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A B E L L  
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F O U N D A T I O N  
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ANNUAL REPORT  
2016

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

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## In Memoriam

Gary Black, Jr. died on February 25, 2017 in Sun Valley, Idaho. He was chairman of the board of the Abell Foundation since 1987, when he succeeded his father in that position.

Mr. Black led the board following the sale of the A. S. Abell Company in 1986, when the Foundation's assets grew considerably. It was a time of transition from a foundation that had directed most of its grants to private schools and cultural organizations to one that seeks to meet the systemic educational, social, economic, and environmental challenges facing Baltimore and Maryland. A keen skier and outdoorsman, Mr. Black is remembered particularly for his enthusiasm for the Foundation's environmental initiatives.

He was unfailingly cheerful and warm. Born in Baltimore, Mr. Black spent the majority of his life here, but moved to Waitsfield, Vermont, and then to Sun Valley, to pursue his passion for outdoor activities. From wherever he lived, he kept in close touch with events in Baltimore. He always had a kind and encouraging word for Foundation staff and his fellow trustees. His lively presence and leadership at board meetings will be greatly missed.



## Foreword

The wave of violence that swept Baltimore in 2015 continues to engulf our city. We witnessed 318 homicides in 2016, making it the second-deadliest year in the city's history, and we saw increases in nonfatal shootings. The trauma associated with this violence has left a deep mark on our communities and, particularly, our children. It strains relationships and resources. It fuels anger and hopelessness. And it compels us to act.

In 2016 we helped launch the Johns Hopkins-Baltimore City Police Collaborative for Violence Reduction to promote more effective policing and continued our support of Safe Streets, an evidence-based model of crime prevention. We supported justice reinvestment efforts, expanded a mediation program for police and youth, and issued a report on the necessity for bail reform to help reduce the number of our citizens held in jail without trial.

We know that violence is most rampant in neighborhoods deeply affected by poverty, disinvestment, and isolation. The work profiled in these pages illustrates actions we have undertaken to address inequities and facilitate meaningful opportunities. These efforts include providing vision care for students; offering essential resources to immigrant families; supporting healthy food access and community markets; resolving student loan debt; building a pipeline for early college access; securing earned assets to help build wealth; and laying the foundation for an equitable transition to clean energy.

We face many challenges in Baltimore. But the Abell Foundation is fortunate to work with individuals, organizations, and companies that are building a brighter future for the city through their creativity, collaboration, and commitment. These programs and partners offer vital reminders of Baltimore's collective power and capacity to affect change.

We are proud to share this report of our activities in 2016.

## Leveraging Research to Support Effective Policing

While Baltimore experienced significant reductions in gun violence from 2007 to 2011, those reductions stalled between 2011 and 2014. In 2015, homicides surged to historic highs and continued unabated in 2016. The Baltimore Police Department (BPD) has tried to reduce violence through strategies such as zero-tolerance policing and aggressively combatting the illegal drug trade and gangs. Most of these efforts have not been scientifically evaluated for their impact on violent crime, and there has been no research on their impact on residents' views of the police.

Trust between police and community residents has also frayed in recent years, with community frustrations culminating in the uprising after Freddie Gray's death in April 2015. As a result of this lack of trust, police have found it difficult to gain the necessary cooperation from witnesses to get violent criminals off the streets. BPD has faced additional challenges related to recruitment and professional development of command staff, inadequate technology, and insufficient capacity for data collection and analysis.

In an effort to identify more effective, data-driven strategies to reduce violence and address the ongoing challenge of building trust between police and residents, the Baltimore Police Department and researchers at the Johns Hopkins University Bloomberg School of Public Health came together to form a research collaborative. The Abell Foundation supported their efforts with a grant of \$250,000 in December 2015. Under the leadership of Daniel Webster, director of the Johns Hopkins Center for Gun Policy and Research, researchers met with Police Commissioner Kevin Davis and others in his command staff to identify priority areas for the collaborative. Its focus is on how to help BPD organize, collect, and analyze data to support legislative efforts, more effectively respond to violence, and improve police-community relations. Specific initiatives undertaken by the collaborative in 2016 include the following:

- A joint Gun Violence Enforcement Division (GVED) between BPD and the State's Attorney's Office (SAO) was created. Johns Hopkins will be tracking and analyzing court outcomes to help inform the partners of ways to more effectively prosecute cases of illegal gun possession.
- Johns Hopkins has provided data and synthesized relevant research to support ongoing legislative efforts to better address gun violence and improve legislation that currently makes it difficult to prosecute gun offenders.
- The researchers are developing new protocols for conducting proactive gun law enforcement that results in greater public safety, fewer illegal searches, and fewer complaints against officers. The protocols will be both data-driven and informed from experts and the community.

- To increase the effectiveness of the police department’s recruitment efforts, researchers have been reviewing candidate applications from 2013 to 2016 to recommend changes to BPD applicant criteria and current recruitment techniques.

## Providing Vision Care for Students

Vision and academic success are inextricably intertwined. A 2010 Abell Report titled “Why Can’t Johnny Read?” cautioned: “Left undetected and uncorrected, vision problems can interfere with reading and other visual skills that are critical to academic success.” The report examined Baltimore City’s school-based vision screening program, which is run by the Baltimore City Health Department (BCHD), and identified several shortcomings in the way the program was administered at the time. Among the gaps highlighted in the Abell Report:

- Students were screened once in pre-K or kindergarten, and then again in first and eighth grades, leaving a seven-year gap between screenings. While this schedule complies with state law, it left many students at risk for developing vision problems that could go undetected for years.
- Even in the grades that were screened, many students were not screened, primarily due to absence on the day of the scheduled screening.
- While BCHD notified parents when their children failed the school-based screening, it was left to the parents to get the follow-up care that their children needed. In nearly half of the cases in which the child failed the screening, BCHD had no documentation that the student received glasses or other follow-up care.
- Concerns about patient confidentiality and limited communication between BCHD and school personnel resulted in little or no information sharing with school principals and teachers regarding students’ vision impairments.

### Baltimore City Health Department

In response to the Abell Report, BCHD has overhauled its school-based vision screening program, and incorporated a number of new features that address the challenges identified in the report. In 2016, supported by a \$500,000 grant from the Abell Foundation, BCHD launched a three-year pilot project called Vision for Baltimore, which aims to test and evaluate these new features. To implement Vision for Baltimore, BCHD is partnering with Baltimore City Public Schools; Johns Hopkins University (JHU); eyeglass retailer Warby Parker; and Vision to Learn (VTL), a national nonprofit organization that provides free eye exams and glasses to students in low-income communities.

Under the new model, BCHD will screen every student in pre-K through eighth grade in Baltimore City Public Schools over the course of the three-year pilot project, thus screening approximately one-third of students in these grades during each school year. VTL provides follow-up eye exams and glasses, donated by Warby Parker, using a mobile clinic that travels to the schools—a model that VTL has implemented in other

school districts around the country. BCHD, together with Baltimore City Public Schools, is implementing a communications and engagement strategy to inform school personnel and parents about Vision for Baltimore, and ensure they know that students can now get glasses free of charge at school. In the first year of implementation, Vision for Baltimore has screened more than 17,000 students and provided more than 1,000 pairs of glasses.

### **Johns Hopkins University**

With the support of a \$120,000 Abell Foundation grant, the JHU School of Education and Wilmer Eye Institute are conducting an evaluation of the Vision for Baltimore project to study the impact of vision treatment on academic performance. JHU will compare standardized test scores of students who receive glasses in year one of the project with students in a matched group of schools that are visited during years two and three of the project. In addition, the JHU researchers will assess the impact of providing glasses on student grade retention and disciplinary referrals. At the same time, the researchers will work closely with school personnel to design, implement, and evaluate strategies to encourage students to wear their glasses in school.

If the findings of the JHU evaluation demonstrate a positive impact on student academic performance, the Vision for Baltimore project partners will use the findings to advocate for sustainable funding for this expanded vision screening and treatment model, and for implementation of strategies to engage teachers and school administrators in efforts to encourage use of glasses.

### **Providing Essential Resources that Support Immigrant Families**

In 2016, the National Academies of Sciences, Engineering, and Medicine reported that immigration has a positive impact on long-term economic growth, innovation, and entrepreneurship. These contributions are visible in Baltimore's growing immigrant population. An Abell-funded report, "Attracting New Americans into Baltimore's Neighborhoods," released in 2014 by the Mayor's Office of Immigrant and Multicultural Affairs and the New Americans Task Force, found that immigrants in Baltimore own 21 percent of all the City's businesses, while only being 7 percent of the population. Immigrant households also earn a slightly higher median income, and have lower poverty and unemployment rates, when compared to native-born households. Despite these positive contributions, these families are at a heightened risk of social and economic instability due to devastating experiences that brought them to our City and the many challenges they encounter once here.

Baltimore's foreign-born population stood at almost 48,000 in 2015, a 60 percent increase since 2000. Part of this growth is the result of an inflow of refugees and unaccompanied minors to the region. According to the Maryland Office of Refugees and Asylees, between 2012 and 2016, more than 8,200 refugees and nearly 4,000 asylees were resettled in Maryland, with the largest share of them

resettled in Baltimore City. These individuals and families come from a number of countries, including Burma, Bhutan, Eritrea, Iraq, Iran, Cameroon, and Congo. The number of unaccompanied minors relocating to the Baltimore region has also increased drastically as a result of the national surge in children crossing the U.S.-Mexico border. Most of these children are fleeing gang and drug violence, persecution, and poverty in Central American countries like Guatemala, Honduras, El Salvador, and Nicaragua. In fiscal year 2016, 3,871 unaccompanied children who were caught by immigration authorities while crossing the border were released to families or caregivers in Maryland, a 215 percent increase from fiscal year 2015.

Many of these new Americans have experienced displacement and loss, and must learn to adapt to a new and completely foreign culture and language. As a result, these families face significant barriers to accessing necessary services, such as legal assistance, housing, education, and health care. Despite the trauma, however, these resilient individuals are searching for a better life for themselves and their family, and are looking to be part of a welcoming and caring community.

In recognition of the positive impact immigrant and refugee families bring to our City, and the challenges they face once they arrive, the Abell Foundation supports several programs that assist with stabilization:

### **Esperanza Center**

The Esperanza Center is a resource program operated by Catholic Charities of Baltimore that provides a range of services, including legal assistance; a health clinic; English language instruction; citizenship classes; and general client support services, such as translation, family reunification, and resource referrals. In 2015, with the support of a grant from the Abell Foundation, the Esperanza Center launched a new English as a Second Language (ESL) program specially designed to meet the needs of unaccompanied minors. In 2016, Esperanza expanded its programming to serve more children. Most of these children arrive speaking little or no English, and are placed in public school classes based on their age, regardless of their English proficiency or lack of formal education in their home countries. Esperanza Center is currently the only after-school youth program in Baltimore City that primarily focuses on ESL instruction. Since its inception, the program has served 260 middle and high school students, all of whom advanced between one and three proficiency levels during the course of their participation. In addition to teaching English, program staff and volunteers assist the students with homework, and weave in lessons on U.S. culture and civics, educational games, art and media projects, field trips, and presentations by guest speakers.

