



Community Fund
Management Foundation
Annual Report
2020

Coming Soon

We're excited to offer you a sneak peek of Community Fund Management Foundation's new name and new look.



COMMUNITY FUND
O H I O

Protect the Present, Fund the Future
The Special Needs Trust Advisor Since 1993

Please watch for information on www.cfmf.org sharing the launch of our new logo and name, including a new website, email addresses, and information sheets.

Our phone number, fax number, and address will not change.



Contents

About Us.....	2
Executive Director’s Report.....	3
Trustee’s Report.....	5
Deputy Director’s Report.....	8
Central Ohio Associate Director’s Report.....	10
Southern Ohio Associate Director’s Report.....	11
Outside Counsel’s Review.....	12
Our Volunteers.....	14
Non-Board Committee Members.....	14
New Trusts.....	15
Distributions.....	16
Types of Distributions.....	17
Trust Closures.....	18
Grants.....	20
Emergency Nonprofit Grant.....	21
Who to Contact.....	22
Our Staff.....	23
Independent Auditor’s Report.....	27

About Us

Greetings and thank you for taking the time to read our 2020 Annual Report! Community Fund Management Foundation, doing business as Community Fund Ohio beginning in 2020, is a nonprofit Ohio corporation (501(c)(3)) that develops and makes available several types of trusts that benefit individuals with disabilities. The purpose of these trusts is to use private funds to enhance the beneficiary's quality of life while attempting to safeguard eligibility for government benefits. Equity Trust Company served as our trustee until October 1, 2019 when The Huntington National Bank began serving as successor trustee.

Community Fund serves as trust advisor and is responsible for administering the trust accounts. That includes setting up new sub-accounts, reviewing and approving distribution requests, addressing statement concerns, and closing sub-accounts after the funds have been exhausted or due to a beneficiary's passing.

Community Fund's administrative office is in Northeast Ohio and our associate directors are in Central and Southern Ohio. We offer services throughout Ohio and we have active sub-accounts for beneficiaries residing in 83 of Ohio's 88 counties.

Our staff routinely provides educational support to disability organizations, professional groups, and families. We speak at many types of events on topics relevant to our beneficiaries and their families at no charge.

Please visit our website, www.cfmf.org, for our forms, marketing updates, contact information, and to read how our office is adjusting to COVID-19's impact.

Executive Director's Report

Amanda M. Buzo, Esq.

I view our Annual Report as an opportunity to reflect on the successes of our team, the accomplishments of our Board of Directors, and to assess our short-term and long-term goals. While this Annual Report is produced in 2020, it provides data and our audit from the 2019 calendar year.

One of the biggest changes in 2019 was our trustee. While we appreciate the relationship with Equity Trust Company, Community Fund decided to consider other trustee options. We met with several organizations and found an excellent partner in The Huntington National Bank. Huntington became successor trustee effective October 1, 2019, and immediately offered additional services and resources, such as a dedicated website for those who prefer to see sub-account details online instead of paper statements. Our relationship with Huntington also reduced the trustee fees charged to the sub-trusts from 120 basis points to 89 basis points. This is a difference of over 30 basis points (approximately .30%) without sacrificing services or quality.

Huntington has proven to be a committed partner. Beginning on August 1, 2020, Community Fund has two investment "pools" to use at its discretion. The moderate growth investment portfolio is the investment allocation historically utilized by Community Fund and will primarily be used for our Pooled Medicaid Payback Trusts that are open for 5 years or more as well as by all our Master Trusts. The newest portfolio is focused on short-term fixed income and will be used for Pooled Medicaid Payback Trusts that expect to request a distribution within 3 years of opening and expect to be exhausted within 5 years. The Investment Questionnaire is now located on the forms page of our website.

Our financial health remains positive. We met or exceeded our 2019 goals and stayed within our budget. We plan to hire at least one additional staff member and promote internally as soon as we can do so while following COVID-19 protocols. While office relocations are never easy, our decision to move our Administrative Office in October 2018 proved to be a huge improvement for our staff and allowed us to adhere to the unexpected social distancing requirements of COVID-19.

I cannot conclude without referencing COVID-19's impact on our beneficiaries and our organization. As I write this, several of our counties have been identified as high risk and masks are required. It makes me think of all of the people who depend on visual cues, such as lip-reading, to communicate, and how standard masks create a tangible, physical barrier. I empathize with our beneficiaries who are now

unemployed and don't understand why their routines have been disrupted. I'm saddened by the number of our beneficiaries who are in long-term care facilities who cannot receive loved ones or their legal counsel due to visitor restrictions. I'm alarmed at the number of death certificates we've received that lists COVID-19 as a cause of death.

On the other hand, I am inspired by our staff who have never worked from home and yet have figured out ways to do so successfully. We have employees who care for young children or loved ones with disabilities, and in order to meet both family and office needs, frequently work late into the night or wake extremely early to accomplish several hours of work before their family rises. I am impressed by everyone who has followed our policies to try to keep our office healthy. I am grateful for the small number of employees who have agreed to come to the office every workday to keep us operating, and I am equally grateful for the employees who have agreed to work from home despite being away from the conveniences of the office. I am thankful for our clients and their attorneys who understand our policies and respect that our office is closed to visitors. I appreciate our landlord, the delivery drivers, and postal employees who help to keep us operating as close to normal as possible. I am glad I personally have a support system that understands Community Fund demands a lot of my time and mental space.

While we at Community Fund are adjusting and managing well under the circumstances, we have not lost sight of the fact that many are not able to do so. I am pleased that our Board recognized the need in Ohio and approved expending close to \$300,000 in emergency grants to Ohio nonprofits impacted by COVID-19. This emergency grant process was overseen by our Deputy Director, Julie K. Robie, Esq., with assistance from Lisa Wolf and direction from our Planning Committee. This emergency grant was in addition to our traditional annual grants to Ohio residents with disabilities and nonprofits.

Last Halloween, I gave out candy at my home and, instead of saying thank you, a little girl handed me a laminated card with a picture of a pumpkin that said "We all communicate in different ways. This is my way of saying thank you." This Annual Report is my way of communicating to our staff, Board of Directors, Trustee, volunteer committee members, attorneys, and clients. Thank you.

Amanda M. Buzo, Esq., can be reached at (216) 736-4540 ext. 100 or amanda@cmf.org.

Trustee's Report

Meet our new trustee: Huntington Bank



Dear Community Fund family,

Welcome to Huntington! We are honored to serve as the new trustee of Ohio's largest special needs pooled trust.

As we partner with Community Fund, we are eager to support individuals with disabilities and their families throughout Ohio and make a positive impact in their lives. This aligns perfectly with our company's purpose, which is to make people's lives better and support the communities we serve. Each day, I witness my colleagues across the bank bringing to life this purpose.

Over the last several years, you may have noticed Huntington's one-word promise: Welcome. This is more than a tagline you see in commercials or in our branches. For us, it is our guiding principle. And at Huntington, Welcome means Welcome to All—always.

We are grateful for this opportunity and look forward to serving the Community Fund family.

Sincerely,

Steve Steinour
Chairman, President and CEO

How Huntington supports Community Fund

A message from Denise Stone and Joe Swiderski of Huntington Private Bank

Again, Welcome! In addition to Steve's message, we want to share more about Huntington and how we're supporting Community Fund as trustee and investment manager for pooled trusts.

Huntington was founded in Columbus more than 150 years ago. Since then, we have grown to be one of the country's largest regional banks serving seven Midwest states and with nearly \$120 billion in assets. What hasn't changed over the years is our commitment to supporting people, businesses and communities.

While our relationship with Community Fund formally began October 1, 2019, we worked diligently with the executive director and staff prior to the conversion to put a transition plan in place. Our goal was to have as little disruption and impact as

possible on you and the trust's beneficiaries. In addition to moving over more than \$110 million in assets and setting up more than 2,600 new beneficiary trusts, we took the time to understand Community Fund's policies, procedures and needs. That due diligence helped us to craft a solution that aligns with Community Fund's mission and provides you with the best services possible.

