and management of the Organization.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

No provision for income taxes is required for 2022 or 2021. The Organization's income tax returns are subject to review and examination by Federal and state taxing authorities.

The Organization is not aware of any activities that would jeopardize its tax-exempt status. Income tax returns for the years ended June 30, 2021, 2020 and 2019 remain open to examination by the taxing jurisdictions.

2. Summary of Significant Accounting Policies (continued)

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by the Organization and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

New Accounting Pronouncement – Adopted

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU provides guidance for recognizing revenue under contractual arrangements. The overall objective is to recognize revenue as promised goods and services are transferred to customers and involves employing a five-step determination process.

Analysis of various provisions of this standard resulted in no significant changes in the manner the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

New Accounting Pronouncement – Future Periods

In February 2016, the FASB issued ASU 2016-02, Leases, which requires a lessee to recognize a right-of-use ("ROU") assets and lease liability on the balance sheet for most lease contracts (which include those leases that are currently classified as operating leases under the current accounting standard). Additional disclosures are required to meet the objective of enabling users of consolidated financial statements to assess the amount, timing, and uncertainty of cash flows arising from lease contracts. The standard will be effective for the Organization beginning July 1, 2023.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

3. Availability and Liquidity

The following reflects the Organization's financial assets at June 30, 2021 and 2020, reduced by amounts not available for general use within one year of the statement of financial position date because of donor imposed restrictions.

	2021	2020
Cash and cash equivalents	$ 12,672,837	$ 3,400,993
Investments	9,015,233	7,467,519
Accounts areceivable	1,430,254	994,000
Total financial assets	23,118,324	11,862,512
Less amounts not available to be used within one year		
Net assets with donor restrictions	14,852,662	6,309,797
Financial assets available to meet cash needs for general expenditures within one year	$ 8,265,662	$ 5,552,715

The Organization has a policy to manage its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. Investments

Investments of the Organization are measured at fair value using net asset value (NAV) per share as a practical expedient. Therefore, they are not classified in the fair value hierarchy. The following table presents assets measured using NAV as of June 30, 2021 and 2020:

	2021	2020
CFI Multi-Strategy Equity Fund	$ 5,287,659	$ 3,846,670
CFI Multi-Strategy Bond Fund	3,727,574	3,620,849
	$ 9,015,233	$ 7,467,519

4. Investments (continued)

Investments measured at fair value using NAV per share as a practical expedient are as follows at June 30, 2021:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
CFI Multi-Strategy Equity Fund	$ 5,287,659	$ -	Monthly*	30 days
CFI Multi-Strategy Bond Fund	3,727,574	-	Monthly*	30 days
	$ 9,015,233	$ -		

Investments measured at fair value using NAV per share as a practical expedient are as follows at June 30, 2020:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
CFI Multi-Strategy Equity Fund	$ 3,846,670	$ -	Monthly*	30 days
CFI Multi-Strategy Bond Fund	3,620,849	-	Monthly*	30 days
	$ 7,467,519	$ -		

*The funds allow monthly redemption; however, in an effort to streamline operations, these transactions with Commonfund occur on a quarterly basis for internal purposes. As funds are received, they are recorded according to program and fund restriction. The total amount due to or from investments is tracked until a redemption or deposit from investments is initiated. This amount is netted against the investment draw used to fund operations.

CFI Multi-Strategy Equity Fund – The investment objective of the Multi-Strategy Equity Fund is to offer an investment program that will provide the strategy and manager diversification that an endowment would normally require for its public equity allocation. The fund is designed to add value over long time periods, above the return of the U.S. equity market as measured by the S&P 500 Index with similar risk characteristics.

4. Investments (continued)

CFI Multi-Strategy Bond Fund – The investment objective of the Multi-Strategy Bond Fund is to offer an actively managed, multi-manager investment program that will provide broad exposure to global debt markets. The fund is designed to add value above the return of the broad U.S. bond market over a full market cycle, as measured by the Barclays Capital U.S. Aggregate Bond Index with similar risk characteristics.

