



COMMUNITY FUND
O H I O

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

2023 Annual Report



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About Us

Community Fund Management Foundation, doing business as Community Fund Ohio, is an Ohio nonprofit that offers pooled special needs trusts to benefit Ohio residents 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 means-tested government benefits. Community Fund was established in 1993, and Huntington National Bank became our successor trustee as of October 1, 2019.

Community Fund serves as the nonprofit trust advisor to the pooled trusts and is responsible for administering the trust sub-accounts. Community Fund's responsibilities include reviewing and approving Joinder Agreements to establish 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 located in the greater Cleveland area in Northeast Ohio, and our associate director is based 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.



Director's Report

Molly Murphy, Esq., Deputy Director

It is my privilege to present to you the Director's Report for our 2023 Annual Report, which covers 2022 data. Since my tenure with our organization began in January 2023, my efforts did not contribute to our results for 2022 – but I am nonetheless honored to share with you the accomplishments and continued resilience of our organization during the 2022 calendar year.

Financial Stability and Best Practices: The 2022 audit confirms our continued financial stability and solvency, despite the downturn in capital markets experienced by all investors during the second half of the year. Although inflation also rose in 2022, translating to increased operational costs for supplies and services, we chose not to increase our fees. Our operations budgeting was conservative, and 2022 represented another year of positive cash flow for Community Fund.

Navigating Ongoing Challenges and Meeting Evolving Needs: While we had hoped that the lingering effects of the COVID-19 pandemic would have fully subsided by the end of 2022, we still found ourselves grappling with its continued impact. To that end, we continued development of new, proprietary trust-management software, completion of which will provide a secure online portal for client document submission and enable a remote work option for our dedicated staff.

Exceptional Board of Directors: Throughout 2022, our Board of Directors volunteered, cumulatively, hundreds of hours of their time and expertise to provide guidance and direction, ensuring that Community Fund acted in the best interests of our beneficiaries and other stakeholders.

A Forward-Looking Approach: Community Fund's commitment to providing exceptional pooled trust services and a robust grant program remains unwavering. The early 2023 departure of our highly-regarded Executive Director, Amanda M. Buzo, Esq., necessitated a temporary pause of our grant program, as the Board's efforts became primarily focused on the Executive Director search. As we prepare to enter the fourth quarter of 2023, I remain inspired by the accomplishments of 2022 and anticipate another successful year overall. Together, we will continue to uphold our important mission and strive to make meaningful impacts in the lives of those we serve.

2022-2023 Board of Directors

Maggie L. Sutton, Esq.
Chairperson
Franklin County

Kelly Petty, MPA*
Vice-Chairperson through April 2023
Cuyahoga County

Jonathan Wise
Treasurer
Cuyahoga County

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

Kevin A. Craine, Esq.
Franklin County

Laura Mathews
Stark County

Elaine B. Eisner, J.D.
Cuyahoga County

Carla Tricarichi, Esq.**
Cuyahoga County

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

Amber C. Gibbs, Ed.D.***
Cuyahoga County

Lindsay C. Jones, Esq.***
Cuyahoga County

*Resigned from Board (due to retirement) in 2023

**Filled vacant seats in 2022

***Filled vacant seats in 2023

Non-Board Committee Members

Janet L. Lowder, Esq.
Cuyahoga County

Bob Mathews*
Stark County

Laura L. Drake, Esq.
Hamilton County

Ken Marblestone
Cuyahoga County

*Community Fund reports, with sadness, that Bob Mathews passed away unexpectedly in April 2023



New Trusts

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

	12/31/2022	12/31/2021
Total Assets Under Management	\$115,607,317	\$138,618,180.
PMPT and Roll-In (Active and Funded)	2,202	2,207
PMPT and Roll-In (Percentage of Assets)	93%	83%
Master Trusts (Active and Funded)	172	173
Master Trusts (Percentage of Assets)	7%	11.5%
Perpetual and Partner (Active and Funded)	4	4
Perpetual and Partner (Percentage of Assets)	<1%	5.5%
	2022CY	2021CY
New PMPT Joinder Applications Accepted	335	316
New Roll-In PMPT Joinder Applications Accepted	5	7
New Master Joinder Applications Accepted	18	28
Total New Joinder Applications Accepted	358	351
New Joinder Applications Naming One of our Partners	2	12

Distributions

Everything we do at Community Fund is important to us, but processing distributions may be the biggest concern for our beneficiaries. Our Distribution Department both generates and receives the most mail and phone calls of any of our three departments. The data reflect this relatively high volume: we receive and process hundreds of distribution requests every week and distribute millions of dollars every year.

