SINCE ITS INCEPTION, THE ABELL FOUNDATION HAS BEEN DEDICATED TO THE ENHANCEMENT OF THE QUALITY OF LIFE IN BALTIMORE AND MARYLAND.
A Brief History

The Abell Foundation, formerly known as The A.S. Abell Company Foundation, was established on December 31, 1953 by Harry C. Black, philanthropist and then chairman of the board of the A.S. Abell Company, the former publisher of The Baltimore Sun. Upon the sale of the A.S. Abell Company in 1986, the resources of the Foundation increased significantly.

The Abell Foundation is the largest private foundation serving only Maryland. The Foundation has acted as an agent of change by supporting results-oriented efforts to ameliorate the systemic social, economic, and environmental challenges encountered by those living in concentrated poverty. With a unique focus on Baltimore City, Abell provides grant funding to enterprising nonprofits as well as research to better inform civic conversation. It also invests in new businesses and technologies that have the potential to benefit society and build Baltimore’s workforce.

Since its establishment, the Abell Foundation has contributed more than $339,000,000 to the community.
Foreword

We believe in the City of Baltimore and its people. Indeed, it is their initiative, resilience, and hard work that fuel and sustain the projects profiled in these pages. From the creative financing of local entrepreneurs and improvements to the City’s green infrastructure, to the tenacious efforts to prevent homelessness, reform our broken parole system, and teach young, struggling readers, Baltimoreans are doing the hard work of improving the quality of life for their City’s residents each and every day.

Baltimore—and the Abell Foundation—lost two of its most passionate advocates and model citizens in 2018: Sally J. Michel and Gilbert Sandler. A trustee of the Abell Foundation from 1991 to 2014, Sally was a civic activist who established the Parks & People Foundation and Superkids Camp, while serving on the board of 57 local and state organizations and chairing 19 of them. She was a tireless volunteer and an energetic optimist.

Gil Sandler served as the Foundation’s communications officer from 1990 to 2014, but he is more widely known as the creative spirit behind “Baltimore Stories.” In those stories, shared in a column of the Baltimore Sun or on the airwaves of WYPR, Gil took a nugget of history—an evening at Haussner’s, a performance at the Royal Theater, or the City College prom—and extracted from it the humor and nostalgia of our shared humanity. His stories reminded us of who we are, where we come from, and what we mean to each other.

We miss Sally and Gil, but we hold on to the lessons they taught us: Believe in the city and its people, dig deep and work hard, and maintain an optimistic faith in the future. We seek to honor their memories with our work.

We are proud to share this report of our activities in 2018.
Investing in green infrastructure to improve air and water quality

Baltimore's sewer and wastewater systems are outdated, aging, and overloaded. According to 2017 data from the Maryland Department of Environment, since 2011, there have been over 3,900 unique sewer overflow events in Baltimore City. More than 110 million gallons of sewage and contaminated water have disproportionately affected lower-income communities and posed health and environmental risks. Additionally, Baltimore is required, under a 2013 Maryland Department of the Environment Municipal Separate Storm Sewer (MS4) permit, to develop a Watershed Implementation Plan to address these structural challenges. The MS4 permit calls on the City to remove 20 percent of its impervious surface area, reduce and treat stormwater runoff, and improve water quality through both repairs to existing systems and creation of new green infrastructure. Baltimore, like other cities, has struggled to pay for these vital improvements.

The Chesapeake Bay Foundation

In 2018, the Chesapeake Bay Foundation (CBF)—and its partner, investment advisory firm Quantified Ventures (QV)—engaged the Baltimore City Department of Public Works (DPW) to develop an Environmental Impact Bond (EIB) that would finance improvements to the City’s green infrastructure. Baltimore is the first of up to four municipalities that CBF and QV will work with to demonstrate the viability of green infrastructure as a stormwater management solution. QV previously worked with the D.C. Water and Sewer Authority to structure the nation’s first EIB. With funding from the Abell Foundation, the Goldseker Foundation, and the Kresge Foundation, CBF and QV worked with Baltimore City to identify and finalize a portfolio of projects such as rain gardens, permeable pavements, and green roofs that were likely to result in measurable improvements to air and water quality. Additionally, the CBF/QV team analyzed data provided by the City and determined the expected financial returns that would accrue from these improvements, how to measure if they met those targets, and how to structure and finance the overall effort.

The City will issue the bond for up to $6.2 million, which will then be leveraged for $10.3 million in total project costs. The City will also implement the 120 small-scale green infrastructure projects that include stream restoration, impervious surface removal, and bioretention sites. The primary bond performance metric is plant survival rate and mortality. A secondary outcome will be community engagement. Using a pay-for-success model, an independent evaluation will determine how effectively the projects funded by the bond perform.

In addition to cost savings, these green infrastructure projects are expected to bring a variety of co-benefits including cleaner water and air, local job creation, climate resilience, water utility savings, improved property values, and enhanced community livability.
Supporting economic development and small-business financing for entrepreneurs

In 2018, the U.S. Small Business Administration reported that there were 30 million small businesses, and that they are the source of 63 percent of all new jobs created and 30 percent of all product exports. Despite their overall success, small businesses can face daunting challenges in accessing capital. Often businesses find that their financing needs may be too small for a commercial bank. They may also not have acceptable collateral, have incomplete credit histories, or lack a full understanding of permitting requirements or regulations for their particular business. In addition, immigrant and foreign-born owners may have difficulty communicating with English-speaking bankers. Limited access to capital and support has disproportionately affected Baltimore’s entrepreneurs of color. Black entrepreneurs own 47 percent of Baltimore City businesses, but only 10 percent have employees—an indicator of sustainability and potential for growth.

Latino Economic Development Center

In 2014, with support from the Abell Foundation and Baltimore City Community Development Block Grant funding, Latino Economic Development Center (LEDC) expanded its microlending program from the Washington metro area into Baltimore City to increase the amount of capital available for small-business development and growth, especially among Latino-, immigrant-, and minority-owned businesses. LEDC created a new full-time bilingual small-business lending staff position in Baltimore and quickly added a small-business coach to provide additional technical assistance. LEDC provides small-business microloans ranging from $5,000 to $50,000, consumer loans for credit-building or citizenship ranging from $725 to $1,000, and the technical assistance to support business development and growth. Last year, LEDC closed 25 business loans in Baltimore totaling $359,237. Of these, 19 were made to businesses owned by people of color. In the past five years, Abell grant awards to the organization have totaled $285,000. Since its entry into this market, LEDC has made 76 business loans totaling $808,207 in Baltimore City.

Baltimore Corps

The Kiva crowdfunding platform underwrites 0 percent interest, zero-fee business loans of up to $10,000. Individual lenders can invest as little as $25 in an individual entrepreneur. After establishing a presence in Baltimore in 2016, Kiva determined that it is most impactful when it is sustainably embedded within a community through “boots on the ground.” After studying similar models in Pittsburgh, Rochester, and Detroit, Baltimore Corps finalized a local partnership with Kiva to expand its impact and reach in Baltimore City. With 2018 Abell Foundation support, Baltimore Corps launched a pilot Kiva effort to provide intensive support through the application, fundraising, and repayment process in advance of a citywide launch in January 2019. Baltimore Corps also engaged organizations serving entrepreneurs around the City to understand the challenges their clients face and
how Kiva Baltimore could be positioned to support them. Baltimore Corps is working with entrepreneurs interested in applying for loans from Kiva and building partnerships to ensure that entrepreneurs at any stage can meet the requirements for a Kiva loan and gain resources necessary to continue growing. By the end of 2019, Baltimore Corps intends to disburse up to 50 loans.

Reducing air pollution emissions at the Port of Baltimore

Baltimore City falls far short of federal standards limiting the amount of ozone and particulate matter in the air we breathe. Additionally, Baltimore consistently earns a failing grade for high concentrations of particulates in the annual State of the Air reports published by the American Lung Association. This year, the group gave Baltimore an “F” for the number of high ozone days. Research confirms longstanding evidence of the association between air pollution and adverse health outcomes, including heart disease, stroke, chronic obstructive pulmonary disease, lung cancer, severity and frequency of asthma attacks, and acute respiratory infections. Children are at greatest risk of exposure because their lungs are still developing, and seniors are also at higher risk. Poor air quality contributes to the region having one of the highest pediatric hospitalization rates and the worst statistics in the state for asthma mortality.

Environmental Defense Fund

For the past four years, the Abell Foundation has provided grants to the Environmental Defense Fund (EDF) to work with the Port of Baltimore, one of the City’s largest and most concentrated sources of emissions, to reduce air pollution associated with freight and cargo transportation. With its deep knowledge of federal funding sources and technical abilities to model air pollution reduction, the EDF helped the Maryland Port Administration (MPA) craft a successful application to the U.S. Environmental Protection Agency for a recent $2.45 million award to replace diesel hauling equipment and trucks with higher-efficiency models.

This award follows two prior EPA awards that EDF has assisted MPA to secure: a $900,000 diesel emissions reduction grant to replace exhaust systems and diesel engines on cargo handling equipment, and a $90,000 grant to replace 170 trucks. Pre-2007 trucks are responsible for 80 percent of truck emissions at the Port, many of which have been operating at the Port for the past 30 to 40 years. These EPA grant awards totaling $4.25 million will cut air pollution, especially in the most heavily impacted low-income neighborhoods of Brooklyn and Curtis Bay. This is a terrific leverage of the Abell Foundation’s total grants to EDF of $70,000 over the past four years.

Removing barriers to parole and increasing access to effective re-entry services

Over the past three decades, the number of people jailed in America has tripled to almost 2.3 million, more per capita than any other country in the world. There is a growing consensus in criminal justice research that adding months and years onto prison stays has little or no impact on recidivism. Despite this research, offenders in Maryland are spending 23 percent longer behind bars than they were a decade ago.
Additionally, parole release rates remain low: Just 37 percent of offenders in Maryland are paroled, and those offenders who are granted parole are released, on average, nine months after their eligibility date.

The landmark court case Unger v. Maryland offers powerful lessons for policymakers and stakeholders interested in tackling this epidemic of mass incarceration. The 2012 case centered on remedying improper jury instructions applied to a cohort of people who had been sentenced prior to 1981. The decision resulted in the potential release of 235 people from Maryland prisons who had served more than 30 years for violent crimes, and their release story created a natural experiment from which states can learn how to safely reduce their aging prison population. What makes the Unger decision particularly unique is that specialized re-entry services were made available to those individuals upon release. Of the 188 individuals released through Unger, only five have returned to prison—an amazing 3 percent recidivism rate, compared to 40 percent for the general prison population.

Justice Policy Institute

In 2017 and 2018, the Abell Foundation awarded two grants to the Justice Policy Institute (JPI) to use the successful re-entry of the Unger cohort as a case study to support parole reform in Maryland. In fall 2018, JPI released a report examining the re-entry services provided by the University of Maryland School of Social Work, the return on investment for this high-touch approach, and some of the experiences of individuals released under Unger. The report estimated that the government could provide a similar level of support to all people released from prison at a cost of about $6,000 per individual, a fraction of the cost for continued incarceration. According to Maryland’s Department of Public Safety and Correctional Services (DPSCS), the cost of incarceration is approximately $46,000 per year.

In conjunction with the report, JPI worked with the Abell Foundation and Wide Angle Youth Media to produce a documentary highlighting two individuals released under Unger. The video has been shared with legislators and community advocates, and on social media.

Through the report, the video, and other strategies, JPI has used the successes of the Unger cohort to advocate for substantive reform, including: 1) increased and sustained funding for an effective network of re-entry services to support people after release; 2) reform of the parole processes in Maryland, including work to depoliticize the parole process by removing the governor as the decision-maker for people serving parole-eligible life sentences; and 3) implementation/expansion of the geriatric release provision of the Justice Reinvestment Act, which modifies the eligibility criteria for geriatric parole by lowering the age from 65 to 60 years old, after serving 15 years of the sentence imposed.

Since 2011, the Abell Foundation has also supported JPI’s work on the ground, helping returning citizens re-engage in work and community through its annual neighborhood re-entry fair. In partnership with the Maryland Office of the Public Defender, the fair includes information on child support obligations, criminal
records and employment discrimination, employment assistance, housing, and on-site expungements. Of all the services made available, almost 90 percent of the participants surveyed listed expungement or job assistance as the reason for attending. Last year, there were over 500 attendees with more than 300 of these individuals helped by 20 volunteer attorneys. More than 804 expungements were filed by these volunteer attorneys who each donated at least four to five hours of their time.

