

**THE CREDIT UNION FOUNDATION OF MARYLAND
AND THE DISTRICT OF COLUMBIA, INC.**

AUDITED FINANCIAL STATEMENTS

For the years ended May 31, 2019 and 2018

THE CREDIT UNION FOUNDATION OF MARYLAND AND THE DISTRICT OF COLUMBIA, INC.

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
The Credit Union Foundation of Maryland and the District of Columbia, Inc.
Columbia, MD

We have audited the accompanying financial statements of The Credit Union Foundation of Maryland and the District of Columbia, Inc. (a nonprofit organization), which comprise the statements of financial position as of May 31, 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.

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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 The Credit Union Foundation of Maryland and the District of Columbia, Inc. as of May 31, 2019 and 2018, 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.

Prior Period Financial Statements

The financial statements of The Credit Union Foundation of Maryland and the District of Columbia, Inc. as of May 31, 2018, were audited by bgr CPAs, who merged with UHY LLP as of December 3, 2018, and whose report dated July 16, 2018, expressed an unmodified opinion on those statements.

UHY LLP

Columbia, Maryland
July 15, 2019

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
THE DISTRICT OF COLUMBIA, INC.
STATEMENTS OF FINANCIAL POSITION
May 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 169,303	\$ 425,239
Investments, short-term	2,105,275	2,029,378
Certificates of deposit, short-term	600,926	801,820
Contribution receivable	3,373	3,173
Interest receivable	4,055	2,294
Tax refund receivable	-	6,518
Prepaid expenses	3,865	147
	<u>2,886,797</u>	<u>3,268,569</u>
NON-CURRENT ASSETS		
Certificates of deposit, long-term	642,269	212,992
Furniture and office equipment, net	1,958	-
	<u>644,227</u>	<u>212,992</u>
	<u>\$ 3,531,024</u>	<u>\$ 3,481,561</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,734	\$ 1,861
Accrued vacation	23,369	19,043
Deferred revenue	10,500	5,777
	<u>35,603</u>	<u>26,681</u>
NET ASSETS		
Without donor restrictions	3,492,240	3,308,669
Board designated	-	144,114
With donor restrictions	3,181	2,097
	<u>3,495,421</u>	<u>3,454,880</u>
	<u>\$ 3,531,024</u>	<u>\$ 3,481,561</u>

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
THE DISTRICT OF COLUMBIA, INC.**

STATEMENT OF ACTIVITIES

For the year ended May 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Special event	\$ 30,928	\$ -	\$ 30,928
Less: direct donor benefit	(20,201)	-	(20,201)
Special event, net	10,727	-	10,727
Contributions	170,038	1,084	171,122
Investment income, net of fees of \$308	137,981	-	137,981
Donated office space	12,000	-	12,000
	<u>330,746</u>	<u>1,084</u>	<u>331,830</u>
Expenses			
Program	198,528	-	198,528
Management and general	77,394	-	77,394
Fundraising	15,367	-	15,367
	<u>291,289</u>	<u>-</u>	<u>291,289</u>
Change in Net Assets	39,457	1,084	40,541
Net Assets, Beginning	<u>3,452,783</u>	<u>2,097</u>	<u>3,454,880</u>
Net Assets, Ending	<u>\$ 3,492,240</u>	<u>\$ 3,181</u>	<u>\$ 3,495,421</u>

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
THE DISTRICT OF COLUMBIA, INC.**
STATEMENT OF ACTIVITIES
For the year ended May 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Special event	\$ 26,086	\$ -	\$ 26,086
Less: direct donor benefit	(14,902)	-	(14,902)
Special event, net	11,184	-	11,184
Contributions	173,060	300	173,360
Investment income, net of fees of \$205	195,005	-	195,005
Donated office space	12,000	-	12,000
Total revenue	<u>391,249</u>	<u>300</u>	<u>391,549</u>
Expenses			
Program	201,030	-	201,030
Management and general	75,176	-	75,176
Fundraising	10,478	-	10,478
Total expenses	<u>286,684</u>	<u>-</u>	<u>286,684</u>
Change in Net Assets	104,565	300	104,865
Net Assets, Beginning	<u>3,348,218</u>	<u>1,797</u>	<u>3,350,015</u>
Net Assets, Ending	<u>\$ 3,452,783</u>	<u>\$ 2,097</u>	<u>\$ 3,454,880</u>

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
THE DISTRICT OF COLUMBIA, INC.**
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended May 31, 2019