So, what is Huntington's role? As trustee, we have a fiduciary duty to protect, manage and look out for the best interests of the trust beneficiaries—at all times and above all else. In addition to looking out for you, we are responsible for:

- Prudently investing the pool of assets in accordance with Community Fund's custom Investment Policy Statement
- Processing deposits and issuing distributions in a timely manner
- Providing quarterly statements and ongoing account recordkeeping
- Preparing trust tax documents

In the past, some of these responsibilities were delegated to outside third parties, but at Huntington, we are able to provide a full-service solution under one roof.

When managing this type of relationship, the responsibilities listed above typically fall into one of two main categories: fiduciary administration or investment management.

Administratively, Denise and Huntington's specialty trust group handle the day-to-day needs of the account. To help Denise and her team, Huntington has an industry-specific recordkeeping software program that specializes in non-profit pooled trust reporting. In addition to maintaining sub-trust balances, it provides for real-time transaction processing, custom statement creation, daily valuation of assets and online access so you can view your own trust. The specialty trust group also handles all the beneficiary processing requirements such as check requests, deposits and new account set-up and closure.

As we mentioned, Huntington is also responsible for providing trust tax support. For the 2019 tax year, Huntington worked with Community Fund and the trust's tax preparer, Card Palmer, to collect, coordinate and deliver trust tax information in a timely basis. This included gathering information from previous service providers and aiding in the preparation of each trust's tax return while delivering beneficiary K-1s on-time.

Now that we've discussed a little bit about the administrative component, let's look at the investment management piece. In case you're not familiar with Huntington Private Bank, this is Huntington's division that manages more than \$17 billion in assets for individuals, families and foundations. We are a fiduciary, buy-side investment manager that builds outcome-oriented portfolios for our clients. We believe that a well-diversified investment portfolio, centered around your specific investment

policy statement, produces the best opportunity to meet long-term objectives and mitigate risk. Joe is the portfolio manager who manages the assets held in the Pooled Trust. His directive is extremely specific and is outlined in Community Fund's custom investment policy statement.

During the transition, Joe worked with Community Fund to simplify the trust's holdings and define the investment process and approach. Since October 1, 2019, we have reduced the total number of holdings in the portfolio, which totaled more than 1,100 at the start, to the roughly 400 assets that currently comprise the portfolio. We actively manage the investment portfolio and made several changes in the first half of 2020 to better position the assets during the financial crisis and take advantage of the subsequent rebound. From the beginning of the relationship, we've met with Community Fund's Investment Committee on a quarterly basis to discuss the progress towards the stated goals and communicate any impending changes.

As we rolled into 2020, we couldn't have imagined the impact that COVID-19 would have on our personal and professional lives, our communities and the economy. As the situation unfolded before us, Huntington worked quickly to understand and address the global pandemic and to ensure the continuity of services provided. Huntington's primary goal was to protect the well-being of our clients, colleagues and communities and continue to provide for the safekeeping of the assets we were entrusted to oversee. Even with stay-at-home orders, Huntington was deemed an essential service provider, and we remained open for business. Through all the ups and downs in the financial markets, we maintained our investment discipline and posture, and through July 31, the investment portfolio is up over 3.05% year-to-date and more than 6.5% since we began managing the portfolio late last year.

We are looking forward to reaching our one-year anniversary with Community Fund and are even more excited about assisting the organization on its path to serving more families around Ohio. And stay tuned because we are working with Community Fund to bring you additional capabilities, such as online access to view your trust's balance and activity, electronic payment options to Huntington checking accounts and additional investment options.

We appreciate the opportunity to share a little information about Huntington and our relationship with Community Fund. Once again, Welcome to Huntington!

Community Fund is fortunate to have the support of Huntington's Chairman, President, and CEO, Steve Steinour, and the opportunity to work alongside Senior Vice Presidents Denise Stone and Joe Swiderski.

Deputy Director's Report

Julie K. Robie, Esq.

Community Fund Management Foundation dba Community Fund Ohio has seen growth and positive changes over the past year. As Deputy Director, I have the privilege of overseeing two areas in which we have increased staff resources and strengthened our services: grants and deceased administration. It has also been my privilege to contribute to growth in other areas, including client and attorney communications, our trustee transition, marketing, and addressing needs related to COVID-19.

Grants: In our traditional grant program, Community Fund makes grants of up to \$20,000 to other nonprofits and up to \$5,000 to individuals with special needs for disability-related items and services. We created new application forms for 2019 and 2020, devoted more staff resources to administering the program, and spent time educating service providers and families through live presentations, email outreach, and information on our website. During 2019, we received a record number of applications, resulting in all grant funds being utilized before year-end. Large application volumes have continued into 2020.

In addition, in spring 2020, Community Fund launched an emergency grant program to help nonprofits who serve Ohioans with disabilities and whose finances were hit hard by COVID-19. This was made possible through a generous, one-time allocation of endowment funds by our Board. We received an overwhelming response from nonprofits across Ohio. Each application demonstrated an incredible dedication to serve people with disabilities amidst great challenges. Identifying the most compelling needs was a daunting task. Our Committee ultimately awarded over \$204,000 for technology-related requests, to enable 17 nonprofits to serve clients safely and effectively during COVID-19 and beyond, and over \$94,000 to 7 nonprofits to meet other compelling needs created by the pandemic.

It has been an honor for Community Fund to provide this vital assistance, both in ordinary times and during the extraordinary times of the pandemic. I extend special thanks to our Committee members who have spent numerous volunteer hours reviewing applications and making grant decisions. Organizations and individuals who wish to apply for grant funding should check our website for the current application forms and eligibility criteria.

Deceased Administration: Community Fund's purpose is to protect the present and fund the future for Ohio residents with special needs, both by making grants and by administering pooled special needs trusts. In the very sad event that a trust

beneficiary passes away, we support the designated advocate, family, and loved ones by providing comprehensive assistance with Medicaid payback from the trust when applicable, remainder distributions, and trust closure. These procedures are detailed and there are typically over 100 trusts going through the closure process at any time. To provide the best possible customer service in this area, in early 2019 we hired a full-time paralegal who works solely on deceased administration. Throughout 2019 and 2020 we have continued to strengthen and streamline our deceased administration procedures. This has increased our capacity to communicate effectively with the designated advocate, the State, and other affected parties, ensure our legal obligations are met, and distribute funds as speedily as possible.

Marketing: In early 2019, Community Fund engaged a marketing firm to conduct a feasibility study, update the look and feel of our brand, and develop a new Community Fund website and print materials. For the feasibility study, numerous clients, attorneys, community partners, Community Fund staff, and Board members participated in interviews. We extend our sincere thanks to each participant for the time and valuable input that each contributed. The marketing firm concluded the feasibility study and has been hard at work on our brand update and marketing materials. Please stay tuned for Community Fund's new look, new logo, and new website in the near future!

The past year has been an exciting time of growth for Community Fund. As we continue to improve our services, meet client and community needs, and educate the public about all that we offer, we look forward to serving even more Ohioans with disabilities in the coming year.

Central Ohio Associate Director's Report

Brian C. Cook, Esq.

Community Fund Ohio has been providing trusts for the past 26 years to protect assets for individuals with disabilities so they can live, work, learn, and participate in the community in a meaningful way. In addition to ensuring that individuals with disabilities and their families know about our trusts, it is also important to educate the public, particularly individuals and groups that provide services to or advocacy for individuals with disabilities.