Increasing access to behavioral health treatment for vulnerable populations

Heroin addiction and deaths by overdose present a serious crisis in public health that is especially devastating to individuals recently released from incarceration and living in poverty. In the first two weeks after an individual with a heroin addiction is released from jail, the risk of a fatal overdose is much higher than at any other time. Most inmates start using drugs again immediately upon release. If they don't die of an overdose, they often end up getting arrested again for drug-related crimes. Justice system personnel, behavioral health treatment and service practitioners, researchers, and policymakers agree that formalized continuity of services from institution to community settings is required to achieve better individual-level outcomes and reduce recidivism.

Behavioral Health Leadership Initiative

In 2017 and 2018, the Abell Foundation provided a grant of $100,000 to the Behavioral Health Leadership Initiative (BHLI) to pilot a mobile clinic to expand high-quality mental health and buprenorphine treatment to inmates awaiting trial under the jurisdiction of the Division of Pretrial Detention and Services (DPDS). Previously, the only treatment service available to inmates at the Baltimore City Detention Center (BCDC) was the continuation of methadone treatment to individuals who were already linked to an existing methadone treatment provider upon entry. The mobile clinic is part of the larger Project Connections program, which includes treatment services at Dee's Place and Bon Secours Hospital.

BHLI’s mobile clinic targets individuals in BCDC on pretrial status who have a substance use disorder, mental health disorder, or both, and/or are at high risk of relapse upon discharge if they are not linked to a treatment program. Services are initiated inside BCDC and continued upon release at the mobile treatment van parked at the BCDC discharge location. Services include: primary care screening, assessment for mental health/substance use disorders, and risk assessments for HIV/hepatitis C.

The physician/provider coverage was expanded from two days per week to four days per week because of additional funding from the CareFirst Community Foundation. This doubled the treatment capacity with BHLI now seeing between 25 and 40 clients per week. In addition to the clinical work, there is a peer recovery specialist in the van for three of the four days to help with support, housing, IDs, and other community issues. Since inception in November 2017, intakes have been completed on 238 patients, and of those, 68 percent return for at least a second visit with an average length of stay of 7.2 weeks. Once they are stabilized, patients are transferred to other Project Connections sites, other programs, or primary care to continue treatment.
Employing community health workers to address chronic health challenges in Baltimore’s homeless population

Living in temporary shelters and, all too often, on streets and sidewalks, Baltimore’s homeless population faces a plethora of health challenges. Chronic conditions like diabetes and heart disease are often compounded by difficulty in maintaining connections with health care providers, putting this already vulnerable population at extremely high risk for prolonged illness and early death. Identifying effective strategies to support this population has long been a challenge.

The community health worker model presents a compelling opportunity to improve access to quality care. Community health workers are trained community members who provide community-based education and support to individuals to improve their health outcomes. As members of the communities they serve, community health workers are trusted advisors who provide critical information to patients, monitor their health, and serve as liaisons between patients and their medical providers. Community health workers can play a variety of roles and provide a range of services, including assistance with managing chronic diseases, monitoring symptoms and health conditions, navigating the health care system, and connecting individuals to social services needed to address barriers to health care.

Numerous studies have demonstrated that community health workers reduce health disparities and improve the delivery of health care, particularly in underserved communities, leading to improved health outcomes for those served. Based on the growing evidence of the benefits of community health workers, the State of Maryland established a State Community Health Worker Advisory Committee in 2018 to advise the Maryland Department of Health on the creation of a certification and training program for community health workers in the state.

Health Care for the Homeless

Health Care for the Homeless (HCH) is a federally qualified health center dedicated to providing high-quality health care for homeless individuals in Baltimore. In 2017, supported by a two-year grant from the Abell Foundation, HCH launched a community health worker pilot program to improve care and outcomes for patients with chronic diseases who had become disengaged from routine health care.

Over the course of the two-year project, two community health workers partnered with HCH medical staff and conducted outreach to 774 patients, providing education, health coaching, and assistance with navigating the health care system, and encouraging patients to remain actively engaged in their care.

Findings from HCH’s pilot project were mixed. Although there was improvement in some health measures, others saw no progress. Some measures even had declining results. Among patients with diabetes, there was a 33 percent increase in patients’ diabetic control as measured by blood glucose levels, but there was no change in hypertension control among those with hypertension. Adult weight screenings and follow-up care increased by 19 percent, and colorectal screening increased by 11 percent, but depression screening and follow-up decreased by
9 percent among patients served by the community health workers. Moreover—and possibly more importantly—patients who were served by the community health workers had a 20 percent missed appointment rate in 2018, compared to 26 percent for HCH’s overall patient population in 2018, and 32 percent in 2017. Given that the focus of the pilot project was improving patient engagement in care, and the fact that patients were selected for the pilot project due to a history of missed appointments, this is a very positive finding.

Based on the success of the pilot project, HCH has expanded its team of community health workers from two to seven, and secured state funding to support the program. In addition, HCH has implemented policy changes to increase depression screening for all of its patients, and is working to improve hypertension control for those patients with hypertension, using the diabetes screening and treatment protocol as a model. Finally, HCH’s director of community services serves on the state’s Community Health Worker Advisory Committee, where she is able to share lessons learned from the pilot project.

**Supporting families in crisis with eviction-prevention funds**

According to a 2015 Abell Foundation-funded report by the Public Justice Center, there are over 150,000 cases filed each year in Baltimore’s rent court resulting in approximately 7,000 evictions. This means one in 17 renter households is evicted in court each year. Approximately 25 percent of these evictions result in homelessness, which can be traumatizing for families and their children, and further overwhelms the City’s shelter system.

Many factors lead to families struggling to keep up with their living expenses—some include being unemployed, working in low-paying jobs, and the ever-increasing cost of living. Research produced by the United Way of Central Maryland found that 22 percent of Baltimore City households live in poverty and an additional 23 percent are considered ALICE (Asset Limited, Income Constrained, Employed), meaning they earn more than the federal poverty level but less than the basic cost of living in Maryland. This means almost half of Baltimore City households have incomes too low to pay their rent and other necessary expenses. For many of these vulnerable individuals and families, one large bill can mean the difference between being housed and being homeless. Eviction for failing to pay rent is one of the reasons why there are 2,669 homeless individuals in Baltimore on any given day.

Providing families in unstable financial situations with eviction-prevention funds can be an effective strategy to help prevent an eviction. These types of programs are relatively common across U.S. cities and have been proven effective and financially sound. A 2016 study by the University of Notre Dame looked at one of these programs in Chicago and found that providing struggling families with rental assistance resulted in a 76 percent reduction in homelessness and cost the city 50 percent less.

Unfortunately, Baltimore’s eviction-prevention strategies are not set up to adequately respond to the current eviction crisis, but there are programs that are making a difference.
**United Way of Central Maryland**

In 2017, the Abell Foundation awarded a grant to United Way’s Homelessness Prevention Program, which works to identify and quickly stabilize families when they enter crisis, and then provides coaching and support to help these families increase their income and become more self-sufficient. The program first launched in 2012 with a grant from the Seimer Institute for Family Stability. Since then, United Way has opened seven homelessness-prevention sites in Baltimore City serving over 600 families, including 1,500 school-aged children. Most program sites are located at schools, and many families are identified in partnership with school staff, while a few sites operate out of community-based organizations. Case managers first work to stabilize each family in their housing, while helping prevent disruptive school transfers. After the crisis is addressed, case managers provide resources and support to help families set meaningful goals, gain financial management skills, and find ways to increase their income. Families receive intensive case management for six to nine months until stable, and then transition to aftercare status for three months until they successfully exit the program. Follow-up after successful completion is conducted after six months and one year to check housing status and identify if additional support is needed.

As a result of United Way’s Homelessness Prevention Program, 98 percent of families did not become homeless while in the program; 99 percent of children avoided a disruptive transfer in school; and 40 percent of families increased their income.

**Catholic Charities**

The Abell Foundation also awarded a grant to the Eviction Prevention Program at Catholic Charities, which is administered by the Samaritan Center. The Center provides direct financial assistance and supportive services to low-income families in Baltimore to help avoid evictions. Clients seeking eviction-prevention assistance present proof of identification and Baltimore City residency, proof of income, documentation of an ongoing eviction process, and documentation of other funds that could help prevent the eviction. Samaritan Center staff speak with landlords and arrange for payments of the amount owed. In some instances, landlords waive or reduce fees and back payments. Clients are allowed to receive eviction-prevention assistance once per year.

The Samaritan Center provided eviction-prevention assistance to approximately 120 households in 2018. Follow-up calls by staff and volunteers show that 100 percent of clients who received eviction-prevention subsidies remained housed six months after receiving the assistance. Therefore, provisions of direct financial assistance—combined with information and referral, benefits screening, and advocacy—allow many of Samaritan Center’s clients to maintain their current housing.
Boosting adult high school degree attainment

A January 2019 Abell Report on adult high school achievement in Baltimore found that approximately 92,670 Baltimore City residents over the age of 18—or about one in five adults—have not obtained a high school diploma or GED. These residents earn $8,500 less than those with a high school diploma or GED and are far more likely to be unemployed. Part of the value of a high school diploma or GED lies in the opportunities it offers for additional job training. Indeed, nearly 70 percent of community-based occupational skills training programs in Baltimore require a high school diploma or its equivalent for program entry. The high school diploma or GED is a gateway to employment and wage growth, yet too few Baltimoreans have access to it.

In 2018, the Abell Foundation supported two innovative efforts that are designed to increase adult high school achievement in Baltimore.

The South Baltimore Learning Center

The South Baltimore Learning Center (SBLC) has provided adult education services for nearly three decades, serving over 600 adult students each year. In 2017 and 2018, with two $50,000 grants from the Abell Foundation, SBLC established an office and classroom at the Regional Skills Training Center in Park Heights. SBLC partnered with sector-based training providers including the Jane Addams Resource Corporation (JARC) and Project JumpStart to concurrently enroll learners in GED classes and technical skills training. SBLC also offered remedial skills upgrade classes to participants who did not qualify for the training programs based on Test for Adult Basic Education (TABE) scores and developed customized remediation programming for four additional sector-based training programs, allowing those programs to better meet the needs of their students.

Through these efforts, SBLC has served 60 students, helping them gain, on average, 2.5 grade levels in reading and 4.0 grade levels in math. SBLC continues to refine its programming to address the challenges that students face in trying to strengthen their reading and numeracy proficiency when faced with the immediate need for employment. SBLC’s instructors are designing instruction to demonstrate how academic progression and achievement lead to better jobs. For example, the instructors are working to find a balance between not only offering a class on fractions but also helping students understand math within the context of health care or construction. This requires new ways of thinking in adult education and in setting short- and long-term goals for participants.

Strong City Baltimore

Strong City Baltimore’s Adult Learning Center (ALC) serves 642 adult learners a year, most of whom do not test high enough to prepare for the GED exam. In 2017, ALC piloted a six-week intensive GED class, targeting instruction to the content areas and skills where students required the most remediation. The results were promising: Eight of the 11 students who took the GED exam passed one or more of its four sections.
In 2018, with a $50,000 grant from the Abell Foundation, ALC enrolled 23 students into GED intensive classes and 12 students into a pre-GED intensive class. ACL added college student tutors who assisted students with writing skills. The results are also promising: To date, 11 students have earned their GED, and 16 students have passed one or more sections of the GED exam. Further, most students are continuing to take GED classes.

**Starting on the right foot with early elementary literacy reform in Baltimore City Public Schools**

Studies from the National Research Council have demonstrated that students reading below grade level at the end of third grade are four times less likely to graduate high school than their peers. With a third-grade reading proficiency rate that has hovered around 13 percent on The Nation's Report Card for 10 years, Baltimore City Public Schools has an urgent need to improve early literacy achievement among its students. Over the last decade, the Abell Foundation has partnered with City Schools to increase literacy development among students in the elementary grades. While prior support focused on providing classroom tutors, Abell has sought to deepen its impact by supporting more systemic changes across City Schools, an effort that is aligned with the City Schools’ “Blueprint” focus on literacy.

