

**COMMUNITY FOUNDATION  
OCALA/MARION COUNTY, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
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**DECEMBER 31, 2020**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors,  
Community Foundation Ocala/Marion County, Inc.:

We have audited the accompanying financial statements of Community Foundation Ocala/Marion County, Inc. (the "Foundation") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year 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 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 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 from 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 auditors' 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 the Foundation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

As discussed in Note 14 to the financial statements, the 2019 financial statements have been restated to correct an error. Our opinion is not modified with respect to this matter.

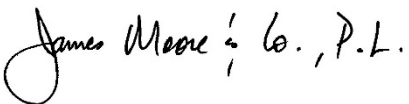
The financial statements of Community Foundation Ocala/Marion County, Inc. for the year ended December 31, 2019, before the restatement described in Note 13, were audited by another auditor who expresses an unmodified opinion on those statements on November 9, 2020.

### ***Other Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2022, on our consideration of Community Foundation Ocala/Marion County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Foundation Ocala/Marion County, Inc.'s internal control over financial reporting and compliance.



Gainesville, Florida  
March 28, 2022

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020**

**ASSETS**

<b>Current Assets</b>	
Cash and cash equivalents	\$ 437,208
Assets held on behalf of others	1,389,839
Other receivables	6,900
Total current assets	1,833,947
<b>Property and Equipment, net</b>	11,207
<b>Other Assets</b>	
Investments	2,767,946
Total other assets	2,767,946
<b>Total Assets</b>	\$ 4,613,100

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>	
Accounts payable and accrued expenses	\$ 14,442
Grants payable	166,115
Deferred revenue	21,524
Refundable advance	41,760
Assets held for others	2,609,311
Total current liabilities	2,853,152
<b>Net Assets</b>	
Net assets without donor restrictions	1,659,265
Board designated net assets	100,683
Total net assets	1,759,948
<b>Total Liabilities and Net Assets</b>	\$ 4,613,100

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

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b><u>Without Donor Restrictions</u></b>
<b>Revenue, Gains and Other Support</b>	
Contributions	\$ 1,108,012
Interest and dividend income	21,738
Federal grants	3,417,383
Fee income	20,616
Membership dues	20,112
Net realized and unrealized gains (losses) on investments	109,662
Other income	28,166
In-kind contributions	95,556
Total revenues, gains, and other support	<u>4,821,245</u>
<b>Expenses</b>	
Program services	4,155,980
Management and general	95,856
Total expenses	<u>4,251,836</u>
<b>Changes in net assets</b>	569,409
<b>Net assets without donor restrictions, beginning of year, as previously stated</b>	1,057,206
<b>Net assets without donor restrictions, beginning of year, as restated (Note 14)</b>	1,190,539
<b>Net assets without donor restrictions, end of year</b>	<u><u>\$ 1,759,948</u></u>

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

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Estate Planning Council</b>	<b>Non Profit Business Council</b>	<b>Non Profit Resource Center</b>	<b>CARES Act And Other Programs</b>	<b>Total Program</b>	<b>Management and General</b>	<b>Total Expenses</b>
Bank and management fees	\$ 7	\$ 306	\$ 392	\$ -	\$ 705	\$ 11,961	\$ 12,666
Depreciation	-	-	2,453	-	2,453	-	2,453
Dues and subscriptions	115	-	-	-	115	1,050	1,165
Donated facilities	-	-	61,840	-	61,840	15,460	77,300
Donated utilities	-	-	12,842	-	12,842	3,211	16,053
Equipment rental and maintenance	-	-	4,679	-	4,679	-	4,679
Insurance	-	-	797	-	797	797	1,594
Legal and professional fees	61	-	7,658	-	7,719	6,200	13,919
Marketing and advertising	702	459	498	-	1,659	2,411	4,070
Meals and entertainment	-	-	140	-	140	-	140
Office Supplies and miscellaneous	622	285	5,576	8,155	14,638	1,908	16,546
Payroll	-	-	293,457	-	293,457	44,762	338,219
Payroll taxes and benefits	-	-	41,134	-	41,134	5,440	46,574
Program service expense	-	-	43,460	-	43,460	-	43,460
Scholarships and grants	-	-	-	3,625,928	3,625,928	-	3,625,928
Special projects expense	-	26,196	-	-	26,196	-	26,196
Taxes and licenses	-	-	100	-	100	361	461
Technology hardware and software	-	-	15,335	-	15,335	2,295	17,630
Telephone and utilities	-	-	2,783	-	2,783	-	2,783
<b>Total program services</b>	<b>\$ 1,507</b>	<b>\$ 27,246</b>	<b>\$ 493,144</b>	<b>\$ 3,634,083</b>	<b>\$ 4,155,980</b>	<b>\$ 95,856</b>	<b>\$ 4,251,836</b>