Community Fund requires that an application to join a pooled special needs trust be submitted through an attorney. For example, if a parent or grandparent of a person with a disability wants to establish a trust for their child or grandchild's benefit, the process requires the involvement of the parent or grandparent's attorney. Therefore, Community Fund Ohio provides support and education to the legal community to share the many advantages of our trusts including:

- Community Fund provides the trust documents and will amend the documents at no additional cost if there are policy or rule changes. Unless prohibited by law, all future amendments are grandfathered into the original document so it is rare that a grantor would need to execute a new document.
- Pooled Special Needs Trusts are exempt trusts under federal and state law in most situations which can make the benefit application and redetermination process smoother.
- Community Fund will help explain the trust to government agencies, and, if needed, will retain its attorneys to represent the beneficiary at no charge if the trust is wrongly counted as a resource or as income to the beneficiary.
- Community Fund retains a professional corporate trustee so families do not have to find a family member who can handle trustee responsibilities or spend precious trust funds to hire a CPA, trust distribution specialist, and fiduciary.
- A grantor can pay a nominal fee to set up an "empty" Master Trust to be funded with assets like life insurance or distribution from a will or another trust at a later point, and not be charged any annual fees until the trust is funded.
- All distribution requests are reviewed by Community Fund to prevent trust expenditures that could put eligibility for government benefits at risk.

Please contact us if you would like to discuss our trusts or to include Community Fund as a speaker at your event. We look forward to working with you!

Brian C. Cook, Esq., can be reached at (614) 309-7117 or cfmfcentralohio@cfmf.org.

Southern Ohio Associate Director's Report

Laura L. Drake, Esq.

Just as they have for most everyone else, the past few months my job responsibilities have slightly changed. I am still often invited as a speaker, but now those are all done through either Zoom or Microsoft Teams. People seem more aware of the need for estate planning during these tumultuous times, and so I receive many emails and calls about our trusts. I have talked to many families over the phone, Skype, Zoom and Google Meetup.

At the end of August, I will be at my first "live" event – the Cincinnati Autism Speaks walk, that has been converted to a car parade. We are the bag sponsor for the event, and Community Fund will have a tent where we will be tying helium filled balloons to the cars that pass by our tent. Everything is socially distanced, but let's everyone have a day out of the house. I am looking forward to it!

For many years now, I have been working with the Hamilton County Development Disability Office's housing department on a project. Along with family members, the local Housing Corporation, and case workers from HCDD, we created an interactive web program to help families learn about different housing options, how those could be funded, pros and cons, and then of course, where to find more information on them! The interactive information has been live for the past year and can be found at <http://www.hamiltondds.org/housing-guide>. The website provides basic information, videos from families with their journey finding housing and resources for next steps. This allowed Community Fund Ohio to be invited to additional events last fall and at the beginning of this year to discuss trusts and housing. Starting in November of this year, we will do our first annual review and update of the webpage taking feedback from families and addressing any changes. It will be a different dynamic to convert that group to a Zoom meeting, but we are all used to those by now. It is wonderful that Community Fund is looked to as a resource for so many aspects related to assisting people with disabilities and I appreciate my opportunity to help individuals and families through Community Fund.

Laura L. Drake, Esq., can be reached at (513) 967-5612 or cfmfsouthernohio@cfmf.org.

Outside Counsel's Review

Elena A. Lidrbauch, Esq., of Hickman & Lowder Co., L.P.A.

From a legal perspective, Community Fund Management Foundation has enjoyed a fairly quiet year with few legal challenges to address during 2019 and the first half of 2020.

There was however a need to revise and restate Community Fund's trust agreements. First, on October 1, 2019, Community Fund changed trustees and appointed Huntington Bank, NA as successor trustee. This required a revision to both the Master Trust, the Pooled Medicaid Payback Trust and the joinder agreements associated with both trusts. This also required us to communicate with courts that oversee a small number of the trusts and update them on the change in trustees. Fortunately, Community Fund has been through similar changes in the past and is familiar with the process.

The second most recent revision occurred with the Pooled Medicaid Payback Trust. On June 24, 2020, a 13th Restatement of the trust was adopted and is the most recent version in force. The restatement was a revision of trust language to clarify that the trust is for the sole benefit of the named beneficiary, as required by the Social Security Administration's guidelines.

Community Fund has made many recent improvements to its website. Not only is the site easier to navigate, additional guidance is made available to attorneys submitting joinder applications. Attorneys are advised to review the website to ensure they are completing and providing all of the required information when submitting a new joinder application. Some forms are required and some are optional and serve more as guidance. For example, the Attorney Acknowledgement form is an optional form for attorneys to complete and submit with the joinder application. Even if an attorney elects not to submit the form, the form provides a helpful checklist of legal issues attorneys should consider before submitting a joinder application to Community Fund. This will avoid an unnecessary delay of the acceptance of the joinder application and more importantly, protect the beneficiary's eligibility for benefits such as SSI and Medicaid. The following are examples of issues that Community Fund staff still continue to see from time to time and which will negatively impact the beneficiary's eligibility for government benefits:

- **Joinder applications for a beneficiary who is not disabled** – A beneficiary of a pooled trust must have a disability as defined by 42 USC 1382c(a) and OAC 5160:1-3-02. Being age 65 or older alone does not meet the definition.

- **Joinder applications submitted by a guardian of person on behalf of the beneficiary** – While a guardian may establish a pooled trust on behalf of the beneficiary, the guardian must have authority as Guardian of the Estate. A Guardian of Person Only lacks the authority required to establish the pooled trust.
- **Joinder applications for SSI beneficiaries who are age 65 or older** – Although Ohio allows an individual of any age to establish a pooled trust, SSI imposes a transfer penalty of up to 36 months for SSI recipients who are age 65 or older when they transfer funds to a pooled trust.
- **Failure to notify federal and state agencies about the existence of the trust** – Individuals who receive government benefits such as SSI, Medicaid and/or HUD are required to provide notice of the existence and funding of a pooled trust at the time of its creation and funding. Community Fund does not provide such notice on behalf of agencies. Instead, Community Fund requires that any pooled trust be established with assistance from an attorney who represents the individual and who is able to advise the individual appropriately, including where necessary, provide notices to the government agencies. If an agency does not receive timely notice, it may later terminate benefits, and demand repayment of benefits previously paid.

Community Fund staff make every effort to identify any potential issues in a joinder application and notify the submitting attorney so that corrections may be made. However, Community Fund relies on the attorney's representation and may not be aware of all potential problems until they come to light, which may not be for months or years later. Therefore it is necessary that the attorney assisting the beneficiary be familiar with special needs trusts and public benefits.

Hickman & Lowder Co., LPA, has served as Community Fund's counsel from the very beginning and we are fortunate that Elena A. Lidrbauch, Esq., has represented us for more than a decade. www.hickman-lowder.com

**Our Volunteers
2019-2020 Board of Directors**

Kevin A. Craine, Esq.
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Franklin County

Kelly Petty, MPA
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Cuyahoga County

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Janet L. Lowder, Esq.

Bob Mathews

Loma L. Swett, Esq.

Janet Pecquet, Esq.

New Trusts

Community Fund Ohio offers two types of Pooled Special Needs Trusts: the Pooled Medicaid Payback Trust (PMPT) and the Master Trust. Both types are used to protect and deliver funds for people with disabilities. We maintain a separate account for each beneficiary and the funds are only “pooled” for investment purposes.

	06/30/2020	12/31/2019
Total Assets Under Management	\$109,821,093	\$114,464,028
PMPT and Roll-In (Active and Funded)	2281	2230
PMPT and Roll-In (Percentage of Assets)	85%	83%
Master Trusts (Active and Funded)	164	169
Master Trusts (Percentage of Assets)	11%	13%
Perpetual and Partner (Active and Funded)	4	4
Perpetual and Partner (Percentage of Assets)	4%	4%
	01/01/20-06/30/20	2019CY
New PMPT Joinder Applications Accepted	155	404
New Roll-In PMPT Joinder Applications Accepted	4	20
New Master Joinder Applications Accepted	9	21
Total New Joinder Applications Accepted	168	445
New Joinder Applications Naming One of our Partners	3	7

Community Fund accepts completed Joinder Applications for new subaccounts at any time, but we recommend that attorneys submit Joinder Applications before the 25th of each calendar month to give our Trust Development Coordinators sufficient time to review the paperwork submitted to us, or before the 15th of the month if there is a time sensitive deposit included with the Joinder Application. Our Trust Development Coordinators are Jeannette Steward and Kelly Spakes and the department is supervised by our Executive Director, Amanda M. Buzo, Esq.