The following schedule summarized investment return for the years ended June 30, 2021 and 2020:

	2021	2020
Realized and unrealized gains	1,577,297	$ 275,606
Less investment fees	(29,492)	(25,940)
Total investment income	$ 1,547,805	$ 249,666

5. Functional Expenses

	Program Services	Management and General	Total
Subgrant	$ 6,471,588	$ -	$ 6,471,588
Contract services and professional fees	8,359,112	310,888	8,670,000
Salary and benefits	257,542	509,958	767,500
Other expenses	1,281,825	91,968	1,373,793
Occupancy	41,070	49,584	90,654
	$ 16,411,137	$ 962,398	$ 17,373,535

6. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at June 30, 2021 and 2020:

	June 30, 2020	Contributions	Expenses	June 30, 2021
AAME_Squeegee Corps	$ 77,213	$ 110,000	$ 57,567	$ 129,646
AZIZA PE & CE	-	200,000	199,777	223
BCHD_Covax Educational Iniativ	-	204,000	99,394	104,606
BH-Citizens Energy/CITGO	(14)	-	-	(14)
BPD AIR Oversight Program	50,000	40,000	90,000	-
BPD_Baltimore Police Explorer	-	7,248	-	7,248
BaIt. Community Relations	14,468	34,469	2,050	46,887
Back to School Rally	14,471	-	-	14,471
Baltimore City LGBTQ Affairs	-	2,082	-	2,082
CC-School Supplies 8th D	10	-	-	10
Cart Recycle	-	4,897,550	-	4,897,550
Circuit Court	348,072	-	-	348,072
City Council-Baltimore Rising	1,656	-	-	1,656
City Council-Volunteer Services	784	-	-	784
CityCoun_Artist/District	179	11,900	12,000	79
CityCoun_Destiny Dream Scholarship	63,651	9,270	5,000	67,921
CityCoun_LE# Fellow	-	20,000	20,000	-
CityCoun_P.L.A.Y	38,060	(37,733)	-	327
Councilman Bill Henry's Transi	-	5,000	-	5,000
Curran Bell Tower	(1)	-	-	(1)
DHCD Partnership for Homeless	44,791	-	-	44,791
DOP_Cities Connecting Children	-	300,105	9,915	290,190
DOT_Bike Share	38,388	-	13,004	25,384
DOT_Born to Ride	550	-	-	550
DPW_GROW Center	1,895	2,877	2,216	2,556
DPW_Recycling	25,000	-	25,000	-
Dntwn Partnrshp-Preston Gardens	(1)	-	-	(1)
EnvConBoard_Bmore Beautiful	8,941	10,000	-	18,941
EnvConBoard_Care A Lot	104,822	480,315	495,037	90,100
FireDept_Prevention	1,398	-	-	1,398
Firehouse Renovations	6,453	-	-	6,453
Governor's Office-Domestic	2,441	-	-	2,441
Guardian Dance Company	-	179,778	180,275	(497)
HABC-Volunteer Services	1,323	-	-	1,323
HCD-GH&SH Heating	45,000	-	-	45,000
HCD_CAP Child Care Academy	28	-	-	28
HCD_CAP Dawson Family	577	-	550	27

6. Net Assets with Donor Restrictions (continued)

	June 30, 2020	Contributions	Expenses	June 30, 2021
HCD_CAP General	4	-	-	4
HCD_CAP Holiday	442	-	-	442
HCD_CAP Hurricane Katrina	42	-	-	42
HCD_Residential Water Assistance	198	-	-	198
Health-Disparities Initiative	26,136	-	-	26,136
Health-Healthy Baltimore	8,069	-	-	8,069
Health-School Health	275	-	-	275
Health_B'More for Health	64,457	530	21,968	43,019
Health_Baltimore Health Corps Program	925,000	5,254,087	4,463,414	1,715,673
Health_CARE Connection	16,477	-	-	16,477
Health_Harford Road Sr Ctr	5,725	699	-	6,424
Health_Seniors in Baltimore	2,367	6,000	-	8,367
Health_Waxter Center	83,259	-	7,600	75,659
Human Res-Work Baltimore	23,074	-	-	23,074
Law-Comm.Oversight Task	98	-	-	98
Local Emergency Plan Comm.	657	-	-	657
MIMA_Baltimores Immigrant Comm Fund	1,197,700	745,730	1,110,940	832,490
MIMA_New American Community	5,340	22,720	4,469	23,591
MOCFS- CAP Southeast	3,498	-	-	3,498
MOCFS_ Head Start	27,762	217	-	27,979
MOCFS_B'More & Beyond	181,427	-	20,000	161,427
MOCFS_CAP_Eastern	2,048	-	-	2,048
MOCFS_CAP_Northeast	2,111	-	1,877	234
MOCFS_CAP_Northwest	2,550	-	-	2,550
MOCFS_CAP_Western	4,162	1,266	1,266	4,162
MOCFS_Childrens Cabinet Initia	-	677,061	-	677,061
MOCFS_Community Action Partner	-	16,400	17,588	(1,188)
MOCFS_Connect 2 Success	11,374	-	100	11,274
MOCFS_My Brother's Keeper	-	43,500	-	43,500
MOCFS_Teen Biz Challenge	1,990	-	-	1,990
MOCFS_Youth Commission	25,125	-	300	24,825
MOCFS_Youth Engagement	22,950	-	10,141	12,809
MOCJ_Baltimore Vistitation Cen	-	10,000	-	10,000
MOCJ_Project EASE	-	100,000	7,940	92,060
MOCJ_Safe Streets	19,102	3,103	120	22,085
MOCJ_Violence Reduction	-	170,000	-	170,000
MOED-Community Engagem	13,707	-	-	13,707
MOED_ACCE	50,038	-	50,039	(1)
MOED_BC Career Academy	3,155	-	984	2,171
MOED_BWIB	2,757	-	-	2,757