	2022CY	2021CY	2020CY	2019CY
Distribution Requests Received	8,153	8,926	7,494	8,856
Distributions Approved (Total Dollar Value)	\$12,525,811	\$10,663,362	\$11,143,399	\$12,297,110
Distributions Approved (No. of Transactions)	7,573	8,521	7,133	8,355
Distributions Denied (Total Dollar Value)	\$625,715	\$486,511	\$373,350	\$251,659
Distributions Denied (No. of Transactions)	580	405	361	501
Percentage Approved	93%	95%	95%	94%



Types of Distributions

We receive distribution requests for many kinds of needs. The categories of items we can approve far outweigh 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.

2022 Most Common Categories	Examples
Entertainment / Technology	tablets, TVs, computers, movie subscriptions, cell phone service, cable, internet, games
Household	cleaning supplies, furniture, decorations, appliances, home improvements
Personal	grooming supplies, shampoo, toiletries, sundries, massages, laundry supplies, dry cleaning, incontinence supplies

Trust Closures

The person who establishes the Community Fund sub-account must make a choice of where the trust funds are to be distributed after the beneficiary's death. The difficult reality is that Community Fund continues to play an integral role after the death of a beneficiary. Community Fund must follow strict procedures to wrap up and close the trust for a beneficiary who has passed away.

In the case of our Pooled Medicaid Payback Trust, there are two options. Option One allows the trust 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 to 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/ADD, and The Arc of Ohio.

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

On the other hand, a Master Trust is not required to be used for Medicaid payback, and the trust establisher selects options 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.



Trust Closures, Continued

Community Fund staff initiate our closing process after learning of a beneficiary's death. Our process can take a few weeks to several months, depending on the specifics of the particular 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 with a \$0 balance.

Remainder Distributee	Dollar Value	Percent
Medicaid Claims (Ohio)	\$5,068,759	54%
Medicaid Claims (States other than Ohio)	\$0	0%
Paid to Remainder Distributees After Medicaid Claim	\$3,216,540	34%
Retained by Community Fund Perpetual Trust	\$1,094,752	12%
Retained by Jewish Federation of Cleveland sub-account	\$3,360	<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	\$12,905	<1%
Total	\$9,396,316	

Grants

Funds retained by Community Fund in its Perpetual Trust after a beneficiary's passing are used to fund grants for Ohio residents with disabilities and nonprofits that serve Ohio residents with disabilities.

	2022CY	2021CY
Nonprofit Grants Approved	22	18
Nonprofit Grants Approved (Total Dollar Value)	\$241,428	\$156,616
Individual Grants Approved	67	63
Individual Grants Approved (Total Dollar Value)	\$183,960	\$180,105
Total Approved Grants	\$425,388	\$336,721

The nonprofits that received grants in 2022 of up to \$20,000 include:

ArtSparks (Summit)	Innovative Opportunities, Inc. (Franklin)
Autism Society of Grtr Akron (Summit)	Ken Anderson Alliance (Hamilton)
Bikur Cholim of Cleveland (Cuyahoga)	Luther Home of Mercy (Ottawa)
Brain Injury Assoc of Ohio (Franklin)	Nature Ctr at Shaker Lakes (Cuyahoga)
Cle Hearing and Speech Ctr (Cuy.)	Solon Community Living, Inc. (Cuy.)
Community Roots (Knox)	The Arc of Allen County (Allen)
Courage to Caregivers (Cuyahoga)	The Cooper Foundation (Cuyahoga)
Courageous Comm. Services (Lucas)	The Down Synd Assoc of NE OH (Cuy.)
Golden String, Inc. (Mahoning)	Therapeutic Riding Institute (Greene)
Good Works Farm, Inc. (Warren)	United Disability Services, Inc. (Summit)
Holmes Center for the Arts (Holmes)	Voices of Change 2018 (Medina)

