



**COMMUNITY FUND**  
**O H I O**

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

# Community Fund Ohio Annual Report 2021



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## **About Us**

Community Fund Management Foundation, doing business as Community Fund Ohio, 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. Community Fund began in 1993 and Huntington National Bank became successor trustee starting on October 1, 2019.

Community Fund serves as the nonprofit trust advisor to the pooled trusts and is responsible for administering the trust accounts. That includes setting up new sub-accounts, reviewing and approving distribution requests, 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.communityfundohio.org](http://www.communityfundohio.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.**

Community Fund has experienced another positive financial year. The number of new sub-accounts established in 2020 is less than 2019, but that is to be expected. Many potential clients deferred estate planning while they focused on other COVID-19 related concerns, and restrictions on visitors to long-term care facilities impacted clients wanting to meet with their attorneys.

Despite receiving fewer new sub-accounts compared to 2019, Community Fund had budgeted well and is thriving. We distributed over \$11,000,000 in 2020 to meet our beneficiaries' needs and distributed another \$11,000,00 after the death of beneficiaries to close subaccounts. Community Fund's Board of Directors approved \$250,553 for nonprofit and individual grants in 2020 as well as approving almost \$300,000 for emergency nonprofit grants.

Community Fund is always focused on the future and improving services for our clients and staff. In 2021, Community Fund updated its domain name to match our new "doing business as name" of Community Fund Ohio. This update included migrating to Office 365 and creating new email addresses using our new domain of [communityfundohio.org](http://communityfundohio.org). We are finalizing our new website, which will be located at [www.communityfundohio.org](http://www.communityfundohio.org), and expect it to launch before the end of 2021. When that occurs, we will utilize new forms that identify our new name, Community Fund Ohio. While we do not plan to amend our Joinder Agreements, we will provide updated attorney instructions, distribution requests, and beneficiary resource record forms, among others, to reflect our new name and clarify instructions. We will continue to accept our current forms after the launch for a reasonable period of time. We are also working with software engineers to explore how we can provide a better experience for our staff and our clients using existing and proprietary software products.

Our office continues to apply COVID precautions as this Report is released in September 2021, but we have returned to the office full-time and appreciate the opportunity for our pooled trusts to assist our clients as they too adapt to the ever-evolving situation.

## **2020-2021 Board of Directors**

Maggie L. Sutton, Esq.  
Chairperson  
Franklin County

Kelly Petty, MPA  
Vice-Chairperson  
Cuyahoga County

Jonathan Wise  
Treasurer  
Cuyahoga County

Kevin A. Craine, Esq.  
Franklin County

Elaine B. Eisner, Esq.  
Cuyahoga County

Laura Mathews  
Stark County

Ken Marblestone  
Cuyahoga County

Frances Elliott Ulrich, M.Ed., Ed.D.  
Cuyahoga County

Nirakar "Nic" Thakur, Esq., MBA  
Lucas County

## **Non-Board Committee Members**

Janet L. Lowder, Esq.

Bob Mathews

Janet Pecquet, Esq.

Laura L. Drake, 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.

	12/31/2020	12/31/2019
Total Assets Under Management	\$124,097,678	\$114,464,028
PMPT and Roll-In (Active and Funded)	2209	2230
PMPT and Roll-In (Percentage of Assets)	84%	83%
Master Trusts (Active and Funded)	166	169
Master Trusts (Percentage of Assets)	11%	13%
Perpetual and Partner (Active and Funded)	4	4
Perpetual and Partner (Percentage of Assets)	5%	4%
	2020CY	2019CY
New PMPT Joinder Applications Accepted	308	404
New Roll-In PMPT Joinder Applications Accepted	8	20
New Master Joinder Applications Accepted	26	21
Total New Joinder Applications Accepted	342	445
New Joinder Applications Naming One of our Partners	5	7

Community Fund accepts completed Joinder Applications for new subaccounts at any time, but we recommend that attorneys submit Joinder Applications before the 25<sup>th</sup> of each calendar month to give our Trust Development Coordinators sufficient time to review the paperwork submitted to us, or before the 15<sup>th</sup> 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.