### **Kids in Need of Defense (KIND)**

KIND is the only national organization dedicated solely to providing pro bono legal representation to unaccompanied immigrant and refugee children in deportation proceedings. Headquartered in Washington, D.C., KIND has field offices in 10 cities, including Baltimore. The Baltimore office currently has an open caseload of more than 700 clients throughout Maryland, with Baltimore City, and Prince George's and Montgomery counties being the primary jurisdictions where their clients are placed.



With funding from the Abell Foundation, KIND is in the process of adding a full-time Social Services Coordinator (SSC) to serve about half of the clients in its Baltimore Office. This staff position will assess the clients to determine their needs and barriers to receiving services, and develop a comprehensive service plan. The coordinator will also document the outcomes of service referrals and crisis intervention to help assess the impact of this model.

### **Tahirih Justice Center**

The Tahirih Justice Center partners with pro bono attorneys to provide legal services to women and girls seeking protection from gender-based human rights issues. In 2012, with support from the Abell Foundation and other private and government partners, Tahirih established a full-time office in Baltimore. Services provided include immigration relief (including asylum), relief under the federal Violence Against Women Act, and visas for victims of trafficking who are willing to cooperate with law enforcement. Tahirih's staff attorneys have significant expertise in these emerging areas of the law, and maintain a 99 percent success rate in the cases they handle. In addition to legal services, Tahirih provides case management support to clients, including safety planning, goal setting, and referrals to health and social service providers to help clients rebuild their lives. As part of the grant provided by the Abell Foundation in 2016, the Tahirih Justice Center proposed to provide legal services to more than 200 women and girls, in addition to supportive case management for at least 50 women and girls.

### **Intercultural Counseling Connection (ICC)**

ICC recruits and trains mental health professionals to provide pro bono therapeutic care and counseling for refugee individuals and families in the Baltimore area. ICC mental health professionals partner with trained interpreters to serve refugees who have experienced significant violence and trauma. In fiscal year 2016, these pro bono therapists provided more than 600 hours of therapy to more than 100 individuals. Clients are referred to the ICC from a number of sources, including the International Rescue Committee, Asylee Women Enterprise, Esperanza Center, Tahirih Justice Center, and other service providers that work with refugees and asylees. Clients are screened and matched with one of ICC's volunteer therapists, and ICC arranges and pays for the services of trained interpreters as needed. To assess client progress, ICC therapists use the Global Assessment of Functioning (GAF), which is a widely used tool designed to assess the impact of mental health problems on a client's ability to function effectively. In addition, over the past year, ICC has begun using a validated tool called the Harvard Trauma Questionnaire as the primary assessment tool for clients who are asylum-seekers or require psychological evaluations. Over the course of its Abell grant, ICC provided five training workshops for participating therapists with about 20 clinicians in each workshop, and provided about 50 hours of therapy per month.

## Supporting Food Access and Community Markets

Residents in Sandtown, Upton, and Druid Heights experience unequal access to jobs, education, transportation, and even groceries, with profound effects on their health and well-being. Residents in Bolton Hill live an average of 20 years longer than their neighbors in Druid Heights. One of the contributing factors to inequality in life expectancy is access to healthy food. In June 2015, the Johns Hopkins University Center for a Livable Future and Baltimore City issued food maps showing that Central West Baltimore contains the two largest food deserts in Baltimore City.

Since 2008, the No Boundaries Coalition has worked across neighborhoods in Central West Baltimore to overcome issues that have maintained racial and economic segregation. In 2010, the Coalition identified increasing access to healthy food as a top priority. Advocates from the Coalition mapped every store in the community where residents can purchase fresh produce and every outlet in the community where residents can purchase hard alcohol. The ratio was 10 liquor stores to one produce store. Based on community surveys by the Coalition, 70 percent of residents bought their groceries outside the neighborhood, generating additional burdens in terms of transportation and cost.

With support from the Abell Foundation, the No Boundaries Coalition launched a series of steps toward increasing access to and consumption of fresh produce in Central West Baltimore. “Fresh Beets” was a series of pop-up produce marts held bi-weekly throughout the fall and winter of 2015 at the Avenue Market located on Pennsylvania Avenue. These pop-up marts sold 7,000 pounds of produce and served more than 200 senior residents from three local senior living facilities. The success and weekly sell-out of the pop-up market allowed the Coalition to consider year-round sales at the market.

In early 2016, “Fresh at the Avenue” launched as a volunteer-run one-day-a-week produce stall at the Avenue Market. Its opening coincided with the closure of the remaining supermarket in the community, Murray’s, which was the closest grocery store for many residents in Sandtown, Upton, and Druid Heights. Supplied by Whole Foods and local urban farms, the Fresh at the Avenue stall has since expanded its operations to two days a week, and is supported by resident volunteers who dedicate their time to running the produce mart in exchange for free produce. The stall typically sells out of produce each week.

Under agreements brokered by the No Boundaries Coalition, Fresh at the Avenue also serves as a produce supplier for local merchants participating in Baltimore City Health Department’s Healthy Corner Store Program. Those stores in turn are able to sell produce—such as apples, grapes, tomatoes, and bananas—on a daily basis. To date, the Coalition has sold 17,000 pounds of produce to an estimated 1,600 customers.

## Resolving Student Loan Debt

The legacy of federal student loan debt can follow the borrower for a lifetime. More than 40 million Americans owe more than \$1 trillion in some type of student loan debt, according to the Consumer Financial Protection Bureau. Most student loan debt is not dischargeable in bankruptcy, unlike other types of debt such as credit card or mortgage debt, and there is no statute of limitations for collection on federal student loans. Collection on defaulted student loans can be aggressive and follow borrowers for a lifetime. Delinquent borrowers face wage garnishments, Social Security and SSDI offsets, and seizure of tax refunds. However, for qualified borrowers, particularly those with lower incomes, options to consolidate or refinance loans or create payment plans exist for as little as \$5/month.

Since 2014, Civil Justice has assisted low-income Baltimore residents as they seek resolutions to the residual problems caused by their inability to pay their federal student loan debt, which was incurred when individuals borrowed funds to pay tuition and fees associated with for-profit colleges and vocational schools. Unfortunately, many of these schools engaged in fraudulent practices, leaving students unable to secure employment upon graduation. Other students found their schools went out of business before they could complete their coursework.

These former students find themselves in a challenging position. They now have student loan debt, but are unable to secure the higher paying employment that would allow them to repay the loan. Some former students in search of loan relief also fell victim to incomplete or inaccurate information provided by debt-relief services. The legacy of the for-profit school debt for some of Civil Justice's clients dates back 20 years or more, affecting the financial health of families over many decades.

With Abell Foundation support in 2016, Civil Justice's Student Loan Project provided legal representation to low-income borrowers and helped address their student loan debt. The Project has assisted 70 individuals to screen for loan cancellation options, initiate income-driven repayment plans, and consolidate their loans. Civil Justice utilized targeted efforts to increase public awareness around issues of student loans and higher education affordability.

To date, clients served by Civil Justice have secured a total of \$143,857 in loan discharges or cancellations. An additional \$95,688 in loan-discharge applications are currently pending initial decision or are on appeal. In addition, Civil Justice has helped borrowers avoid a total of \$97,301 in student loan debt that was being wrongfully sought by debt collectors and loan servicers due to identity theft, fraud, or mistake. These remedies have led to affordable loan payments and new opportunities to secure education and training that will ultimately lead to higher wages and better quality of life for families.

## Building the Pipeline of Early College Opportunities in Baltimore City

Early college high schools and dual enrollment programs offer high school students the chance to enroll in college courses and earn transferable college credit while they are still pursuing a high school diploma. The traditional population for this opportunity is typically the top-performing students for whom Advanced Placement (AP) or International Baccalaureate (IB) courses are either not available or not of interest. Increasingly, however, dual enrollment is being offered to a broader range of students as a strategy for improving college enrollment, college academic behaviors, and ultimately, college success.

The Abell Foundation's investment in this area is premised on studies like those conducted in 2012 by the Community College Research Center, which found that high school dual enrollment participants are more likely to enroll and persist in college, earn higher GPAs during college, and accumulate more college credit.

Maryland's College and Career Act of 2013 recognizes the potential of early college access, and calls for the expansion of dual enrollment in the state. Unfortunately, it leaves school districts to foot the reduced tuition bills for low-income students. Early college and dual enrollment opportunities have not been widely available to Baltimore's high school students, particularly those in schools that don't offer AP or IB coursework. In addition, students have often struggled to pass the ACCUPLACER exam required by colleges as a precondition for enrollment. According to a December 2016 report to the Maryland General Assembly, only 2 percent of Baltimore City Public Schools' 12th grade students participated in dual enrollment opportunities in 2015 as compared to a state average of 11 percent. The same study highlights the strong correlation between participation in dual enrollment in high school and subsequent college enrollment: 80 percent of Baltimore City students who participated in dual enrollment in 2014 enrolled in college after high school graduation, compared to 42 percent of all graduates of City schools.

Over the last two years, a number of Abell-funded early college initiatives have served 225 Baltimore City ninth through 12th grade students, providing opportunities to take college courses and earn college credit at Bard College, the University of Baltimore, Coppin State University, and Community College of Baltimore County. Heading into the 2017-2018 school year, there are now close to 500 dual enrollment "seats" for students attending Baltimore City Public Schools.

### **Bard High School Early College in Baltimore (BHSEC)**

With a start-up grant from the Abell Foundation in 2014, BARD College opened its national early college high school in Baltimore in fall 2015, becoming only the second early college high school in Maryland. BHSEC is a four-year public high school that allows students to take a two-year, tuition-free college course of study in the liberal arts and sciences following the ninth and 10th grades. BHSEC students graduate with a high school diploma and up to 60 Bard College credits and an associate degree. The

first cohort of 44 Bard graduates who began in 11th grade in Fall 2015 graduated in June 2017. Approximately 97 percent completed the program, and 65 percent are expected to earn both a high school diploma and a two-year associate degree. Graduates have been accepted at colleges such as University of Maryland College Park, UMBC, Colorado State, Bard, Bucknell, Northwestern, Drexel, Temple, Goucher, Hood, St. Mary's College, St. John's University, Frostburg, Notre Dame of Maryland, and Stanford. In 2016, the Abell Foundation also funded Bard's innovative, accredited teacher certification pathway that enables college faculty to become certified to teach secondary education in Baltimore's high schools: 11 Bard faculty members received Maryland K-12 teacher certification in the first year.