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

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 569,409
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,453
Net realized and unrealized (gains) losses on investments	(109,662)
Changes in operating assets and liabilities:	
Decrease in other receivables	51,433
Decrease in accounts payable and accrued expenses	(13,360)
Increase in grants payable	166,115
Increase in deferred revenue	2,758
Increase in refundable advance	41,760
Net cash provided by operating activities	<u>710,906</u>
 <b>Cash flows from investing activities</b>	
Net purchases of investments	(434,277)
Net transfers from assets held on behalf of others	190,270
Net cash used in investing activities	<u>(244,007)</u>
 <b>Net increase in cash and cash equivalents</b>	<u>466,899</u>
 <b>Cash and cash equivalents, and cash held on behalf of others, beginning of year</b>	1,360,148
 <b>Cash and cash equivalents, and cash held on behalf of others, end of year</b>	<u><u>\$ 1,827,047</u></u>
 <b>Presented on the statement of financial position as:</b>	
Cash	\$ 437,208
Cash held on behalf of others	1,389,839
Total cash, cash equivalents, and cash held on behalf of others, end of year	<u><u>\$ 1,827,047</u></u>

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



**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

(1) **Summary of Significant Accounting Policies:**

Community Foundation Ocala/Marion County, Inc. (the Foundation) is a Florida nonprofit corporation incorporated under the provisions of Chapter 617, Florida Statutes in March, 2011. It was created to provide support for, and promote civic, cultural, community and economic development for the City of Ocala and Marion County, Florida. The Foundation's primary source of support is from community contributions via individual donor advised funds, agency funds, endowment funds, and family foundation funds. Foundation programs also include the non-profit business council and the estate planning council. The Foundation's Board of Directors consists of volunteers who are elected by the Board.

(a) **Basis of accounting**—The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Foundation records all revenues and gains that are spent in the same fiscal year as unrestricted revenue. Any amounts not spent are recorded as net assets with donor restrictions if donor restrictions exist.

Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

**Net assets without donor restrictions**—Accounts for all resources which the Organization has discretionary control to use in carrying on its operations in accordance with the limits of its articles of incorporation and bylaws, and includes funds designated by the Board of Directors of the Foundation (the Board) for specific use.

**Net assets with donor restrictions**—Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

As of December 31, 2020, there were no net assets with donor restrictions.

(b) **Income tax status**—Community Foundation for Ocala/Marion County, Inc. qualifies as nonprofit organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes. The Foundation is classified as public charities and are not considered private foundations under the Internal Revenue Code.

(c) **Cash, cash equivalents and cash held on behalf of others**—For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with same day access and those investments purchased with a maturity of three months or less to be cash equivalents. At December 31, 2020, the Foundation has \$437,208 available in cash to meet cash needs for general expenditures within one year from year end.

Cash held on behalf of others represents funds held for the Mary DeCasper Memorial fund, Reilly Arts Center Expansion Fund, Gift Annuity, Ocala Skate Park Fund, Marion County Hospital District Essential Services Fund, Wear Gloves, Fort King Heritage Association Agency Fund and Chief Greg Graham Legacy Agency Fund at December 31, 2020. The funds are held in bank accounts per fund agreements.

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Receivables**—Receivables are recorded by the Foundation for funds to be received from various sources. An allowance for uncollectible receivables has not been recorded, as all amounts are deemed collectible by management.