The individuals who received grants in 2022 of up to \$5,000 used the funds for some of the following purposes:

Adaptive equipment	Neurofeedback therapy
Aquatic therapy	Service dog and training
Camp	Speech device
Communication device	Speech therapy
Generator	Summer camp
Home modifications	Tuition assistance
Instruments for music therapy	Vehicle modifications
Music therapy	Wheelchair



Our Staff

Amanda M. Buzo, Esq.

Executive Director (Position held 2015 – February 2023)

Molly Murphy, Esq.*

Deputy Director

Laura L. Drake, Esq.

Associate Director, Southern Ohio

Jeannette M. Steward

Trust Development Coordinator II

Devyn L. Edwards, J.D.

Trust Development Coordinator I

Svetlana “Lana” Ellis

Distribution Specialist III

Kaitlyn “Katie” Welsh

Distribution Specialist III

Vanessa Stiegemeyer*

Distribution Specialist I

Brianna Beadling*

Distribution Specialist I

Sarah Kiernan

Trust Closure Paralegal

Lisa Wolf

Executive Assistant

Lauren E. Lynne

Receptionist

*Joined our staff in 2023

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 2022 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, 2022 AND 2021

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

DECEMBER 31, 2022 AND 2021

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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, 2022 and 2021, 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, 2022 and 2021 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, except for the effect of the matter described in the paragraph below.

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.

Known Departure from Accounting Principles Accepted in the United States of America

Accounting principles generally accepted in the United States of America require lessees to recognize a Right-Of-Use asset and lease liability for all leases with a term of one year or longer and to disclose key information about certain lease arrangements under ASU 2016-02 (Topic 842). Management has informed us that the Company has not recognized a Right-Of-Use asset and lease liability or made the required disclosures for certain leases with a term of a year or longer. The effects of this departure from accounting principles generally accepted in the United States of America on the financial position, results of operations and cash flows have not been determined.

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

August 10, 2023

COMMUNITY FUND MANAGEMENT FOUNDATION
DBA COMMUNITY FUND OHIO
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
<u>Current Assets</u>		
Cash and cash equivalents	\$ 1,686,384	\$ 1,557,658
Short term investments	484,099	572,801
Prepaid expenses	16,019	16,509
Total Current Assets	2,186,502	2,146,968
<u>Property and Equipment</u>		
Equipment	65,945	28,235
Software	133,395	-
Furniture	52,847	52,847
	252,187	81,082
Less: Accumulated depreciation	(73,159)	(67,484)
Net Property and Equipment	179,028	13,598
<u>Other Assets</u>		
Investments:		
Perpetual trust, restricted by the Board of Directors	6,416,085	6,899,284
Endowment account, restricted by the Board of Directors	594,738	798,376
	7,010,823	7,697,660
Deposits	5,275	5,275
Total Other Assets	7,016,098	7,702,935
Total Assets	\$ 9,381,628	\$ 9,863,501

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	3,686	5,424
Accrued expenses:		
Payroll expenses and related liabilities	23,410	10,727
Total Current Liabilities	27,096	16,151
<u>Net Assets</u>		
Without Donor Restrictions:		
Undesignated net assets	2,343,709	2,149,690
Board designated net assets	7,010,823	7,697,660
Total Net Assets Without Donor Restrictions	9,354,532	9,847,350
Total Liabilities and Net Assets	\$ 9,381,628	\$ 9,863,501