### **Coppin State University's P2P Program**

Coppin's Pathways to Professions (P2P) began in July 2016 as a pilot for 42 students from Coppin Academy high school. Designed to help underserved and/or low-income students overcome obstacles to college enrollment and completion, it utilizes core features of dual enrollment programs and supplements them with additional supports. First, rather than rely on ACCUPLACER tests to determine eligibility, Coppin has broadened the admission criteria to include a GPA of 3.0 with exemptions granted based on recommendations from school administrators. Second, Coppin provides a streamlined pathway through an early college dual enrollment program with wraparound services to ensure success. Students travel to campus and take courses such as College Writing, Algebra II, and Foundations of Computer Science alongside college students. A critical component of P2P's early success has been the high-touch success strategies provided by Coppin staff. All students participate in a weekly "Abell seminar" led by a faculty mentor that offers accelerated learning and tutoring, and workshops on essential skills such as time and stress management, study skills, and strategies for balancing academic and social lives.

The success of the pilot spurred the expansion of the program from Coppin Academy to four additional City high schools within walking distance of Coppin State's campus. In 2017-2018, up to 135 high school students will enroll in credit-bearing courses at Coppin State University while simultaneously fulfilling high school requirements. Credit earned can be granted toward a bachelor's degree at Coppin or can be transferred to a two- or four-year college in Maryland.

### **University of Baltimore (UB) Dual Enrollment Program with Baltimore City Public Schools**

University of Baltimore has been a leader in connecting Baltimore City public school students with college-prep and early college opportunities while removing the barriers imposed by college placement tests like ACCUPLACER. With funding from the Abell Foundation, Baltimore City Public Schools, and University System of Maryland, UB launched a citywide dual enrollment program in 2016 as part of its B-Power college-ready initiative. In the first semester of the program, 50 11th and 12th graders—who qualified on the basis of grades or having completed the UB College Ready Course—took college-level math and English courses at the campus

before and after school. These credits will automatically transfer to any Maryland university and enable students to begin college without remediation.

### **University of Baltimore/KIPP Baltimore: Countdown to College College-Prep Summer Program**

In partnership with the University of Baltimore, KIPP Baltimore expanded its five-week college-prep summer program for rising juniors and seniors to include a one-credit college course entitled “Divided Baltimore” at no cost to students. The addition of this course offered a valuable enticement to participating students: by successfully earning a college credit in the summer, they would be eligible to enroll in additional dual enrollment coursework at the University of Baltimore for the following fall and spring semesters.

During the summer of 2016, 55 Baltimore City rising juniors and seniors participated in Countdown to College and began the college application process: preparing for the SAT, completing college essays and resumes, learning about financial aid, and creating a personalized list of scholarships. Thanks to a partnership with Baltimore’s YouthWorks, most of the participants earned a stipend for their training, all of which occurred on the University of Baltimore college campus. All but one of the Countdown to College students earned the college credit for completing the “Divided Baltimore” course. KIPP expects that 91 percent of participating students will enroll in college in the fall following high school graduation.

### **Early College Research and Policy in Maryland**

In 2016, the Abell Foundation commissioned a report by the Maryland Equity Project at the University of Maryland College of Education to study implementation of dual enrollment in four Maryland counties, including Baltimore City. The resulting report, “Dual Enrollment in Maryland and Baltimore City, An Examination of Program Components and Design” (May 2017), finds wide variation in how counties in Maryland organize, support, and fund dual enrollment. Across the state, however, dual enrollment is an unfunded state mandate that shifts tuition costs onto school districts—particularly those that serve low-income students—and, to a lesser extent, onto colleges. As a result, the report highlights the limited participation in dual enrollment, particularly among lower-income students in districts like Baltimore City. The report advocates for the potential of dual enrollment and recommends full state funding of tuition for dual enrollment and related student support services, smooth transfer of college credits, continued evaluation, and incentives to develop other program models that offer early college.

### **Securing Earned Assets and Building Wealth**

A person in Baltimore working full time at minimum wage earns about \$18,200, which is roughly \$2,000 below the poverty level for a family of three (or \$20,168). The Earned Income Tax Credit (EITC), a refundable tax credit for low- to moderate-income working individuals and families, reduces the amount of taxes that are owed, often providing

a refund. The EITC is effective: According to the Center on Budget and Policy Priorities, the EITC lifts more children out of poverty than any other program, and is second only to Social Security in lifting people out of poverty overall. In 2013, the EITC kept 6.2 million Americans, including 3.2 million children, out of poverty. Research shows that the EITC both boosts employment rates among parents and has long-term positive impacts on children such as better school performance, which can translate into higher earnings when these children become adults.

Despite its effectiveness, however, each year approximately 25 percent of eligible workers do not claim the EITC. In Baltimore City, it is estimated that low-income earners fail to claim \$14 million annually. Approximately 67 percent of those who do file for the EITC use a commercial preparer, where they are often offered high-cost Refund Anticipation Checks to process their return and receive their refund. As a result, between 25 percent and 50 percent of their refund can be stripped away, leaving less money to pay for basic needs, reduce outstanding debt, or save.

The Baltimore CASH Campaign—Creating Assets, Savings, and Hope—was launched in 2001 to increase access to the EITC. The Campaign is a diverse coalition of partners that provides free tax preparation at different locations throughout Baltimore, and helps eligible individuals and families to file tax returns, avoid predatory fees, and claim the EITC. Over the past 15 years, Baltimore CASH has prepared and filed more than 100,000 free tax returns, helping working families and individuals to claim almost \$191 million in refunds and tax credits. These efforts have saved these tax payers an estimated \$15 million in unnecessary filing fees. In 2016, with a \$100,000 grant from the Abell Foundation and support from others, the CASH Campaign filed 9,258 tax returns, resulting in \$18 million in refunds, including \$5 million in EITC. The average combined state and federal EITC refund was \$1,818.

Baltimore CASH trains its cadre of 200 volunteers each year to provide free tax preparation as a gateway for building clients' assets. After April 15th, an estimated 3,000 clients participate in a variety of financial education classes, individual and group financial coaching services, customized benefits access screening, and case management services. In 2016, clients directed \$429,651 of their refunds to savings accounts, savings bonds, and prepaid cards.

## **Laying the Groundwork for an Equitable Transition to Clean Energy**

Coal, oil, and gas account for 85 percent of fuel use in the United States. Burning fossil fuel creates pollution that not only accelerates climate change but also leads to lung disease, asthma attacks, heart ailments, cancer, and premature deaths. The problem is particularly acute in Baltimore's low-income neighborhoods surrounding the city's industrial and port-related facilities.

The good news is that Maryland, along with other states in the country, is in the midst of a transition to clean energy. Decisions about how—and how equitably—



the state will generate, consume, and distribute renewable energy in the coming decades are being made by Maryland's Public Service Commission (PSC) in these early years of the transition.

Earthjustice is a leading national environmental law organization that has experience working with public utility commissions around the country. In 2014, the Abell Foundation, in partnership with other foundations, identified Earthjustice as a potential partner to represent renewable energy and equity interests before the Maryland PSC. In two PSC proceedings in 2015 and 2016—EmPOWER Maryland in 2015 and community solar in 2016—Earthjustice and its clients (Natural Resources Defense Council, Chesapeake Climate Action Network, and Sierra Club, among others) played a key role in securing commitments to equitable access to renewable energy.

Maryland's EmPOWER program requires the state to achieve a certain level of annual energy savings from efficiency programs. The law was first passed in 2008 and was set to be reviewed by the PSC in 2015. Thanks in large part to Earthjustice's advocacy during the 2015 EmPOWER proceeding, the PSC issued a landmark order adopting a rigorous new energy efficiency mandate of 2 percent gross annual savings. This mandate was accompanied by specific instructions for developing energy savings goals for programs benefiting low-to-moderate income (LMI) customers—also advocated by Earthjustice. Maryland is now among the top-five states in the country in terms of commitment to energy efficiency.

In 2016, the PSC issued regulations for a three-year community solar pilot program. (Community solar, also called "virtual net metering," enables customer investment in offsite generation of solar power in exchange for proportional credit on the customer's utility bill.) During the community solar proceeding, Earthjustice advocated that 30 percent of total program capacity should be reserved specifically for LMI customers who would otherwise be priced out of participation. This carve-out was adopted as part of the final regulation, which means that LMI customers who are either renters or cannot afford to install solar panels on their own rooftops are now legally ensured participation in community solar—and access to the cost savings that the solar power provides.

The energy efficiency and clean energy successes of Earthjustice and its clients over the past several years have demonstrated that smart, strategic intervention in Maryland's PSC process can and has made a difference. Earthjustice's representation of organizations focused on equitable access to renewable energy has provided an essential counter-balance to the legal representation of more traditional utility and fossil fuel-based interests. Access to clean energy and energy efficiency programs has the potential to greatly benefit Baltimore's low-income communities, just as it already benefits those who can afford the upfront costs. Yet it won't happen at scale without a regulatory framework conducive to equitable access, and Earthjustice has been an important part of establishing that framework thus far in Maryland.



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A B E L L  
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F O U N D A T I O N  
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2016 GRANTS

## ARTS

**Baltimore Office of Promotion and the Arts.....\$25,000**

**Baltimore, MD**

For support of Free Fall Baltimore 2016.

**Hippodrome Foundation, Inc.....\$27,500**

**Baltimore, MD**

For support of Phase II of the M&T Bank Pavilion Use and Feasibility Study.

**Single Carrot Theatre.....\$35,000**

**Baltimore, MD**

For support of acoustical improvements and planning to enable Single Carrot Theatre to serve as a home for multiple nonprofit theatre companies.

**Spotlighters Theatre.....\$10,000**

**Baltimore, MD**

For the acquisition of a new property at 123 North Howard Street.

## COMMUNITY DEVELOPMENT

**1000 Friends of Maryland.....\$100,000**

**Baltimore, MD**

For continued support of the Sustainable Growth for Maryland campaign.

**Baltimore Corps.....\$100,000**

**Baltimore, MD**

For support of Baltimore Corps: Expanding Reach and Deepening Impact fellowship program.

**Baltimore Festival of the Arts, Inc.....\$150,000**

**Baltimore, MD**

For support of the 2017 Light City Baltimore festival.

**Baltimore Green Space.....\$26,000**

**Baltimore, MD**

For support of the Green Spaces and Forests: Stewardship and Preservation program.

**Baltimore Tree Trust.....\$40,000**

**Baltimore, MD**

Toward support of general operating funds for staff salaries.

**Baltimore Urban League.....\$150,000**

**Baltimore, MD**

For support of the Raymond V. Haysbert Center for Entrepreneurship, an effort to develop small and minority-owned businesses in low-income neighborhoods.