(e) **Investments**—Investments are made according to the Investment Policy Statement adopted by the Foundation's Board. These guidelines provide for investment in equities, fixed income, and other securities with performance measured against appropriate indices. The Foundation contracts with outside parties to provide investment management and consulting services.

Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded when earned and dividends are recorded on the ex-dividend date.

The Foundation records investments at fair value under the provisions of fair value measurement and disclosures as codified in ASC 820.

The fair value of investments in securities traded on national securities exchanges is valued at the closing price on the last business day of the fiscal year; traded on the over-the-counter market is valued at the last reported bid price.

(f) **Property equipment and depreciation**—The Foundation follows the practice of capitalizing at cost all expenditures for property and equipment in excess of \$2,500. Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions. Depreciation expense is computed using the straight-line method over the estimated useful life of the asset. Depreciation expense for 2020 was \$2,453. See Note 4.

(g) **Compensated absences**—Compensated absences for sick pay and personal time have not been accrued since the Foundation does not have a policy in place to pay sick or vacation compensation.

(i) **Grants payable**—Grants payable represent amounts approved to pay to non-profit agencies as of December 31, 2020 from CARES Act and other grant funding that have not been paid out as of year end.

(h) **Assets held for others**—The Foundation has adopted established standards for transactions in which a community foundation accepts a contribution from a nonprofit agency and agrees to hold those assets, the return on the investment of those assets, or both, for the benefit of that agency. The Foundation refers to these types of resources as designated agency, or agency endowment. These assets are held at fair market value under the provisions of fair value measurement and disclosures codified in ASC 820 and are classified as Level 1 inputs. See Note 3.

The designated agency agreements between the Foundation and the organizations or individuals allow for distributions per the spending policy of the Foundation. The agreements between the Foundation and the organizations or individuals allow for distribution of both income and principal. The resources received under these agreements are not considered contributions to the Foundation, and therefore have been classified as a liability.

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

(i) **Contributions received**—Contributions received are recorded as with or without donor restrictions depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. There were no donor restricted funds at December 31, 2020. A transfer of assets to the Foundation shall be accounted for as a liability if one or more of the following conditions is present:

- a. The transfer is subject to the resource provider's unilateral right to redirect the use of the assets to another beneficiary.
- b. The transfer is accompanied by the resource provider's conditional promise to give or is otherwise revocable or repayable.
- c. The resource provider controls the recipient organization and specifies an unaffiliated beneficiary.
- d. The resource provider specifies itself or its affiliate as the beneficiary and the transfer is not an equity transaction.

It is the Board's interpretation of accounting standards that all gifts received by the Foundation constitute assets without donor restrictions other than those with time restrictions on the use of the contributions such as pledges, bequests receivable, and trusts. The bylaws of the Foundation, under variance power, give the Board the authority to modify any restriction or condition on distribution of resources for any charitable purposes or for specific organizations if, in its sole judgment, such restrictions or conditions become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

(j) **In-kind contributions**—Contributions of equipment, rent, and office supplies have been recorded in the accompanying financial statements. These contributions are recorded at their estimated fair values at date of receipt. These contributions total \$95,556 for the year ended December 31, 2020. Equipment and office supplies contributed totaled \$2,203. See Note 9 on donated facilities.

(k) **Membership dues**—Membership dues for the nonprofit business council are annual memberships. Dues are recognized monthly as benefits are received. Dues not earned as of the year end are recorded as deferred revenue.

(l) **Expense allocation**—The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs benefited. The expenses that are allocated include occupancy which is allocated on a square foot basis, as well as personnel costs, information technology, and insurance, which are allocated on the basis of estimates of time and effort.

(m) **Marketing and advertising**—The Foundation expenses marketing and advertising costs as they are incurred and advertising communication costs the first time the advertising takes place. There was \$4,070 of marketing and advertising expense for the year ended December 31, 2020.

(n) **Accounting estimates**—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

(1) **Summary of Significant Accounting Policies:** (Continued)

(o) **Reclassifications**—Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements with no effect on the previously reported changes in net assets.

(p) **Subsequent events**—The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date the financial statements were available to be issued, or March 28, 2022. No subsequent events have been recognized or disclosed.