	2020CY	2019CY	2018CY	2017CY
Distribution Requests Received	7494	8856	7949	11560
Distributions Approved (Total Dollar Value)	\$11,143,399	\$12,297,110	\$9,676,228	\$9,237,776
Distributions Approved (No. of Transactions)	7133	8355	7547	1,232
Distributions Denied (Total Dollar Value)	\$373,350	\$251,659	\$245,168	\$166,358
Distributions Denied (No. of Transactions)	361	501	402	328
Percentage Approved	97%	98%	98%	97%

Lana Ellis, Katie Welsh, and LaToya Peacock work in our Distribution Department and they 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.

2020 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



## 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.

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 2020 calendar year, Community Fund was notified that 103 beneficiaries had passed away. 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 (Ohio)	\$4,603,355	41%
Medicaid Claims (States other than Ohio)	\$3,925	51%
Paid to Remainder Distributees After Medicaid Claim	\$5,692,289	7%
Retained by Community Fund Perpetual Trust	\$813,862	<1%
Retained by Jewish Federation of Cleveland sub-account	\$9,773	<1%
Retained by ADD sub-account	\$0	0%
Retained by The Arc of Ohio sub-account	\$50,573	<1%
Retained by Hattie Larlham Foundation sub-account	\$13,067	<1%
Total	\$11,186,845	100%

## 2020 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.

	2020CY	2019CY
Nonprofit Grants Approved	16	9
Nonprofit Grants Approved (Total Dollar Value)	\$186,124	\$108,333
Individual Grants Approved	31	38
Individual Grants Approved (Total Dollar Value)	\$64,429	\$85,571
<b>Total Approved Grants</b>	<b>\$250,553</b>	<b>\$193,904</b>

The nonprofits that received grants of up to \$20,000 include:

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 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 the pandemic. The response was overwhelming and highlighted how nonprofits from all over the state have been impacted by COVID-19. This 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@communityfundohio.org
Deposits	Trust Development Coordinators Jeannette M. Steward Kelly A. Spakes	joinderanddeposit@communityfundohio.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	Lisa Wolf, Executive Assistant	info@communityfundohio.org
Address updates	Lisa Wolf, Executive Assistant	info@communityfundohio.org
Statement Request	Lisa Wolf, Executive Assistant	info@communityfundohio.org
Government Agency Inquiries	Lisa Wolf, Executive Assistant	info@communityfundohio.org
Grants	Lisa Wolf, Executive Assistant	info@communityfundohio.org
Death of a Beneficiary	Marija Bellow, Paralegal	marija@communityfundohio.org
General Inquiries	All Staff	info@communityfundohio.org
Exhibitor or Sponsorship	Admin Office or Director Closest to Your Location	info@communityfundohio.org



## Our Staff

**Amanda M. Buzo, Esq.**

Executive Director

**Laura L. Drake, Esq.**

Associate Director, Southern Ohio

**Svetlana "Lana" Ellis**

Distribution Specialist III

**Kaitlyn "Katie" Welsh**

Distribution Specialist II

**LaToya Peacock**

Distribution Specialist I

**Kelly Spakes**

Trust Development Coordinator

**Jeannette Steward**

Trust Development Coordinator

**Lisa Wolf**

Executive Assistant

**Marija Bellow**

Paralegal (Deceased Administration)

## **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 2020 calendar year audit, performed by the auditors from Hobe & Lucas, Certified Public Accountants, Inc.

