



COMMUNITY FUND
O H I O

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

2022 Annual Report



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About Us

Community Fund Management Foundation, doing business as Community Fund Ohio, is an Ohio nonprofit that offers several types of trusts that benefit individuals with disabilities, known as pooled trusts. 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 was established in 1993 and Huntington National Bank became our 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. Community Fund's responsibilities include reviewing and approving Joinder Agreements, setting up new sub-accounts, making deposits, 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 director is in Southern Ohio. We offer services throughout Ohio and we have active sub-accounts for beneficiaries residing in 83 of Ohio's 88 counties.

Community Fund also administers a robust grant program to make funds available for Ohio nonprofits that serve individuals with disabilities as well as Ohio residents with disabilities.

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, for our forms, marketing updates, department contacts, and other helpful information.



Executive Director's Report

Amanda M. Buzo, Esq.

Community Fund has had another successful year. Our 2021 audit confirms we are financially stable, solvent, and following best practices. Community Fund is growing and prospering in a time when other nonprofits and for-profit corporations are shrinking. And why is that? I believe it is because we offer an excellent service to our community and our staff go above and beyond for the people we serve.

Of course, that doesn't mean we have not had challenges. We had hoped that COVID and its lingering effects would be "over" in 2021 but, as we are preparing to release this Annual Report in 2022, we are still feeling the impact of the pandemic.

There are workplace trends that do not align with our beneficiaries' needs. Our staff returned to the office full-time in June 2021, but we've all continued to pivot when needed, just like everyone else. Our mask policy is continually revisited, our employees are trying to take care of our beneficiaries' needs while caring for their own families and themselves, and we are working to stay in front of cybersecurity concerns and technology changes. Our expenses have increased, from the cost of coffee to our cleaning crew to our website management, yet we have not increased our fees. The expectations placed on us have increased too. This is a lot for a small nonprofit, but we persevere.

Our Board of Directors are incredible volunteers who bring a variety of skills and experiences to every meeting. They donate many hours each year to ensure Community Fund is relevant and acting in the best interest of our beneficiaries. Our Board has also been instrumental in growing our grant program and the amount we have distributed has increased every year.

Our name and our logo may have been refreshed, but our desire to offer the best pooled trust services and grant program remained steady in 2021. We continue to not look backwards but instead to look forward and in doing so we see the exciting opportunities in our future.

2021-2022 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

Carla Tricarichi, Esq.*
Cuyahoga County

Patrick S. Vaccaro, MD, MBA, FACS*
Franklin County

* Filled vacant seats in 2022

Non-Board Committee Members

Janet L. Lowder, Esq.
Cuyahoga County

Bob Mathews
Stark County

Laura L. Drake, Esq.
Hamilton County



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 retain funds for people with disabilities. We maintain a separate accounting ledger for each beneficiary and the funds are only “pooled” for investment purposes.

	12/31/2021	12/31/2020
Total Assets Under Management	\$138,618,180.17	\$124,097,678
PMPT and Roll-In (Active and Funded)	2207	2209
PMPT and Roll-In (Percentage of Assets)	83%	84%
Master Trusts (Active and Funded)	173	166
Master Trusts (Percentage of Assets)	11.5%	11%
Perpetual and Partner (Active and Funded)	4	4
Perpetual and Partner (Percentage of Assets)	5.5%	5%
	2021CY	2020CY
New PMPT Joinder Applications Accepted	316	308
New Roll-In PMPT Joinder Applications Accepted	7	8
New Master Joinder Applications Accepted	28	26
Total New Joinder Applications Accepted	351	342
New Joinder Applications Naming One of our Partners	12	5

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.

	2021CY	2020CY	2019CY	2018CY
Distribution Requests Received	8926	7494	8856	7949
Distributions Approved (Total Dollar Value)	\$10,663,362	\$11,143,399	\$12,297,110	\$9,676,228
Distributions Approved (No. of Transactions)	8521	7133	8355	7547
Distributions Denied (Total Dollar Value)	\$486,511	\$373,350	\$251,659	\$245,168
Distributions Denied (No. of Transactions)	405	361	501	402
Percentage Approved	95%	95%	94%	95%



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.