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salary, benefits, and payroll taxes	\$ 133,787	\$ 56,758	\$ 12,162	\$ 202,707
Financial literacy grants	13,152	-	-	13,152
College scholarship grants	12,362	-	-	12,362
Office space	5,640	4,920	1,440	12,000
Other program expenses	6,294	-	-	6,294
Professional fees	4,313	10,300	-	14,613
Training grants	9,775	-	-	9,775
Miscellaneous	4,907	2,082	446	7,435
Printing and reproduction	1,337	567	122	2,026
Insurance	888	774	227	1,889
Telephone and telecommunications	1,076	457	98	1,631
Office expense and supplies	1,885	800	171	2,856
Grants to other organizations	1,375	-	-	1,375
Postage and delievery	812	344	74	1,230
Travel and entertainment	626	265	57	948
Fundraising expenses	-	-	543	543
Depreciation	37	16	3	56
Taxes - personal property	262	111	24	397
	<u>\$ 198,528</u>	<u>\$ 77,394</u>	<u>\$ 15,367</u>	<u>\$ 291,289</u>

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
THE DISTRICT OF COLUMBIA, INC.**
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended May 31, 2018

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salary, benefits, and payroll taxes	\$ 141,769	\$ 55,475	\$ 8,218	\$ 205,462
Financial literacy grants	17,502	-	-	17,502
College scholarship grants	13,793	-	-	13,793
Office space	5,640	4,920	1,440	12,000
Other program expenses	4,790	-	-	4,790
Professional fees	-	10,075	-	10,075
Training grants	4,852	-	-	4,852
Miscellaneous	4,353	1,703	252	6,308
Printing and reproduction	725	284	42	1,051
Insurance	970	846	248	2,064
Telephone and telecommunications	1,322	517	77	1,916
Office expense and supplies	1,993	780	116	2,889
Grants to other organizations	1,850	-	-	1,850
Postage and delievery	715	280	41	1,036
Travel and entertainment	678	265	39	982
Taxes - personal property	78	31	5	114
	<u>\$ 201,030</u>	<u>\$ 75,176</u>	<u>\$ 10,478</u>	<u>\$ 286,684</u>

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
THE DISTRICT OF COLUMBIA, INC.
STATEMENTS OF CASH FLOWS
For the years ended May 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 40,541	\$ 104,865
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	56	-
Unrealized gain on investments	(46,733)	(120,682)
Changes in operating assets and liabilities:		
Contribution receivable	(200)	(3,173)
Interest receivable	(1,761)	7,046
Tax refund receivable	6,518	-
Prepaid expenses	(3,718)	550
Accounts payable and accrued expenses	(127)	(1,563)
Accrued vacation	4,326	19,043
Deferred revenue	4,723	2,251
	<u>3,625</u>	<u>8,337</u>
Net cash provided by operating activities		
Cash Flows from Investing Activities		
Proceeds from disposal or maturity of investments	885,171	758,034
Purchase of investments	(1,142,718)	(571,406)
Purchase of furniture and office equipment	(2,014)	-
	<u>(259,561)</u>	<u>186,628</u>
Net cash (used in) provided by investing activities		
Net Change in Cash and Cash Equivalents	(255,936)	194,965
Cash and Cash Equivalents, Beginning	425,239	230,274
Cash and Cash Equivalents, Ending	\$ 169,303	\$ 425,239

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
THE DISTRICT OF COLUMBIA, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended May 31, 2019 and 2018**

NOTE 1 - DESCRIPTION OF ORGANIZATION

The Credit Union Foundation of Maryland and the District of Columbia, Inc. (the Foundation) is a not-for-profit organization incorporated under the laws of the state of Maryland. The Foundation was organized to support the credit union industry through educational scholarships and financial literacy projects, including, for such purposes, the making of distributions to organizations in the credit union industry. Activities include organizing school clubs, coordinating financial literacy programs, and arranging for scholarship funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), whereby revenue is recognized when earned and expenses are recognized when incurred.

Use of Estimates

The preparation of 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 financial statements, and the reported amounts of revenue, support and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments with original maturities of 90 days or less, designated for use in operations. Cash and cash equivalents held by the investment custodian to facilitate investment transactions or to be invested are included in investments in the statements of financial position.

Certificates of Deposit

Certificates of deposit held for investment that are not debt securities with original maturities greater than three months and remaining maturities less than one year are classified as "certificates of deposit, short-term." Certificates of deposit with remaining maturities greater than one year are classified as "certificates of deposit, long-term".

Property and Equipment

Property and equipment are stated at cost. Major repairs and improvements are capitalized. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets, ranging from three to seven years. Minor repairs and maintenance are expensed when incurred.