**Banner Neighborhoods Community Corporation.....\$35,000**

**Baltimore, MD**

For support of the Senior Home Maintenance Program, which allows elderly and disabled individuals to continue to live in their own homes.

**Civic Works, Inc.....\$300,000**

**Baltimore, MD**

For support of increased food production and improvement of food access for low-income Baltimore communities.

**Civic Works, Inc.....\$115,000**

**Baltimore, MD**

For support of the Tiny House pilot program.

**Civic Works, Inc.....\$200,000**

**Baltimore, MD**

For support of strengthening the financial resilience of low-income Baltimore homeowners through critical energy efficiency, health, and safety improvement services.

**Civil Justice, Inc.....\$65,000**

**Baltimore, MD**

For support of the Student Loan Borrower Protection Project: Easing Economic Hardship Caused by Student Loan Debt, a program for low-income Baltimore City residents.

**Community Law Center, Inc.....\$100,000**

**Baltimore, MD**

Toward support of the Tax Sale Workgroup & Baltimore Open Land Data Project to advance citywide collaboration around vacant properties while developing a data-driven tool to inform revitalization efforts.

**Downtown Partnership of Baltimore.....\$34,898**

**Baltimore, MD**

For support of updated landscaping to Penn Station.

**Emerging Technology Centers, Inc.....\$270,000**

**Baltimore, MD**

For support of expenses related to Accelerate Baltimore.

<b>Farm Alliance of Baltimore, Inc.....</b>	<b>\$35,000</b>
<b>Baltimore, MD</b>	
For support of the initiative, Increasing Healthy Food Access Points through Strategic Partnerships.	
<b>Greater Remington Improvement Association.....</b>	<b>\$17,623</b>
<b>Baltimore, MD</b>	
For revitalization of neighborhood amenities and green space at the Wyman Park playground.	
<b>Healthy Neighborhoods, Inc.....</b>	<b>\$150,000</b>
<b>Baltimore, MD</b>	
For support and expansion of the Healthy Neighborhoods Core program.	
<b>Innovative Housing Institute.....</b>	<b>\$20,000</b>
<b>Baltimore, MD</b>	
Toward providing leadership and technical assistance to implement the Regional Plans for Sustainable Development.	
<b>Intersection of Change.....</b>	<b>\$30,000</b>
<b>Baltimore, MD</b>	
For support of a feasibility study and plan for the development of a mixed-use building in Sandtown.	
<b>Invested Impact.....</b>	<b>\$75,000</b>
<b>Baltimore, MD</b>	
In support of a two-year initiative to invest in nonprofit founders and social entrepreneurs of color in Baltimore.	
<b>Johns Hopkins University Whiting School of Engineering.....</b>	<b>\$100,000</b>
<b>Baltimore, MD</b>	
For support of the Baltimore Healthcare Innovator Retention Program for Johns Hopkins engineering graduate students.	
<b>Latino Economic Development Center.....</b>	<b>\$50,000</b>
<b>Washington, DC</b>	
For continued support of the Baltimore Small Business Services Program.	
<b>Le Mondo.....</b>	<b>\$200,000</b>
<b>Baltimore, MD</b>	
In support of rebuilding the vacant properties on the 400 block of North Howard Street to create an artist-owned performing arts complex.	
<b>Maryland Consumer Rights Coalition, Inc.....</b>	<b>\$41,000</b>
<b>Baltimore, MD</b>	
For support of the LIFT (Low Income Forgotten Tax) Program.	

**Neighborhood Housing Services of Baltimore, Inc.....\$30,000**

**Baltimore, MD**

For continued support of the Tax Sale Prevention Loan Program.

**The No Boundaries Coalition.....\$35,000**

**Baltimore, MD**

For support of the Healthy Food Access and Food Justice Program in Central West Baltimore.

**The Peale Center for Baltimore History and Architecture.....\$10,000**

**Baltimore, MD**

For support of reopening the vacant Peale Museum as a history and architecture center.

**People's Homesteading Group.....\$18,000**

**Baltimore, MD**

To strengthen organizational financial management by completing a financial audit for the year ending June 30, 2015, and engaging a certified public accountant and bookkeeper.

**Public Justice Center, Inc.....\$150,000**

**Baltimore, MD**

Toward continued support of the Rent Court Reform Initiative of the Right to Housing Project.

**Rebuilding Together Baltimore.....\$43,750**

**Baltimore, MD**

For support of a handyman program for low-income seniors.

**Southeast Community Development Corporation.....\$15,000**

**Baltimore, MD**

For support of YouthWorks, a summer youth employment program for at-risk youth in East Baltimore.

**St. Ambrose Housing Aid Center.....\$100,000**

**Baltimore, MD**

For support of increasing access to affordable housing.

**Strong City Baltimore.....\$60,000**

**Baltimore, MD**

In support of advancing the City's Leveraging Investments in Neighborhood Corridors (LINCS) initiative and other investments to improve Greenmount Avenue.

**TRF Development Partners, Inc.....\$95,700**

**Baltimore, MD**

For legal fees and interest costs related to the renovation of 43 vacant buildings into 47 residential units in East Baltimore.

**Venture for America.....\$150,000**  
**New York, NY**

For support of the 2016 Venture for America Baltimore Program.

**Waterfront Partnership of Baltimore, Inc.....\$40,000**  
**Baltimore, MD**

For support of a second Trash (Water) Wheel to be placed at the outfall of Harris Creek.

**Youth As Resources (YAR).....\$20,000**  
**Baltimore, MD**

To sustain Youth As Resources' Workforce Development Initiative to further community organizing and leadership.

## **CRIMINAL JUSTICE & ADDICTION**

**ACLU Foundation of Maryland, Inc.**  
**Baltimore, MD.....\$100,000**

To support the ACLU of Maryland's Criminal Justice Project.

**Baltimore City Health Department**  
**Baltimore, MD.....\$118,650**

For costs related to the expansion of the Sandtown-Winchester Safe Streets site.

**Baltimore Police Department**  
**Baltimore, MD.....\$25,000**

For support of the Baltimore City Police Collaborative Public Safety Project.

**Baltimore Safe and Sound Campaign**  
**Baltimore, MD.....\$50,000**

For support of an organizing and communications strategy to promote justice reinvestment at the city and state levels.

**Behavioral Health System Baltimore**  
**Baltimore, MD.....\$100,000**

For support of the LEAD (Law Enforcement Assisted Diversion) program.

**Community Mediation Maryland**  
**Takoma Park, MD.....\$65,000**

To support a position to help expand the current reentry mediation program and to provide staffing and oversight to a newly started police complaint mediation process.

**FreeState Justice**

**Baltimore, MD.....\$40,000**

Toward continued support to provide legal representation and services for transgender commercial sex workers identified by the Transgender Action Group, and an evaluation of the program.

**FreeState Justice**

**Baltimore, MD.....\$20,000**

In support of increasing police accountability and cultural competency toward the LGBTQ community.

**Helping Up Mission, Inc.**

**Baltimore, MD.....\$200,000**

For costs of the commercial kitchen renovation and expansion of the 1023 East Baltimore Street building.

**The Ragpicker, Inc.**

**Baltimore, MD.....\$30,000**

For operating costs of an alcohol and substance abuse treatment program for men and women in Northeast Baltimore.

**Recovery In Community (RIC)**

**Baltimore, MD.....\$12,000**

To support the completion of the merger between Recovery in Community and Bon Secours Health System.

**EDUCATION**

**Archdiocese of Baltimore**

**Baltimore, MD.....\$50,000**

For support of the Partners In Excellence Scholarship Program, a tuition-assistance program for low-income Baltimore City families.

**Baltimore City Public Schools**

**Baltimore, MD.....\$113,985**

For support of SummerREADs, an Abell-initiative summer reading and book distribution program, in concert with the Weinberg Library summer program, for kindergarten through third-grade students in high-poverty, low-performing Baltimore City Public Schools.

**Baltimore Kids Chess League, Inc.**

**Baltimore, MD.....\$80,000**

For expenses related to the Baltimore Kids Chess League, an after-school chess program for elementary, middle, and high school students in up to 50 Baltimore City Public Schools.

**Bard College: Bard Early Colleges**

**Annandale-on-Hudson, NY.....\$62,100**

For support of a state alternative teacher certification pathway for college faculty to teach in high schools.

**BELL Foundation**

**Baltimore, MD.....\$25,000**

For support of the 2016 BELL Summer Program.

**Carnegie Institution for Science**

**Baltimore, MD.....\$30,000**

Toward continued support of the BioEYES science outreach education program for students in Baltimore City Public Schools.

**Child First Authority, Inc.**

**Baltimore, MD.....\$15,000**

For support of the Child First 2016 Summer Learning Camp.

**City Neighbors Foundation**

**Baltimore, MD.....\$17,970**

For support of improving math instruction at City Neighbors High School.

**Code in the Schools**

**Baltimore, MD.....\$100,000**

For support of the Baltimore Computing and Technology Consortium (BCTC).

**Coppin State University**

**Baltimore, MD.....\$32,000**

For support of Pathways to Professions (P2P): A Cross-Institutional Partnership for Early College Access and Success.

**Creative Alliance, Inc.**

**Baltimore, MD.....\$10,000**

For support of the Creative Alliance Accelerator.

**Digital Harbor Foundation**

**Baltimore, MD.....\$40,000**

For support of the DHF Center of Excellence for Innovation in Technology Education.

**Fund for Educational Excellence**

**Baltimore, MD.....\$75,000**

For continued support of Baltimore’s Promise, a citywide cradle-to-career initiative.

**Fund for Educational Excellence**

**Baltimore, MD.....\$25,000**

For support of the three-year implementation of the Chicago Parent Program in Baltimore City Public Schools.



**Fund for Educational Excellence**

**Baltimore, MD.....\$30,000**

In support of a deep analysis of Baltimore City Public Schools’ finances with recommendations for a five-year strategy to financially stabilize the district.

**Fund for Educational Excellence**

**Baltimore, MD.....\$48,500**

In support of the Baltimore City Public Schools’ VEX Robotics program.

**Fund for Educational Excellence**

**Baltimore, MD.....\$50,000**

For support of its ongoing and expanding analysis and engagement efforts.

**Green Street Academy, Inc.**

**Baltimore, MD.....\$85,000**

For support of the Integrated Internship and Apprenticeship Program.

**The Ingenuity Project**

**Baltimore, MD.....\$425,000**

For support of the 2016-2017 Ingenuity Project, an advanced math, science, and research program for Baltimore City public middle and high school students.

**Johns Hopkins University School of Education**

**Baltimore, MD.....\$62,000**

For the salary of a full-time research and policy analyst.

**KIPP Baltimore, Inc.**

**Baltimore, MD.....\$49,500**

For expansion of the 2016 KIPP Through College Countdown to College summer program.