**Institute for Education Policy at Johns Hopkins University**

Research suggests that using a high-quality curriculum can improve student learning more than other interventions such as expanding preschool programs, giving merit pay to effective teachers, or decreasing class sizes. A 2017 grant of $108,000 to the Johns Hopkins Institute for Education Policy enabled Baltimore City Public Schools to benefit from an audit of its English Language Arts curriculum. Top policy researchers from Johns Hopkins University, TNTP in New York, and the Center for Research and Reform examined how the curriculum was aligned to standards, the depth of the content presented, and the rigor by grade level. They also surveyed reading and English teachers to ascertain curriculum implementation in classrooms. Their reports enabled City Schools and the community to reach consensus on a new literacy curriculum and accelerated the adoption process for the highly-rated Wit and Wisdom curriculum for grades K-8. City Schools is also using the curriculum audit to plan its English Language Arts curriculum for high school. Early response from teachers is that the new curriculum is indeed more challenging and has accelerated reading expectations at each grade level.

**Improving Education**

In 2015, with a startup grant of $48,600 from the Abell Foundation, Improving Education launched its improvement science work by focusing on early literacy with a network of four City Schools. Led by former teachers from City Schools, the organization works side by side with teachers and schools to provide a space
where ideas to improve student achievement in early literacy can be identified, tested, and scaled. In addition to supporting individual schools in increasing K-2 reading achievement, Improving Education also helps school district leadership better understand the systems and processes needed to spread effective reading practices.

With two additional Abell grants ($90,000 in 2017; $110,000 in 2018), Improving Education has expanded its lab model to a 10-school network serving K-2 teachers and piloting pre-K. Through coaching in classrooms and leading weekly grade-level meetings, Improving Education is developing the professional early literacy knowledge of 92 teachers serving over 2,500 students, helping them better understand data and the actions they can take to address skill gaps. Improving Education also provides City Schools with an on-the-ground analysis of how the newly adopted Wit and Wisdom curriculum can best be used. This partnership has led City Schools to adopt Improving Education’s customized learning modules, such as the Kindergarten Acceleration word-study project, for use in its 14 elementary intensive learning site schools.

In its second full year, Improving Education kindergartners performed 23 percentile points higher than the district average, reversing a trend of little progress made during kindergarten. In midyear 2018-2019, 61 percent of Improving Education K-2 students were proficient in reading as compared to only 49 percent districtwide.

**Literacy Lab**

Literacy Lab is positioned to have a dramatic impact on pre-K to third-grade literacy achievement because it significantly increases schools’ capacity to serve struggling readers with a system of aligned early reading interventions during the school day. The Abell Foundation was instrumental in bringing Literacy Lab to Baltimore with an initial grant of $50,000 in 2016, followed by two additional grants totaling $118,000. Currently serving 880 pre-K through third-grade students in 15 City Schools, Literacy Lab uses Americorps service members to provide tutoring to struggling young readers. In its pre-K model, trained Americorps tutors are placed with a single classroom teacher where they receive training to provide individual and small group read-alouds, as well as practice in oral language, phonological awareness, rhyming, letter names and sounds, and fluency. Students are given tri-annual benchmark assessments, and their progress is monitored monthly.

In kindergarten through third-grade settings, trained Americorps tutors provide pullout one-on-one reading interventions for 20 minutes daily, five days per week, to a rotating caseload of 16 to 18 students. Students are identified by teachers and “graduate” when individual literacy goals are met.

The results of these interventions are encouraging: 70 percent of pre-K participants made significant growth in at least three of five literacy areas as measured on a nationally normed standard for kindergarten readiness, and 63 percent of K-3 participants showed an increased rate of reading growth above that of their grade-level peers on a normed scale of literacy. As importantly, 55 percent of Literacy Lab tutors pursue pathways directly to teaching or further education for teaching following their Americorps service.
ARTS

Baltimore Office of Promotion and the Arts.........................................................$10,000
Baltimore, MD
In support of the 2017 Baltimore Book Festival.

COMMUNITY DEVELOPMENT

The 6th Branch.................................................................................................$35,000
Baltimore, MD
In support of The 6th Branch’s Neighborscape program.

Adopt A Block, Inc.......................................................................................$12,000
Baltimore, MD
In support of the Compassion Commission revitalization initiative.

Baltimore Brew...............................................................................................$100,000
Baltimore, MD
In support of the Baltimore Brew’s local community coverage.

Baltimore Community ToolBank.........................................................$14,000
Baltimore, MD
In support of inventory expansion and staff support expenses.

Baltimore Corps..............................................................................................$50,000
Baltimore, MD
In support of expansion of the Kiva Baltimore platform, the world’s first person-to-
person microlending website that underwrites 0 percent interest, zero-fee business
loans to start or expand a small business.

Baltimore Development Corporation.................................................$100,000
Baltimore, MD
In support of hiring a Baltimore Opportunity Zone (OZ) coordinator.

Baltimore Homecoming..............................................................................$25,000
Baltimore, MD
In support of the inaugural Baltimore Homecoming event.

Banner Neighborhoods Community Corporation..................................$35,000
Baltimore, MD
In support of Banner Neighborhoods’ Senior Home Maintenance programs, which
provide low-income senior and disabled homeowners the opportunity to age in place.
Banner Neighborhoods Community Corporation.................................................$15,000
Baltimore, MD
In support of costs for supervision, equipment, and supplies for the Southeast Youth Jobs Collaborative, consisting of 10 participating organizations employing youth and young adults through the YouthWorks program.

Belair-Edison Neighborhoods, Inc....................................................................$35,000
Baltimore, MD
In support of neighborhood stabilization and revitalization efforts.

Central Baltimore Partnership, Inc.................................................................$37,500
Baltimore, MD
In support of consultant costs to implement Midway Revival, an effort to increase household stability for existing residents, attract new residents and businesses, and build the market and economic strength of the East Baltimore Midway neighborhood.

Civic Works, Inc..............................................................................................$100,000
Baltimore, MD
In support of efforts to strengthen the financial resilience of low-income Baltimore households through critical energy-efficient improvements, water pipe repairs, health and safety services, and access to benefits.

Civic Works, Inc..............................................................................................$100,000
Baltimore, MD
In support of Civic Works’ Food & Farm programs to increase food access in Baltimore by growing food, increasing the number of jobs, and improving urban farming education.

Community Law Center, Inc............................................................................$92,000
Baltimore, MD
In support of efforts to encourage the Baltimore City Board of Liquor License Commissioners to use its regulatory powers to better address public health issues, particularly violent crime.

The Compound...................................................................................................$200,000
Baltimore, MD
In support of the Compound Stabilization Project to ensure the building will meet code requirements.

Downtown Baltimore Family Alliance..............................................................$10,000
Baltimore, MD
In support of parent leadership and capacity development in Baltimore City Public Schools.
Emerging Technology Centers, Inc.................................................................$275,000
Baltimore, MD
In support of the 2019 Accelerate Baltimore competition of venture investment awards to six entrepreneurs and early-stage companies, and a competitive follow-on investment of $100,000 to one company.

Farm Alliance of Baltimore, Inc.................................................................$35,000
Baltimore, MD
In support of the Double Dollars program, which aims to make locally-produced food accessible to recipients of SNAP, WIC, and SFNP benefits.

Fuel Fund of Maryland..............................................................................$88,165
Baltimore, MD
In support of the Affordability Solutions program.

Greater Baltimore Urban League.............................................................$100,000
Baltimore, MD
In support of the Raymond V. Haysbert Center for Entrepreneurship at the Greater Baltimore Urban League.

Habitat for Humanity of the Chesapeake...............................................$50,000
Baltimore, MD
In support of the purchase of trucks, tools, and equipment for affordable housing rehabilitation and construction in Baltimore City.

The Harbor Bank of Maryland Community Development Corporation........$50,000
Baltimore, MD
In support of the Joseph Haskins, Jr. Center for Economic and Community Development.

Healthy Neighborhoods, Inc.................................................................$150,000
Baltimore, MD
In support of the Healthy Neighborhoods core program and its expansion.

Jews United for Justice.............................................................................$30,000
Baltimore, MD
In support of efforts to protect renters’ rights in Baltimore through implementation of the rental licensing inspection bill.

Johns Hopkins Technology Ventures....................................................$25,000
Baltimore, MD
In support of increasing capacity for the Social Innovation Lab to encourage stronger proposals from underrepresented groups through the award of a $25,000 peer-review prize.
Johns Hopkins University Whiting School of Engineering.......................................... $100,000
Baltimore, MD
In support of the Baltimore Healthcare Innovator Retention Program’s fellowship stipends for up to four Johns Hopkins University biomedical engineering student graduate teams.

KaBOOM!.................................................................................................................. $20,000
Washington, DC
In support of community playground builds in collaboration with the Housing Authority of Baltimore City.

Latino Economic Development Center................................................................. $40,000
Washington, DC
In support of the Baltimore Small Business Services program.

Le Mondo................................................................................................................. $100,000
Baltimore, MD
In support of capital expenses associated with the stabilization of properties located at 408-412 North Howard Street.

Maryland Consumer Rights Coalition, Inc............................................................ $63,000
Baltimore, MD
In support of a ballot initiative to create a statutory office of the Inspector General in Baltimore City.

Maryland Consumer Rights Coalition, Inc............................................................ $45,000
Baltimore, MD
In support of the Low-Income Forgotten Tax Campaign.

Maryland Consumer Rights Coalition, Inc............................................................ $35,000
Baltimore, MD
In support of the Baltimore Homeowners’ and Renters’ Tax Credit Campaign.

Maryland/Israel Development Center................................................................. $50,000
Baltimore, MD
In support of launching MarketReach America, a binational program to train business executives from Israeli medical device and digital health technology startups on U.S. market entry.

Mid-Atlantic Region MBDA Advanced Manufacturing Center–Baltimore.............. $35,000
Baltimore, MD
In support of capital investments that will lead to new market opportunities.
Paul’s Place, Inc. ..................................................................................................... $300,000
Baltimore, MD
   In support of construction of the Paul’s Place Culinary Arts Training Program:
   Empowering Baltimore Residents with Culinary Skills and a Pathway to Success.

Pro Bono Resource Center of Maryland, Inc. ......................................................... $66,000
Baltimore, MD
   In support of the Tax Sale Prevention project.

Public Justice Center, Inc. ...................................................................................... $150,000
Baltimore, MD
   In support of the Rent Court Reform initiative.

ReBuildMetro ........................................................................................................... $50,000
Baltimore, MD
   In support of capital improvements to the Baltimore corporate headquarters.

Southeast Community Development Corporation .................................................. $45,000
Baltimore, MD
   In support of staff costs for bilingual Spanish-English homeownership counseling to
   prepare immigrants and refugees to buy houses in Baltimore City.

Southwest Partnership ........................................................................................... $30,000
Baltimore, MD
   In support of the redevelopment of the Lord Baltimore Theater.

Transit Choices ......................................................................................................... $20,000
Baltimore, MD
   In support of making the transit system more efficient and effective to give Baltimore
   residents better ways to get to work and school and to improve overall mobility.

Venture for America ............................................................................................... $150,000
New York, NY
   In support of costs related to recruiting, selecting, training, and placing 2018
   fellows in Baltimore.

CRIMINAL JUSTICE & ADDICTION

ACLU Foundation of Maryland, Inc. ..................................................................... $100,000
Baltimore, MD
   In support of the ACLU of Maryland’s Criminal Justice Project.
Alternative Directions, Inc..............................................................................$50,000
Baltimore, MD

In support of the Turn About Program, a program exclusively for women transitioning from prison to society.

Association for the Public Defender of Maryland...........................................$8,000
Baltimore, MD

In support of the VISTA Expungement Project to create a process that allows public defenders to provide routine expungements to their clients when eligible.

Baltimore Harm Reduction Coalition.............................................................$30,000
Baltimore, MD

In support of community outreach and education to facilitate the establishment of safe consumption sites in Baltimore City.

Behavioral Health Leadership Institute, Inc...............................................$100,000
Baltimore, MD

In support of a mobile clinic/team to provide substance use and mental health treatment to individuals exiting the detention center.

The Justice Policy Institute..............................................................................$20,000
Washington, DC

In support of continued efforts around parole reform and effective reentry services in Maryland.

Lawyers’ Committee for Civil Rights Under Law..........................................$25,000
Washington, DC

To ensure effective implementation of Maryland Court Rule 4-217 regarding the use of cash bail and to take Baltimore a step closer to dismantling its discriminatory bail system.

Marian House, Inc...........................................................................................$100,000
Baltimore, MD

In support of providing transitional, supportive housing for homeless women and children.

Mayor’s Office on Criminal Justice, City of Baltimore...............................$156,846
Baltimore, MD

In support of the implementation of Strategic Decision Support Centers in East and West Baltimore to reduce violence in Baltimore City.