6. Net Assets with Donor Restrictions (continued)

	June 30, 2020	Contributions	Expenses	June 30, 2021
MOED_Financial Empowerment Cen	-	150,000	12,289	137,711
MOED_Technicial Assiatance & C	545,198	221,285	206,784	559,699
MOED_Youth Opportunity Westsid	162,379	-	-	162,379
MOED_YouthWorks One_time	(427,050)	2,253,708	2,091,648	(264,990)
MOED_Youthworks Payroll	33,466	35,505	-	68,971
MOHS_Journey Home	392,480	831,647	537,551	686,576
MOHS_Medicaid Pilot	1,040,261	423,000	331,732	1,131,529
MO_Broadband and Digital Equit	-	318,000	200,000	118,000
MWBD_Adv Manu Cent	-	17,500	19,975	(2,475)
MWBD_Baltimore Main Streets	-	245,200	250,125	(4,925)
MWBD_Sm Bus Resource Ctr	222,966	-	1,938	221,028
Mayor's Youth Conference	55	-	-	55
Mayor's-Living City Hall	2,500	-	-	2,500
Mayor_AFRAM	146,950	300,004	216,250	230,704
Mayor_Call to Action	1,650	-	-	1,650
Mayor_Covid 19 Response Fund	23,959	4,226	-	28,185
Mayor_Hispanic Commission	3	-	-	3
Mayor_Light City Round	2,665	-	-	2,665
Mayor_Mayoral Fellowship	61,165	41,750	65,227	37,688
Mayor_Minority & Women Business	1,762	182	-	1,944
Mayor_Pimlico	5,000	-	-	5,000
Mayor_Small Business Rebate	-	-	14,258	(14,258)
R&P - ABC Park	12,434	-	-	12,434
R&P-Carroll Park	(1)	-	-	(1)
R&P-Seniors Health & Wel	111,767	-	-	111,767
R&P_Youth Development Program	-	915,011	16,136	898,875
RecParks_Activities	23,409	44	6,230	17,223
RecParks_B'More Summer Camp	2,560	550	-	3,110
RecParks_Great Parks, Strong Neighborhood	43,764	-	-	43,764
RecParks_Play Baseball	13,462	242	6,067	7,637
RecParks_Rawlings Conservatory	65,431	4,012	-	69,443
RecParks_Tree Baltimore	150,128	20	-	150,148
RecParks_Youth Rec Programs	19,628	21,429	1,918	39,139
StateAtt_Community Programs	18,575	2,000	7,477	13,098
Sustainability Plan	-	67,719	10,532	57,187
The Great Blacks in Wax Museum	-	200,000	196,664	3,336
Transportation-Harbor Safety	10,000	-	-	10,000
	$ 6,309,797	$ 19,581,208	$ 11,123,332	$ 14,767,673

7. Pension Expenses

the Organization sponsors a 401(k) plan that covers substantially all employees. Pension plan expense was $13,627 and $1,468 for the years ended June 30, 2021 and 2020.