(2) **Recently Issued Accounting Pronouncement:**

The Financial Accounting Standards Board (FASB) issued new or modifications to, or interpretations of, existing accounting guidance during the year ended December 31, 2020 and earlier years. The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements below, does not believe that any other new or modified principles will have a material impact on the Organization's reported financial position or operations in the near term.

*Adopted changes*

In June 2018, the FASB issued Accounting Standards Update 2018-08: Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, to clarify whether a transaction should be considered a contribution or an exchange transaction and to determine whether a contribution is conditional. The new standard is effective for fiscal years beginning after December 15, 2018 and may be adopted earlier. The Organization adopted ASU 2018-08 effective for its financial statements as of and for the year ended December 31, 2020.

*Pending changes*

In May 2014, the FASB issued Accounting Standards Update 2014-09: *Revenue from Contracts with Customers*, to clarify the principles used to recognize revenue for all entities. The new standard (as amended) is effective for fiscal years beginning after December 15, 2020 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In February 2016, the FASB issued Accounting Standards Update 2016-02: *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The new standard is effective for fiscal years ending after December 15, 2022 (as amended) and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In September 2020, the FASB issued Accounting Standards Update 2020-07: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 858), to increase transparency and comparability among organizations in reporting nonprofit gifts-in-kind. The new standard is effective for fiscal years ending after June 15, 2022 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**(3) Fair Value Measurements:**

Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

*Level 2* – Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Foundation's investments at fair value as of December 31, 2020, all Level 1, are set forth below:

Cash in trust sweep and equivalent	\$ 250,313
Diversified strategies	248,309
Equities	344,314
Fixed income funds	1,925,010
Total investments at fair value	<u>\$ 2,767,946</u>

**(4) Property, Equipment and Accumulated Depreciation:**

Property and equipment at December 31, 2020, is summarized as follows:

	<u>2020</u>
Equipment	\$ 13,900
Leasehold improvements	2,721
	<u>16,621</u>
Less: Accumulated depreciation	(5,414)
Total property and equipment	<u>\$ 11,207</u>

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**(5) Change in Assets Held for Others:**

The change in assets held for others is summarized as follows:

Balance, beginning of year	\$ 1,635,334
Additions:	
Contributions	1,436,722
Investment income	10,956
Net unrealized and realized gain	62,747
Total additions	<u>1,510,425</u>
Deductions:	
Distributions	\$ (533,334)
Investment expenses	(3,114)
Total deductions	<u>(536,448)</u>
Change in balance	<u>973,977</u>
Balance, end of year	<u><u>\$ 2,609,311</u></u>

**(6) Income Taxes:**

Interest and penalties charged related to federal income tax positions are included in administrative expenses; no material interest and penalties are recorded in the year ended December 31, 2020. The Foundation and subsidiary are subject to federal and state income tax examinations by taxing authorities for the past three years.

**(7) Net Assets Without Donor Restrictions:**

Net assets without donor restrictions include three endowment funds, three designated funds, and sixteen donor advised funds. Due to the variance powers provided to the Foundation in their bylaws, these funds are considered net assets without donor restrictions for financial statement presentation. However, the Board has indicated their intention to honor the donors' intent, though not legally bound to do so.

**(8) Board Designated to Net Assets:**

In September 2019, the Board of Directors designated \$50,000 of net assets without donor restrictions as a general endowment fund to support the mission of the Foundation. The endowment fund is designated to be perpetual with principal intact and only earnings will be distributed. Use of the fund requires Board approval and is designated for use by the Board. At December 31, 2020 the board designated account totaled \$100,683.

**(9) Donated Facilities:**

In April, 2020, the Foundation entered into a lease agreement with the Marion County Hospital District (Hospital District) whereby the Foundation would lease from the Hospital District certain premises owned by the Hospital District. The initial term of the lease began April 1, 2019 and was for a 408-month period that ends March 31, 2054, with an aggregate annual base rent of \$1. The Foundation and Hospital District determined that the fair value of the lease (which also includes utilities) was \$93,353 annually on a gross basis, based on prevailing rental rates.