Progressive Maryland Education Fund........................................................$25,000
Silver Spring, MD

In support of efforts to reform Maryland’s bail system.
Roca Baltimore...................................................................................................$1,000,000
Chelsea, MA
In support of replicating Roca's anti-violence program, which provides life skills and transitional employment services to young men who have been unwilling to give up street crime or gang involvement.

TurnAround, Inc....................................................................................................$127,000
Towson, MD
In support of operating expenses to provide outreach, support services, emergency shelter, and transitional housing for Baltimore City victims of sex trafficking and their children.

United Ministries, Inc.............................................................................................$80,000
Baltimore, MD
In support of operating costs for Earl's Place, a transitional housing program that aids men facing homelessness.

University of Baltimore Foundation......................................................................$73,000
Baltimore, MD
In support of the Pretrial Justice Clinic at the University of Baltimore School of Law.

EDUCATION

Arts Education in Maryland Schools Alliance.......................................................$25,000
Baltimore, MD
In support of the pilot year of the Artlook Art Education Data Map.

Baltimore City Public Schools..............................................................................$100,000
Baltimore, MD
For a career and technology study by the Education Strategy Group to prepare students at Baltimore City Public Schools for economic and career success.

Baltimore City Public Schools/
Baltimore Montessori Public Charter School.......................................................$10,000
Baltimore, MD
In support of the Montessori Bridge for Young Learners.

Baltimore City Public Schools/
City Neighbors Hamilton Charter School..............................................................$10,000
Baltimore, MD
In support of the City Neighbors Children Summer Program, which includes traditional general day camp activities and dynamic physical challenges.
Baltimore City Public Schools/
Curtis Bay Judy Center .......................................................... $15,000
Baltimore, MD
In support of the SMART Camp, a summer “bootcamp” for rising kindergartners without prior experience in a school setting.

Baltimore City Public Schools/
Liberty Elementary School .................................................. $10,000
Baltimore, MD
In support of the Liberty Elementary Summer Academy.

Baltimore Kids Chess League, Inc ...................................... $85,000
Baltimore, MD
In support of the 2018-2019 chess education program for more than 750 kindergarten through 12th grade students in up to 40 Baltimore City Public Schools.

Baltimore Teacher Supply Swap ......................................... $10,000
Baltimore, MD
In support of the Supply Mobile program, a free store on wheels to help offset teachers’ school supply costs not covered by the school system.

Baltimore Urban Debate League ....................................... $25,000
Baltimore, MD
In support of expanding to 48 extracurricular elementary, middle, and high school competitive debate teams in Baltimore City Public Schools.

Baltimore Urban Debate League ....................................... $20,000
Baltimore, MD
In support of the elementary/middle school competitive debate program with teams at a minimum of 32 Baltimore City Public Schools.

BELL Foundation ................................................................. $10,000
Baltimore, MD
In support of the BELL summer 2019 continuous learning elementary school program.

Building STEPS, Inc ............................................................ $35,000
Brooklandville, MD
In support of increasing the capacity of Building STEPS to prepare more of Baltimore's high school students for STEM-related college and career success.

Carnegie Institution for Science ......................................... $30,000
Baltimore, MD
In support of the second year of a three-year initiative to offer BioEYES life science outreach education program to all seventh-grade students in Baltimore City Public Schools.
Code in the Schools..............................................................................................................$40,000
Baltimore, MD
In support of the CTE pathway in six Baltimore City high schools.

The Commodore John Rodgers School.............................................................................$53,500
Baltimore, MD
In support of second-year implementation of Tools of the Mind in 10 pre-kindergarten classes at 100 Percent Project schools.

The Community School.....................................................................................................$20,000
Baltimore, MD
For the final build-out of the fourth year of the diploma program at the newly certified, nonpublic Community School, an accelerated academic and mentoring high school for students who have failed in Baltimore City Public Schools.

Elev8 Baltimore, Inc..........................................................................................................$40,000
Baltimore, MD
In support of Elev8 Baltimore’s CDF Freedom School summer program, a program based on literacy, civic engagement, social action, intergenerational leadership development, nutrition and health.

Fund for Educational Excellence.......................................................................................$500,000
Baltimore, MD
In support of providing occupational skills training leading to employment for 500 graduates of Baltimore City Public Schools in the classes of 2018 and 2019 who do not enroll in four-year colleges and universities through the new Grads2Careers model.

Fund for Educational Excellence.......................................................................................$59,215
Baltimore, MD
To expand the number and quality of after-school/summer robotics programs in a minimum of 80 Baltimore City elementary, middle, and high schools, and to rigorously prepare Baltimore Robotics League teams for state and national robotics competitions.

Fund for Educational Excellence.......................................................................................$40,000
Baltimore, MD
In support of ongoing and expanding efforts to identify, promote, and advance opportunities to significantly improve outcomes for students at Baltimore City Public Schools.

Fund for Educational Excellence.......................................................................................$20,000
Baltimore, MD
In support of Baltimore’s Promise, providing data management and support for the Summer Funding Collaborative.
Growth Sector..............................................................................................................$100,000
San Francisco, CA
  In support of piloting the national STEM Core math acceleration model with 50
  students at Digital Harbor High School and Forest Park High School in partnership
  with Baltimore City Public Schools and Baltimore City Community College.

Improving Education..................................................................................................$110,000
Baltimore, MD
  In support of Improving Education's Networked Improvement Community
  expansion to second grade (from kindergarten to first grade) in 10 schools to
  increase reading achievement.

The Ingenuity Project..................................................................................................$375,000
Baltimore, MD
  In support of the 2018-2019 Ingenuity Project, an advanced math, science, and
  research program for 650 Baltimore City public middle and high school students.

The Literacy Lab..........................................................................................................$68,000
Washington, DC
  In support of expanding the Literacy Lab's early childhood and elementary
  literacy programming in Baltimore.

Living Classrooms Foundation..................................................................................$10,000
Baltimore, MD
  In support of BEE SMART (Baltimore Environmental Education Summer Math and
  Reading Trailblazers), a summer program for third- to fifth-grade students that
  uses STEM to motivate student learning, increase reading levels, and prevent
  summer learning loss.

MERIT Health Leadership Academy............................................................................$70,000
Baltimore, MD
  In support of college-prep and pre-med curriculum development for Baltimore's
  aspiring health professionals in MERIT's eighth grade through college program.

National Academic League.........................................................................................$145,055
Baltimore, MD
  For support of the 2018-2019 National Academic League with up to 24 middle
  school teams throughout Baltimore City Public Schools.

Next One Up Foundation..............................................................................................$25,000
Baltimore, MD
  To provide support for a new student data management system and more
  effective academic instruction and tutoring.
Parks & People Foundation....................................................................................$20,000
Baltimore, MD
In support of the SuperKids Camp, a six-week academic enrichment program to help elementary students in Baltimore City improve or maintain their scholastic skills during the summer months.

Patterson Park Public Charter School....................................................................$8,000
Baltimore, MD
In support of the PPPCS Summer Fun Camp.

POP Inc.....................................................................................................................$35,000
Baltimore, MD
In support of Play on Purpose’s CDF Freedom Schools program, a summer program for K-8 students that focuses on reading, social action, community building, and athletics.

Reading Partners....................................................................................................$50,000
Baltimore, MD
In support of Reading Partners’ one-on-one tutoring program to increase literacy for 800 elementary-aged students at 16 Baltimore City Public Schools.

School Colors............................................................................................................$10,000
Baltimore, MD
In support of distributing 2,200 school uniforms in 26 high-poverty elementary/middle schools in Baltimore City.

SERP...........................................................................................................................$50,000
Washington, DC
In support of implementing the Strategic Adolescent Reading Intervention (STARI), a national demonstration study, for low-performing middle school students in Baltimore City Public Schools over a four-year period.

Springboard Collaborative.....................................................................................$50,000
Philadelphia, PA
In support of launching Springboard’s after-school program to improve literacy outcomes and build a culture of parent-teacher collaboration in 15 low-performing Baltimore City Public Schools.

Springboard Collaborative.....................................................................................$17,000
Philadelphia, PA
In support of Springboard Summer, a five-week literacy program that combines daily reading instruction, weekly parent workshops, teacher coaching, and incentives for families.
St. Frances Academy.......................................................................................$108,000
Baltimore, MD
In support of covering costs for the final three homeless young men residing in the Father Joubert boarding program at St. Frances Academy.

St. Francis Neighborhood Center...................................................................$20,000
Baltimore, MD
In support of the Summer of Service Excursion, an eight-week summer youth development program serving the community of Reservoir Hill.

St. Vincent de Paul of Baltimore, Inc..............................................................$15,000
Baltimore, MD
In support of Camp Discovery, an eight-week summer program serving more than 180 Head Start children ages 3-5.

Strong Schools Maryland.................................................................................$25,000
Baltimore, MD
In support of Strong Schools Maryland's efforts to build a statewide grassroots constituency to support the evolution of Maryland's public education and financing system in 2019.

Teach For America-Baltimore........................................................................$125,000
Baltimore, MD
In support of Teach For America Baltimore's new development models to maximize the leadership of its teachers, leaders, and alumni to impact individual City schools.

University of Maryland Medical System Foundation...................................$35,000
Baltimore, MD
In support of a renovation of the Nursing Simulation Lab at Edmondson-Westside High School.

The Urban Alliance Foundation, Inc............................................................$40,000
Washington, DC
In support of strategic planning to expand Urban Alliance’s youth employment model into a systemic career-readiness provider and workforce intermediary between Baltimore City Public Schools and employers.

Urban Teachers.................................................................................................$75,000
Baltimore, MD
In support of Urban Teachers' Baltimore cohort, to increase the number of newly hired and trained teachers in Baltimore City Public Schools to between 80 and 85 throughout school year 2018-2019.
The Village Learning Place, Inc. ................................................................. $10,000
Baltimore, MD
In support of LINK Summer.

Y of Central Maryland .............................................................................. $15,000
Towson, MD
In support of Y Head Start programming.

Young Audiences of Maryland, Inc. ......................................................... $30,000
Baltimore, MD
In support of the Summer Arts and Learning Academy.

ENVIRONMENT

Blue Water Baltimore, Inc. ........................................................................... $50,000
Baltimore, MD
In support of efforts to increase advocacy and implementation of practices to improve water quality in Baltimore's waterways.

Chesapeake Bay Foundation ...................................................................... $100,000
Annapolis, MD
In support of development of an Environmental Impact Bond green infrastructure financing model

Chesapeake Climate Action Network ......................................................... $60,000
Takoma Park, MD
In support of staff costs for the Clean Energy Jobs Education Campaign (CEJEC).

Climate Access Fund/Coalition for Green Capital .................................... $50,000
Baltimore, MD
In support of the Community Solar in Baltimore: Savings for Low-Income Families initiative.

Energy Justice Network ............................................................................. $24,000
Philadelphia, PA
In support of Phase II of the Divert Baltimore recycling initiative.

Environmental Defense Fund ..................................................................... $15,000
New York, NY
In support of the Clean Air for Baltimore initiative.

Environmental Integrity Project .................................................................. $50,000
Washington, DC
In support of the Campaign for Environmental Justice in Baltimore.
WYPR-Your Public Radio Corporation.................................................................$12,000
Baltimore, MD
In support of “The Environment in Focus,” a public radio program on WYPR 88.1 FM in Baltimore.

HEALTH AND HUMAN SERVICES

ACLU Foundation of Maryland, Inc...............................................................$100,000
Baltimore, MD
In support of the ACLU of Maryland’s Fair Housing Project.

Advocates for Children and Youth...............................................................$50,000
Baltimore, MD
In support of activities to improve the outcomes for Baltimore City’s foster and homeless youth.

Associated Catholic Charities, Inc..............................................................$82,000
Baltimore, MD
In support of the eviction-prevention program administered by the Samaritan Center.

Associated Catholic Charities, Inc...............................................................$50,000
Baltimore, MD
In support of providing English for Speakers of Other Languages (ESOL) services for the Immigrant Children Project at the Esperanza Center.

Associated Catholic Charities, Inc..............................................................$46,140
Baltimore, MD
For continued support of the Traveler’s Aid Voucher Program at the Samaritan Center.

At Jacob’s Well, Inc (AJW).................................................................$100,000
Baltimore, MD
In support of purchasing and renovating an additional house for the AJW permanent housing program.

Baltimore City Health Department.........................................................$208,651
Baltimore, MD
For support of Vision for Baltimore, an initiative to provide vision screenings and eyeglasses for Baltimore City elementary and middle school students.