2021 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 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.



Community Fund staff initiate our closing process after learning of a beneficiary's death. Our process can take a few weeks or more than five months, depending on the specifics of each sub-account. The process is completed after any remaining funds are distributed to the remainder distributees identified in the Joinder Agreement and the sub-account is closed. The closure process can take a few weeks or more than five months depending on the situation.

Remainder Distributee	Dollar Value	Percent
Medicaid Claims (Ohio)	\$6,699,146	59%
Medicaid Claims (States other than Ohio)	\$21,133	<1%
Paid to Remainder Distributees After Medicaid Claim	\$3,160,387	28%
Retained by Community Fund Perpetual Trust	\$1,320,169	12%
Retained by Jewish Federation of Cleveland sub-account	\$19,573	<1%
Retained by ADD sub-account	\$0	0%
Retained by The Arc of Ohio sub-account	\$0	0%
Retained by Hattie Larlham Foundation sub-account	\$43,561	<1%
Total	\$11,378,375	

Grants

The person who establishes a Community Fund trust must make a choice of where the funds are to be distributed after the beneficiary's death. One option 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.

	2021CY	2020CY
Nonprofit Grants Approved	18	16
Nonprofit Grants Approved (Total Dollar Value)	\$156,616	\$186,124
Individual Grants Approved	63	31
Individual Grants Approved (Total Dollar Value)	\$180,105	\$64,429
Total Approved Grants	\$336,721	\$250,553

The nonprofits that received grants in 2021 of up to \$20,000 include:

Advocacy and Protective Services, Inc.	Filling Homes
Autism Society of Greater Akron	GiGi's Playhouse - Cleveland
Beyond the Challenge	Golden String, Inc.
Blossom Hill, Inc.	Goodwill Columbus
Boundless Health, Inc.	HELP Foundation, Inc.
Buckeye Valley Family YMCA	The Arc Of Allen County
CLI, Inc.	UCP - Cleveland, Inc.
Connecting for Kids	The Up Side of Downs
Dreams on Horseback	

The individuals who received grants in 2021 of up to \$5,000 used the funds for some of the following purposes:

ASL interpretation tools	Exoskeleton
Home modification	Ventilator
Camp	Equipment not covered by insurance
Feeding equipment	Vehicle modification
Summer educational programs	Therapy not covered by insurance



Our Staff

Amanda M. Buzo, Esq.

Executive Director

Laura L. Drake, Esq.

Associate Director, Southern Ohio

Lisa Wolf

Executive Assistant

Svetlana "Lana" Ellis

Distribution Specialist III

Kaitlyn "Katie" Welsh

Distribution Specialist II

Jeannette Steward

Trust Development Coordinator II

Devyn L. Edwards*

Trust Development Coordinator

Ashley Dell*

Paralegal (Trust Closure)

Sarah Kiernan*

Paralegal (Trust Closure)

Lauren E. Lynne*

Receptionist

Vanicsa L. Ford*

Human Resources / Office Manager

* Joined our staff in 2022

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 2021 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, 2021 AND 2020

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

DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2021 and 2020, and the related Statements of Activities, Functional Expenses and Cash Flows for the years then ended, and the related Notes to the Financial Statements.