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**(10) Grants, Donations and Scholarships:**

Grants, donations and scholarships approved by the Foundation in 2020 consist of the following:

Trinity Catholic High School	\$	36,000
Interfaith Emergency Services, Inc.		30,000
Marion Senior Services, Inc.		25,000
West Chester University Foundation		25,000
Wear Gloves, Inc.		21,000
St Paul's Center for Biblical Theology		20,000
Marion County Children's Advocacy Center, Inc.		15,500
Ocala Symphony Orchestra, Inc		15,000
Blessed Trinity Catholic Church		15,000
Chief Greg Graham Legacy Fund		7,000
Project Hope of Marion Count, Inc.		6,500
Reilly Arts Center		5,000
Florida Institute of Human and Machine Cognition, Inc		5,000
Glendale Heights United Methodist Church		5,000
Xtreme Solutions. Inc.		5,000
Various other (below \$5,000 each)		45,925

Additionally, in August 2020 the Foundation entered into a contract with Marion County, Florida to manage and monitor financial assistance grants to non-profit organizations in the county. Pursuant to this contract, the Foundation distributed CARES Act grants to nonprofit organizations during the year ended December 31, 2020 totaling \$3,254,650. The Foundation also received an administrative fee of \$162,733.

**(11) Bequests:**

Bequests are recognized in the period the estate has gone through probate court and becomes irrevocable. The Foundation has been designated as the future recipient in a bequest but will not recognize this gift until such time as noted above.

**(12) Concentrations:**

The Foundation maintains accounts at banks, which are insured by the Federal Deposit Insurance Corporation ("FDIC"). At various times during the year these accounts may exceed the federally insured FDIC limits. The Foundation has not experienced a loss in these accounts and management believes the Foundation is not exposed to a significant credit risk. At December 31, 2020, the uninsured cash balance was \$483,222.

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**(13) Liquidity and Availability of Financial Assets:**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 437,208
Accounts receivable	6,900
Total	444,108
Less those unavailable for general expenditures within one year, due to:	
Board designated general endowment fund	100,683
Financial assets available to meet cash needs for general expenditures within one year	\$ 343,425

As shown above, the Foundation has adequate financial assets to meet short term liquidity needs. As part of the Foundation's liquidity management plan, the Foundation solicits unrestricted funding to pay for operating costs from donors.

**(14) Prior Period Adjustment:**

In 2020, it was discovered that the Foundation had recorded deferred revenue based on their internal budget of allocating 1/12 of a contract each month. However, there was no barrier or right of return from grantor for recognition of revenue. Therefore, a prior period adjustment was made to decrease deferred revenue, increase accounts receivable and recognize revenue for the year ended December 31, 2019. The effect of this prior period adjustment on the financial statements at December 31, 2019 was as follows:

Decrease in deferred revenue	\$ 75,000
Increase in accounts receivable	58,333
Increase in net assets without donor restrictions	\$ 133,333

**(15) Refundable Advance:**

On April 21, 2020 the Foundation received loan proceeds in the amount of \$46,400, pursuant to the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). Under the terms of the PPP, loan proceeds and accrued interest are forgivable after 24 weeks if they are used for qualifying expenses such as payroll, benefits, rent and utilities, and the company maintains its payroll levels as described in the CARES Act. Any unforgiven portion of the loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months after the last day of the covered period. On March 6, 2021, the Organization received notice the forgiveness application had been approved in full. Loan proceeds of \$46,400 has been recognized on the statement of financial position as refundable advance for the fiscal year ended December 30, 2020.

**(16) Risks and Uncertainties:**

During the year ended December 31, 2020, local, U.S., and world governments have continued to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to their operations and the impact of reduced consumer spending and giving. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Foundation as of March 28, 2022, management believes that a material impact on the Foundation's financial position and results of future operations is reasonably possible.