Baltimore City Health Department.........................................................$111,293
Baltimore, MD
In support of conducting surveillance of pediatric asthma-related hospital visits in Baltimore City.
Baltimore Community Rowing. ................................................................. $10,000
Baltimore, MD
In support of Reach High Baltimore, an after-school rowing program for Baltimore City middle and high school students.

Baltimore Medical System, Inc. ............................................................... $12,000
Baltimore, MD
To provide 35 uninsured women with long-acting reversible contraceptives.

Baltimore Outreach Services, Inc. ......................................................... $25,000
Baltimore, MD
In support of providing comprehensive services to homeless women and children.

Benefits Data Trust. ............................................................... $50,000
Philadelphia, PA
In support of the Maryland Benefits Center, which provides comprehensive benefits access for low-income seniors.

Franciscan Center, Inc. ................................................................. $100,000
Baltimore, MD
In support of providing emergency services to families in crisis.

Intercultural Counseling Connection .............................................. $20,000
Baltimore, MD
In support of providing trauma-informed services for asylum seekers, refugees, and other forced migrants.

Johns Hopkins Bloomberg School of Public Health ................................ $74,799
Baltimore, MD
In support of enhancing the case management and care coordination of the SPARC Women's Center.

Johns Hopkins University ............................................................... $100,000
Baltimore, MD
To provide technical assistance and support for implementation of Vision for Baltimore.

Manna House, Inc. ............................................................... $150,000
Baltimore, MD
In support of completing renovations of Manna House’s existing facility and two new buildings in the Harwood and Barclay neighborhoods for efficient provision of meals and supportive services to the homeless and low-income populations, serving up to 250 people daily.
Maryland Chapter of the American Academy of Pediatrics

Baltimore, MD

For implementation and evaluation of the TREE program, which seeks to promote positive parent-infant interactions and resilience in children birth to age 2 from low-income families in Baltimore City during routine well-child pediatric visits.

Maryland Dental Action Coalition, Inc.

Columbia, MD

In support of the Maryland Medical Assistance-Adult Dental-Pilot Program Collaborative, to ensure the success of the pilot and demonstrate that a Medicaid adult dental benefit is a good investment in both health outcomes and the fiscal health of Medicaid.

Maryland Food Bank

Baltimore, MD

In support of the Baltimore City Public Schools Pantry Program.

Parks & People Foundation

Baltimore, MD

In support of the 2018-2019 middle school sports program, which provides after-school athletic enrichment and youth development to Baltimore City Public School students.

Roberta's House, Inc.

Baltimore, MD

In support of building a 21,000-square-foot bereavement center to replace 11 vacant properties on East North Avenue.

The Samaritan Community

Baltimore, MD

In support of the Crisis Intervention Assistance and Empowerment programs, which include a food pantry, clothing and household goods, financial assistance, case management, and individual and group counseling for families in need.

ShareBaby, Inc.

Brooklandville, MD

In support of expanding the capacity of the ShareBaby Pantry, a multi-pronged approach to alleviating diaper need and material insecurity in Baltimore City.

Shepherd's Clinic

Baltimore, MD

In support of providing health care for the uninsured and underinsured in Baltimore.
Sisters Circle.............................................................................................................$30,000
Timonium, MD
In support of the Sisters Circle long-term mentoring program for young women in cohorts of 30, beginning in sixth grade and continuing through college and beyond.

Soccer Without Borders Baltimore........................................................................$25,000
Baltimore, MD
In support of the Soccer Without Borders after-school enrichment program for high school immigrant students.

SquashWise, Inc.......................................................................................................$45,000
Baltimore, MD
In support of the SquashWise Youth Development Program, an after-school squash program for students in Baltimore City Public Schools.

St. Ambrose Housing Aid Center, Inc....................................................................$30,000
Baltimore, MD
In support of expanding the Host Home program for youth experiencing homelessness in Baltimore.

St. Francis Neighborhood Center........................................................................$100,000
Baltimore, MD
In support of the Count on Me Capital Campaign for the St. Francis Neighborhood Center to renovate and expand the facility at 2405 Linden Avenue in Reservoir Hill.

St. Vincent de Paul of Baltimore, Inc....................................................................$50,000
Baltimore, MD
In support of general operations at the Beans & Bread Homeless Day Resource Center.

St. Vincent de Paul of Baltimore, Inc....................................................................$40,000
Baltimore, MD
In support of the Next Course food service occupational skills training for low-income Baltimore City residents with barriers to employment.

Tahirih Justice Center.............................................................................................$30,000
Baltimore, MD
In support of pro bono legal and social services for immigrant women and girls in Baltimore City who are fleeing gender-based violence.

United Way of Central Maryland, Inc...................................................................$10,000
Baltimore, MD
In support of research by the United Way and the Schaefer Center for Public Policy on the impact of the “benefits cliff”—when wage earners in low-income families experience an increase in income and lose eligibility for certain benefits—on Maryland’s working families.
Up2Us Sports.................................................................................................................................$30,000
Baltimore, MD
In support of partially subsidizing the fees incurred by host sites as part of the expanded Up2Us Coach program in Baltimore.

Y of Central Maryland.............................................................................................................$150,000
Towson, MD
In support of a capital project to renovate and expand the former Cardinal Gibbons High School in Southwest Baltimore into a full-service Y Family Center.

Youth Empowered Society........................................................................................................$40,000
Baltimore, MD
For continued support of the YES Drop-In Center, which provides services and programming to engage youth experiencing homelessness and help them secure housing, employment, and stability.

**WORKFORCE DEVELOPMENT**

Association of Baltimore Area Grantmakers...........................................................................$25,000
Baltimore, MD
In support of the Baltimore Workforce Funder Collaborative’s Workforce Outcomes Study.

Baltimore City Foundation........................................................................................................$75,000
Baltimore, MD
In support of 500 YouthWorks summer jobs for Baltimore City residents.

BioTechnical Institute of Maryland, Inc...................................................................................$80,000
Baltimore, MD
In support of the BioSTART and Laboratory Associates programs.

BUILD.................................................................................................................................$125,000
Baltimore, MD
In support of the Turnaround Tuesday jobs movement, which aims to place Baltimore City residents in jobs to earn a livable wage.

CASA de Maryland, Inc...........................................................................................................$100,000
Langley Park, MD
In support of the Baltimore Welcome Center, an employment placement service for day laborers and low-income workers.
CASH Campaign of Maryland
Baltimore, MD

In support of providing low-income individuals and families in Baltimore City with free tax preparation and asset-building services that increase financial security and promote economic mobility.

Center for Urban Families, Inc.
Baltimore, MD

For continued support of STRIVE Baltimore, a job-training and placement service for men and women.

Citywide Youth Development
Baltimore, MD

In support of the EMAGE (Entrepreneurs Making and Growing Enterprises) industrial apparel manufacturing program.

Civic Works, Inc.
Baltimore, MD

In support of expanding access to family-sustaining careers for Baltimore residents from historically marginalized communities through the Baltimore Center for Green Careers.

Jane Addams Resource Corporation
Baltimore, MD

In support of the Careers in Manufacturing Programs (CMP) to prepare low-income adults and disadvantaged job seekers for entry-level positions in the manufacturing and construction industries.

Job Opportunities Task Force
Baltimore, MD

In support of Project JumpStart, a pre-apprenticeship construction training program in Baltimore City.

Job Opportunities Task Force
Baltimore, MD

In support of Project JumpStart, a pre-apprenticeship construction training program in Baltimore City.

The Lazarus Rite
Baltimore, MD

In support of the Commercial Driver’s License (CDL) program for returning citizens to Baltimore City.
Maryland Center for Adult Training, Inc (MCAT) .......................................................... $40,000
Baltimore, MD
In support of continuing MCAT’s workforce development trainings.

Maryland New Directions (MND) ................................................................................ $80,000
Baltimore, MD
In support of sustaining MND’s job-readiness and industry-specific skills programs.

NPower, Inc .................................................................................................................. $100,000
Brooklyn, NY
In support of NPower Maryland’s Tech Fundamentals IT Workforce Development Training for under-resourced young adults in Baltimore City.

Parks & People Foundation ......................................................................................... $25,000
Baltimore, MD
In support of Branches, an environmental education, employment skills training, and green jobs internship program for Baltimore City high school students.

Public Justice Center, Inc ........................................................................................... $88,500
Baltimore, MD
In support of the Home Care Worker Initiative.

Rose Street Community Center ................................................................................. $300,000
Baltimore, MD
For support of transitional housing, emergency shelter, daily community cleanups, and gang mediation.

South Baltimore Learning Center ............................................................................... $50,000
Baltimore, MD
For continued support of the Adult Basic Education and sector-training partnerships at the Regional Skills Training Center.

Strong City Baltimore ................................................................................................. $50,000
Baltimore, MD
In support of the Adult Learning Center’s intensive GED preparation program.

Vehicles for Change, Inc .............................................................................................. $104,000
Baltimore, MD
In support of providing car awards for low-income Baltimore residents for employment purposes.
The Work First Foundation
New York, NY
$200,000
In support of the expansion of the Baltimore Ex-Offender Reentry Program and the Baltimore Bail Diversion Program.

Year Up Baltimore
Baltimore, MD
$100,000
In support of expanding Year Up Baltimore to serve 240 students in 2019.

OTHER

Association of Baltimore Area Grantmakers
Baltimore, MD
$16,460
For 2018 membership dues.
Additional Grants Of $5,000 Or Less Have Been Awarded To The Following Organizations:

Arts Education in Maryland Schools Alliance
Associated Black Charities
Association of Baltimore Area Grantmakers
Baltimore City Foundation
Baltimore Corps
Baltimore Curriculum Project, Inc.
Baltimore Development Corporation
Baltimore Orioles Foundation, Inc.
Baltimore's Gifted
Banner Neighborhoods Community Corporation
BCPSS/Baltimore City College High School
BCPSS/Barclay Elementary/Middle School
BCPSS/Carver Vocational-Technical High School
Betamore
Civic Works, Inc.
Coalition for Green Capital
CollegeBound Foundation, Inc.
Coppin State University
Deborah's Place, Inc.
The Family Recovery Program, Inc.
Fostering Change Network Foundation
Friendly Loving Opportunities
Fund for Educational Excellence
Fusion Partnerships, Inc.
Girls on the Run of the Greater Chesapeake
House of Change, Inc.
Immigration Outreach Service Center
Impact Hub Baltimore
Job Opportunities Task Force
Johns Hopkins Institute for Education Policy
The Justice Policy Institute
Loyola Early Learning Center
Maryland Citizens for the Arts Foundation
Maryland Citizens’ Health Initiative Education Fund, Inc.
New Vision House of Hope, Inc.
No Turning Back, Inc.
Office of the Mayor
Open Works
Outward Bound
Phase One Recovery Housing
Poverty & Race Research Action Council
Preservation Maryland
Reginald F. Lewis Museum
Star-Spangled Banner Flag House and Museum
STEM Champions of Baltimore
Strong City Baltimore
St. Vincent de Paul of Baltimore, Inc.
Teachers’ Democracy Project
Teaching Institute for Excellence in STEM
UEmpower of Maryland
Waterfront Partnership of Baltimore, Inc.
Wraparound Maryland
Young Victorian Theatre Company
January

The Case for Hemp in Maryland

Environmental journalist Rona Kobell digs into why other places are embracing hemp and what Maryland can learn from them. In its 2018 session—following the release of this report—the General Assembly passed legislation legalizing industrial hemp production. The Case for Hemp offers insight into what hemp could mean for Maryland.

https://abell.org/publications/case-hemp-maryland

February

Public Health Policy in Maryland: Lessons from Recent Alcohol and Cigarette Tax Policies

Alcohol and cigarettes are responsible for a host of poor health outcomes. What happened over the last decade after the Maryland General Assembly increased the costs of consuming those products through small tax increases? Researchers from the Bloomberg School of Public Health detail the benefits that resulted from the 2011 alcohol tax increase and the 2008 cigarette tax increase.

https://abell.org/publications/public-health-policy-maryland

June

Fact Check: A Survey of Available Data on Juvenile Crime in Baltimore City

In this report, the Abell Foundation analyzes available data on juvenile crime, arrests, and outcomes. The data show that overall juvenile arrests are down significantly, while juvenile arrests for violence are up. Juveniles charged with violent crimes are often charged as adults, but an increasing number of these cases are transferred back to juvenile court. Case outcomes for youth charged with violent crimes appear to be driven by a small number of individual judges in a process that is not very transparent.