Distributions

Everything we do at Community Fund is important to us, but processing distributions may be the biggest concern for our beneficiaries and is certainly the department that generates the most mail and phone calls. We receive and process hundreds of distribution requests every week and distribute millions of dollars every year.

	01/01/20-06/30/20	2019CY	2018CY	2017CY
Distribution Requests Received	3,989	8,856	7,949	11,560
Distributions Approved (Total Dollar Value)	\$6,047,905	\$12,297,110	\$9,676,228	\$9,237,776
Distributions Approved (No. of Transactions)	3,818	8,355	7,547	11,232
Distributions Denied (Total Dollar Value)	\$209,700	\$251,659	\$245,168	\$166,358
Distributions Denied (No. of Transactions)	171	501	402	328
Percentage Approved	97%	98%	98%	97%

Lana Ellis, Katie Welsh, and LaToya Peacock work in our Distribution Department and will soon be joined by Jamirra Powell who is transferring from another department. Our Distribution Department staff strive to provide a timely response to the needs of our beneficiaries and assist Designated Advocates in the distribution request process.

Types of Distributions

We receive distribution requests for many kinds of needs. The categories of items we can approve far outweighs the items we must deny. The policies that govern what we can approve and what we must deny are primarily found in policies issued by federal and state agencies. Our Review Committee and our Board of Directors also set policies for distributions.

Most Common Categories	Examples
Entertainment / Technology	tablets, TVs, computers, movie subscriptions, cell phone service, cable, internet, games
Personal	grooming supplies, shampoo, toiletries, sundries, massages, laundry supplies, dry cleaning, incontinence supplies
Household	cleaning supplies, furniture, decorations, appliances, home improvements
Transportation	gasoline, car service, rental vehicle, parking fees, tolls, mileage, car insurance
Medical / Dental	items not covered by health insurance, prescription and OTC medications, eye exams, hearing tests, hearing aids, dental services

Trust Closures

The person who establishes the trust must make a choice of where the funds are to be distributed after the beneficiary's death. The difficult reality is that Community Fund plays an integral role after the death of a beneficiary. A trust for a beneficiary who has died must follow strict procedures to allow Community Fund to wrap up and close the trust. Abi Rajagopal is the main point of contact and Julie K. Robie, Esq., manages this department.

In the case of a Pooled Medicaid Payback Trust, there are two options. Option One allows the funds to be retained by Community Fund or one of our nonprofit partners. When funds are left to Community Fund, the money is held in our Perpetual Trust and used exclusively to make grants for Ohio residents with disabilities and Ohio nonprofits that serve the disability community. Please turn to the Grants page in this Annual Report or visit our website to learn more.

When a partnership trust is established, the partner's sub-account with Community Fund receives any funds remaining in the sub-account at the beneficiary's death. The nonprofit develops its own spending policy for the retained funds. Our current nonprofit partners include the Jewish Federation of Cleveland, Hattie Larlham, The Arc of Ohio, and ADD.

Option Two is for the remaining trust funds to be used to repay the state(s) for Medicaid services provided to the beneficiary and, if there are funds remaining, to be distributed to the people or entities identified in the Joinder Agreement.

On the other hand, while a Master Trust does not include Medicaid payback, there are other options available to guide trust distributions after a beneficiary has passed away, including allowing Community Fund or one of our nonprofit partners to retain a percentage of the remaining funds.



During the 2019 calendar year, Community Fund was notified that 199 beneficiaries, representing 202 sub-accounts, had died. Community Fund staff take immediate action upon learning of a beneficiary's death and continue through the process until the sub-account is distributed to the remainder distributees as identified in the Joinder Agreement and closed. This process can take a few weeks or more than five months depending on the situation.

Remainder Distributee	Dollar Value	Percent
Medicaid Claims	\$2,663,441	45%
Paid to Others After Any Medicaid Claims	\$3,026,517	50%
Retained by Community Fund Perpetual Trust	\$245,717	4%
Retained by Jewish Federation of Cleveland sub-account	\$0	0%
Retained by ADD sub-account	\$0	0%
Retained by The Arc of Ohio sub-account	\$0	0%
Retained by Hattie Larlham Foundation sub-account	\$3,843	1%
Total	\$5,939,518	100%

Grants

The person who establishes the trust must make a choice of where the funds are to be distributed after the beneficiary's death. One choice allows the funds to be retained by Community Fund in its Perpetual Trust. Our Board has historically voted to use our Perpetual Trust exclusively for funding grants for Ohio residents with disabilities or nonprofits that serve Ohio residents with disabilities.

	01/01/20-06/30/20	2019CY
Nonprofit Grants Approved	9	9
Nonprofit Grants Approved (Total Dollar Value)	\$93,600	\$108,333
Individual Grants Approved	15	38
Individual Grants Approved (Total Dollar Value)	\$31,449	\$85,571

The nonprofits that received grants of up to \$20,000 between January 1, 2019 and June 30, 2020 included:

Camp Imagine	Services for Independent Living
Heinzerling Community	New Avenues to Independence, Inc.
Newbridge Place	Choices in Community Living
Envision	Family Haven, Inc.
Milestones Autism Resources	Music Settlement
New Avenues to Independence	People Working Cooperatively
United Disability Services	Zane's, Inc.
Cincinnati Association for the Blind and Visually Impaired (CABVI)	Advocacy and Protective Services, Inc. (APSI)
Cincinnati Children's Hospital Medical Center	FARE-Cle Community Fund

The individuals who received grants of up to \$5,000 between January 1, 2019 and June 30, 2020 used the funds for some of the following purposes:

Adaptive tricycle	Therapeutic horseback riding
Home modification	Disability conference fees
Camp	Kindergarten tuition
In-home support for independent living	Vehicle modification
Summer educational programs	Therapy not covered by insurance

Emergency Nonprofit Grant

In May 2020, Community Fund’s Board voted to offer an Emergency COVID-19 grant exclusively to Ohio nonprofits that had been directly impacted by to pandemic. The response was overwhelming and highlighted how nonprofits from all over the state have been impacted by COVID-19. Our Deputy Director, Julie K. Robie, Esq., and our Executive Assistant Lisa Wolf, worked tirelessly alongside our Planning Committee to evaluate the applications quickly and fairly. This group effort resulted in disbursing \$299,092.42 for emergency grants.

Community Fund is pleased to have awarded an emergency grant to the following nonprofits:

Alpha Group of Delaware, Inc
Ardmore, Inc.
Autism Society Greater Cincinnati
Choices in Community Living, Inc.
Cleveland Hearing & Speech Center
Connecting for Kids
Easterseals Northern Ohio
FARE-Cle Community Fund
First Capital Enterprises
Heinzerling Community
Linden Grove School
Mercer Residential Services, Inc.
NAMI Butler County
New Avenues to Independence
Newbridge Place
Peace by Piece Cleveland
PLAN of Southwest Ohio
Pro Seniors, Inc.
Resident Home Association (RHA) of Greater Dayton, Inc.
Sandco Industries
Stepping Stones
The Arc of Allen County
The Arc of Ohio
Toward Independence

Who to Contact

Community Fund is a small nonprofit with a dedicated staff that divides responsibilities according to department. Due to HIPAA and other concerns about security, we ask that health and confidential data be sent via mail or fax and not email. All of our Administrative Office employees may be reached by calling (216) 736-4540 or faxing information to (216) 867-9783.

