

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
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**DECEMBER 31, 2022**

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## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the accompanying financial statements of the Community Foundation Ocala/Marion County, Inc. (the "Foundation") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompany financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022, 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.

### ***Basis for Opinion***

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

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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 the Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 auditors' 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 GAAS 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 from 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 GAAS, 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 the Foundation'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 the Foundation'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.

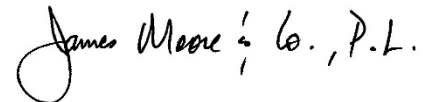
## **Other Matters**

### ***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 August 9, 2023, on our consideration of the Foundation'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 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 the Foundation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, slightly slanted style.

Gainesville, Florida  
August 9, 2023

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2022**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 519,329
Cash held on behalf of others	598,222
Investments held on behalf of others	1,704,829
Investments	1,979,303
Other receivables	1,750
Prepaid expenses	7,347
Total current assets	4,810,780

**Property and Equipment, net**

5,284

**Total Assets**

\$ 4,816,064

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable and accrued expenses	\$ 16,533
Refundable advance	140,181
Deferred revenue	244,324
Cash held on behalf of others	598,222
Investments held on behalf of others	1,704,829
Total current liabilities	2,704,089

**Net Assets**

Net assets without donor restrictions, undesignated	2,021,029
Board designated net assets	90,946
Total net assets without donor restrictions	2,111,975

**Total Liabilities and Net Assets**

\$ 4,816,064

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, 2022**

	<u>Without Donor Restrictions</u>
<b>Revenue, Gains and Other Support</b>	
Contributions	\$ 1,455,378
Interest and dividend income	36,301
Federal grants	1,278,358
Program income	163,896
Membership dues	26,502
Realized and unrealized losses	
on investments, net of related expenses	(319,838)
Administrative fee income	3,150
Other income	1,901
In-kind contributions	112,395
Total revenues, gains, and other support	<u>2,758,043</u>
<b>Expenses</b>	
Program services	2,787,005
Management and general	138,619
Total expenses	<u>2,925,624</u>
<b>Changes in net assets</b>	(167,581)
<b>Net assets without donor restrictions, beginning of year</b>	2,279,556
<b>Net assets without donor restrictions, end of year</b>	<u><u>\$ 2,111,975</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, 2022**

	<b>Estate Planning Council</b>	<b>Non Profit Business Council</b>	<b>Non Profit Resource Center</b>	<b>ARPA Funds And Other Programs</b>	<b>Total Program</b>	<b>Management and General</b>	<b>Total Expenses</b>
Administrative expense	\$ -	\$ -	\$ -	\$ 244	\$ 244	\$ -	\$ 244
Bank and management fees	9	23	178	-	210	16,445	16,655
Depreciation	-	-	2,962	-	2,962	-	2,962
Dues and subscriptions	217	102	199	-	518	2,150	2,668
In kind facilities	-	-	61,840	-	61,840	15,460	77,300
In kind utilities	-	-	12,842	-	12,842	3,211	16,053
In kind office supplies	-	-	18,442	-	18,442	-	18,442
In kind legal and professional fees	-	-	300	-	300	300	600
Insurance	-	-	778	-	778	778	1,556
Legal and professional fees	-	-	21,667	-	21,667	20,470	42,137
Marketing and advertising	-	-	811	2,600	3,411	4,692	8,103
Meals and entertainment	-	675	-	-	675	-	675
Office supplies and miscellaneous	2,288	291	9,474	35,031	47,084	1,714	48,798
Payroll	-	-	416,209	-	416,209	61,845	478,054
Payroll taxes and benefits	-	-	56,884	-	56,884	8,928	65,812
Program service expense	-	-	34,723	-	34,723	-	34,723
Scholarships and grants	-	-	-	2,078,065	2,078,065	-	2,078,065
Special projects expense	-	10,150	-	-	10,150	-	10,150
Taxes and licenses	61	-	100	-	161	420	581
Technology hardware and software	-	-	15,118	324	15,442	2,206	17,648
Telephone and utilities	-	-	2,087	-	2,087	-	2,087
Training and development	-	-	2,311	-	2,311	-	2,311
<b>Total program services</b>	<b>\$ 2,575</b>	<b>\$ 11,241</b>	<b>\$ 656,925</b>	<b>\$ 2,116,264</b>	<b>\$ 2,787,005</b>	<b>\$ 138,619</b>	<b>\$ 2,925,624</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, 2022**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ (167,581)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,962
Net realized and unrealized (gains) losses on investments	319,838
Changes in operating assets and liabilities:	
Change in other receivables	27,511
Change in prepaid expenses	(7,347)
Change in accounts payable and accrued expenses	(11,169)
Change in refundable advance	66,869
Change in deferred revenue	230,095
Net cash provided by operating activities	<u>461,178</u>
 <b>Cash flows from investing activities</b>	
Net purchases of investments	(359,534)
Net transfers from cash held on behalf of others	3,133
Net cash used in investing activities	<u>(356,401)</u>
 <b>Net increase in cash and cash equivalents</b>	<u>104,777</u>
 <b>Cash and cash equivalents, beginning of year</b>	1,012,774
 <b>Cash and cash equivalents, end of year</b>	<u><u>\$ 1,117,551</u></u>
 <b>Presented on the statement of financial position as:</b>	
Cash	\$ 519,329
Cash held on behalf of others	598,222
Total cash, cash equivalents, and cash held on behalf of others, end of year	<u><u>\$ 1,117,551</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, 2022**