December


This report examines whether energy competition is benefitting residential consumers. The report finds that, since 2014, Maryland households have been losing money by using third-party suppliers paying about $255 million more in all than if they had stayed with their regulated utility’s standard offer supply. Low-income households are hit particularly hard by higher energy bills. They enroll with third-party suppliers at higher rates than other residential consumers but are more vulnerable to the burden of variable rates, which many third-party suppliers employ. The state of Maryland often ends up bearing this added cost, as many low-income consumers are receiving energy assistance.

https://abell.org/publications/marylands-dysfunctional-residential-third-party-energy-supply-market

ABELL SALUTES

Year Up Baltimore (August 2018)

Year Up Baltimore served 200 young people in Baltimore City in 2018 and expects to serve 240 in 2019. The Abell Foundation salutes Year Up for putting youth on a pathway to a family-sustaining wage.

https://abell.org/publications/abell-salutes-year-baltimore

Lakeland Elementary and Middle School (December 2018)

In a district wrestling with declining enrollment, high teacher attrition, and stubborn test scores, Lakeland Elementary Middle School offers a remarkable case study of growth, success, and achievement. The Abell Foundation salutes the team at Lakeland for showing what is possible and for facilitating the academic success of students at Lakeland Elementary Middle School.

https://abell.org/publications/abell-salutes-lakeland-elementary-middle-school
PRESS COVERAGE (SELECTED)

February 14, 2018, “Sponsor of Bill to Legalize Hemp in Maryland Thinks This is the Year” (The Star Democrat)

February 23, 2018, “How TEDCO and the Abell Foundation are Quietly Building Greater Baltimore’s Startup Ecosystem” (Baltimore Business Journal)

March 19, 2018, “City Council Bill Would Make Baltimore Inspector General Independent from Mayor” (Baltimore Sun)

April 18, 2018, “Pixelligent Nanotechnology Firm Raises $7.6 million, Inks New Partnerships” (Baltimore Business Journal)

July 18, 2018, “Two Teens Caught Up in the Justice System Have Lessons for Maryland” (Baltimore Sun)

August 6, 2018, “New Study of Juvenile Crime in Baltimore City” (WYPR – Midday)
https://www.wypr.org/post/new-study-juvenile-crime-baltimore-city

November 21, 2018, “Charity’s ‘Impact’ Investment Helps Soviet Emigre Lap Carmakers” (Bloomberg)

December 7, 2018, “More Utility Competition Was Supposed to Drive Down Prices, but Many Marylanders are Paying More for Energy” (Baltimore Sun)
The Abell Foundation, Inc.
and Subsidiaries

Consolidated Financial Report
December 31, 2018
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent auditor’s report</td>
<td>1</td>
</tr>
<tr>
<td><strong>Financial statements</strong></td>
<td></td>
</tr>
<tr>
<td>Consolidated statements of financial position</td>
<td>2</td>
</tr>
<tr>
<td>Consolidated statements of activities</td>
<td>3</td>
</tr>
<tr>
<td>Consolidated statements of cash flows</td>
<td>4</td>
</tr>
<tr>
<td>Notes to consolidated financial statements</td>
<td>5-16</td>
</tr>
<tr>
<td>Independent auditor’s report on the supplementary information</td>
<td>17</td>
</tr>
</tbody>
</table>
Independent Auditor’s Report

To the Board of Trustees
The Abell Foundation, Inc. and Subsidiaries

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of The Abell Foundation, Inc. and Subsidiaries (collectively, the Foundation), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Abell Foundation, Inc. and Subsidiaries as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Baltimore, Maryland
May 17, 2019

RSM US LLP

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING
# The Abell Foundation, Inc. and Subsidiaries

## Consolidated Statements of Financial Position

**December 31, 2018 and 2017**

### Assets

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments (Notes 2 and 3)</td>
<td>$ 295,149,681</td>
<td>$ 331,307,541</td>
</tr>
<tr>
<td>Accrued dividends and interest receivable</td>
<td>263,982</td>
<td>147,277</td>
</tr>
<tr>
<td>Program-related investments and other loans, net</td>
<td>6,567,216</td>
<td>8,079,583</td>
</tr>
<tr>
<td>Cash value of life insurance and other assets, net (Note 5)</td>
<td>4,664,190</td>
<td>5,017,671</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 306,645,069</td>
<td>$ 344,552,072</td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants scheduled for future payment (Note 4)</td>
<td>$ 6,072,826</td>
<td>$ 7,374,039</td>
</tr>
<tr>
<td>Guarantee liabilities (Notes 2 and 7)</td>
<td>27,930,013</td>
<td>28,167,971</td>
</tr>
<tr>
<td>Payables and other liabilities (Note 5)</td>
<td>2,207,110</td>
<td>2,721,274</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>36,209,949</td>
<td>38,263,284</td>
</tr>
</tbody>
</table>

Commitments and contingencies (Notes 6 and 7)

Net assets, without donor restrictions | 270,435,120 | 306,288,788 |

**Total liabilities and net assets** | $ 306,645,069 | $ 344,552,072 |

See notes to consolidated financial statements.
The Abell Foundation, Inc. and Subsidiaries

Consolidated Statements of Activities
Years Ended December 31, 2018 and 2017

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>$3,294,154</td>
<td>$3,105,921</td>
</tr>
<tr>
<td>Interest</td>
<td>1,605,746</td>
<td>1,387,559</td>
</tr>
<tr>
<td>Partnership gain, net</td>
<td>140,796</td>
<td>1,894,504</td>
</tr>
<tr>
<td>Incentive tax credit refund</td>
<td></td>
<td>600,000</td>
</tr>
<tr>
<td>Other</td>
<td>305,966</td>
<td>278,528</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>5,346,662</td>
<td>7,266,512</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants approved</td>
<td>12,568,259</td>
<td>15,555,977</td>
</tr>
<tr>
<td>Matching gifts program</td>
<td>242,950</td>
<td>304,191</td>
</tr>
<tr>
<td>Direct charitable activities</td>
<td>313,610</td>
<td>198,504</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>3,790,329</td>
<td>3,707,354</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>16,915,148</td>
<td>19,766,026</td>
</tr>
<tr>
<td><strong>Decrease in net assets before investment (losses) gains and other expenses</strong></td>
<td>(11,568,486)</td>
<td>(12,499,514)</td>
</tr>
<tr>
<td>Investment gains (losses):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized gain on sales of investments (Note 2)</td>
<td>16,680,029</td>
<td>21,453,273</td>
</tr>
<tr>
<td>Unrealized gain (loss) on program-related investments and other loans (Note 2)</td>
<td>1,598,211</td>
<td>(2,678,944)</td>
</tr>
<tr>
<td>Unrealized (loss) gain on investments (Note 3)</td>
<td>(41,498,369)</td>
<td>25,476,982</td>
</tr>
<tr>
<td>Unrealized gain on guarantees (Note 7)</td>
<td>219,565</td>
<td>100,000</td>
</tr>
<tr>
<td>Investment expenses</td>
<td>(894,618)</td>
<td>(1,398,228)</td>
</tr>
<tr>
<td><strong>Net investment (losses) gains</strong></td>
<td>(23,895,182)</td>
<td>42,953,083</td>
</tr>
<tr>
<td>Federal excise tax provision</td>
<td>(390,000)</td>
<td>(404,826)</td>
</tr>
<tr>
<td><strong>Change in net assets without donor restrictions</strong></td>
<td>(35,853,668)</td>
<td>30,048,743</td>
</tr>
<tr>
<td>Net assets without donor restrictions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning</td>
<td>306,288,788</td>
<td>276,240,045</td>
</tr>
<tr>
<td>Ending</td>
<td>$270,435,120</td>
<td>$306,288,788</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
The Abell Foundation, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$(35,853,668)</td>
<td>$ 30,048,743</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash used in operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized loss (gain) on investments</td>
<td>41,498,369</td>
<td>(25,476,982)</td>
</tr>
<tr>
<td>Realized gain on sales of investments</td>
<td>(16,680,029)</td>
<td>(21,453,273)</td>
</tr>
<tr>
<td>Realized gain on partnerships</td>
<td>(140,796)</td>
<td>(1,894,504)</td>
</tr>
<tr>
<td>Unrealized losses (gains) on program-related investments and other loans</td>
<td>(1,598,211)</td>
<td>2,678,944</td>
</tr>
<tr>
<td>Unrealized gain on guarantees</td>
<td>(219,565)</td>
<td>(100,000)</td>
</tr>
<tr>
<td>Grants approved</td>
<td>12,568,259</td>
<td>15,555,977</td>
</tr>
<tr>
<td>Grants paid</td>
<td>(13,869,472)</td>
<td>(12,726,875)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>17,832</td>
<td>20,160</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued dividends and interest receivable, net</td>
<td>(116,705)</td>
<td>84,807</td>
</tr>
<tr>
<td>Program-related investments and other loans, net</td>
<td>3,110,578</td>
<td>(2,440,072)</td>
</tr>
<tr>
<td>Decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guarantee liabilities</td>
<td>(18,393)</td>
<td>(88,230)</td>
</tr>
<tr>
<td>Payables and other liabilities</td>
<td>(514,164)</td>
<td>(724,213)</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td><strong>(11,815,965)</strong></td>
<td><strong>(16,515,518)</strong></td>
</tr>
</tbody>
</table>

Cash flows from investing activities:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from disposition of investments</td>
<td>32,996,998</td>
<td>47,240,588</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(21,516,682)</td>
<td>(30,610,811)</td>
</tr>
<tr>
<td>Cash value of life insurance and other assets</td>
<td>403,320</td>
<td>(100,000)</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(67,671)</td>
<td>(14,259)</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td><strong>11,815,965</strong></td>
<td><strong>16,515,518</strong></td>
</tr>
</tbody>
</table>

**Net change in cash and cash equivalents**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>End of year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Supplemental disclosure of cash flow information:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid during the year for excise taxes</td>
<td>$455,000</td>
<td>$329,826</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
The Abell Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The Abell Foundation, Inc. is a Section 501(c)(3) exempt organization, which is classified as a Private Foundation under Section 509(a) of the Internal Revenue Code (IRC). The Abell Foundation Inc.’s mission is to effect positive change on societal problems of Maryland with a special focus on Baltimore City. Priority is given to programs that promote educational reform, job creation and economic development, strengthening families, reducing drug addiction and alleviating hunger and homelessness.

In November 2011, The Abell Foundation, Inc. formed West Pratt Holdings, LLC (West Pratt), of which it is the sole member, to purchase two buildings and a parking lot previously owned by a substance abuse center. The Abell Foundation Inc. believes that by purchasing these properties, they are ensuring that the facility can remain open to serve an underserved population in Baltimore City.

In March 2013, The Abell Foundation, Inc. formed South Charles Holdings, LLC (South Charles), of which it is the sole member, to purchase two buildings located in Baltimore and a parcel of land in Anne Arundel County, Maryland, previously owned by a hospital. In 2015, South Charles sold the two buildings, but still owns the land, which was held for sale as of December 31, 2018.

In July 2017, The Abell Foundation, Inc. formed 1020 West Pratt, LLC (1020 West Pratt), of which it was the sole member, to lease a vacant warehouse building. In October 2018, the Foundation assigned the lease and purchase agreement for the property to a third party and is thereby released of all future obligations related to the building.

In July 2018, The Abell Foundation, Inc. formed 4446 Park Heights, LLC (4446 Park Heights), of which it is the sole member, to purchase a building partially leased by a dependency treatment counseling facility in a distressed area of Baltimore City. The Foundation intends to renovate and lease the remainder of the property to reduce storefront vacancies in the neighborhood.

The Abell Foundation, Inc., West Pratt, South Charles, 1020 West Pratt and 4446 Park Heights are collectively referred to as the Foundation.