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
THE DISTRICT OF COLUMBIA, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended May 31, 2019 and 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants

The Foundation recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as either revenues without donor restrictions or revenues with donor restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as revenues without donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Investment Valuation and Income Recognition

The Foundation's investments are stated at quoted market prices. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from investment transactions are specifically identified. Investment income is recorded as earned and unrealized gains and losses are included in the statement of activities.

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of contributions with donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restriction - Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net assets with donor restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Foundation reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions

Donated Office Space

Office space has been donated to the Foundation. The fair value of such donation has been estimated by management and reported as revenue and related expense, as applicable.

Expense Allocation

The Foundation presents expenses on a functional basis, in accordance with FASB ASC 958. Under FASB ASC 958-225, a not-for-profit organization is required to report information regarding its service

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
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NOTES TO FINANCIAL STATEMENTS
For the years ended May 31, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

efforts (programs), including the costs of its services and how it uses its resources.

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited based on direct cost charged to each activity.

Income Taxes

The Foundation was exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), as a private operating foundation. On August 28, 2015, the Internal Revenue Service ruled the Foundation to be classified as a publicly-supported organization which is not a private foundation under Section 509(a) of the Code, effective January 1, 2015. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Code and comparable state law, and contributions to it are tax deductible with the limitations prescribed by the Code.

The Foundation has filed amended tax returns for years 2010 through 2013 to receive refunds for taxes paid while filing as a private foundation. These refunds totaled \$6,518 and have been recorded as a receivable and other income during the year ended May 31, 2016. The refund has been received during the year ended May 31, 2019.

Board Designated Fund

The Board originally designated \$91,222 to a fund called the Roycroft Fund to foster leadership within the credit union industry. The Board of Directors undesignated the fund during the year ended May 31, 2019.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

New Accounting Pronouncement Adopted

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
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NOTES TO FINANCIAL STATEMENTS
For the years ended May 31, 2019 and 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirement that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method). The Foundation has adopted this ASU as of and for the year ended May 31, 2019.

NOTE 3 - INVESTMENTS

As of May 31, 2019 and 2018, the Foundation's investments consist of certificates of deposits measured at cost and short-term investments measured at fair value on a recurring basis.

Investments, short-term:

	May 31, 2019		
	Fair Value	Cost	Unrealized Gain
ETF's - bonds, trusts	\$ 2,105,275	\$ 1,819,018	\$ 286,257
Total investments	<u>\$ 2,105,275</u>	<u>\$ 1,819,018</u>	<u>\$ 286,257</u>

	May 31, 2018		
	Fair Value	Cost	Unrealized Gain
ETF's - bonds, trusts	\$ 2,029,378	\$ 1,787,080	\$ 242,298
Total investments	<u>\$ 2,029,378</u>	<u>\$ 1,787,080</u>	<u>\$ 242,298</u>

Certificates of deposit:

	May 31, 2019		
	Short-term	Long-term	Total
Certificates of deposits	\$ 600,926	\$ 642,269	\$ 1,243,195
Total investments	<u>\$ 600,926</u>	<u>\$ 642,269</u>	<u>\$ 1,243,195</u>

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
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NOTES TO FINANCIAL STATEMENTS
For the years ended May 31, 2019 and 2018

NOTE 3 - INVESTMENTS (Continued)

	May 31, 2018		
	Short-term	Long-term	Total
Certificates of deposits	\$ 801,820	\$ 212,992	\$ 1,014,812
Total investments	<u>\$ 801,820</u>	<u>\$ 212,992</u>	<u>\$ 1,014,812</u>

The Foundation's total investment income consists of unrealized gains from investments and interest and dividends, net of fees, from certificates of deposits and ETF's. Total investment income consists of the following for the years ended May 31:

	2019	2018
Interest and dividend income, net of fees	\$ 91,248	\$ 74,323
Unrealized gain	46,733	120,682
Total investment income	<u>\$ 137,981</u>	<u>\$ 195,005</u>

NOTE 4 – FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- *Level 1:* Unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date (e. g., equity securities traded on the New York Stock Exchange).
- *Level 2:* Inputs from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (e. g., quoted market prices of similar assets or liabilities in active markets, or quoted market prices for identical or similar assets or liabilities in markets that are not active).
- *Level 3:* Unobservable inputs (e. g., a company's own data) and are used to measure fair value to the extent that observable inputs are not available.

Following is a description of the valuation methodologies used for assets measured at fair value.