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, 2022 AND 2021

	2022	2021
<u>Changes in Net Assets</u>		
<u>Support and Revenue Without Donor Restrictions</u>		
Set-up fees	\$ 485,628	\$ 414,366
Annual trust fees	711,204	678,918
Investment income		
Net realized and unrealized appreciation (depreciation) of investments, net of fees of \$76,224 in 2022 and \$67,057 in 2021	(1,635,014)	941,748
Interest and dividend income	165,527	130,126
Contributions	1,102,224	1,319,629
Other income	-	60
	829,569	3,484,847
 <u>Expenses - Without Donor Restrictions</u>		
Program services	1,204,907	1,023,251
Management and general	117,480	115,930
	1,322,387	1,139,181
 <u>Increase (Decrease) in Net Assets Without Donor Restrictions</u>	(492,818)	2,345,666
 <u>Net Assets Without Donor Restrictions - Beginning of Year</u>	9,847,350	7,501,684
 <u>Net Assets Without Donor Restrictions - End of Year</u>	\$ 9,354,532	\$ 9,847,350

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, 2022

<u>Expenses</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Totals</u>
Personnel	\$ 581,300	\$ 57,881	\$ 639,181
Grant distributions from endowment	398,732	-	398,732
Office expenses	91,852	12,525	104,377
Professional fees	27,971	30,900	58,871
Rent	76,762	10,467	87,229
Travel and meetings	6,098	831	6,929
Trustee fees	2,304	-	2,304
Insurance	2,506	2,506	5,012
Depreciation	4,993	681	5,674
Other expenses	12,389	1,689	14,078
	<u>\$ 1,204,907</u>	<u>\$ 117,480</u>	<u>\$ 1,322,387</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

<u>Expenses</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Totals</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
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ (492,818)	\$ 2,345,666
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net (appreciation) depreciation investments	1,635,014	(941,748)
Depreciation of property and equipment	5,674	5,885
(Increase) decrease in:		
Prepaid expenses	490	(2,145)
Increase (decrease) in:		
Accounts payable	(1,738)	2,645
Accrued expenses	12,683	(19,165)
Net Cash Provided by Operating Activities	1,159,305	1,391,138
<u>Cash Flows From Investing Activities</u>		
Purchases of short-term investments	(162,890)	(18,584)
Withdrawals from endowment account	79,838	72,650
Additions to perpetual trust	(1,123,641)	(1,428,352)
Withdrawals from perpetual trust	347,217	312,319
Purchases of property	(171,103)	-
Net Cash Used by Investing Activities	(1,030,579)	(1,061,967)
<u>Net Increase in Cash and Cash Equivalents</u>	128,726	329,171
<u>Cash and Cash Equivalents - Beginning of Year</u>	1,557,658	1,228,487
<u>Cash and Cash Equivalents - Ending of Year</u>	\$ 1,686,384	\$ 1,557,658

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, 2022 AND 2021

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, 2022 and 2021, 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, 2022 AND 2021

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, 2022 and 2021.

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. Closing fees are recognized as revenue 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, 2022 AND 2021

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 2020 and after.

Functional Allocation of Expenses

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

Disclosure of Subsequent Events

The Foundation has evaluated all subsequent events through the date the accompanying financial statements were available to be issued (August 10, 2023) for proper accounting and disclosure in the accompanying financial statements.

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.

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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, 2022 and 2021 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, 2022</u>				
<u>Short-Term Investments:</u>				
<u>Investment Category</u>				
Cash Equivalents	\$ 13,348	\$ 13,348	\$ -	\$ -
Equities	470,751	470,751	-	-
	<u>\$ 484,099</u>	<u>\$ 484,099</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2022</u>				
<u>Long-Term Investments:</u>				
Cash Equivalents	\$ 638,836	\$ 638,836	\$ -	\$ -
Fixed Income Bonds	2,335,455	-	2,335,455	-
Equities	4,036,532	578,262	3,458,270	-
	<u>\$ 7,010,823</u>	<u>\$ 1,217,098</u>	<u>\$ 5,793,725</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, 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>