**The Literacy Lab**

**Washington, DC.....\$50,000**

For the launch of a literacy tutoring intervention for grades K-3 in 11 Baltimore City Schools.

**Macedonia Life Community Development Corporation**

**Baltimore, MD.....\$13,650**

For support of the 2016 summer program at the Learning Enrichment Center.

**Maryland Alliance of Public Charter Schools**

**Baltimore, MD.....\$60,000**

In support of maintaining success and operations.

**National Academic League**

**Baltimore, MD.....\$170,180**

For support of the 2016-2017 National Academic League in Baltimore City Public Schools.

**Parks & People Foundation**

**Baltimore, MD.....\$10,000**

For support of the 2016 SuperKids Camp.

**PEN/Faulkner Foundation**

**Washington, DC.....\$10,000**

For support of the Writers in Schools reading and writing program.

**Reading Partners**

**Baltimore, MD.....\$80,000**

For support of Reading Partners Baltimore - Literacy Impact Forged Together (LIFT10).

**Robert W. Deutsch Foundation**

**Towson, MD.....\$10,000**

For the cost of a consultant to expand broadband within Baltimore City Public Schools.

**Saint Frances Academy**

**Baltimore, MD.....\$431,020**

For continued support of tuition for the Father Joubert high school boarding program, and to expand year-round housing for 16 homeless Baltimore City boys who will also attend Saint Frances Academy.

**St. Francis Neighborhood Center**

**Baltimore, MD.....\$16,000**

For support of the 2016 Summer of Excursion Program.

**Teach For America-Baltimore**

**Baltimore, MD.....\$100,000**

For the launch of the TRIAD Model, an intensive first-year support program to increase effectiveness and retention of incoming Teach For America teachers.

**Thread, Inc.**

**Baltimore, MD.....\$150,000**

For operational funds in support of the Thread Community Model.

**University of Baltimore**

**Baltimore, MD.....\$20,000**

For support of a dual enrollment program for students from Baltimore City Public Schools.

**The Urban Alliance Foundation, Inc.**

**Washington, DC.....\$50,000**

For support of the Urban Alliance Baltimore High School Internship Program.

**The Village Learning Place, Inc.**

**Baltimore, MD.....\$10,000**

For support of the 2016 Let's Invest in Neighborhood Kids (LINK) Summer Program.

**Y of Central Maryland**

**Towson, MD.....\$20,000**

For support of the 2016 Summer Learning Loss Prevention Program at Holabird Academy.

**Young Audiences of Maryland, Inc.**

**Baltimore, MD.....\$10,000**

For support of the 2016 Elementary Summer Arts and Learning Academies.

**ENVIRONMENT**

**1000 Friends of Maryland**

**Baltimore, MD.....\$50,000**

For the establishment of the Partners for Open Space Trust Fund.

**Baltimore Development Corporation**

**Baltimore, MD.....\$100,000**

For support of the installation of 158 square feet of Solar Roadway in the Inner Harbor.

**Blue Water Baltimore, Inc.**

**Baltimore, MD.....\$74,789**

For support of an assessment of the long-term change in water quality of the Gwynns Falls and the Middle Branch of the Patapsco River.

**Earthjustice**

**San Francisco, CA.....\$75,000**

For continued support of the Advancing Clean Energy for All in Maryland initiative.

**Environmental Action Center**

**Washington, DC.....\$35,000**

For support of an initiative to reduce and prevent chromium and other toxics in Baltimore Harbor and Patapsco River.

**Environmental Defense Fund**

**New York, NY.....\$15,000**

In support of the Clean Air for Baltimore initiative.

**Environmental Integrity Project**

**Washington, DC.....\$45,000**

For continued support of the Baltimore Environmental Justice Campaign.

**Fuel Fund of Maryland****Baltimore, MD.....\$123,670**

In support of the Solar Energy Equality Program, which aims to close the affordability gap in the cost of energy for low-income Baltimore City residents.

**Groundswell****Washington, DC.....\$60,000**

For support of the initiative, Pioneering a New and Replicable Model for Low- and Moderate-Income Community Solar Projects, in Baltimore City.

**Institute For Local Self-Reliance, Inc.****Washington, DC.....\$45,000**

For support of the Waste to Wealth: Creating Jobs in Baltimore initiative.

**Morgan State University Foundation****Baltimore, MD.....\$71,082**

For support of the CycloBurn System, which disposes poultry litter responsibly and generates onsite electricity for individual poultry farms.

**Power52, Inc.****Ellicott City, MD.....\$125,000**

To provide community outreach and education on the benefits of community solar and clean energy in low-income communities.

**Trash Free Maryland****Cheverly, MD.....\$25,000**

In support of an initiative to reduce trash pollution in Baltimore City and its waterways, with a focus on banning polystyrene foam food containers.

**WYPR-Your Public Radio Corporation****Baltimore, MD.....\$12,000**

For the support of the radio series The Environment in Focus.

**HEALTH & HUMAN SERVICES****Advocates for Children and Youth****Baltimore, MD.....\$30,000**

Toward continued support of activities to improve the outcomes of Baltimore City youth in the child welfare system.

**AIDS Interfaith Residential Services, Inc.****Baltimore, MD.....\$200,000**

For supportive services for formerly homeless youth at Restoration Gardens.

**Baltimore City Health Department**

**Baltimore, MD.....\$39,000**

For support of Contraceptive And Reproductive Services (CARES), a reproductive health services needs assessment at the Baltimore City Women’s Detention Center.

**Baltimore City Health Department**

**Baltimore, MD.....\$100,000**

For support of Administrative Care Coordination for low-income pregnant women in Baltimore City.

**Baltimore City Health Department**

**Baltimore, MD.....\$500,000**

For support of Vision for Baltimore, an initiative to provide eyeglasses for Baltimore City elementary and middle school students.

**Baltimore Community Rowing**

**Baltimore, MD.....\$20,000**

Toward continued support of Reach High Baltimore, an after-school rowing program for at-risk Baltimore City middle and high school students.

**Baltimore Medical System, Inc.**

**Baltimore, MD.....\$32,000**

In support of providing 152 women with long-acting reversible contraceptives, focusing on those who are not eligible for health insurance.

**Baltimore Outreach Services, Inc.**

**Baltimore, MD.....\$25,000**

In support of providing comprehensive services to homeless women and children.

**The Baltimore Station**

**Baltimore, MD.....\$42,850**

In support of purchasing a hot water heater for the South Baltimore facility.

**Benefits Data Trust**

**Philadelphia, PA.....\$50,000**

Toward continued support of the Maryland Benefits Center’s initiative to provide comprehensive benefits access for low-income seniors in Baltimore City.

**Associated Catholic Charities, Inc. (known as Catholic Charities)**

**Baltimore, MD.....\$76,663**

For expansion of ESL services for the Unaccompanied Immigrant Children Project at the Esperanza Center.

**Associated Catholic Charities, Inc. (known as Catholic Charities)**  
**Baltimore, MD.....\$82,000**  
 For continued support of the eviction prevention program administered by the Samaritan Center.

**Associated Catholic Charities, Inc. (known as Catholic Charities)**  
**Baltimore, MD.....\$46,140**  
 For support of a Traveler’s Aid at the Samaritan Center.

**Charm City Clinic, Inc.**  
**Baltimore, MD.....\$25,000**  
 To provide sustained support for expanded services in the face of statewide budget cuts for Medicaid enrollment.

**Charm City Youth Lacrosse League**  
**Baltimore, MD.....\$15,000**  
 In support of increasing enrollment in the 2016 Charm City Youth Lacrosse League.

**Clean Water Fund**  
**Baltimore, MD.....\$35,000**  
 In support of examining the quality and safety of Baltimore’s drinking water.

**Franciscan Center, Inc.**  
**Baltimore, MD.....\$100,000**  
 For support of programs providing emergency services and case management to families in crisis.

**Health Care for the Homeless, Inc.**  
**Baltimore, MD.....\$200,000**  
 In support of a patient-centered outreach strategy to decrease the use of urgent care facilities for primary care concerns, and to keep vulnerable people engaged in health care.

**Homeless Persons Representation Project, Inc.**  
**Baltimore, MD.....\$75,000**  
 To prevent evictions and termination of subsidies for low-income Baltimore City households.

**Intercultural Counseling Connection**  
**Baltimore, MD.....\$20,000**  
 For continued support and expansion of mental health services for refugees who have settled in Baltimore City.

**Johns Hopkins Pediatrics at Home**  
**Baltimore, MD.....\$150,000**  
 For support of the Pediatrics at Home (PAH) program, which aims to better serve those with pediatric asthma.

**Johns Hopkins University**  
**Baltimore, MD.....\$99,824**  
For support of the follow-up study, "Reading Effects of Providing Eyeglasses to Children in High-Poverty Elementary Schools."

**Johns Hopkins University**  
**Baltimore, MD.....\$120,000**  
For support of the study, "How Much Can Provision of Eyeglasses Improve Reading Performance in High-Poverty Schools?" a controlled trial in 50 schools nationally, with two Baltimore City schools participating.

**Johns Hopkins University School of Medicine**  
**Baltimore, MD.....\$105,040**  
For continued support of the Preconception Women's Health in Pediatrics Project.

**Kids in Need of Defense (KIND)**  
**Washington, DC.....\$37,500**  
In support of adding a full-time social services coordinator to the KIND team.

**Leveling the Playing Field, Inc.**  
**Silver Spring, MD.....\$20,000**  
To provide sporting equipment for after-school programs in Baltimore City.

**Loving Arms, Inc.**  
**Baltimore, MD.....\$60,000**  
For support of an emergency shelter for runaway, homeless youth.

**Manna House, Inc. (MHI)**  
**Baltimore, MD.....\$100,000**  
Toward continued support of comprehensive services for the homeless and needy in Baltimore City.

**Marian House, Inc.**  
**Baltimore, MD.....\$100,000**  
For support of transitional housing for homeless women and children.

**Maryland Food Bank**  
**Baltimore, MD.....\$75,000**  
To support feeding Baltimore City students through the School Pantry Program.

**New Vision House of Hope, Inc.**  
**Baltimore, MD.....\$50,000**  
For renovation costs of 3918 Ridgewood Avenue for use as a transitional home for the homeless in Baltimore City.

**Parks & People Foundation**

**Baltimore, MD.....\$80,000**

For support of the 2016-2017 More Than Sports program, which provides after-school sports programs for more than 1,200 Baltimore City Public School students.

**The Samaritan Community**

**Baltimore, MD.....\$25,000**

For support of the Samaritan Community’s Crisis Intervention Assistance & Empowerment programs.

**Seedco**

**New York, NY.....\$25,000**

In support of EarnBenefits Baltimore, which provides screenings and application assistance to low-income families to increase enrollment in state and federal assistance programs.