The net assets of West Pratt are reflected within program related investments and the net assets of South Charles, 1020 West Pratt and 4446 Park Heights are reflected within investments on the consolidated statements of financial position.
Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The following are the condensed statements of financial position for West Pratt on a separate company basis as of December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$316,903</td>
<td>$235,762</td>
</tr>
<tr>
<td>Other assets</td>
<td>179,153</td>
<td>261,320</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>4,197,151</td>
<td>4,212,695</td>
</tr>
<tr>
<td>Total assets</td>
<td>$4,693,207</td>
<td>$4,709,777</td>
</tr>
<tr>
<td><strong>Liabilities and Member’s Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>$163,949</td>
<td>$212,094</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>163,949</td>
<td>212,094</td>
</tr>
<tr>
<td><strong>Member’s equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities and member’s equity</td>
<td>$4,693,207</td>
<td>$4,709,777</td>
</tr>
</tbody>
</table>

The following are the condensed statements of financial position for South Charles on a separate company basis as of December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$3,326</td>
<td>$3,334</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>671,201</td>
<td>672,688</td>
</tr>
<tr>
<td>Total assets</td>
<td>$674,527</td>
<td>$676,022</td>
</tr>
<tr>
<td><strong>Member’s equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total member’s equity</td>
<td>$674,527</td>
<td>$676,022</td>
</tr>
</tbody>
</table>

The following are the condensed statements of financial position for 1020 West Pratt on a separate company basis as of December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$9,443</td>
<td>$10,798</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>6,250</td>
</tr>
<tr>
<td>Total assets</td>
<td>$9,443</td>
<td>$17,048</td>
</tr>
<tr>
<td><strong>Member’s equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total member’s equity</td>
<td>$9,443</td>
<td>$17,048</td>
</tr>
</tbody>
</table>
Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The following is the condensed statement of financial position for 4446 Park Heights on a separate company basis as of December 31, 2018:

<table>
<thead>
<tr>
<th>Assets</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 121,154</td>
</tr>
<tr>
<td>Other assets</td>
<td>32,026</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>911,552</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 1,064,732</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Member’s Equity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>$ 9,616</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>9,616</td>
</tr>
<tr>
<td>Member’s equity</td>
<td>1,055,116</td>
</tr>
<tr>
<td>Total liabilities and member’s equity</td>
<td>$ 1,064,732</td>
</tr>
</tbody>
</table>

A summary of the Foundation’s significant accounting policies follows:

**Principles of consolidation:** The consolidated financial statements include the accounts of The Abell Foundation, Inc., West Pratt, South Charles, 1020 West Pratt, and 4446 Park Heights. All intercompany accounts and transactions were eliminated for purposes of consolidation.

**Basis of accounting:** The accompanying consolidated financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

**Cash and cash equivalents:** For purposes of reporting cash flows, the Foundation considers money market funds and investments with original maturities of less than three months to be cash equivalents. The carrying amount approximates fair value due to the short maturity of these instruments.

**Investments:** The Foundation’s assets include the following:

- Investments, excluding direct investments and partnerships that invest in real estate, timber and private equity, are stated on the basis of current quoted market prices.

- Direct investments include equity and convertible securities with privately held companies that are not readily marketable. Certain of these investments are stated at fair value as determined by management and approved, at least annually, by the Finance Committee of the Board of Trustees of the Foundation. In determining fair value, management considers relevant qualitative and quantitative information available. This information includes such factors as the financial condition and operating results of each company, the economic and market conditions affecting its operations and any financing transactions or subsequent events that may be indicative of a change in value. The values assigned to these investments are based on currently available information and do not necessarily represent amounts that might ultimately be realized, since such amounts will depend on future circumstances. Changes in market value are reflected in unrealized gains and losses on investments.
Note 1. Nature of Activities and Significant Accounting Policies (Continued)

- Partnership investments include certain investments that are not readily marketable. The market value of such partnerships invested in real estate, timber and private equity are determined by general managers or managers of the partnerships and changes in value are reported in unrealized gains and losses on investments. The unrealized gains and losses are adjusted for allocation to partnership income, expenses and realized gains and losses, which are reported separately, as such information becomes available.

**Investments in equity securities carried at cost:** The investments in nonmarketable equity securities represents the Foundation’s investment in companies in which the Foundation used the cost method to account for the securities because the fair value of cost-method investments is not readily determinable. The investments have a cost basis of $4,018,687 and $6,280,242 at December 31, 2018 and 2017, respectively. The Foundation recorded an allowance of $1,852,000 for both of the years ended December 31, 2018 and 2017.

**Program-related investments and other loans:** Program-related investments represent loans to and equity investments in for-profit and nonprofit entities that facilitate activities supported by the Foundation. The cost of program-related investments was $5,137,218 and $5,709,645, respectively, net of an allowance for uncollectible amounts of $145,001 and $567,974, at December 31, 2018 and 2017, respectively.

Other loans represent loans to unrelated entities, principally for investment in for-profit companies. The loans are reported at cost of $30,509,849 and $33,054,184, respectively, with a recorded allowance for uncollectible amounts of $28,934,850 and $30,116,272 at December 31, 2018 and 2017, respectively.

Program-related investments and other loans are at net realizable value as determined by management and approved, at least annually, by the Finance Committee of the Board of Trustees of the Foundation. Unrealized losses are recorded as reserves against the asset.

**Financial risk:** Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the risk associated with the Foundation’s investments, it is reasonably possible that changes in the values of the Foundation’s investments will occur in the near-term and that such changes could materially affect the amounts reported in the consolidated financial statements.

**Property and equipment:** Property and equipment are recorded at cost and depreciated on a straight-line basis over their estimated useful lives, either five or seven years. Leasehold improvements are amortized on the straight-line method over the shorter of the useful life of the asset or remaining term of the lease. Property and equipment are included in the cash value of life insurance and other assets, net, on the consolidated statements of financial position.

**Grants:** Grants are recorded as grants payable when approved by the Board of Trustees. If the needs of the grant programs are less than the amount approved, or if the grantee fails to meet routine requirements specified at the time of approval, the grants, in part or in whole, may be cancelled or refunded. These cancellations or refunds are recognized in the year in which they occur.

**Guarantees:** Assets and liabilities have been recorded for the fair value of obligations for guarantees issued in 2018 and 2017 (see Note 7). Income or losses relating to guarantees are recognized upon the expiration of the guaranteed obligation.
Note 1.  Nature of Activities and Significant Accounting Policies (Continued)

Revenue recognition: Dividends and interest are recognized in accordance with the accrual basis of accounting. Dividend income arising from securities transactions are recorded based upon the ex-dividend date.

Use of estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income tax status: The Foundation is generally exempt from federal income taxes under Section 501(c)(3) of the IRC. In addition, the Foundation has been classified as a private foundation under Section 509(a). The Foundation is subject to excise tax on net investment income, which includes realized gains. Accordingly, a federal excise tax provision of $390,000 and $404,826 has been provided at an effective rate of 1% and 2% for 2018 and 2017, respectively. As of December 31, 2018 and 2017, the Foundation was in compliance with the income tax regulation which requires minimum distributions of approximately 5% of the market value of the Foundation’s assets on an annual basis. Federal excise taxes paid totaled $455,000 and $329,826 for the years ended December 31, 2018 and 2017, respectively. The Foundation’s cumulative net operating losses (NOL) from taxable unrelated business activities, principally through partnership real estate investments, totaled $7,543,600 as of December 31, 2017. The NOL activity for 2018 cannot be estimated at this time; however, it is not expected to be material. The cumulative NOLs were incurred from 2008 through 2017 and will begin to expire in 2028. As of December 31, 2018, the Foundation does not believe that net deferred tax assets should be recorded based on consideration of all available evidence.

West Pratt, South Charles, 1020 West Pratt, and 4446 Park Heights are single-member limited liability companies (LLC), wholly owned by the Foundation. Accordingly, all activity is reported under the Foundation’s name, and the LLCs assume the same tax status as the Foundation.

The Foundation adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes and accounting in interim periods.

Management evaluated the Foundation’s tax positions and concluded that the Foundation had taken no uncertain income tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance. Generally, the Foundation is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2015.

As a result of its investments in qualified biotechnology companies in the state of Maryland, the Foundation was eligible to receive incentive tax credit refunds of $600,000 in 2017. This amount was recorded as a receivable and were included in cash value of life insurance and other assets on the consolidated statements of financial position at December 31, 2017.
Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Functional allocation of expenses: The costs of providing various programs and other activities have been detailed on a functional basis below. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain expenses are attributable to more than one program or supporting function. These expenses are allocated based on several factors, including estimates of time and effort for each functional area and weighted-average employee headcounts for each functional area. The analysis of expenses by function and nature is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Program</th>
<th>Supporting</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and other program expenses</td>
<td>$ 13,124,820</td>
<td>$ -</td>
<td>$ 13,124,820</td>
</tr>
<tr>
<td>Research and reports</td>
<td>310,142</td>
<td>$ -</td>
<td>310,142</td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>1,817,086</td>
<td>963,804</td>
<td>2,780,890</td>
</tr>
<tr>
<td>Professional fees</td>
<td>113,950</td>
<td>85,359</td>
<td>199,309</td>
</tr>
<tr>
<td>Occupancy</td>
<td>153,426</td>
<td>81,378</td>
<td>234,804</td>
</tr>
<tr>
<td>Other</td>
<td>173,276</td>
<td>91,907</td>
<td>265,183</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$ 15,692,700</strong></td>
<td><strong>$ 1,222,448</strong></td>
<td><strong>$ 16,915,148</strong></td>
</tr>
</tbody>
</table>

Liquidity and availability: The Foundation regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investments of its funds not required for annual operations. As of December 31, 2018, cash and cash equivalents of $18,805,751 are available to meet annual operating needs of the 2019 fiscal year.

The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities.

Subsequent events: The Foundation evaluated subsequent events through May 17, 2019, which is the date the consolidated financial statements were available to be issued. There are no subsequent events that are required to be recorded or disclosed in the consolidated financial statements.

Accounting pronouncement adopted: In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB’s improvements to net asset classification requirements and the information presented about a not-for-profit entity’s liquidity, financial performance and cash flows. The Foundation has implemented ASU No. 2016-14 and has adjusted the presentation of their consolidated financial statements accordingly. The ASU has been applied retrospectively to all periods presented. As permitted by the ASU, the functional expenses and liquidity and availability disclosure are not presented on a comparative basis.

Accounting pronouncements pending: In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires that lessees recognize right-of-use assets and lease liabilities for all leases not considered short-term leases. The ASU is effective for the Foundation for the year ending December 31, 2020. The adoption of this standard is expected to result in the Foundation recognizing right-of-use asset and lease liabilities for some leases currently accounted for as operating leases under the legacy lease accounting guidance. Management is evaluating the impact of this standard on the Foundation’s consolidated financial statements.
Note 1. Nature of Activities and Significant Accounting Policies (Continued)

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. Where the Foundation is the resource provider, the ASU is applicable to contributions made within the annual period in the year ending December 31, 2020. Management is evaluating the impact of this standard on the Foundation’s consolidated financial statements.

Note 2. Fair Value Measurements

The Foundation defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions that market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of investments included in Level 1 include holdings in certain mutual funds.

**Level 2:** Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate loans, less liquid, restricted equity securities and certain corporate bonds and over-the-counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

**Level 3:** Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation as described below.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Foundation’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. The following section describes the valuation techniques used by the Foundation:

**Level 1:** Investments in securities and mutual funds traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation. Fair value of exchange-traded contracts is based upon exchange settlement prices. Fair value of non-exchange-traded contracts is based on third-party quoted dealer values on the Interbank market. These financial instruments are classified as Level 1 in the fair value hierarchy.

**Level 2:** Guarantee assets and liabilities are measured at fair value on a recurring basis and are classified as Level 2 in the fair value hierarchy.
Note 2. **Fair Value Measurements (Continued)**

**Level 3:** Level 3 investments are not readily marketable and include direct investments in private equity and investments in partnerships. The direct investments in private equity are stated at fair value as determined by management and approved, at least annually, by the Finance Committee of the Board of Trustees of the Foundation. In determining fair value, management considers relevant qualitative and quantitative information available. This information includes such factors as the financial condition and operating results of each company, the economic and market conditions affecting its operations, and any financing transactions or subsequent events that may be indicative of a change in value. The values assigned to these investments are based on currently available information and do not necessarily represent amounts that might ultimately be realized, since such amounts will depend on future circumstances.