**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Identifying Number</u>	<u>Expenditures</u>
<b>U.S. Department of Treasury</b>			
Passed through Marion County Coronavirus Relief Fund	21.019	Y2268	\$ 3,417,383
<b>Total U.S. Department of Treasury</b>			<u><u>\$ 3,417,383</u></u>

**Note 1:** The accompanying Schedule of Expenditures of Federal Awards includes federal award activity of Community Foundation for Ocala/Marion County, Inc. (the Foundation). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

**Note 2:** None of the federal awards expended by the Foundation were in the form of noncash assistance, there was no insurance in effect during the year related to federal awards, there are no awards passed through to subrecipients, nor were there any loans or loan guarantees outstanding at year-end.

**Note 3: De Minimis Indirect Cost Rate Election** - The Foundation does not elect to use the 10% de minimis indirect cost rate as covered in 200.414, Indirect (F&A) costs of the Uniform Guidance.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,  
Community Foundation Ocala/Marion County, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Foundation Ocala/Marion County, Inc. which comprise the statement of financial position as of and for the year ended December 31, 2020 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Community Foundation Ocala/Marion County, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Foundation Ocala/Marion County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Community Foundation Ocala/Marion County, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

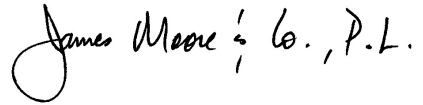
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2020-01, that we consider to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Community Foundation Ocala/Marion County, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, prominent initial "J".

Gainesville, Florida  
March 28, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors,  
Community Foundation Ocala/Marion County, Inc.:

**Report on Compliance for Each Major Federal Program**

We have audited Community Foundation Ocala/Marion County, Inc.'s (a not-for-profit corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Foundation Ocala/Marion County, Inc.'s major federal programs for the year ended December 31, 2020. Community Foundation Ocala/Marion County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Community Foundation Ocala/Marion County, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Foundation Ocala/Marion County, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Foundation Ocala/Marion County, Inc.'s compliance.

***Opinion on Each Major Federal Program***

In our opinion, Community Foundation Ocala/Marion County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

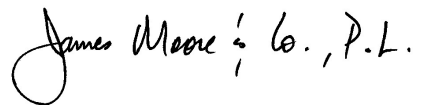
## Report on Internal Control over Compliance

Management of Community Foundation Ocala/Marion County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Foundation Ocala/Marion County, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Foundation Ocala/Marion County, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial "J" and a stylized "M".

Gainesville, Florida  
March 28, 2022

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Section I. Summary of Auditors' Results:**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?   X   Yes \_\_\_\_\_ None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance? \_\_\_\_\_ Yes   X   No

Identification of major programs: CFDA No. 21.019,  
Coronavirus Relief  
Fund

Dollar threshold used to distinguish between the type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? \_\_\_\_\_ Yes   X   No

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(Continued)

**Section II. Findings Relating to the Financial Statements  
Which are Required to be Reported in  
Accordance with *Government Auditing Standards*:**

**Finding 2020-01: Material Prior Period Adjustment**

**Condition** - The Foundation recorded certain revenue contracts on a 1/12 basis regardless of how the revenue was earned.

**Criteria** - The Foundation should evaluate the revenue stream for barriers and rights of return and then determine the need to record deferred revenue

**Cause** - The Foundation wanted to match revenue recognition with the way they budgeted the funding internally.

**Effect** - Deferred revenue was overstated by \$75,000, accounts receivable and net assets were understated by \$58,333 and \$133,333, respectively.

**Recommendation** - We suggest the Foundation separate their internal budgeting methodology from their revenue recognition and evaluate deferred revenue balances at year end.

**Section III. Findings and Questioned Costs for Federal Awards:**

None

**Section IV. Prior Audit Findings and Corrective Action Plan  
for Federal Awards for the Year Ended  
December 31, 2019:**

No single audit in prior year



March 31, 2022

Corrective Action Plan  
Finding #2020-01

After meeting with James Moore & Co. regarding finding #2020-01, management will evaluate each revenue contract and determine whether there are any barriers or conditions to earning the revenue or the right of return and will determine appropriate revenue recognition accordingly.

Lauren B. Deiorio  
President/Executive Director

*Building A Stronger Community...One Passion At a Time*

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[www.OcalaFoundation.org](http://www.OcalaFoundation.org)