**Shepherd’s Clinic**

**Baltimore, MD.....\$40,000**

In support of providing health care for the uninsured/underinsured in Baltimore.

**SquashWise, Inc.**

**Baltimore, MD.....\$30,000**

For continued support of the SquashWise Youth Development Program, an after-school squash program for students in Baltimore City public middle and high schools.

**Tahirih Justice Center**

**Baltimore, MD.....\$30,000**

For continued support of pro bono legal and social services for immigrant women and girls in Baltimore City who are fleeing gender-based violence.

**University of Maryland School of Medicine, Department of Ophthalmology and Visual Sciences**

**Baltimore, MD.....\$28,000**

In support of examining the burden of ophthalmic disease in the underserved communities in Baltimore.

**Youth Empowered Society**

**Baltimore, MD.....\$30,000**

For continued support of the YES Drop-In Center, which provides effective programming to engage youth experiencing homelessness and help them achieve housing, employment, and wellness.



## WORKFORCE DEVELOPMENT

### **BioTechnical Institute of Maryland, Inc.**

**Baltimore, MD.....\$80,000**

In support of the Bridge to Bio Careers initiative.

### **BUILD**

**Baltimore, MD.....\$125,000**

For support of Turnaround Tuesday, a job-placement program in the Oliver community.

### **CASA de Maryland, Inc.**

**Langley Park, MD.....\$100,000**

In support of CASA's Baltimore Welcome Center in the coming year.

### **Center for Urban Families, Inc.**

**Baltimore, MD.....\$320,000**

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

### **Civic Works, Inc.**

**Baltimore, MD.....\$35,000**

For support of the Baltimore Conservation Leadership Corps, a five-week summer work experience for Baltimore City high school students.

### **Civic Works, Inc.**

**Baltimore, MD.....\$200,000**

For support of the Green Career Pathways Out of Poverty program for Baltimore City residents.

### **CUPs Coffeehouse**

**Baltimore, MD.....\$30,000**

For support of Project I CAN, a workforce development program for youth in Southwest Baltimore.

### **The Downtown Sailing Center**

**Baltimore, MD.....\$30,000**

Toward continued support of the Sail Instructor Trainee program for at-risk Baltimore City high school students.

### **Holistic Life Foundation, Inc.**

**Baltimore, MD.....\$35,000**

For support of the Workforce Development Program for Baltimore City youth.

**Intersection of Change**

**Baltimore, MD.....\$59,000**

For support of Art@Work: Upton, a five-week summer mural artist apprenticeship program for 80 youth in the Sandtown-Winchester and Upton communities.

**Jane Addams Resource Corporation**

**Chicago, IL.....\$100,000**

For support of the Careers in Manufacturing Program.

**Job Opportunities Task Force**

**Baltimore, MD.....\$100,000**

For support of the Baltimore CASH (Creating Assets, Savings, and Hope) Campaign, which offers tax assistance and financial aid to low-income individuals and families.

**The Lazarus Rite**

**Baltimore, MD.....\$50,000**

In support of the three-module CDL program.

**Maryland Center for Adult Training, Inc. (MCAT)**

**Baltimore, MD.....\$40,000**

In support and continuation of MCAT's workforce development trainings for CNA/GNA, PCT, GED, and pharmaceutical technician students.

**Maryland New Directions**

**Baltimore, MD.....\$120,000**

Toward continued support of the Career Focus job-training program for unemployed, disadvantaged Baltimore City residents.

**NPower, Inc.**

**Brooklyn, NY.....\$100,000**

For support of the Technology Service Corps Workforce Development Program.

**Parks & People Foundation**

**Baltimore, MD.....\$25,000**

For support of Branches - Youth Leadership for Social Change, an employment and enrichment program for at-risk Baltimore City youth.

**Public Justice Center, Inc.**

**Baltimore, MD.....\$80,250**

For support of the Home Care Workers Initiative, which provides outreach and legal services to home-care workers.

**Public Justice Center, Inc.**

**Baltimore, MD.....\$50,000**

For support of the Justice Project's unpaid wage lien implementation initiative.

**Rose Street Community Center**

**Baltimore, MD.....\$300,000**

In support of transitional housing, emergency shelter, daily community cleanups, and gang mediation.

**Station North Tool Library / Fusion Partnerships**

**Baltimore, MD.....\$10,000**

For support of the Surface Project, an apprenticeship program that teaches entrepreneurship to people with barriers to employment.

**Vehicles for Change, Inc.**

**Baltimore, MD.....\$96,000**

For continuation and expansion of an initiative to provide cars to 40 low-income families in Baltimore City.

**The Work First Foundation**

**New York, NY.....\$200,000**

For support of the expansion of the Baltimore Ex-offender Reentry Employment (BERE) program.

**OTHER**

**Association of Baltimore Area Grantmakers**

**Baltimore, MD.....\$15,675**

For 2016 membership dues.

# **Additional Grants Of \$5,000 Or Less Have Been Awarded To The Following Organizations:**

## **ARTS**

Baltimore Clayworks, Inc.  
Baltimore Office of Promotion and the Arts

## **COMMUNITY DEVELOPMENT**

The 6th Branch  
Adopt A Block, Inc.  
Associated Black Charities  
Association of Black Foundation Executives  
Baltimore Architecture Foundation  
Baltimore City Department of Planning  
Baltimore City Department of Planning/Office of Sustainability  
Baltimore Urban League  
Betamore  
Center for Community Progress  
Center for Emerging Media  
Citizens Planning and Housing Association  
Education Based Latino Outreach, Inc.  
Gather Baltimore  
In For Of, Inc.  
International Rescue Committee, Inc.  
Johns Hopkins Bayview Medical Center  
Margaret Brent Elementary/Middle School PTA  
Maryland Farmers Market Association  
Mount Royal Community Development Corporation  
Neighborhood Housing Services of Baltimore, Inc.  
Old Goucher Community Association

## **CRIMINAL JUSTICE & ADDICTION**

Deborah's Place, Inc.  
House of Change, Inc.  
Institute for Christian & Jewish Studies  
The Justice Policy Institute  
Maryland Volunteer Lawyers Service  
Mi Casa Su Casa, Inc.  
New Life, Inc.  
No Turning Back, Inc.  
Open Society Institute-Baltimore  
The Philemon Ministry  
The Ragpicker, Inc.  
The Theodore House Incorporated  
University of Maryland Baltimore Foundation

## **EDUCATION**

Arts Education in Maryland Schools Alliance  
Baltimore Curriculum Project, Inc.  
Baltimore Leadership School for Young Women  
Baltimore Urban Debate League  
BCPS/Baltimore City College High School  
BCPS/Baltimore Montessori Public Charter School  
The Book Thing of Baltimore, Inc.  
City Neighbors Foundation  
CollegeBound Foundation, Inc.  
Education Based Latino Outreach, Inc.  
Next One Up Foundation  
Robert W. Deutsch Foundation  
Strong City Baltimore  
Thread, Inc.

## **ENVIRONMENT**

1000 Friends of Maryland  
Association of Baltimore Area Grantmakers  
Baltimore City State's Attorney's Office  
Maryland League of Conservation Voters Education Fund

## **HEALTH & HUMAN SERVICES**

Baltimore Browns Football and Cheer Program  
Baltimore Terrapins Youth Football  
BCPS/Baltimore City College High School  
The Bulldog Basketball School  
Charm City Youth Sports Development  
Flight 1 Carriers, Inc.  
Girls on the Run of the Greater Chesapeake  
Gwynn Oak United Methodist Church  
Independence Foundation, Inc.  
Loving Arms, Inc.  
Mosaic Community Services  
Parkside Warriors  
Roberta's House, Inc.  
Rob's Barbershop Community Foundation, Inc.  
St. Mary's Outreach Center  
Team Holy Dirt Youth Athletic Association  
United Way of Central Maryland  
University of Maryland School of Medicine  
West Baltimore Football and Cheerleading Academy

## **WORKFORCE DEVELOPMENT**

Baltimore Fashion Alliance (DBA Sharp Dressed Man)  
Bridging the Digital Divide  
HealthCare Access Maryland

## **OTHER**

Greater Baltimore Committee

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2016 PUBLICATIONS

## ABELL PUBLICATIONS AND COMMUNICATIONS

### ABELL REPORTS

Reports are available online at [www.abell.org](http://www.abell.org)

#### March

##### **The Power of Place: How Housing Policy Can Boost Educational Opportunity**

This study considers the educational impact of the Thompson housing assistance program, and explores whether and how improvements in housing access translate into gains in educational opportunities and achievement for low-income, minority children. Researchers evaluated educational opportunities by following the student achievement/behavioral outcomes of children in families who were moved to more affluent neighborhoods.

<http://abell.org/publications/power-place-how-housing-policy-can-boost-educational-opportunity>

#### May

##### **The Double Crisis: A Statistical Report on Rental Housing Costs and Affordability in Baltimore City, 2000-2013**

This study offers a descriptive analysis of household demographic and rental housing data for Baltimore City, drawing from U.S. Census Bureau and U.S. Department of Housing and Community Development sources. It includes a summary of findings, and policy recommendations and suggestions for further study.

<http://abell.org/publications/double-crisis-statistical-report-rental-housing-costs-and-affordability-baltimore-city>

#### June

##### **Finishing the Job: Modernizing Maryland's Bail System**

This report provides an overview of why bail reform is urgently needed in Maryland; explores the recent efforts to achieve reform in Baltimore; and highlights recent progress in other states using evidence-based risk assessments that yield a more just, effective, and cost-efficient pretrial system.

<http://abell.org/publications/finishing-job-modernizing-maryland%E2%80%99s-bail-system>

#### July

##### **Bringing the B to Baltimore: Using B Corporations as a New Tool for Economic Development**

This report provides a background study of benefit corporations and the more rigorous "B Corp" framework. It concludes that a benefit corporation culture could support Baltimore's economic development.

<http://www.abell.org/publications/bringing-b-baltimore-using-b-corporations-new-tool-economic-development>

## August

### **Winner of the 2016 Abell Award in Urban Policy. Litter-Free Baltimore: A Trash Policy Framework Based on Spatial Analysis and Social Media**

This paper examines the scope of the litter problem in Baltimore City and proposes a multi-pronged strategy for making litter collection more efficient and cost-effective.

<http://abell.org/publications/winner-2016-abell-award-urban-policy-1>

## October

### **City Connects: Redesigning Student Support for Academic Success**

This report explores the current state of student support services in Baltimore City Public Schools; a national effort to promote more effective student supports; and City Connects, an evidenced-based model of integrated student supports that has been shown to improve academic outcomes.

<http://abell.org/publications/city-connects-redesigning-student-support-academic-success>

## November

### **Keeping the Water On: Strategies for Addressing High Increases in Water and Sewer Rates for Baltimore's Most Vulnerable Customers**

Over the past three years, Baltimore has seen a substantial increase in water and sewer billing rates. This report examines the impact of those increases on low-income and vulnerable homeowners, and suggests methods to reduce water bill payment delinquencies and prevent tax sale.