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, 2021 and 2020 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Fund Management Foundation, Inc. dba Community Fund Ohio and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Fund Management Foundation, Inc. dba Community Fund Ohio's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community Fund Management Foundation, Inc. dba Community Fund Ohio's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Fund Management Foundation, Inc. dba Community Fund Ohio's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

August 1, 2022

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Independent Member

B K R

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COMMUNITY FUND MANAGEMENT FOUNDATION
DBA COMMUNITY FUND OHIO
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 1,557,658	\$ 1,228,487
Short term investments	572,801	485,811
Prepaid expenses	16,509	14,364
Total Current Assets	<u>2,146,968</u>	<u>1,728,662</u>
<u>Property and Equipment</u>		
Equipment	28,235	28,235
Furniture	52,847	52,847
	<u>81,082</u>	<u>81,082</u>
Less: Accumulated depreciation	(67,484)	(61,600)
Net Property and Equipment	<u>13,598</u>	<u>19,482</u>
<u>Other Assets</u>		
Investments:		
Perpetual trust, restricted by the Board of Directors	6,899,284	5,054,431
Endowment account, restricted by the Board of Directors	798,376	726,505
	<u>7,697,660</u>	<u>5,780,936</u>
Deposits	5,275	5,275
Total Other Assets	<u>7,702,935</u>	<u>5,786,211</u>
Total Assets	<u><u>\$ 9,863,501</u></u>	<u><u>\$ 7,534,355</u></u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	5,424	2,779
Accrued expenses:		
Payroll expenses and related liabilities	10,727	29,892
Total Current Liabilities	<u>16,151</u>	<u>32,671</u>
<u>Net Assets</u>		
Without Donor Restrictions:		
Undesignated net assets	2,149,690	1,720,748
Board designated net assets	7,697,660	5,780,936
Total Net Assets Without Donor Restrictions	<u>9,847,350</u>	<u>7,501,684</u>
Total Liabilities and Net Assets	<u><u>\$ 9,863,501</u></u>	<u><u>\$ 7,534,355</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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Changes in Net Assets</u>		
<u>Support and Revenue Without Donor Restrictions</u>		
Set-up fees	\$ 414,366	\$ 382,750
Annual trust fees	678,918	661,406
Investment income		
Net realized and unrealized appreciation		
(depreciation) of investments, net of fees		
of \$67,057 in 2021 and \$49,193 in 2020	941,748	578,997
Interest and dividend income	130,126	123,479
Contributions	1,319,629	821,756
Other income (2020- PPP loan forgiveness and EIDL grant total \$85,000)	60	85,000
	<u>3,484,847</u>	<u>2,653,388</u>
 <u>Expenses - Without Donor Restrictions</u>		
Program services	1,023,251	1,384,623
Management and general	115,930	120,081
	<u>1,139,181</u>	<u>1,504,704</u>
 <u>Increase (Decrease) in Net Assets Without Donor Restrictions</u>	2,345,666	1,148,684
 <u>Net Assets Without Donor Restrictions - Beginning of Year</u>	<u>7,501,684</u>	<u>6,353,000</u>
 <u>Net Assets Without Donor Restrictions - End of Year</u>	<u><u>\$ 9,847,350</u></u>	<u><u>\$ 7,501,684</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, 2021

	Program Services	Management and General	Totals
<u>Expenses</u>			
Personnel	\$ 520,671	\$ 57,881	\$ 578,552
Grant distributions from endowment	292,390	-	292,390
Office expenses	89,709	12,233	101,942
Professional fees	19,223	30,400	49,623
Rent	71,536	9,755	81,291
Travel and meetings	2,954	403	3,357
Trustee fees	2,524	-	2,524
Insurance	2,260	2,260	4,520
Depreciation	5,179	706	5,885
Other expenses	16,805	2,292	19,097
	<u>\$ 1,023,251</u>	<u>\$ 115,930</u>	<u>\$ 1,139,181</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