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
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NOTES TO FINANCIAL STATEMENTS
For the years ended May 31, 2019 and 2018

NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

Exchange Traded Funds (ETF's): Valued at the closing price reported in the active market on which the individual securities are traded (Level 1).

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of the observable inputs and minimize the use of the unobservable inputs. All assets have been valued using a market approach. There were no changes in the valuation techniques during the current year.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of May 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Total assets in the fair value hierarchy	\$2,105,275	\$ -	\$ -	\$2,105,275
Investments measured at net asset value	-	-	-	-
Investments at fair value	<u>\$2,105,275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,105,275</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of May 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Total assets in the fair value hierarchy	\$2,029,378	\$ -	\$ -	\$2,029,378
Investments measured at net asset value	-	-	-	-
Investments at fair value	<u>\$2,029,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,029,378</u>

NOTE 5 - DEFERRED REVENUE

The Foundation sponsors an annual event which takes place subsequent to year-end and the money is collected for this event prior to year-end. The contribution portion of the special event payment is conditioned on the event taking place, and is recognized as revenue after the event takes place. Deferred revenue had a balance of \$10,500 and \$5,777 as of May 31, 2019 and 2018, respectively.

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
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NOTES TO FINANCIAL STATEMENTS
For the years ended May 31, 2019 and 2018

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at May 31:

	<u>2019</u>	<u>2018</u>
Furniture	\$ 11,257	\$ 11,257
Office equipment	<u>6,408</u>	<u>6,362</u>
	17,665	17,619
Less accumulated depreciation	<u>(15,707)</u>	<u>(17,619)</u>
Furniture and office equipment, net	<u>\$ 1,958</u>	<u>\$ -</u>

Depreciation expense for the years ended May 31, 2019 and 2018 was \$56 and \$-0-, respectively.

NOTE 7 - DONATED OFFICE SPACE

Included in revenues and functional expenses is the estimated value of donated office space and facilities use. The amounts of these services totaled \$12,000 for both years ended May 31, 2019 and 2018.

NOTE 8 - EMPLOYEE BENEFITS PLAN

The Foundation sponsors a 403(b) retirement plan for its employees. Employees are eligible to participate after attaining the age of 21. Under the terms of the plan, employees are entitled to contribute a portion of compensation within the limitations established by the Code. The Foundation makes contributions to the accounts of eligible employees equal to ten percent of compensation as defined in the plan document. The Foundation's contributions were \$20,562 and 18,738 for the years ended May 31, 2019 and 2018, respectively.

NOTE 9 - CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash in bank deposit accounts insured by the National Credit Union Administration (NCUA) up to \$250,000, per institution. At various times during the fiscal year, the Foundation's cash in bank balances exceeded the NCUA limits. The Foundation has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk in cash.

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
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NOTES TO FINANCIAL STATEMENTS
For the years ended May 31, 2019 and 2018

NOTE 10 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's financial assets available for general expenditures for the fiscal year 2020 consists of the following:

Cash and cash equivalents	\$ 169,303
Investments, short-term	2,105,275
Certificates of deposit, short-term	600,926
Contribution receivable	3,373
Interest receivable	<u>4,055</u>
 Total financial assets available within one year	 2,882,932
 Less, amounts unavailable for general expenditures within one year, due to:	
Restrictions from donors for purpose	<u>5,445</u>
 Total financial assets available for general expenditures within one year	 <u>\$ 2,888,377</u>

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 11 - BOARD DESIGNATED FUND

Roycroft Fund was established for leadership development within credit union industry. The Board of Directors' policy was to add amounts equal to the average rate of return on Foundation's investments for the current fiscal year multiplied by the fund's balance at the end of prior fiscal year. The changes in Board designated fund for the years ended May 31 were as follows:

	<u>2019</u>	<u>2018</u>
Board designated fund, beginning	\$ 144,114	\$ 141,342
Unrealized gain	-	2,900
Qualified uses	-	(128)
Transfer to undesignated	<u>(144,114)</u>	<u>-</u>
 Board designated fund, ending	 <u>\$ -</u>	 <u>\$ 144,114</u>

The Board of Director's undesignated the fund during the year ended May 31, 2019.

**THE CREDIT UNION FOUNDATION OF MARYLAND AND
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NOTES TO FINANCIAL STATEMENTS
For the years ended May 31, 2019 and 2018

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets of \$3,181 and \$2,097 as of May 31, 2019 and 2018, respectively, consist of contributions permanently restricted by the donors for the future of the Foundation.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 15, 2019, which is the date the financial statements are available to be issued.