<http://abell.org/publications/keeping-water>

## December

### **No Place to Call Home: Baltimore's Homeless Youth Population is Growing; Critical Service Gaps Persist**

This report explores current efforts to define and count homeless youth in Baltimore, and calculate the costs associated with homeless youth, including individual development and the costs to society. The report also surveys the landscape of services in Baltimore that support homeless youth, and presents best practices from other places as well as recommendations for how Baltimore should proceed.

<http://abell.org/publications/no-place-call-home>



## **ABELL BRIEFS**

The Abell Brief, Abell's quarterly electronic newsletter, allows us to share our Abell Salutes, recirculate Abell Reports, and disseminate research undertaken by Abell grantees.

### **Winter 2016**

**Abell-sponsored research: The Waterfront Partnership produced Swimmable Cities: Lessons for Baltimore from Five Cities that Have Cleaned Up Their Rivers, Lakes, and Estuaries**

**Abell-sponsored research: The Maryland Consumer Rights Coalition produced Making the Grade: An Analysis of For-Profit and Career Schools in Maryland**

### **Spring 2016**

**Abell Salutes: Benjamin Franklin High School at Masonville Cove**

**Abell Salutes: Astor Court Apartments**

**Abell-sponsored research: The Waterfront Partnership produced Healthy Harbor Report Card 2015**

### **Summer 2016**

**Abell Salutes: Civic Works' Baltimore Center for Green Careers**

**Winner of the 2016 Abell Award in Urban Policy: Litter-Free Baltimore**

### **Fall 2016**

**Abell Salutes: Urban Teachers**

## **PRESS COVERAGE (SELECTED)**

**February 22, 2016, “Baltimore police, Hopkins researchers form new partnership to study, prevent violence” (Baltimore Sun)**

<http://www.baltimoresun.com/news/opinion/editorial/bs-md-ci-police-hopkins-collaborative-20160222-story.html>

**February 24, 2016, “Vasoptic raises \$250,000 from Abell Foundation” (Baltimore Business Journal)**

<http://www.bizjournals.com/baltimore/blog/cyberbizblog/2016/02/vasoptic-raises-250-000-from-abell-foundation.html>

**March 25, 2016, “Legislative action leads to large reduction in Baltimore homeowners facing tax sale” (Baltimore Sun)**

<http://www.baltimoresun.com/business/bs-bz-tax-sale-reduction-20160322-story.html>

**June 9, 2016, “Get out of jail, free” (Baltimore Sun)**

<http://www.baltimoresun.com/news/opinion/oped/bs-ed-bishop-0610-20160609-story.html>

**September 19, 2016, “Abell invests \$500,000 in Baltimore company battling sleep disorders” (Baltimore Business Journal)**

<http://www.bizjournals.com/baltimore/news/2016/09/19/abell-invests-500-000-in-baltimore-company.html>

**November 30, 2016, “Youth homelessness in Baltimore higher than previously thought” (Baltimore Sun)**

<http://www.baltimoresun.com/news/maryland/baltimore-city/bs-md-ci-homeless-youth-20161130-story.html>



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2016 FINANCIAL STATEMENTS

# The Abell Foundation, Inc. and Subsidiaries

Consolidated Financial Report  
December 31, 2016

## Contents

Independent auditor's report	1-2
Financial statements	
Consolidated statements of financial position	3
Consolidated statements of activities	4
Consolidated statements of cash flows	5
Notes to consolidated financial statements	6-16



RSM US LLP

## Independent Auditor's Report

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

### 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, 2016 and 2015, and 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, 2016 and 2015, 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.

*RSM US LLP*

Baltimore, Maryland  
May 12, 2017

The Abell Foundation, Inc. and Subsidiaries

Consolidated Statements of Financial Position  
December 31, 2016 and 2015

	2016	2015
<b>Assets</b>		
Investments (Notes 2 and 3)	\$ 299,112,559	\$ 296,922,025
Accrued dividends and interest receivable	232,084	370,461
Program-related investments and other loans, net	8,318,455	9,918,944
Cash value of life insurance and other assets, net (Note 5)	4,923,572	5,351,145
	<u>4,923,572</u>	<u>5,351,145</u>
<b>Total assets</b>	<b>\$ 312,586,670</b>	<b>\$ 312,562,575</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Grants scheduled for future payment (Note 4)	\$ 4,544,937	\$ 5,489,500
Guarantee liabilities (Notes 2 and 7)	28,356,201	28,320,395
Payables and other liabilities (Note 5)	3,445,487	3,334,527
<b>Total liabilities</b>	<b>36,346,625</b>	<b>37,144,422</b>
Commitments and contingencies (Notes 6 and 7)		
Net assets, unrestricted	<u>276,240,045</u>	<u>275,418,153</u>
<b>Total liabilities and net assets</b>	<b>\$ 312,586,670</b>	<b>\$ 312,562,575</b>

See notes to consolidated financial statements.



The Abell Foundation, Inc. and Subsidiaries

Consolidated Statements of Activities  
Years Ended December 31, 2016 and 2015

	2016	2015
Operating revenue:		
Dividends	\$ 3,086,546	\$ 3,055,548
Interest	1,071,251	1,517,166
Partnership loss, net	(61,739)	(4,192,819)
Incentive tax credit refund	625,000	500,000
Other	340,649	386,330
<b>Total operating revenue</b>	<b>5,061,707</b>	<b>1,266,225</b>
Operating expenses:		
Grants approved	13,008,103	13,251,467
Matching gifts program	243,343	268,888
Direct charitable activities	299,293	289,184
Administrative expenses	3,332,052	3,362,838
Investment expenses	895,882	1,040,506
Federal excise tax provision	149,374	110,254
<b>Total operating expenses</b>	<b>17,928,047</b>	<b>18,323,137</b>
<b>Decrease in net assets before investment gains (losses)</b>	<b>(12,866,340)</b>	<b>(17,056,912)</b>
Investment gains (losses):		
Realized gain on sales of investments (Note 2)	10,116,141	9,656,427
Unrealized loss on program-related investments and other loans (Note 2)	(4,151,067)	(4,408,088)
Unrealized gain (loss) on investments (Note 3)	7,922,723	(9,989,024)
Unrealized loss on guarantees (Note 7)	(199,565)	(100,000)
<b>Net investment gains (losses)</b>	<b>13,688,232</b>	<b>(4,840,685)</b>
<b>Change in unrestricted net assets</b>	<b>821,892</b>	<b>(21,897,597)</b>
Unrestricted net assets:		
Beginning	275,418,153	297,315,750
Ending	<b>\$ 276,240,045</b>	<b>\$ 275,418,153</b>

See notes to consolidated financial statements.

**The Abell Foundation, Inc. and Subsidiaries**

**Consolidated Statements of Cash Flows  
Years Ended December 31, 2016 and 2015**

	2016	2015
Cash flows from operating activities:		
Change in unrestricted net assets	\$ 821,892	\$ (21,897,597)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Unrealized (gain) loss on investments	(7,922,723)	9,989,024
Realized gain on sales of investments	(10,116,141)	(9,656,427)
Realized loss on partnerships	61,739	4,192,819
Unrealized losses on program-related investments and other loans	4,151,067	4,408,088
Unrealized loss on guarantees	199,565	100,000
Grants approved	13,008,103	13,251,467
Grants paid	(13,952,666)	(14,269,555)
Depreciation and amortization	22,914	27,418
Changes in assets and liabilities:		
Decrease (increase) in:		
Accrued dividends and interest receivable, net	138,377	(144,929)
Program-related investments and other loans, net	(2,550,578)	(5,419,902)
Increase (decrease) in:		
Guarantee liabilities	(163,759)	15,283
Payables and other liabilities	110,960	954,935
<b>Net cash used in operating activities</b>	<b>(16,191,250)</b>	<b>(18,449,376)</b>
Cash flows from investing activities:		
Proceeds from disposition of investments	24,085,693	36,969,660
Purchase of investments	(8,299,102)	(17,981,431)
Cash value of life insurance and other assets	416,744	(520,888)
Capital expenditures	(12,085)	(17,965)
<b>Net cash provided by investing activities</b>	<b>16,191,250</b>	<b>18,449,376</b>
<b>Net change in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents:		
Beginning of year	-	-
End of year	\$ -	\$ -
Supplemental disclosure of cash flow information:		
Cash paid during the year for excise taxes	\$ 40,000	\$ 260,254

See notes to consolidated financial statements.

## The Abell Foundation, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### 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 Foundation'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 Foundation 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 August 2015, South Charles sold the two buildings for approximately \$10.8 million, recognizing a gain of approximately \$1.2 million. South Charles still owns the land that is held for sale as of December 31, 2016.

The Abell Foundation, Inc., West Pratt and South Charles 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 are reflected within investments on the consolidated statements of financial position.

The following are the condensed statements of financial position for West Pratt on a separate company basis as of December 31, 2016 and 2015:

	2016	2015
Assets		
Cash	\$ 172,118	\$ 36,965
Other assets	263,873	157,482
Property and equipment	4,324,014	4,278,904
Total assets	<u>\$ 4,760,005</u>	<u>\$ 4,473,351</u>
Liabilities and Member's Equity		
Liabilities:		
Accrued expenses	\$ 239,510	\$ 46,240
Total liabilities	<u>239,510</u>	<u>46,240</u>
Member's equity	4,520,495	4,427,111
Total liabilities and member's equity	<u>\$ 4,760,005</u>	<u>\$ 4,473,351</u>

## The Abell Foundation, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The following are the condensed statements of financial position for South Charles on a separate company basis as of December 31, 2016 and 2015:

	2016	2015
Assets		
Cash	\$ 7,388	\$ 24,551
Property and equipment	674,176	676,284
Total assets	<u>\$ 681,564</u>	<u>\$ 700,835</u>
Member's equity	<u>\$ 681,564</u>	<u>\$ 700,835</u>
Total member's equity	<u>\$ 681,564</u>	<u>\$ 700,835</u>

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 and South Charles. 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.

## The Abell Foundation, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### 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 \$6,268,736 and \$13,830,112 at December 31, 2016 and 2015, respectively. The Foundation recorded an impairment reserve of \$1,852,000 and \$852,000 for the years ended December 31, 2016 and 2015, respectively, which is included in unrealized loss on investments in the consolidated statements of activities.

**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 \$5,954,967 and \$7,271,299, respectively, net of an allowance for uncollectible amounts of \$659,474 and \$504,680, at December 31, 2016 and 2015, respectively.

Other loans represent loans to unrelated entities, principally for investment in for-profit companies. The loans are reported at cost of \$30,380,774 and \$26,523,748, respectively, with a recorded allowance for uncollectible amounts of \$27,357,812 and \$23,371,423 at December 31, 2016 and 2015, respectively.