NOTE 3 - CONCENTRATIONS

At various times during the years ended December 31, 2022 and 2021, 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, 2022 and 2021 consist primarily of common stocks, bond funds and equity funds. Original cost, fair value, unrealized appreciation and investment income at December 31, 2022 and 2021 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, 2022</u>				
<u>Short-Term Investments:</u>				
Cash Equivalents	\$ 13,348	\$ 13,348	\$ -	\$ 268
Equities	<u>490,463</u>	<u>470,751</u>	<u>(19,712)</u>	<u>10,283</u>
	<u>\$ 503,811</u>	<u>\$ 484,099</u>	<u>\$ (19,712)</u>	<u>\$ 10,551</u>
<u>Long-Term Investments:</u>				
Perpetual Trust	\$ 5,535,020	\$ 6,416,085	\$ 881,065	\$ 143,337
Endowment Account:				
Cash Equivalents	16,476	16,476	-	66
Equities	<u>583,767</u>	<u>578,262</u>	<u>(5,505)</u>	<u>11,573</u>
	<u>\$ 6,135,263</u>	<u>\$ 7,010,823</u>	<u>\$ 875,560</u>	<u>\$ 154,976</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>

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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 \$(92,656) and \$(28,538) for the years ended December 31, 2022 and 2021, respectively. Realized gains (losses) on these short-term and long term investments totaled \$(5,306) for the year ended December 31, 2022, and \$107,589 for the year ended December 31, 2021.

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 \$(137,405) and \$(23,370) for the years ended December 31, 2022 and 2021, respectively. Realized gains (losses) on these long-term investments totaled \$3,311 and \$157,247 for the years ended December 31, 2022 and 2021, respectively.

Unrealized holding gains (losses) on perpetual trust securities totaled (\$1,356,013) and \$780,127 for the years ended December 31, 2022 and 2021, respectively. Realized gains (losses) on these securities totaled \$29,279 for the year ended December 31, 2022 and \$15,750 for the year ended December 31, 2021.

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 \$1,102,224 and \$1,319,629 during the years ended December 31, 2022 and 2021, 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 \$324,941 for the year ended December 31, 2022 and \$310,812 for the year ended December 31, 2021.

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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, 2022 and 2021, 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 \$398,732 and \$292,390 for the years ended December 31, 2022 and 2021, respectively.

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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, 2022 and 2021 are as follows:

	<u>Year Ended December 31, 2022</u>	
	<u>Perpetual</u>	<u>Endowment</u>
	<u>Trust</u>	<u>Account (HNB)</u>
Balance at Beginning of Year	\$ 6,899,284	\$ 798,376
Annual 5% transfer from Perpetual Trust to Chase Endowment Account	(324,942)	-
Transfer from Perpetual Trust to Chase Endowment	(22,277)	-
Elective deposits from individual trusts	\$1,102,224	-
Board discretionary transfer from Chase Endowment to Chase savings account	-	(79,838)
Investment return:		
Interest and dividend income, net	143,337	11,573
Trustee fees	(76,224)	(1,279)
Realized gains (losses)	29,279	3,311
Unrealized gains (losses)	<u>(1,356,013)</u>	<u>(137,405)</u>
Total investment return	<u>(483,199)</u>	<u>(203,639)</u>
Balance at End of Year	<u>\$ 6,416,085</u>	<u>\$ 594,738</u>

	<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>

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NOTE 7 - OPERATING LEASE AGREEMENT

The Foundation leases office space under an operating lease agreement. Rent expense totaled \$66,543 and \$65,460 for the years ended December 31, 2022 and 2021, 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 \$4,896 for the years ended December 31, 2022 and 2021, respectively. At December 31, 2022, the remaining future annual rents under these agreements were as follows:

Year Ended December 31,

2023	\$ 69,662
2024	6,929
2025	958
2026	-
Total minimum lease payments	<u>\$ 77,549</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, 2022 and 2021, the Foundation matched voluntary employee contributions up to 3% of each eligible employee's salary. Retirement expense totaled \$11,276 for the year ended December 31, 2022, and \$12,432 for the year ended December 31, 2021, 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 \$1,643,360 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 \$1,159,261 and short-term investments of \$484,099. 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 \$303,643. 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 \$30,000(+/- \$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 \$484,099 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.



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