8. Intercompany Accounts

During 2021, the Company received an initial deposit of $500 from Baltimore Civic Fund, Inc. and $4,897,550 from Mayer & City Council of Baltimore. The $500 initial deposit is recorded as due to and due from Baltimore Civic Fund Holdings, LLC and Baltimore Civic Fund, Inc., respectively. The balances are eliminated in the consolidated financial statements. The $4,897,550 from Mayer & City Council of Baltimore is for the benefit of Baltimore Civic Fund, Inc. to be used for Residential Recycling Carts project. The amount of $4,897,550 is recorded as a contribution with donor restrictions. The intercompany receivable and payable are eliminated in the consolidated financial statements. Baltimore Civic Fund Holdings, LLC has no other activities during the fiscal year 2021.

9. Subsequent Events

Management has evaluated subsequent events through March 31, 2023, which is the date the consolidated financial statements were available to be issued.

During the subsequent year, Baltimore Civic Fund, Inc. and Baltimore Civic Fund Holdings, LLC, entered into a term loan agreement with Close Loop Infrastructure Fund in the amount of $3,000,000. The loan bears no interest or fees, except on default. If defaulted, the loan bear interest at the annual default rate of 2%. The loan is repayable in 84 monthly installments of $35,714. The loan proceeds will be used to purchase recycling equipments.

BALTIMORE CIVIC FUND, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program Title	CFDA #	Pass-through Entity Identification Number	Federal Expenditures	Subawards
U.S. Department of Treasury				
Pass-through from Mayor and City Council of Baltimore:				
CARES Act – Treasury's Coronavirus Relief Fund	21.019	Unknown	$ 5,287,805	$ 4,700,000
Total Expenditures of Federal Awards			$ 5,287,805	$ 4,700,000

The accompanying notes are an integral part of this schedule.

BALTIMORE CIVIC FUND, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Baltimore Civic Fund, Inc. (the Organization) under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The principal estimates and assumptions used in the preparation of the accompanying schedule relate to cost allowability and allocability (Note B). Actual results could differ from those estimates.

B. Federal Audits

The allowability of certain costs under government grants is subject to audit by the contracting agency. Certain indirect costs charged to grants are subject to revisions based on government audits of those costs. Management believes that contract costs are consistent with applicable government cost principles, and that costs subsequently disallowed, if any, upon audit by the government would not be material.

C. Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

D. Indirect Cost Rate

The Organization has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Baltimore Civic Fund, Inc.

We have audited, in accordance with the 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, the consolidated financial statements of Baltimore Civic Fund, Inc. and Affiliate (the Organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Organization's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001, to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

Baltimore Civic Fund, Inc.'s Response to Findings

Baltimore Civic Fund, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Baltimore Civic Fund, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rubino & Company

Bethesda, Maryland
March 31, 2023

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of
Baltimore Civic Fund, Inc.

Report on Compliance for Each Major Federal Program

We have audited Baltimore Civic Fund, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Baltimore Civic Fund, Inc.'s major federal program for the year ended June 30, 2021. Baltimore Civic Fund, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Baltimore Civic Fund, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Baltimore Civic Fund, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Baltimore Civic Fund, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Baltimore Civic Fund, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

Baltimore Civic Fund, Inc.'s response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Baltimore Civic Fund, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Baltimore Civic Fund, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Baltimore Civic Fund, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Baltimore Civic Fund, Inc.'s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

Baltimore Civic Fund, Inc.'s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Baltimore Civic Fund, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bethesda, Maryland
March 31, 2023

BALTIMORE CIVIC FUND, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION A – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	____Yes	X No
• Significant deficiencies identified that are not considered to be material weaknesses?	X Yes	____None reported
Noncompliance material to consolidated financial statements noted?	____Yes	X No

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	____Yes	X No
• Significant deficiencies identified that are not considered to be material weakness(es)?	X Yes	____None reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____Yes	X No

Identification of major programs:

Description	ALN	Expenditures
U.S. Department of Treasury		
Pass-through		
Mayor and City Council of Baltimore	21.019	$ 5,287,805

Dollar threshold used to distinguish between Type A and type B programs	$750,000	
Auditee qualified as low-risk auditee?	____Yes	X No

BALTIMORE CIVIC FUND, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION B – FINANCIAL STATEMENT FINDINGS

Significant Deficiencies

2021 – 001: Timely Financial Reporting and SF-SAC Submission

Criteria – Filing of the SF-SAC Submission timely represents a functioning financial system.