Subject	Department/Employee Name	Email
New Joinder Agreements	Trust Development Coordinators Jeannette M. Steward Kelly A. Spakes	joinderanddeposit@cfmf.org
Deposits	Trust Development Coordinators Jeannette M. Steward Kelly A. Spakes	joinderanddeposit@cfmf.org
Distribution Requests and related forms	Distribution Department Lana Ellis Katie Welsh LaToya Peacock	N/A All questions must be asked via phone and all forms submitted by mail or fax.
Designated Advocate updates including resignations, address changes, and new appointments	Lisa Wolf, Executive Assistant	info@cfmf.org
Address updates	Lisa Wolf, Executive Assistant	info@cfmf.org
Statement Request	Lisa Wolf, Executive Assistant	info@cfmf.org
Government Agency Inquiries	Lisa Wolf, Executive Assistant	info@cfmf.org
Grants	Lisa Wolf, Executive Assistant	info@cfmf.org
Death of a Beneficiary	Abi Rajagopal, Paralegal	rajagopal@cfmf.org
General Inquiries	All Staff	info@cfmf.org
Confirmation that mail or a fax was received	Receptionist	reception@cfmf.org
Exhibitor or Sponsorship	Admin Office or Director Closest to Your Location	info@cfmf.org

Our Staff

Amanda M. Buzo, Esq. **Executive Director**

Amanda has been the Executive Director for 5 years and, before joining Community Fund, she was a special needs estate planning, guardianship, and probate attorney. Amanda is thankful to be a part of Community Fund because she gets to meet so many unique and interesting people who encourage her to try harder and learn more. She wishes everyone could see what our staff does behind-the-scenes, whether it is an employee trying to make the trust administration experience easier for a client or working just a little bit longer to get one more thing done for someone in need. She enjoys riding her bike and reading books, but not at the same time.

Julie K. Robie, Esq. **Deputy Director**

Julie enjoys helping families and individuals with special needs. She manages certain operations at Community Fund, including the grant program and some aspects of trust administration. Before joining Community Fund, Julie spent more than a decade as an attorney at The Legal Aid Society of Cleveland, where she represented consumers in financial matters and managed the consumer law practice for several years. She earned both her law degree and her undergraduate degree from Yale University. In her free time, she likes spending time with her family and being outdoors.

Svetlana "Lana" Ellis **Distribution Specialist III**

Lana has been with Community Fund for over 10 years and brings over 30 years of customer service experience. Throughout these years Lana has developed many close relationships with her clientele. It is not unusual for her to receive recurring calls expressing appreciation on her sensitivity and understanding to her client's needs. She is very proud to work for a company that serves people with disabilities. She is especially excited that Community Fund offer grants supported by the endowment fund. Her hope is that one day all Ohioans recognize that they could open a Pooled and/or Master Trust with Community Fund and qualify for Medicaid. Pre-COVID 19 days, Lana and her husband would hop in their convertible and visit different wineries throughout the Ohio area. (She really misses those carefree days!) If Lana could choose any superpower it would be to grant wishes to the most affected and in need people throughout the world. One wish that comes to mind immediately - is to make this pandemic disappear!

LaToya Peacock

Distribution Specialist I

LaToya is the proud mother of 2 sets of twins and a “dog mom” to 2 Yorkies! She enjoys being a part of Community Fund because helping others and providing great customer service has always been important to her. LaToya enjoys being in the Distribution Department and she aims to provide everyone with a great experience.

Jamirra Powell

Receptionist/Document Specialist and Distribution Specialist I (In Training)

Jamirra Powell is 24 years old, born and raised in Cleveland, Ohio. Jamirra is friendly and courteous to others. She enjoys spending time with family and friends and staying active while not working. Jamirra enjoys being able to assist clients with their needs and provide peace of mind by assuring our clients that their needs are her top priority. Jamirra’s prior employment has enhanced her customer service and office administration skills and those skills make her the perfect fit for our office. Community Fund has enhanced the quality of Jamirra’s personal life in just a year. She has been able to purchase a new vehicle and her first property, and she also started a small online business. Community Fund has made Jamirra very proud to be the person she is today. Jamirra looks forward to continuing to develop and grow with Community Fund as it also continues to grow and expand.

Abi Rajagopal

Paralegal (Deceased Administration)

Abi Rajagopal has been with Community Fund Ohio for more than a year. He graduated from the University of Akron with a bachelor’s degree in business communications while he also coached women’s basketball. His favorite activity in his spare time involves playing and watching basketball. His favorite book is *The Rainmaker* by John Grisham and his favorite movie of all time is *Rocky*. His favorite part about working at Community Fund is being able to provide help to those who really need it.

Kelly Spakes

Trust Development Coordinator

Kelly joined Community Fund in January 2018 as the receptionist and later transferred to the Distribution Department. Beginning in 2019, Kelly became one of our Trust Development Coordinators. Kelly is 30 years old and has been married since October 2018. She is also in the process of purchasing her first home. Kelly enjoys spending time with family and friends and loves to play sand volleyball. Her dream in life is to own one of the largest animal shelters so that she can save the lives of stray or unwanted animals. What she enjoys most about working at Community Fund is being able to help individuals within our community.

Jeannette Steward
Trust Development Coordinator

Jeannette joined Community Fund in 2019 as a Trust Development Coordinator. She earned a Bachelor of Arts in English from Ohio Dominican University in 2010, graduating *cum laude*. Jeannette previously worked in real estate settlement at a national title insurance company. Jeannette's favorite part of working at Community Fund is connecting with attorneys and their clients to help them understand the benefits of using a pooled trust. She resides in Lakewood with her husband and daughter.

Kaitlyn "Katie" Welsh
Distribution Specialist II

Katie joined Community Fund's Distribution Department in October 2016. She is a loving wife to her husband of three years, and a loving mother to her son who will be two years old this year. The day Katie became a wife and the day that she became a mother will always be the two most memorable and cherished days of her life. Katie graduated from Strongsville High School and then from Cleveland State University with a bachelor's degree in psychology. She has always worked in the service industry, helping manage country clubs and opening restaurants, so working for Community Fund was a natural transition for her. Community Fund clients are very important to her, so making sure their distributions are processed accurately and in a timely fashion is very near and dear to Katie. Not only is Katie here to help, she is happy to help!

Lisa Wolf
Executive Assistant

Lisa came to Community Fund Ohio in August 2018 from Case Western Reserve University School of Dental Medicine where she was the Department Coordinator and Practice Manager for the Oral & Maxillofacial Medicine and Diagnostic Sciences Department. Lisa brings her diversified work experience to Community Fund Ohio. She has worked in the accounting field, medical/dental fields, and has managed and coached within her parish's CYO athletic program. Lisa has her bachelor's degree in business administration from Cleveland State University. Lisa enjoys bowling, playing golf, listening to music, watching Cleveland sports teams, and spending time with her family. Lisa and her husband have three adult children along with two Siberian Huskies and two cats.

Laura L. Drake, Esq.

Associate Director, Southern Ohio

Laura L. Drake, Esq., is an attorney licensed to practice in Ohio, Kentucky, Indiana and Illinois. She is a graduate of Indiana University, Bloomington and University of Minnesota Law School. She volunteers on several local and state boards of directors for various nonprofit educational and philanthropic organizations and has been recognized for her leadership in these organizations.

Brian C. Cook, Esq.

Associate Director, Central Ohio

Brian Cook has served as the Central Ohio Associate Director for Community Fund Ohio since June 2017. He has over 30 years of experience as an attorney, with a focus on protecting Ohio's most vulnerable citizens including consumers, children, crime victims, elder citizens, and persons living with a disability. His career has included ten years as an assistant Ohio Attorney General, nine years as a prosecutor and municipal attorney, and five years as legal counsel to the Ohio Auditor of State and Ohio Environmental Protection Agency (EPA). After assisting his family during his father's ten-year affliction with Alzheimer's, Brian shifted his career in 2013 to focus on matters impacting Ohio's elder citizens and persons living with a disability. In both his private law practice and his role at Community Fund Ohio, Brian utilizes his extensive legal experience and knowledge of the inner workings of government to solve a wide array of issues presented by clients. Brian was twice elected to the Grandview Heights Board of Education, has served as a magistrate for the City of Upper Arlington's Juvenile Diversion Program since 1996, and was recently appointed as magistrate for the Grandview Heights Mayor's Court. Brian and his wife, Susan, a teacher in the Hilliard City School District, have a daughter, Ella, at home and two adult sons, Justin and Alec. In his spare time, Brian enjoys biking, tennis, music, and reading.