	<u>Program Services</u>	<u>Management and General</u>	<u>Totals</u>
<u>Expenses</u>			
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
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 2,345,666	\$ 1,148,684
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net (appreciation) depreciation investments	(941,748)	(578,997)
Depreciation of property and equipment	5,885	10,266
(Increase) decrease in:		
Prepaid expenses	(2,145)	(875)
Increase (decrease) in:		
Accounts payable	2,645	754
Accrued expenses	(19,165)	(14,457)
Net Cash Provided by Operating Activities	<u>1,391,138</u>	<u>565,375</u>
<u>Cash Flows From Investing Activities</u>		
Purchases of short-term investments	(18,584)	(16,318)
Withdrawals from endowment account	72,650	74,931
Additions to perpetual trust	(1,428,352)	(921,594)
Withdrawals from perpetual trust	312,319	520,209
Net Cash Used by Investing Activities	<u>(1,061,967)</u>	<u>(342,772)</u>
<u>Net Increase in Cash and Cash Equivalents</u>	329,171	222,603
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>1,228,487</u>	<u>1,005,884</u>
<u>Cash and Cash Equivalents - Ending of Year</u>	<u><u>\$ 1,557,658</u></u>	<u><u>\$ 1,228,487</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, 2021 AND 2020

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, 2021 and 2020, 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, 2021 AND 2020

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, 2021 and 2020.

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

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.
DBA COMMUNITY FUND OHIO
(A NON-PROFIT ORGANIZATION)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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 2019 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. In 2020, The Foundation applied for and received full loan forgiveness, as a result, the PPP loan is shown as other income on the financial statements as of December 31, 2020.

Disclosure of Subsequent Events

The Foundation has evaluated all subsequent events through the date the accompanying financial statements were available to be issued (August 1, 2022) for proper accounting and disclosure in the accompanying financial statements.

COMMUNITY FUND MANAGEMENT FOUNDATION, INC.
DBA COMMUNITY FUND OHIO
(A NON-PROFIT ORGANIZATION)
NOTES TO THE 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, 2021 and 2020 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, 2021</u>				
<u>Short-Term Investments:</u>				
<u>Investment Category</u>				
Cash Equivalents	\$ 16,874	\$ 16,874	\$ -	\$ -
Equities	555,927	555,927	-	-
	<u>\$ 572,801</u>	<u>\$ 572,801</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2021</u>				
<u>Long-Term Investments:</u>				
Cash Equivalents	\$ 609,984	\$ 609,984	\$ -	\$ -
Fixed Income Bonds	1,862,807	-	1,862,807	-
Equities	5,224,869	774,831	4,450,038	-
	<u>\$ 7,697,660</u>	<u>\$ 1,384,815</u>	<u>\$ 6,312,845</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, 2020</u>				
<u>Short-Term Investments:</u>				
<u>Investment Category</u>				
Cash Equivalents	\$ 17,075	\$ 17,075	\$ -	\$ -
Equities	468,736	468,736	-	-
	<u>\$ 485,811</u>	<u>\$ 485,811</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2020</u>				
<u>Long-Term Investments:</u>				
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>

NOTE 3 - CONCENTRATIONS

At various times during the years ended December 31, 2021 and 2020, 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, 2021 and 2020 consist primarily of common stocks, bond funds and equity funds. Original cost, fair value, unrealized appreciation and investment income at December 31, 2021 and 2020 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, 2021</u>				
<u>Short-Term Investments:</u>				
Cash Equivalents	\$ 16,874	\$ 16,874	\$ -	\$ 242
Equities	<u>482,983</u>	<u>555,927</u>	<u>72,944</u>	<u>9,000</u>
	<u>\$ 499,857</u>	<u>\$ 572,801</u>	<u>\$ 72,944</u>	<u>\$ 9,242</u>
<u>Long-Term Investments:</u>				
Perpetual Trust	\$ 4,662,206	\$ 6,899,284	\$ 2,237,078	\$ 108,723
Endowment Account:				
Cash Equivalents	23,545	23,545	-	53
Equities	<u>642,931</u>	<u>774,831</u>	<u>131,900</u>	<u>12,108</u>
	<u>\$ 5,328,682</u>	<u>\$ 7,697,660</u>	<u>\$ 2,368,978</u>	<u>\$ 120,884</u>
<u>December 31, 2020</u>				
<u>Short-Term Investments:</u>				
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>
<u>Long-Term Investments:</u>				
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>

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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 \$(28,538) and \$41,859 for the years ended December 31, 2021 and 2020, respectively. Realized gains (losses) on these short-term and long term investments totaled \$107,589 for the year ended December 31, 2021, and \$- for the year ended December 31, 2020.