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

The 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, 2022, there were no net assets with donor restrictions.

(b) **Income taxes**—The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes. In addition, the Foundation qualifies for the charitable contribution deduction under Section 509(a). Management of the Foundation considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to the Foundation's status as a not-for-profit entity. Management believes the Foundation met the requirements to maintain its tax-exempt status and has not identified any uncertain tax positions subject to the unrelated business income tax that require recognition or disclosure in the accompanying financial statements. The Foundation's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

(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, 2022, the Foundation has \$519,329 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 Ocala Skate Park Fund, Mary DeCasper Memorial Fund, Fort King Heritage Association Agency Fund, Chief Greg Graham Legacy Agency Fund, Gift Annuity, Samaritan Fund, Big Sun Youth Soccer, Community With a Heart, and the Ocala Sportsplex Fund at December 31, 2022. The funds are held in bank accounts per fund agreements. At December 31, 2022, the Foundation held \$598,222 in cash on behalf of others.

(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. Accounts receivable balances at December 31, 2022 and 2021 were \$1,750 and \$29,261, respectively.

(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 2022 was \$2,962. See Note 3.

(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.

(h) **Refundable advance**—Refundable advance represents amounts approved to pay to non-profit agencies as of December 31, 2022 from grant funding that have not been paid out in cash as of year-end.

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

(i) **Investments 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 2.

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. At December 31, 2022, the Foundation held \$1,704,829 in investments held on behalf of others.

(j) **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, 2022. 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.

(k) **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 \$112,395 for the year ended December 31, 2022. See Note 7 on donated facilities.

(l) **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.

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

(m) **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.

(n) **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 \$8,103 of marketing and advertising expense for the year ended December 31, 2022.

(o) **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.

(p) **Recently adopted accounting guidance**—In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective January 1, 2022. Since there were no operating or finance leases in effect as of January 1, 2022 requiring recognition under ASC 842, the adoption did not have a material impact on the Organization's financial position, results from operations and cash flows. Certain terminology changes have been implemented, including references to rent and/or short-term rent being referenced as short-term lease.

In September 2020, the FASB issued Accounting Standards Update 2020-07: *Not-for-Profit Entities* (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The Organization adopted the standard effective January 1, 2022. There were no material impacts to the financial statements as a result of implementing this new standard.

(q) **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 August 9, 2023. No subsequent events have been recognized or disclosed.