Independent Auditor's Report

Each year Community Fund undergoes an extensive and voluntary audit of our finances and many of our procedures that impact our beneficiaries. The following pages represent the 2019 calendar year audit, performed by the auditors from Hobe & Lucas, Certified Public Accountants, Inc.

COMMUNITY FUND
MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Fund Management Foundation, Inc.
Middleburg Heights, Ohio

We have audited the accompanying financial statements of the Community Fund Management Foundation, Inc. (a nonprofit corporation) which comprise the Statement of Financial Position as of December 31, 2019 and 2018, and the related Statements of Activities, Functional Expenses and Cash Flows for the years then ended, and the related Notes to the Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Fund Management Foundation as of December 31, 2019 and 2018 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Hobe & Lucas
Certified Public Accountants, Inc.
Independence, Ohio

August 11, 2020

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)

DECEMBER 31, 2019 AND 2018

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT.....	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position.....	3
Statement of Activities.....	4
STATEMENTS OF FUNCTIONAL EXPENSES	
Year Ended December 31, 2019.....	5
Year Ended December 31, 2018.....	6
STATEMENT OF CASH FLOWS.....	7
NOTES TO FINANCIAL STATEMENTS.....	8-18

COMMUNITY FUND MANAGEMENT FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS

	2019	2018
<u>Current Assets</u>		
Cash and cash equivalents	\$ 1,005,884	\$ 907,244
Short term investments	437,949	361,892
Accounts receivable:		
Miscellaneous reimbursements	-	4,713
Prepaid expenses	13,489	6,350
Total Current Assets	1,457,322	1,280,199
<u>Property and Equipment</u>		
Equipment	28,235	36,629
Furniture	52,847	52,847
	81,082	89,476
Less: Accumulated depreciation	(51,334)	(44,634)
Net Property and Equipment	29,748	44,842
<u>Other Assets</u>		
Investments:		
Perpetual trust, restricted by the Board of Directors	4,158,634	3,465,359
Endowment account, restricted by the Board of Directors	748,395	629,016
	4,907,029	4,094,375
Deposits	5,275	1,017
Total Other Assets	4,912,304	4,095,392
Total Assets	\$ 6,399,374	\$ 5,420,433

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	2,025	3,542
Accrued expenses:		
Payroll expenses and related liabilities	44,349	42,557
Total Current Liabilities	46,374	46,099
<u>Net Assets</u>		
Without Donor Restrictions:		
Undesignated net assets	1,445,971	1,279,959
Board designated net assets	4,907,029	4,094,375
Total Net Assets Without Donor Restrictions	6,353,000	5,374,334
Total Liabilities and Net Assets	\$ 6,399,374	\$ 5,420,433

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

COMMUNITY FUND MANAGEMENT FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>Changes in Net Assets</u>		
<u>Support and Revenue Without Donor Restrictions</u>		
Set-up fees	\$ 458,591	\$ 335,000
Annual trust fees	595,458	579,566
Investment income		
Net realized and unrealized appreciation (depreciation) of investments, net of fees of \$48,980 in 2019 and \$42,788 in 2018	738,232	(410,939)
Interest and dividend income	128,710	133,420
Contributions	245,717	260,899
Gain(Loss) on disposal of property	(4,161)	260
Other income	6,457	2,400
	<u>2,169,004</u>	<u>900,606</u>
 <u>Expenses - Without Donor Restrictions</u>		
Program services	1,075,938	917,737
Management and general	114,398	111,503
	<u>1,190,336</u>	<u>1,029,240</u>
 <u>Increase (Decrease) in Net Assets Without Donor Restrictions</u>	978,668	(128,634)
 <u>Net Assets Without Donor Restrictions - Beginning of Year</u>	<u>5,374,332</u>	<u>5,502,968</u>
 <u>Net Assets Without Donor Restrictions - End of Year</u>	<u>\$ 6,353,000</u>	<u>\$ 5,374,334</u>

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

COMMUNITY FUND MANAGEMENT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Expenses</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Totals</u>
Personnel	\$ 643,105	\$ 55,125	\$ 698,230
Grant distributions from endowment	218,186	-	218,186
Office expenses	91,094	12,422	103,516
Professional fees	13,257	31,000	44,257
Rent	69,472	9,474	78,946
Travel and meetings	11,609	1,583	13,192
Trustee fees	8,096	-	8,096
Insurance	2,216	2,216	4,432
Depreciation	9,620	1,312	10,932
Other expenses	9,283	1,266	10,549
	<u>\$ 1,075,938</u>	<u>\$ 114,398</u>	<u>\$ 1,190,336</u>

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

COMMUNITY FUND MANAGEMENT FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Expenses</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Totals</u>
Personnel	\$ 536,256	\$ 55,125	\$ 591,381
Grant distributions from endowment	177,627	-	177,627
Office expenses	105,688	14,412	120,100
Professional fees	20,526	30,400	50,926
Rent	40,702	5,550	46,252
Travel and meetings	9,973	1,360	11,333
Trustee fees	8,193	-	8,193
Insurance	2,428	2,428	4,856
Depreciation	9,859	1,344	11,203
Other expenses	6,485	884	7,369
	<u>\$ 917,737</u>	<u>\$ 111,503</u>	<u>\$ 1,029,240</u>

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

COMMUNITY FUND MANAGEMENT FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 978,668	\$ (128,634)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net (appreciation) depreciation investments	(738,232)	410,939
Depreciation of property and equipment	10,932	11,203
Loss (Gain) on disposal of property	4,161	(260)
(Increase) decrease in:		
Accounts receivable	4,713	-
Prepaid expenses	(7,139)	1,530
Other assets	(4,258)	2,034
Increase (decrease) in:		
Accounts payable	(1,517)	(3,657)
Accrued expenses	1,792	15,372
Net Cash Provided by Operating Activities	249,120	308,527
<u>Cash Flows From Investing Activities</u>		
Purchase of furniture and equipment	-	(25,076)
Purchases of short-term investments	(29,161)	(16,961)
Withdrawals from endowment account	15,000	190,922
Additions to perpetual trust	(345,385)	(368,026)
Withdrawals from perpetual trust	209,066	197,488
Net Cash Used by Investing Activities	(150,480)	(21,653)
<u>Net Increase in Cash and Cash Equivalents</u>	98,640	286,874
<u>Cash and Cash Equivalents - Beginning of Year</u>	907,244	620,370
<u>Cash and Cash Equivalents - Ending of Year</u>	\$ 1,005,884	\$ 907,244

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

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Community Fund Management Foundation, Inc. (the Foundation) is a non-profit organization, established in 1993, to develop and make available trust vehicles, education, and related services that help enable individuals with disabilities to use private funds to enhance their quality of life while attempting to safeguard their eligibility for governmental benefits. Revenues consist primarily of set-up fees and annual fees associated with these trusts, investment income and contributions.

Basis of Accounting

The accompanying financial statements have been prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America, as prescribed in the American Institute of Certified Public Accountants' Audit and Accounting Guide: *Not-For-Profit Entities*. The following information summarizes the accounting basis:

Financial Statement Presentation

The Foundation classifies net assets, revenues, gains and other support and expenses based on the existence or absence of donor imposed restrictions. Accordingly, net assets and the changes therein are classified and reported in two categories, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are either not subject to donor-imposed stipulations or are subject to such restrictions but those restrictions have been met in the same fiscal period that the revenue is recorded. This class of net assets includes board designated net assets.