Condition and Context – Complete financial results were not available on a timely basis to begin the audit prior to the due date of the SF-SAC.

Effect – Complete and accurate financial results were not available on a timely basis to begin the audit prior to the due date of the SF-SAC.

Recommendation – Procedures need to be developed for the following:

- Management should implement procedures to complete and reconcile all financial information within a reasonable time after year end.
- Management should implement a system to track the due date of the SF-SAC to ensure timely filing.

Management Response

Baltimore Civic Fund & Goldin Group acknowledge the finding on the Civic Fund's single audit. This finding arose because the audit filing to the federal clearinghouse occurred after its deadline of nine months beyond the fiscal year end.

The root causes of the late filing were delays in finalizing the FY20 audit during the COVID pandemic, transitions in accounting systems, and lack of clear guidance. Baltimore Civic Fund engaged a new auditor for its FY20 audit and transitioned accounting systems late in FY20, delaying the finalization of the FY20 audit to April 2022. By that time, the Civic Fund had new finance staff and was planning another transition to a different accounting system. In addition, the Civic Fund's leadership did not have clear guidance on whether a single audit was required as the received federal funds were passed through as subawards. When transitioning to the current accounting system was complete in fall 2022, the finance team prioritized cleaning and closing the FY21 books. When the FY21 records were ready to be audited, the 9/30/2022 single audit deadline passed.

Baltimore Civic Fund and Goldin Group have been and continue to work together to ensure accurate and timely audits. We anticipate completing the FY22 financial and single audit by summer 2023, and all subsequent audits will be completed within federal deadlines.

BALTIMORE CIVIC FUND, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION C – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Significant Deficiencies

Program CFDA # 21.019

Finding 2021-001 is also a finding for the major federal program as timely filing of the SF-FAC is a requirement under the Uniform Guidance.

BALTIMORE CIVIC FUND, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2021

This schedule is not applicable as there were no prior audit findings.

CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2021

Independent Public Accounting Firm
Rubino & Company, Chartered
6903 Rockledge Drive, Suite 300
Bethesda, MD 20817

Baltimore Civic Fund, Inc., respectfully submits the following corrective action plan for the year ended June 30, 2021 audit finding.

Audit Period: June 30, 2021, schedule of findings and questioned costs are discussed below.

Significant Deficiencies

2021 – 001: Timely Financial Reporting and SF-SAC Submission

Criteria – Filing of the SF-SAC Submission timely represents a functioning financial system.

Condition and Context – Complete financial results were not available on a timely basis to begin the audit prior to the due date of the SF-SAC.

Effect – Complete and accurate financial results were not available on a timely basis to begin the audit prior to the due date of the SF-SAC.

Recommendation – Procedures need to be developed for the following:

- Management should implement procedures to complete and reconcile all financial information within a reasonable time after year end.
- Management should implement a system to track the due date of the SF-SAC to ensure timely filing.

Corrective Action Planed - Baltimore Civic Fund & Goldin Group acknowledge the finding on the Civic Fund's single audit. This finding arose because the audit filing to the federal clearinghouse occurred after its deadline of nine months beyond the fiscal year end.

The root causes of the late filing were delays in finalizing the FY20 audit during the COVID pandemic, transitions in accounting systems, and lack of clear guidance. Baltimore Civic Fund engaged a new auditor for its FY20 audit and transitioned accounting systems late in FY20, delaying the finalization of the FY20 audit to April 2022. By that time, the Civic Fund had new finance staff and was planning another transition to a different accounting system. In addition, the Civic Fund's leadership did not have clear guidance on whether a single audit was required as the received federal funds were passed through as subawards. When transitioning to the current accounting system was complete in fall 2022, the finance team prioritized cleaning and closing the FY21 books. When the FY21 records were ready to be audited, the 9/30/2022 single audit deadline passed.

Names of the contact persons responsible for corrective action - Goldin Group - Contracted CFO services and Lea Ferguson, Chief Operating Officer, Baltimore Civic Fund

The anticipated completion date - We anticipate completing the FY22 financial and single audit by summer 2023, and all subsequent audits will be completed within federal deadlines.