The following table presents the Foundation’s fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2018:

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Quoted Prices in Active Markets for Identical Assets</th>
<th>Significant Other Observable Inputs</th>
<th>Significant Unobservable Inputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds:</td>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
</tr>
<tr>
<td>Corporate and other bond funds</td>
<td>$13,535,799</td>
<td>$13,535,799</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government obligation funds</td>
<td>13,575,048</td>
<td>13,575,048</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Large cap growth funds</td>
<td>30,665,219</td>
<td>30,665,219</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Large cap value funds</td>
<td>21,228,966</td>
<td>21,228,966</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mid cap growth funds</td>
<td>14,133,296</td>
<td>14,133,296</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mid cap value fund</td>
<td>8,788,761</td>
<td>8,788,761</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Small cap growth funds</td>
<td>15,510,968</td>
<td>15,510,968</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Small cap value funds</td>
<td>5,248,625</td>
<td>5,248,625</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stock index fund</td>
<td>69,340,207</td>
<td>69,340,207</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International funds</td>
<td>54,273,776</td>
<td>54,273,776</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Direct investments</td>
<td>20,051,116</td>
<td>-</td>
<td>20,051,116</td>
<td></td>
</tr>
<tr>
<td>Total investments at fair value</td>
<td>266,351,781</td>
<td>$246,300,665</td>
<td>-</td>
<td>$20,051,116</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>18,805,751</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real estate and forestry funds (a)</td>
<td>4,075,834</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private equity funds (a)</td>
<td>3,749,628</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments, at cost, net</td>
<td>2,166,687</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total investments</td>
<td>$295,149,681</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Abell Foundation, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 2. Fair Value Measurements (Continued)

The following table presents the Foundation’s fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2017:

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate and other bond funds</td>
<td>$14,286,661</td>
<td>$14,286,661</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government obligation funds</td>
<td>13,848,633</td>
<td>13,848,633</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Large cap growth funds</td>
<td>32,350,446</td>
<td>32,350,446</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Large cap value funds</td>
<td>24,387,836</td>
<td>24,387,836</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mid cap growth funds</td>
<td>15,205,581</td>
<td>15,205,581</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mid cap value fund</td>
<td>10,627,379</td>
<td>10,627,379</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Small cap growth funds</td>
<td>15,435,458</td>
<td>15,435,458</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Small cap value funds</td>
<td>5,953,590</td>
<td>5,953,590</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stock index fund</td>
<td>74,510,016</td>
<td>74,510,016</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International funds</td>
<td>66,933,353</td>
<td>66,933,353</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Direct investments</td>
<td>19,365,291</td>
<td>-</td>
<td>-</td>
<td>19,365,291</td>
</tr>
<tr>
<td>Total investments at fair value</td>
<td>292,904,244</td>
<td>$273,538,953</td>
<td>-</td>
<td>$19,365,291</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>24,426,291</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real estate and forestry funds (a)</td>
<td>6,345,636</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private equity funds (a)</td>
<td>3,203,128</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments, at cost, net</td>
<td>4,428,242</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total investments</td>
<td>$331,307,541</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) In accordance with Subtopic 820-10, as amended by ASU No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Assets Value per Share (or its Equivalent)*, certain investments that were measured at net asset value (NAV) per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of financial position.

Financial instruments classified as Level 3 in the fair value hierarchy represent the Foundation’s investments in financial instruments in which management has used at least one significant unobservable input in the valuation model.

The Foundation’s guarantee assets and liabilities are measured at fair value on a recurring basis and are classified as Level 2. The guarantee assets were $30,013 and $48,406 and the guarantee liabilities were $30,013 and $48,406 at December 31, 2018 and 2017, respectively.
The Abell Foundation, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 2. Fair Value Measurements (Continued)

The following table presents a reconciliation of activity for direct investments classified as Level 3 financial instruments for the years ended December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, December 31, 2016</td>
<td>$ 20,402,756</td>
<td>$ 19,365,291</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>4,512,759</td>
<td>3,147,055</td>
</tr>
<tr>
<td>Return of capital</td>
<td>(5,689,151)</td>
<td>(1,599,197)</td>
</tr>
<tr>
<td>Net realized loss</td>
<td>(1,298,825)</td>
<td>(862,033)</td>
</tr>
<tr>
<td>Net unrealized gain</td>
<td>1,437,752</td>
<td></td>
</tr>
<tr>
<td>Balance, December 31, 2017</td>
<td>$ 20,051,116</td>
<td></td>
</tr>
</tbody>
</table>

For direct investments held at December 31, 2018 and 2017, the change in net unrealized losses on investments for the period included in changes in net assets is $(867,452) and $(2,832,995), respectively.

The Foundation invests in certain entities which are measured at NAV per share, or its equivalents. Information pertaining to these investments is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Fair Value</th>
<th>Unfunded Commitments</th>
<th>Redemption Frequency</th>
<th>Redemption Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate and forestry funds (a)</td>
<td>$ 4,075,834</td>
<td>$</td>
<td>Liquidation of partnership</td>
<td>N/A</td>
</tr>
<tr>
<td>Private equity funds (b)</td>
<td>3,749,628</td>
<td>551,826</td>
<td>None</td>
<td>N/A</td>
</tr>
<tr>
<td>Direct investments (c)</td>
<td>20,051,116</td>
<td>400,000</td>
<td>None</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 27,876,578</strong></td>
<td><strong>$ 951,826</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) This category includes investments in several partnerships that invest in commercial and residential real estate and timber assets. The fair value of the investments in this category has been estimated using the NAV per share of the investments.

(b) This category includes partnerships which invest in private equity funds. These investments can never be redeemed with the funds. Instead, the nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the funds. The fair value of the investments in this category has been estimated using the NAV per share of the investments.

(c) In determining certain of these inputs, management evaluates a variety of factors including economic conditions, industry and market developments, market valuations of comparable companies and company specific developments including exit strategies and realization opportunities. Management has determined that market participants would take these inputs into account when valuing the investments.
Note 3. Investments

A summary of investments is as follows at December 31, 2018 and 2017:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term investments</td>
<td>$18,805,751</td>
<td>$18,805,751</td>
<td>$24,426,291</td>
<td>$24,426,291</td>
<td>$-24,426,291</td>
</tr>
<tr>
<td>Government obligations</td>
<td>13,575,048</td>
<td>14,356,597</td>
<td>13,848,633</td>
<td>14,356,597</td>
<td>(781,549)</td>
</tr>
<tr>
<td>Corporate and other bonds</td>
<td>13,535,799</td>
<td>14,879,091</td>
<td>14,879,091</td>
<td>14,879,091</td>
<td>(1,343,300)</td>
</tr>
<tr>
<td>Marketable equity security funds</td>
<td>219,189,818</td>
<td>171,931,060</td>
<td>245,403,659</td>
<td>161,325,768</td>
<td>47,258,758</td>
</tr>
<tr>
<td>Direct investments</td>
<td>22,217,803</td>
<td>49,903,570</td>
<td>23,793,533</td>
<td>50,611,848</td>
<td>(27,685,767)</td>
</tr>
<tr>
<td>Partnerships</td>
<td>7,825,462</td>
<td>12,619,403</td>
<td>9,548,764</td>
<td>11,555,376</td>
<td>(4,793,941)</td>
</tr>
<tr>
<td>Total</td>
<td>$295,149,681</td>
<td>$282,495,480</td>
<td>$331,307,541</td>
<td>$277,154,971</td>
<td>$12,654,201</td>
</tr>
</tbody>
</table>

Less unrealized gain on investments, beginning of year

Unrealized (loss) gain for the year

As described in Note 1, direct investments include $2,166,687 and $4,428,242 in 2018 and 2017, respectively, which are recorded at cost, net of reserves.

Note 4. Grants

Unpaid grants at December 31, 2018, are scheduled for payment as follows:

<table>
<thead>
<tr>
<th>Years ending December 31</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4,536,961</td>
<td>735,865</td>
<td>550,000</td>
<td>250,000</td>
<td>$6,072,826</td>
</tr>
</tbody>
</table>

Note 5. Employees’ Retirement Plans and Benefits

The Foundation’s defined contribution pension plan covers substantially all employees who have completed three months of service. Contributions are equal to 10% of each covered employee’s salary. The plan includes a vesting schedule which requires two years of service for partial vesting and six years of service for full vesting. Contributions to the plan totaled $243,666 and $215,684 in 2018 and 2017, respectively.

In 1989, the Foundation purchased a split-dollar insurance policy on the life of a key employee, naming itself and a key employee as beneficiaries. Upon the death of the key employee, the policy will pay $1,500,000 to the key employee’s designated beneficiary with the remaining accumulated death benefits being paid to the Foundation. At December 31, 2018 and 2017, the policy had death benefits of approximately $5,510,494 and $5,340,344, respectively. The cash value of the policy was $4,352,609 and $4,158,873 at December 31, 2018 and 2017, respectively. The present value of the liability payable to the key employee upon death of $1,304,057 and $1,215,904 at December 31, 2018 and 2017, respectively, is included in payables and other liabilities and has been discounted over the life expectancy of the key employee using the interest rate of 7.25% for 2018 and 2017.
Note 6.  Lease Agreement

During the year ended December 31, 2017, the Foundation's office operating lease was extended through August 31, 2025. Future minimum lease payments relating to the agreement at December 31, 2018, are as follows:

<table>
<thead>
<tr>
<th>Years ending December 31:</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>187,231</td>
</tr>
<tr>
<td>2020</td>
<td>194,720</td>
</tr>
<tr>
<td>2021</td>
<td>202,509</td>
</tr>
<tr>
<td>2022</td>
<td>210,609</td>
</tr>
<tr>
<td>2023</td>
<td>219,034</td>
</tr>
<tr>
<td>Thereafter</td>
<td>385,733</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,399,836</td>
</tr>
</tbody>
</table>

Rent expense was $216,970 and $178,261 for the years ended December 31, 2018 and 2017, respectively.

Note 7.  Guarantees/Contingent Liabilities

The Foundation has guaranteed specific bank loan obligations of certain Baltimore for-profit and nonprofit entities, totaling $32,133,300 and $33,203,350 as of December 31, 2018 and 2017, respectively, which expire over a period of 1 to 30 years. The Foundation has recorded liabilities related to these guarantees in the amounts of $27,900,000 and $28,119,565 for December 31, 2018 and 2017, respectively. In addition, the Foundation had approved future guarantees up to $4,404,513 and $5,990,077 and, subject to review of the bank loans by the Foundation and certain other conditions, as of December 31, 2018 and 2017, respectively. In connection with certain of the above guarantees, the Foundation has pledged, as collateral, marketable equity mutual funds with a market value of $35,296,516 and $33,934,591 as of December 31, 2018 and 2017, respectively.

Should an entity default on a loan obligation, the Foundation would be responsible for payment of the obligation, but would also have full recourse against the entity for all rights outlined in the original loan obligation. Collateral rights are negotiated with the issuing bank on a per-guarantee basis. The Foundation provides for losses on guarantees when management determines a loss, after collateral recovery, is probable. Reserves for guarantee losses are included in guarantee liabilities. Unrealized gains on guarantees of $219,565 and $100,000 are included in the consolidated statements of activities for the years ended December 31, 2018 and 2017, respectively. In consideration for the guarantees, for-profit entities are required to pay certain fees in cash or stock to the Foundation.

The Foundation recorded a liability for the fair value of the obligation undertaken in issuing the guarantee. The Foundation has recorded liabilities totaling $30,013 and $48,406 related to guarantees extended at December 31, 2018 and 2017, respectively. The Foundation has recorded assets associated with these liabilities of $30,013 and $48,406 in other assets at December 31, 2018 and 2017, respectively.
TRUSTEES
W. Shepherdson Abell, Chairman
George L. Bunting, Jr.
Robert C. Embry, Jr.
Jacqueline Hrabowski
Stephon Jackson (on leave)
Mary Page Michel
Christy Wyskiel

OFFICERS
Robert C. Embry, Jr.,
President
Frances Murray Keenan,
Senior Vice President
Lynn Heller,
Vice President (ending January)
Sheryl Goldstein,
Vice President (beginning February)
Eileen M. O’Rourke,
Chief Financial Officer
Esthel M. Summerfield,
Executive Secretary

AUDITORS
McGladrey & Pullen, LLP

FINANCIAL ADVISOR TO THE BOARD
M. David Testa, former Vice Chairman and
Chief Investment Officer (retired)
T. Rowe Price Associates

STAFF
Tracey M. Barbour-Gillett,
Program Officer, Community Development

Wanda D. Gresham,
Office Manager

Elvis Guzman,
Program Officer, Health and Human Services

Elizabeth E. Harber,
Senior Program Officer, Community Development and Environment

Corrine Jimenez,
Grants Associate

Alice Jones,
Executive Assistant to the Chief Financial Officer

Kathleen Larkin,
Controller

Bonnie S. Legro,
Senior Program Officer, Education

Sarah D. Manekin, Ph.D.,
Director of Research and Publications

Katherine McMullen,
Analyst and Executive Assistant to the Senior Vice President

Amanda C. Owens,
Program Officer, Criminal Justice and Addiction

Randy Reitenauer,
Senior Accountant

Terry L. Staudenmaier,
Senior Program Officer, Health and Human Services

Melanie Styles,
Program Officer, Workforce Development