Net Assets With Donor Restrictions

Net assets with donor restrictions are subject to donor-imposed stipulations that may be permanent or temporary. As of December 31, 2019 and 2018, the Foundation had no net assets with donor restrictions.

Accounts Receivable

Accounts receivable are considered to be fully collectible. Management believes no allowance for doubtful accounts is required.

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Property and Equipment

Property and equipment are stated at cost. Renewals and betterments are capitalized. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over various estimated useful lives consisting of periods from three to ten years.

Statements of Cash Flows

The Foundation considers all highly liquid investments at time of purchase with an original maturity date of three months or less to be cash equivalents. There were no cash payments for interest or income taxes during the years ended December 31, 2019 and 2018.

Investments

Investments are carried at fair value and consist of marketable equity, bond funds, and money market funds. Investments with readily determinable fair values are reported at quoted market values. Realized and unrealized gains and losses are recognized in the accompanying statements of activities. In accordance with FASB ASU 2016-14, investment activity, including realized and unrealized gains and losses are presented net of related expenses.

Revenue Recognition

In 2019, the Foundation adopted the provisions of FASB ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The adoption of Topic 606 did not have a material effect on the Foundation's revenue recognition.

Trust set-up fees are recognized as revenue during the fiscal year the trust is originally established. Annual fees are billed in advance, at the beginning of the year, for the upcoming calendar year and recognized, accordingly, in the year in which the fees are billed.

Contributions are recognized at fair value when a donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Unconditional promises to give are considered to be fully collectible; accordingly, no allowance for uncollectible promises to give is required.

Compensated Absences

Employees of the Foundation are entitled to paid vacation, sick and personal days off, depending on their job classifications. None of these benefits vest and vacation leave is expensed as incurred.

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Income Taxes

The Foundation is a private, non-profit organization, and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. None of the Foundation's present or anticipated future activities are subject to taxation as unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

There have been no interest or penalties recognized in the Statements of Financial Position or the Statements of Activities relating to uncertain tax positions. Additionally, no tax positions exist for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease during the next 12 months. The Foundation evaluates uncertain tax positions, if any, on a continual basis. The Foundation's Federal tax returns are generally subject to examination by the IRS for the years 2017 and after.

Functional Allocation of Expenses

The costs of administering trusts and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated between program expenses and management and general expenses using various allocation methods which attempt to allocate the costs equitably in relation to the benefits provided.

Disclosure of Subsequent Events

The Foundation has evaluated all subsequent events through the date the accompanying financial statements were available to be issued (August 11, 2020).

An outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and spread rapidly to other countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. Multiple jurisdictions in the U.S. declared a state of emergency, and implemented policy to limit the spread of the virus. In March 2020, the Foundation began modifying operations in response to government mandates and to protect the safety of its employees and clients. The future impact of these changes is indeterminable, however the Foundation's investment portfolio value was affected, as the financial markets took a downturn in March. There has been a recovery since then. However, the investment value has not recovered to pre-COVID-19 values.

In April 2020, the Foundation applied for a business loan through the Paycheck Protection Program (PPP). The PPP was established to help businesses operate during the state of emergency caused by COVID-19. Loans received through the PPP are expected to be fully forgiven. In May 2020, the Foundation received \$75,000 from the PPP.

There were no other subsequent events to report as of August 11, 2020.

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Use of Accounting Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make certain estimates that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. Actual results could differ from those estimates.

NOTE 2 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that the Foundation would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in a principal market, or in the absence of a principal market the most advantageous market for the investment or liability. A three-tier hierarchy has been established to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Foundation's investments.

The various inputs that may be used to determine the fair value of the Foundation's assets are summarized in the three broad levels:

Level 1 - Inputs represent unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access as of the measurement date.

Level 2 - Represents observable inputs other than quoted prices in active markets for identical assets.

Level 3 - Represents unobservable inputs supported by little or no market activity significant to the fair value measurements.

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a summary of the inputs used as of December 31, 2019 and 2018 in valuing the Foundation's investments carried at fair value:

		<u>Fair Value Measurements</u>		
<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>December 31, 2019</u>				
<u>Short-Term Investments:</u>				
<u>Investment Category</u>				
Cash Equivalents	\$ 10,712	\$ 10,712	\$ -	\$ -
Equities	427,237	427,237	-	-
	<u>\$ 437,949</u>	<u>\$ 437,949</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2019</u>				
<u>Long-Term Investments:</u>				
Cash Equivalents	\$ 251,756	\$ 251,756	\$ -	\$ -
Fixed Income Bonds	1,476,315	-	1,476,315	-
Equities	3,178,958	741,998	2,436,960	-
	<u>\$ 4,907,029</u>	<u>\$ 993,754</u>	<u>\$ 3,913,275</u>	<u>\$ -</u>
		<u>Fair Value Measurements</u>		
<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>December 31, 2018</u>				
<u>Short-Term Investments:</u>				
<u>Investment Category</u>				
Cash Equivalents	\$ 11,247	\$ 11,247	\$ -	\$ -
Equities	350,645	350,645	-	-
	<u>\$ 361,892</u>	<u>\$ 361,892</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2018</u>				
<u>Long-Term Investments:</u>				
Cash Equivalents	\$ 42,790	\$ 42,790	\$ -	\$ -
Fixed Income Bonds	1,483,174	-	1,483,174	-
Equities	2,568,411	624,345	1,944,066	-
	<u>\$ 4,094,375</u>	<u>\$ 667,135</u>	<u>\$ 3,427,240</u>	<u>\$ -</u>

NOTE 3 - CONCENTRATIONS

At various times during the years ended December 31, 2019 and 2018, cash balances exceeded federally insured limits.

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 4 - NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

Net Assets Without Donor Restrictions - Board Designated consists of investments held in the Perpetual Trust and in the Endowment Account, which are internally restricted by the Foundation's Board of Directors. Because these investments and the related net assets are free of external restrictions, they have been classified as "Without Donor Restrictions" in the accompanying Statements of Financial Position.

NOTE 5 - INVESTMENTS

Investments as of December 31, 2019 and 2018 consist primarily of common stocks, bond funds and equity funds. Original cost, fair value, unrealized appreciation and investment income at December 31, 2019 and 2018 is summarized below:

	<u>Original Cost</u>	<u>Fair Value</u>	<u>Unrealized Apprec. (Deprec.)</u>	<u>Interest and Dividend Income</u>
<u>December 31, 2019</u>				
<u>Short-Term Investments:</u>				
Cash Equivalents	\$ 10,712	\$ 10,712	\$ -	\$ 963
Equities	<u>367,337</u>	<u>427,237</u>	<u>59,990</u>	<u>10,123</u>
	<u>\$ 378,049</u>	<u>\$ 437,949</u>	<u>\$ 59,990</u>	<u>\$ 11,086</u>
<u>Long-Term Investments:</u>				
Perpetual Trust	\$ 3,229,645	\$ 4,158,634	\$ 928,989	\$ 99,668
Endowment Account:				
Cash Equivalents	6,397	6,397	-	-
Equities	<u>638,515</u>	<u>741,998</u>	<u>103,483</u>	<u>17,956</u>
	<u>\$ 3,874,557</u>	<u>\$ 4,907,029</u>	<u>\$ 1,032,472</u>	<u>\$ 117,624</u>
<u>December 31, 2018</u>				
<u>Short-Term Investments:</u>				
Cash Equivalents	\$ 11,247	\$ 11,247	\$ -	\$ 845
Equities	<u>357,783</u>	<u>350,645</u>	<u>(7,138)</u>	<u>9,139</u>
	<u>\$ 369,030</u>	<u>\$ 361,892</u>	<u>\$ (7,138)</u>	<u>\$ 9,984</u>
<u>Long-Term Investments:</u>				
Perpetual Trust	\$ 3,150,355	\$ 3,465,359	\$ 315,004	\$ 107,127
Endowment Account:				
Cash Equivalents	4,671	4,671	-	-
Equities	<u>637,850</u>	<u>637,850</u>	<u>(13,505)</u>	<u>16,274</u>
	<u>\$ 3,792,876</u>	<u>\$ 4,107,880</u>	<u>\$ 301,499</u>	<u>\$ 123,401</u>

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 5 - INVESTMENTS (CONTINUED)

The Foundation invests excess funds on hand in short-term investments, consisting of money market funds, various equity, and various bond funds. Unrealized holding gains (losses) on these investments totaled \$67,039 and (36,463) for the years ended December 31, 2019 and 2018, respectively. Realized gains (losses) on these short- term and long term investments totaled \$1,849 for the year ended December 31, 2019, and \$2,722 for the year ended December 31, 2018.