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 \$(23,370) and \$50,778 for the years ended December 31, 2021 and 2020, respectively. Realized gains (losses) on these long-term investments totaled \$157,247 and \$(8,052) for the years ended December 31, 2021 and 2020, respectively.

Unrealized holding gains (losses) on perpetual trust securities totaled \$780,127 and \$527,962 for the years ended December 31, 2021 and 2020, respectively. Realized gains (losses) on these securities totaled \$15,750 for the year ended December 31, 2021 and \$15,643 for the year ended December 31, 2020.

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 \$1,319,629 and \$821,756 during the years ended December 31, 2021 and 2020, 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 \$310,812 for the year ended December 31, 2021 and \$220,209 for the year ended December 31, 2020. 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, 2021 and 2020, 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 \$292,390 and \$125,235 for the years ended December 31, 2021 and 2020, respectively.

The board also approved a transfer from the Perpetual Trust of \$300,000 in 2020 in response to the COVID pandemic. The \$300,000 was used for COVID grants for individuals/businesses that were in need because of the effects of the pandemic. Distributions to COVID grant recipients totaled \$- for the year ended December 31, 2021 and \$299,902 for the year ended 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, 2021 and 2020 are as follows:

	<u>Year Ended December 31, 2021</u>	
	<u>Perpetual</u>	<u>Endowment</u>
	<u>Trust</u>	<u>Account (HNB)</u>
Balance at Beginning of Year	\$ 5,054,431	\$ 726,505
Annual 5% transfer from Perpetual Trust to Chase Endowment Account	(310,812)	-
Transfer from Perpetual Trust to Chase Endowment	(1,507)	-
Elective deposits from individual trusts	\$1,319,629	-
Board discretionary transfer from Chase Endowment to Chase savings account	-	(72,650)
Investment return:		
Interest and dividend income, net	108,723	12,108
Trustee fees	(67,057)	(1,464)
Realized gains (losses)	15,750	157,247
Unrealized gains (losses)	<u>780,127</u>	<u>(23,370)</u>
Total investment return	<u>837,543</u>	<u>144,521</u>
Balance at End of Year	<u>\$ 6,899,284</u>	<u>\$ 798,376</u>

	<u>Year Ended December 31, 2020</u>	
	<u>Perpetual</u>	<u>Endowment</u>
	<u>Trust</u>	<u>Account (HNB)</u>
Balance at Beginning of Year	\$ 4,158,634	\$ 748,395
Annual 5% transfer from Perpetual Trust to Chase Endowment Account	(220,209)	-
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 (losses)	<u>527,962</u>	<u>50,778</u>
Total investment return	<u>594,250</u>	<u>53,041</u>
Balance at End of Year	<u>\$ 5,054,431</u>	<u>\$ 726,505</u>

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NOTE 7 - OPERATING LEASE AGREEMENT

The Foundation leases office space under an operating lease agreement. Rent expense totaled \$65,460 and \$70,285 for the years ended December 31, 2021 and 2020, respectively. The Foundation also leases two copiers under lease agreements. The lease expense is reported under printing and copying expense and totaled \$4,896 and \$5,706 for the years ended December 31, 2021 and 2020, respectively. At December 31, 2021, the remaining future annual rents under these agreements were as follows:

Year Ended December 31,

2022	\$ 71,381
2023	69,662
2024	1,277
2025	<u>958</u>
Total minimum lease payments	<u>\$ 143,278</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, 2021 and 2020, the Foundation matched voluntary employee contributions up to 3% of each eligible employee's salary. Retirement expense totaled \$12,432 for the year ended December 31, 2021, and \$15,157 for the year ended December 31, 2020, 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 \$1,657,823 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 \$1,085,022 and short-term investments of \$572,801. 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 \$262,239. 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 \$572,801 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.