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**



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

**DECEMBER 31, 2020 AND 2019**

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## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the Community Fund Management Foundation, Inc. dba Community Fund Ohio (a nonprofit corporation) which comprise the Statement of Financial Position as of December 31, 2020 and 2019, 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, Inc. dba Community Fund Ohio as of December 31, 2020 and 2019 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*

July 27, 2021

**COMMUNITY FUND MANAGEMENT FOUNDATION**  
**DBA COMMUNITY FUND OHIO**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

**ASSETS**

	<b><u>2020</u></b>	<b><u>2019</u></b>
<b><u>Current Assets</u></b>		
Cash and cash equivalents	\$ 1,228,487	\$ 1,005,884
Short term investments	485,811	437,949
Prepaid expenses	14,364	13,489
Total Current Assets	<u>1,728,662</u>	<u>1,457,322</u>
<b><u>Property and Equipment</u></b>		
Equipment	28,235	28,235
Furniture	52,847	52,847
	<u>81,082</u>	<u>81,082</u>
Less: Accumulated depreciation	(61,600)	(51,334)
Net Property and Equipment	<u>19,482</u>	<u>29,748</u>
<b><u>Other Assets</u></b>		
Investments:		
Perpetual trust, restricted by the Board of Directors	5,054,431	4,158,634
Endowment account, restricted by the Board of Directors	726,505	748,395
	<u>5,780,936</u>	<u>4,907,029</u>
Deposits	5,275	5,275
Total Other Assets	<u>5,786,211</u>	<u>4,912,304</u>
Total Assets	<u><u>\$ 7,534,355</u></u>	<u><u>\$ 6,399,374</u></u>

**LIABILITIES AND NET ASSETS**

<b><u>Current Liabilities</u></b>		
Accounts payable	2,779	2,025
Accrued expenses:		
Payroll expenses and related liabilities	29,892	44,349
Total Current Liabilities	<u>32,671</u>	<u>46,374</u>
<b><u>Net Assets</u></b>		
Without Donor Restrictions:		
Undesignated net assets	1,720,748	1,445,971
Board designated net assets	5,780,936	4,907,029
Total Net Assets Without Donor Restrictions	<u>7,501,684</u>	<u>6,353,000</u>
Total Liabilities and Net Assets	<u><u>\$ 7,534,355</u></u>	<u><u>\$ 6,399,374</u></u>

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

**COMMUNITY FUND MANAGEMENT FOUNDATION**  
**DBA COMMUNITY FUND OHIO**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<b><u>2020</u></b>	<b><u>2019</u></b>
<b><u>Changes in Net Assets</u></b>		
<b><u>Support and Revenue Without Donor Restrictions</u></b>		
Set-up fees	\$ 382,750	\$ 458,591
Annual trust fees	661,406	595,458
Investment income		
Net realized and unrealized appreciation		
(depreciation) of investments, net of fees		
of \$49,193 in 2020 and \$48,980 in 2019	578,997	738,232
Interest and dividend income	123,479	128,710
Contributions	821,756	245,717
Gain(Loss) on disposal of property	-	(4,161)
Other income (PPP loan forgiveness \$75,000 and EIDL grant \$10,000)	85,000	6,457
	<u>2,653,388</u>	<u>2,169,004</u>
<b><u>Expenses - Without Donor Restrictions</u></b>		
Program services	1,384,623	1,075,938
Management and general	120,081	114,398
	<u>1,504,704</u>	<u>1,190,336</u>
<b><u>Increase (Decrease) in Net Assets Without Donor Restrictions</u></b>	1,148,684	978,668
<b><u>Net Assets Without Donor Restrictions - Beginning of Year</u></b>	<u>6,353,000</u>	<u>5,374,332</u>
<b><u>Net Assets Without Donor Restrictions - End of Year</u></b>	<u><u>\$ 7,501,684</u></u>	<u><u>\$ 6,353,000</u></u>