The Foundation invests funds in long-term investments (endowment account), consisting of money market funds, and various equity funds. Unrealized holding gains (losses) on these investments totaled \$116,989 and \$(65,766) for the years ended December 31, 2019 and 2018, respectively. Realized gains (losses) on these long-term investments totaled \$4,657 and 5,656 for the years ended December 31, 2019 and 2018, respectively.

Unrealized holding gains (losses) on perpetual trust securities totaled \$613,985 and (\$258,732) for the years ended December 31, 2019 and 2018, respectively. Realized gains (losses) on these securities totaled (\$17,307) for the year ended December 31, 2019 and (\$15,568) for the year ended December 31, 2018.

The perpetual trust is funded exclusively by elections received by the Foundation from the various individual trust accounts that the Foundation administers. Contributions received by the Foundation from these elections totaled \$245,717 and \$260,899 during the years ended December 31, 2019 and 2018, respectively, and have been included in "Contributions" in the accompanying Statements of Activities.

The Foundation's Board of Directors has designated the funds in the perpetual trust as restricted, except for an annual transfer of 5% of the average balance in the perpetual trust for the preceding year to the Foundation's Chase Bank endowment account. This transfer totaled \$199,808 for the year ended December 31, 2019 and \$187,896 for the year ended December 31, 2018.

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 6 - UPMIFA AND RESTRICTED ENDOWMENT FUNDS

The State of Ohio's Uniform Prudent Management of Institutional Funds Act ("UPMIFA") requires the prudent expenditure of endowment funds. The Foundation's Board of Directors has determined that all Board-restricted investments meet the definition of endowment funds under UPMIFA. Additionally, the Financial Accounting Standards (FAS) Board has issued guidance on the net asset classification of Board-restricted endowment funds and also requires enhanced disclosures for all endowment funds. These disclosures are presented below.

Net Asset Classification

As of December 31, 2019 and 2018, all investments held in the Perpetual Trust and in the Endowment Account originated from net assets without donor restrictions of the Foundation, and have been reflected as Without Donor Restrictions - Board-designated net assets in the accompanying Statements of Financial Position.

Investment and Spending Policy

Funds held in the perpetual trust are invested in the same securities as the individual trust accounts that the Foundation administers. These funds are restricted except for an annual transfer of 5% of the average balance in the preceding year to the Foundation's endowment account.

Funds held in the endowment account are held in an investment account and are restricted for the purpose of providing special assistance to individuals with disabilities and nonprofits, as authorized by the Foundation's Board of Directors. Distributions to grant recipients from the endowment account totaled \$218,186 and \$177,627 for the years ended December 31, 2019 and 2018, respectively.

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 6 - UPMIFA AND RESTRICTED ENDOWMENT FUNDS (CONTINUED)

Changes in the perpetual trust and in the endowment fund account balances during each of the years ended December 31, 2019 and 2018 are as follows:

	<u>Year Ended December 31, 2019</u>	
	<u>Perpetual</u>	<u>Endowment</u>
	<u>Trust</u>	<u>Account</u>
Balance at Beginning of Year	\$ 3,465,359	\$ 629,016
Annual 5% transfer from Perpetual Trust to Chase Endowment Account	(199,808)	-
Elective deposits from individual trusts	245,717	-
Board discretionary transfer from Endowment to Chase savings account	-	(15,000)
Investment return:		
Interest and dividend income, net	99,668	17,876
Trustee fees	(48,980)	(5,144)
Unrealized gains	613,985	116,989
Realized gains (losses)	(17,307)	4,658
Total investment return	<u>647,366</u>	<u>134,379</u>
Balance at End of Year	<u>\$ 4,158,634</u>	<u>\$ 748,395</u>

	<u>Year Ended December 31, 2018</u>	
	<u>Perpetual</u>	<u>Endowment</u>
	<u>Trust</u>	<u>Account</u>
Balance at Beginning of Year	\$ 3,611,909	\$ 869,022
Annual 5% transfer from Perpetual Trust to Chase Endowment Account	(187,896)	-
Elective deposits from individual trusts	260,899	-
Board discretionary transfer from Endowment to Chase savings account	-	(16,000)
Grant distributions from Endowment account	-	(174,922)
Investment return:		
Interest and dividend income, net	107,127	16,274
Trustee fees	(52,380)	(5,248)
Unrealized gains	(258,732)	(65,766)
Realized gains (losses)	(15,568)	5,656
Total investment return	<u>(219,553)</u>	<u>(49,084)</u>
Balance at End of Year	<u>\$ 3,465,359</u>	<u>\$ 629,016</u>

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 7 - OPERATING LEASE AGREEMENT

The Foundation leases office space under an operating lease agreement. Rent expense totaled \$65,087 and \$43,914 for the years ended December 31, 2019 and 2018, respectively. The Foundation also leases two copiers under lease agreements. The lease expense is reported under printing and copying expense and totaled \$6,497 and \$5,738 for the years ended December 31, 2019 and 2018, respectively. At December 31, 2019, the remaining future annual rents under these agreements were as follows:

<u>Year Ended December 31,</u>	
2020	\$ 69,274
2021	68,974
2022	70,104
2023	<u>68,670</u>
Total minimum lease payments	<u>\$ 277,022</u>

NOTE 8 - RETIREMENT BENEFITS

The Foundation has a defined contribution retirement plan, which covers eligible employees, as defined in the Plan Document. During the years ended December 31, 2019 and 2018, the Foundation matched voluntary employee contributions up to 3% of each eligible employee's salary. Retirement expense totaled \$10,398 for the year ended December 31, 2019, and \$8,902 for the year ended December 31, 2018, and has been included in personnel expenses in the accompanying Statements of Activities.

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 9- LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation has \$801,921 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash of \$801,921. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The Foundation has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet at least 90 days of normal operating expenses, which are projected to be \$286,733. The Foundation does not have a Board mandated liquidity policy, but it is the policy of the Executive Director to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, as part of its liquidity management, the Foundation has a target balance of \$50,000(+/- \$10,000) for its operating checking account and invests cash in excess of the target balance in various short-term and long-term investments pursuant to the investment policy of the Finance Committee and Board of Directors. Currently \$437,949 is invested in short-term and long-term investments. The Foundation also maintains a Perpetual Trust which is restricted by the Board of Directors which could be drawn upon in the event of financial distress or an immediate liquidity need.

NOTE 10- METHODS USED FOR ALLOCATION OF EXPENSES AMONG PROGRAM AND SUPPORTING SERVICES

The financial statements report certain categories of expenses that are attributable to program or supporting services of the Foundation. Those expenses include depreciation and the operating office of the Foundation. Depreciation, insurance, rent, travel, office expenses as well as other expenses relating to day-to-day operations are allocated to Management & General based on a calculated basis of 12% of the total expense. Insurance expense and executive director salary are allocated to Management & General at 50% of their totals, respectively. Grant distributions are allocated 100% to our Program Service.

NOTE 11- RECLASSIFICATIONS

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the reported results of operations.