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

(2) **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, 2022, all Level 1, are set forth below:

Cash in trust sweep and equivalent	\$ 522,070
Diversified strategies	304,725
Equities	548,246
Fixed income funds	2,309,091
Total investments at fair value	<u>\$ 3,684,132</u>

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

Property and equipment at December 31, 2022, is summarized as follows:

Equipment	\$ 13,900
Leasehold improvements	2,721
	<u>16,621</u>
Less: Accumulated depreciation	<u>(11,337)</u>
Property and equipment, net	<u>\$ 5,284</u>

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

The change in assets held for others during 2022 is summarized as follows:

Balance, beginning of year	\$ 2,299,918
Additions:	
Contributions	685,924
Investment income	31,174
Net unrealized and realized loss	(267,402)
Total additions	<u>449,696</u>
Deductions:	
Distributions	\$ (432,269)
Investment expenses	(14,294)
Total deductions	<u>(446,563)</u>
Change in balance	<u>3,133</u>
Balance, end of year	<u>\$ 2,303,051</u>

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

Net assets without donor restrictions include two endowment funds, thirty-one donor advised funds, and five scholarship 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.

**(6) 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, 2022 the board designated account totaled \$90,946.

**(7) 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 monthly 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, 2022**

(8) **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.

(9) **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, 2022, the uninsured cash balance was \$303,432.

(10) **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	\$ 519,329
Investments	1,979,307
Accounts receivable	<u>1,750</u>
Total	2,500,386
Less those unavailable for general expenditures within one year, due to:	
Board designated general endowment fund	90,946
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 2,409,440</u></u>

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.

(11) **Retirement Plan:**

The Organization has a SIMPLE IRA plan covering substantially all employees based on eligibility requirements. The Organization makes a 3% matching contribution to employees who elect to contribute to the plan. Total contributions to the plan for the year ended December 31, 2022 were \$11,964.



**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Identifying Number</u>	<u>Expenditures</u>
<b>U.S. Department of Treasury</b>			
Passed through Marion County American Rescue Plan Act	21.027	N/A	\$ 700,914
Passed through the City of Ocala American Rescue Plan Act	21.027	N/A	592,364
<b>Total U.S. Department of Treasury</b>			<u><u>\$ 1,293,278</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 the Community Foundation Ocala/Marion County, Inc., which comprise the statement of financial position as of December 31, 2022, 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 August 9, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the 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 entity'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.

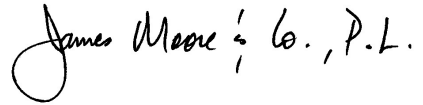
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 statements. 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, circular initial "J" at the beginning.

Gainesville, Florida  
August 9, 2023

**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**

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

We have audited the Community Foundation Ocala/Marion County, Inc.'s (a not-for-profit corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Community Foundation Ocala/Marion County, Inc.'s major federal programs for the year ended December 31, 2022. The Community Foundation Ocala/Marion County, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Community Foundation Ocala/Marion County, Inc. complied, in all material respects, with the 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Community Foundation Ocala/Marion County, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Community Foundation Ocala/Marion County, Inc.'s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Community Foundation Ocala/Marion County, Inc.'s federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Community Foundation Ocala/Marion County, Inc.'s compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Community Foundation Ocala/Marion County, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Community Foundation Ocala/Marion County, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Community Foundation Ocala/Marion County, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Community Foundation Ocala/Marion County, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

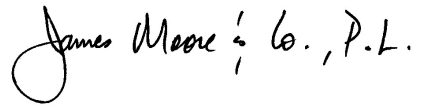
### **Report on Internal Control over Compliance**

*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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

James Moore & Co., P.L.

Gainesville, Florida  
August 9, 2023

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**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)? \_\_\_\_\_ Yes   X   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: ALN No. 21.027,  
Coronavirus State and Local  
Fiscal Recovery Fund

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

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

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

(Continued)

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

None

**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, 2021:**

None