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

**COMMUNITY FUND MANAGEMENT FOUNDATION**  
**DBA COMMUNITY FUND OHIO**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b><u>Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Totals</u></b>
<b><u>Expenses</u></b>			
Personnel	\$ 690,468	\$ 62,480	\$ 752,948
Grant distributions from endowment	424,327	-	424,327
Office expenses	89,322	12,180	101,502
Professional fees	12,870	30,700	43,570
Rent	75,099	10,241	85,340
Travel and meetings	2,680	365	3,045
Trustee fees	6,860	-	6,860
Insurance	2,131	2,131	4,262
Trustee Transition Tax Prep Service	66,321	-	66,321
Depreciation	9,034	1,232	10,266
Other expenses	5,511	752	6,263
	<u>\$ 1,384,623</u>	<u>\$ 120,081</u>	<u>\$ 1,504,704</u>

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

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

	<b><u>Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Totals</u></b>
<b><u>Expenses</u></b>			
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
	<b><u>\$ 1,075,938</u></b>	<b><u>\$ 114,398</u></b>	<b><u>\$ 1,190,336</u></b>

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

**COMMUNITY FUND MANAGEMENT FOUNDATION**  
**DBA COMMUNITY FUND OHIO**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b><u>Cash Flows From Operating Activities</u></b>		
Change in net assets	\$ 1,148,684	\$ 978,668
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net (appreciation) depreciation investments	(578,997)	(738,232)
Depreciation of property and equipment	10,266	10,932
Loss (Gain) on disposal of property	-	4,161
(Increase) decrease in:		
Accounts receivable	-	4,713
Prepaid expenses	(875)	(7,139)
Other assets	-	(4,258)
Increase (decrease) in:		
Accounts payable	754	(1,517)
Accrued expenses	(14,457)	1,792
Net Cash Provided by Operating Activities	<u>565,375</u>	<u>249,120</u>
<b><u>Cash Flows From Investing Activities</u></b>		
Purchases of short-term investments	(16,318)	(29,161)
Withdrawals from endowment account	74,931	15,000
Additions to perpetual trust	(921,594)	(345,385)
Withdrawals from perpetual trust	520,209	209,066
Net Cash Used by Investing Activities	<u>(342,772)</u>	<u>(150,480)</u>
<b><u>Net Increase in Cash and Cash Equivalents</u></b>	222,603	98,640
<b><u>Cash and Cash Equivalents - Beginning of Year</u></b>	<u>1,005,884</u>	<u>907,244</u>
<b><u>Cash and Cash Equivalents - Ending of Year</u></b>	<u><u>\$ 1,228,487</u></u>	<u><u>\$ 1,005,884</u></u>

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



**COMMUNITY FUND MANAGEMENT FOUNDATION, INC.**  
**DBA COMMUNITY FUND OHIO**  
**(A NON-PROFIT ORGANIZATION)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Community Fund Management Foundation, Inc. dba Community Fund Ohio (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, 2020 and 2019, 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.

**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.

**COMMUNITY FUND MANAGEMENT FOUNDATION, INC.**  
**DBA COMMUNITY FUND OHIO**  
**(A NON-PROFIT ORGANIZATION)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

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

**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, 2020 and 2019.

**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.

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**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 2018 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.

**Payroll Protection Program**

The CARES Act, including subsequent amendments, earmarked forgivable loans through the Payroll Protection Program (PPP) to support eligible small businesses impacted by COVID-19. The PPP funds were administered by the Small Business Administration (SBA) through the borrower's bank and bears interest at a rate of 1.0% per annum. The Foundation applied for and received PPP funding of \$75,000. The Foundation applied for and received full loan forgiveness, as a result, the PPP loan is shown as other income on the financial statements.

**Disclosure of Subsequent Events**

The Foundation has evaluated all subsequent events through the date the accompanying financial statements were available to be issued (July 27, 2021) for proper accounting and disclosure in the accompanying financial statements.

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**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.