Program-related investments and other loans 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. 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. 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 2016 and 2015 (see Note 7). Income or losses relating to guarantees are recognized upon the expiration of the guaranteed obligation.

## The Abell Foundation, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Financial instruments:** The carrying amount of accrued dividend and interest receivables, payables and other liabilities approximates fair value due to the short maturity of these instruments. Other liabilities also include an obligation under a split-dollar life insurance policy which is carried net of a present value discount (see Note 5).

**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 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 \$149,374 and \$110,254 has been provided at an effective rate of 1% for both 2016 and 2015. As of December 31, 2016 and 2015, 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 \$40,000 and \$260,254 for the years ended December 31, 2016 and 2015, respectively.

West Pratt and South Charles are both 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 2013.

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 \$625,000 and \$500,000 in 2016 and 2015, respectively. These amounts were recorded as receivables and included in cash value of life insurance and other assets on the consolidated statements of financial position at December 31, 2016 and 2015.

**Subsequent events:** The Foundation evaluated subsequent events through May 12, 2017, 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.

## The Abell Foundation, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Accounting pronouncements adopted:** In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (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)*. The amendments in this update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value (NAV) per share practical expedient. However, sufficient information must be provided to permit reconciliation of the fair value of assets categorized within the fair value hierarchy to the amounts presented in the combined statements of financial position. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient. The amendments in this update are effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. Upon adoption, the amendments shall be applied retrospectively to all periods presented. The Foundation adopted this ASU in 2016. Prior year disclosure in Note 2 has been revised to reflect the retrospective application. The impact of adopting this ASU did not have a significant impact on the consolidated financial statements.

**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, 2019. 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.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The amendments in this ASU create Topic 606, *Revenue from Contracts with Customers*, and supersede the revenue requirements in Topic 605, *Revenue Recognition*, including most industry-specific revenue recognition guidance throughout the Industry Topics of the Codification. In summary, the core principle of Topic 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2018. The impact of adopting ASU No. 2014-09 on the Foundation's consolidated financial statements for subsequent periods is not expected to be significant.

In August 2016, the FASB issued 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 ASU will be effective for fiscal years beginning after December 15, 2017. Earlier applicable is permitted. The changes in this ASU should generally be applied on a retrospective basis in the year that the ASU is first applied. Management has not yet evaluated the impact of this ASU on the consolidated financial statements.

## The Abell Foundation, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### 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.

**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 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, 2016:

Description	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Mutual funds:				
Corporate and other bond funds	\$ 16,050,426	\$ 16,050,426	\$ -	\$ -
Government obligation funds	12,840,292	12,840,292	-	-
Large cap growth funds	28,568,025	28,568,025	-	-
Large cap value funds	23,340,820	23,340,820	-	-
Mid cap growth funds	10,969,906	10,969,906	-	-
Mid cap value fund	10,915,736	10,915,736	-	-
Small cap growth funds	12,363,126	12,363,126	-	-
Small cap value funds	8,672,474	8,672,474	-	-
Stock index fund	71,566,121	71,566,121	-	-
International funds	51,441,194	51,441,194	-	-
Direct investments	20,402,756	-	-	20,402,756
Total investments at fair value	267,130,876	\$ 246,728,120	\$ -	\$ 20,402,756
Cash and cash equivalents	15,582,961			
Real estate and forestry funds (a)	8,953,868			
Private equity funds (a)	3,028,118			
Investments, at cost, net	4,416,736			
Total investments	\$ 299,112,559			

## 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, 2015:

Description	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Mutual funds:				
Corporate and other bond funds	\$ 15,594,486	\$ 15,594,486	\$ -	\$ -
Government obligation funds	13,033,742	13,033,742	-	-
Large cap growth funds	31,107,083	31,107,083	-	-
Large cap value funds	23,518,813	23,518,813	-	-
Mid cap growth funds	9,762,239	9,762,239	-	-
Mid cap value fund	9,109,445	9,109,445	-	-
Small cap growth funds	11,841,369	11,841,369	-	-
Small cap value funds	7,098,985	7,098,985	-	-
Stock index fund	67,492,558	67,492,558	-	-
International funds	55,275,505	55,275,505	-	-
Direct investments	17,508,106	-	-	17,508,106
Total investments at fair value	261,342,331	\$ 243,834,225	\$ -	\$ 17,508,106
Cash and cash equivalents	9,816,076			
Real estate and forestry funds (a)	10,224,767			
Private equity funds (a)	2,560,739			
Investments, at cost, net	12,978,112			
Total investments	\$ 296,922,025			

(a) In accordance with Subtopic 820-10 as amended by ASU No. 2015-07, certain investments that were measured at 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 \$136,636 and \$300,395 and the guarantee liabilities were \$136,636 and \$300,395 at December 31, 2016 and 2015, 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, 2016 and 2015:

Balance, January 1, 2015	\$ 15,032,254
Purchase of investments	5,694,143
Net realized loss	(2,724,123)
Net unrealized loss	(494,168)
Balance, December 31, 2015	<u>17,508,106</u>
Purchase of investments	5,192,351
Net realized loss	(3,178,280)
Net unrealized gain	880,579
Balance, December 31, 2016	<u><u>\$ 20,402,756</u></u>

For direct investments held at December 31, 2016 and 2015, the change in net unrealized gains (losses) on investments for the period included in changes in net assets of \$(3,194,792) and \$2,659,917, respectively.

The Foundation invests in certain entities for which the fair value measurement is assessed using net asset value per share, or its equivalents. Information pertaining to these investments is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real estate and forestry funds (a)	\$ 8,953,868	\$ -	Liquidation of partnership	N/A
Private equity funds (b)	3,028,118	1,571,238	None	N/A
Direct investments (c)	20,402,756	2,190,000	None	N/A
	<u>\$ 32,384,742</u>	<u>\$ 3,761,238</u>		

- (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 net asset value 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 net asset value 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.

## The Abell Foundation, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

#### Note 3. Investments

A summary of investments is as follows at December 31, 2016 and 2015:

	2016			2015		
	Market	Cost	Unrealized Gain (Loss) on Investments	Market	Cost	Unrealized Gain (Loss) on Investments
Short-term investments	\$ 15,582,961	\$ 15,582,961	\$ -	\$ 9,816,076	\$ 9,816,076	\$ -
Government obligations	12,840,292	13,356,602	(516,310)	13,033,742	13,356,602	(322,860)
Corporate and other bonds	16,050,426	16,945,193	(894,767)	15,594,486	16,823,412	(1,228,926)
Marketable equity security funds	217,837,402	162,601,653	55,235,749	215,205,997	171,091,127	44,114,870
Direct investments	24,819,492	49,768,266	(24,948,774)	30,486,218	52,240,200	(21,753,982)
Partnerships	11,981,986	12,182,296	(200,310)	12,785,506	12,841,743	(56,237)
Total	<u>\$ 299,112,559</u>	<u>\$ 270,436,971</u>	<u>28,675,588</u>	<u>\$ 296,922,025</u>	<u>\$ 276,169,160</u>	<u>20,752,865</u>
Less unrealized gain on investments, beginning of year			<u>20,752,865</u>			<u>30,741,889</u>
Unrealized gain (loss) for the year			<u>\$ 7,922,723</u>			<u>\$ (9,989,024)</u>

As described in Note 1, direct investments include \$4,416,736 and \$12,978,112 in 2016 and 2015, respectively, which are recorded at cost, net of reserves.

#### Note 4. Grants

Unpaid grants at December 31, 2016, are scheduled for payment as follows:

Years ending December 31:

2017	\$ 4,319,937
2018	<u>225,000</u>
	<u>\$ 4,544,937</u>

#### 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 \$217,929 and \$207,733 in 2016 and 2015, 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, 2016 and 2015, the policy had death benefits of approximately \$5,056,043 and \$4,871,367, respectively. The cash value of the policy is \$3,967,545 and \$3,768,283 at December 31, 2016 and 2015, respectively. The present value of the liability payable to the key employee upon death of \$1,133,710 and \$1,057,072 at December 31, 2016 and 2015, 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 2016 and 2015.

## The Abell Foundation, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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#### Note 6. Lease Agreement

During the year ended December 31, 2016, the Foundation's office operating lease was extended through August 31, 2018. Future minimum lease payments relating to the agreement at December 31, 2016, are as follows:

Years ending December 31:

2017	\$ 228,320
2018	157,273
	<u>\$ 385,593</u>

Rent expense was \$204,156 and \$204,120 for the years ended December 31, 2016 and 2015, respectively.

#### Note 7. Guarantees/Contingent Liabilities

The Foundation has guaranteed specific bank loan obligations of certain Baltimore for-profit and nonprofit entities totaling \$35,846,553 and \$41,401,032 as of December 31, 2016 and 2015, respectively, which expire over a period of 1 to 30 years. The Foundation has recorded liabilities related to these guarantees in the amounts of \$28,219,565 and \$28,020,000 for December 31, 2016 and 2015, respectively. In addition, the Foundation had approved future guarantees up to \$2,815,530 and \$2,082,998 subject to review of the bank loans by the Foundation and certain other conditions as of December 31, 2016 and 2015, respectively. In connection with certain of the above guarantees, the Foundation has pledged, as collateral, marketable equity mutual funds with a market value of \$33,332,358 and \$35,680,208 as of December 31, 2016 and 2015, 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 losses on guarantees of \$199,565 and \$100,000 are included in the consolidated statements of activities for the years ended December 31, 2016 and 2015, 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 \$136,636 and \$300,395 related to guarantees extended at December 31, 2016 and 2015, respectively. The Foundation has recorded assets associated with these liabilities of \$136,636 and \$300,395 in other assets at December 31, 2016 and 2015, respectively.

## TRUSTEES

Gary Black, Jr., Chairman  
W. Shepherdson Abell  
George L. Bunting, Jr.  
Robert C. Embry, Jr.  
Jacqueline Hrabowski  
Stephon Jackson  
Mary Page Michel  
Christy Wyskiel

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Frances Murray Keenan,  
Senior Vice President  
Lynn Heller, Vice President  
Eileen M. O'Rourke, Chief Financial Officer  
Esthel M. Summerfield, Executive Secretary

## AUDITORS

RSM US LLP

## FINANCIAL ADVISOR TO THE BOARD

M. David Testa, former Vice Chairman and  
Chief Investment Officer (retired)  
T. Rowe Price Associates

## STAFF

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Corrine Gasiorowski, Grants Associate  
(beginning April)  
Wanda D. Gresham, Office Manager  
Elvis Guzman, Program Officer  
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(beginning March)  
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Angela Pyo, Analyst  
Holly M. Russell, Grants Manager  
(ending May)  
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