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**NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)**

The following is a summary of the inputs used as of December 31, 2020 and 2019 in valuing the Foundation's investments carried at fair value:

		<b><u>Fair Value Measurements</u></b>		
<b><u>Investment Category</u></b>	<b><u>Fair Value</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>
<b><u>December 31, 2020</u></b>				
<b><u>Short-Term Investments:</u></b>				
<b><u>Investment Category</u></b>				
Cash Equivalents	\$ 17,075	\$ 17,075	\$ -	\$ -
Equities	468,736	468,736	-	-
	<u>\$ 485,811</u>	<u>\$ 485,811</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>December 31, 2020</u></b>				
<b><u>Long-Term Investments:</u></b>				
Cash Equivalents	\$ 85,424	\$ 85,424	\$ -	\$ -
Fixed Income Bonds	1,395,023	-	1,395,023	-
Equities	4,300,489	716,897	3,583,592	-
	<u>\$ 5,780,936</u>	<u>\$ 802,321</u>	<u>\$ 4,978,615</u>	<u>\$ -</u>
		<b><u>Fair Value Measurements</u></b>		
<b><u>Investment Category</u></b>	<b><u>Fair Value</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>
<b><u>December 31, 2019</u></b>				
<b><u>Short-Term Investments:</u></b>				
<b><u>Investment Category</u></b>				
Cash Equivalents	\$ 10,712	\$ 10,712	\$ -	\$ -
Equities	427,237	427,237	-	-
	<u>\$ 437,949</u>	<u>\$ 437,949</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>December 31, 2019</u></b>				
<b><u>Long-Term Investments:</u></b>				
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>

**NOTE 3 - CONCENTRATIONS**

At various times during the years ended December 31, 2020 and 2019, cash balances exceeded federally insured limits.

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**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, 2020 and 2019 consist primarily of common stocks, bond funds and equity funds. Original cost, fair value, unrealized appreciation and investment income at December 31, 2020 and 2019 is summarized below:

	<u>Original Cost</u>	<u>Fair Value</u>	<u>Unrealized Apprec. (Deprec.)</u>	<u>Interest and Dividend Income</u>
<b><u>December 31, 2020</u></b>				
<b><u>Short-Term Investments:</u></b>				
Cash Equivalents	\$ 17,075	\$ 17,075	\$ -	\$ 463
Equities	<u>367,254</u>	<u>468,736</u>	<u>101,482</u>	<u>8,707</u>
	<u>\$ 384,329</u>	<u>\$ 485,811</u>	<u>\$ 101,482</u>	<u>\$ 9,170</u>
<b><u>Long-Term Investments:</u></b>				
Perpetual Trust	\$ 3,597,480	\$ 5,054,431	\$ 1,456,951	\$ 99,838
Endowment Account:				
Cash Equivalents	9,608	9,608	-	-
Equities	<u>561,627</u>	<u>716,897</u>	<u>155,270</u>	<u>14,471</u>
	<u>\$ 4,168,715</u>	<u>\$ 5,780,936</u>	<u>\$ 1,612,221</u>	<u>\$ 114,309</u>
<b><u>December 31, 2019</u></b>				
<b><u>Short-Term Investments:</u></b>				
Cash Equivalents	\$ 10,712	\$ 10,712	\$ -	\$ 963
Equities	<u>367,337</u>	<u>427,237</u>	<u>59,900</u>	<u>10,123</u>
	<u>\$ 378,049</u>	<u>\$ 437,949</u>	<u>\$ 59,900</u>	<u>\$ 11,086</u>
<b><u>Long-Term Investments:</u></b>				
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>\$ 123,401</u>

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**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 \$41,859 and \$67,039 for the years ended December 31, 2020 and 2019, respectively. Realized gains (losses) on these short- term and long term investments totaled \$- for the year ended December 31, 2020, and \$1,849 for the year ended December 31, 2019.

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 \$50,778 and \$116,989 for the years ended December 31, 2020 and 2019, respectively. Realized gains (losses) on these long-term investments totaled \$(8,052) and \$4,657 for the years ended December 31, 2020 and 2019, respectively.

Unrealized holding gains (losses) on perpetual trust securities totaled \$527,962 and \$613,985 for the years ended December 31, 2020 and 2019, respectively. Realized gains (losses) on these securities totaled \$15,643 for the year ended December 31, 2020 and (\$17,307) for the year ended December 31, 2019.

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 \$821,756 and \$245,717 during the years ended December 31, 2020 and 2019, 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 \$220,209 for the year ended December 31, 2020 and \$199,808 for the year ended December 31, 2019. The board also made a special distribution from the perpetual trust of \$300,000 in 2020 to be used for COVID relief.

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**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, 2020 and 2019, 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 \$125,235 and \$218,186 for the years ended December 31, 2020 and 2019, respectively.

The board also approved a transfer from the Perpetual Trust of \$300,000 in response to the COVID pandemic. The \$300,000 is to be used for COVID grants for individuals/businesses that are in need because of the effects of the pandemic. Distributions to COVID grant recipients totaled \$299,902 as of December 31, 2020.



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**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, 2020 and 2019 are as follows:

	<b><u>Year Ended December 31, 2020</u></b>	
	<b><u>Perpetual</u></b>	<b><u>Endowment</u></b>
	<b><u>Trust</u></b>	<b><u>Account</u></b>
<b>Balance at Beginning of Year</b>	\$ 4,158,634	\$ 748,395
Annual 5% transfer from Perpetual Trust to Chase Endowment Account	(220,209)	
Transfer from Perpetual Trust to Chase Endowment account for COVID Grants	(300,000)	-
Elective deposits from individual trusts	821,756	-
Board discretionary transfer from Chase Endowment to Chase savings account	-	(74,931)
Investment return:		
Interest and dividend income, net	99,838	14,471
Trustee fees	(49,193)	(4,156)
Realized gains (losses)	15,643	(8,052)
Unrealized Gains	<u>527,962</u>	<u>50,778</u>
Total investment return	<u>594,250</u>	<u>53,041</u>
<b>Balance at End of Year</b>	<u>\$ 5,054,431</u>	<u>\$ 726,505</u>

	<b><u>Year Ended December 31, 2019</u></b>	
	<b><u>Perpetual</u></b>	<b><u>Endowment</u></b>
	<b><u>Trust</u></b>	<b><u>Account</u></b>
<b>Balance at Beginning of Year</b>	\$ 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 Chase 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)	<u>(17,307)</u>	<u>4,658</u>
Total investment return	<u>647,366</u>	<u>134,379</u>
<b>Balance at End of Year</b>	<u>\$ 4,158,634</u>	<u>\$ 748,395</u>

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**NOTE 7 - OPERATING LEASE AGREEMENT**

The Foundation leases office space under an operating lease agreement. Rent expense totaled \$70,285 and \$65,087 for the years ended December 31, 2020 and 2019, respectively. The Foundation also leases three copiers under lease agreements. The lease expense is reported under printing and copying expense and totaled \$5,706 and \$6,497 for the years ended December 31, 2020 and 2019, respectively. At December 31, 2020, the remaining future annual rents under these agreements were as follows:

**Year Ended December 31,**

2021	\$ 70,251
2022	71,381
2023	69,662
2024	1,277
2025	<u>958</u>
Total minimum lease payments	<u>\$ 213,529</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, 2020 and 2019, the Foundation matched voluntary employee contributions up to 3% of each eligible employee's salary. Retirement expense totaled \$15,157 for the year ended December 31, 2020, and \$10,398 for the year ended December 31, 2019, and has been included in personnel expenses in the accompanying Statements of Activities.

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**NOTE 9- LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Foundation has \$856,122 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 \$856,122. 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. Community Fund 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 \$321,745. The Foundation does not have a Board mandated liquidity policy, but 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 \$485,811 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 draw 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.