

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

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Community Foundation Ocala/Marion County, Inc. (the "Foundation") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

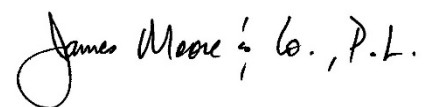
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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.

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

Gainesville, Florida
August 21, 2024

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 1,289,321	\$ 806,667
Cash and cash equivalents held on behalf of others	304,570	403,549
Investments held on behalf of others	2,151,114	1,470,097
Investments	2,595,866	1,691,965
Other receivables	97,244	1,750
Prepaid expenses	413	7,347
Total current assets	6,438,528	4,381,375
Noncurrent Assets		
Gift annuity held on behalf of others	454,032	429,405
Property and equipment, net	2,323	5,284
Total noncurrent assets	456,355	434,689
Total Assets	\$ 6,894,883	\$ 4,816,064
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 11,107	\$ 16,533
Refundable advance	92,549	140,181
Deferred revenue	125,708	244,324
Cash held on behalf of others	304,570	403,549
Investments held on behalf of others	2,151,114	1,470,097
Total current liabilities	2,685,048	2,274,684
Long-term Liabilities		
Gift annuity held on behalf of others	454,032	429,405
Total Liabilities	3,139,080	2,704,089
Net Assets		
Net assets without donor restrictions, undesignated	3,652,375	2,021,029
Board designated net assets	103,428	90,946
Total net assets without donor restrictions	3,755,803	2,111,975
Total Liabilities and Net Assets	\$ 6,894,883	\$ 4,816,064

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

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Revenue, Gains and Other Support		
Contributions	\$ 2,671,484	\$ 1,380,713
Interest and dividend income	66,720	36,301
Federal grants	705,043	1,278,358
Program income	148,629	163,896
Membership dues	33,901	26,502
Realized and unrealized gains (losses) on investments, net of related expenses	226,045	(319,838)
Administrative fee income	8,110	3,150
Fundraising	159,268	74,665
Other income	1,854	1,901
In-kind contributions	96,766	112,395
Total revenues, gains, and other support	4,117,820	2,758,043
Expenses		
Program services	2,168,273	2,760,443
Management and general	235,956	138,619
Fundraising	69,763	26,562
Total expenses	2,473,992	2,925,624
Changes in net assets	1,643,828	(167,581)
Net assets without donor restrictions, beginning of year	2,111,975	2,279,556
Net assets without donor restrictions, end of year	\$ 3,755,803	\$ 2,111,975

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, 2023

	Estate Planning Council	Non Profit Business Council	Non Profit Resource Center	ARPA Funds And Other Programs	Total Program	Management and General	Fundraising	Total Expenses
Administrative expense	\$ -	\$ -	\$ -	\$ 65	\$ 65	\$ -	\$ -	\$ 65
Bank and management fees	2	12	1,044	-	1,058	18,116	-	19,174
Depreciation	-	-	2,961	-	2,961	-	-	2,961
Dues and subscriptions	115	-	55	-	170	2,105	-	2,275
Fundraising events	-	-	-	-	-	-	69,763	69,763
In kind facilities	-	-	61,840	-	61,840	15,460	-	77,300
In kind utilities	-	-	12,842	-	12,842	3,211	-	16,053
In kind legal and professional fees	-	-	2,730	-	2,730	683	-	3,413
Insurance	-	-	858	-	858	858	-	1,716
Legal and professional fees	-	-	28,909	-	28,909	7,226	-	36,135
Marketing and advertising	102	622	1,854	-	2,578	1,891	-	4,469
Meals and entertainment	576	1,039	2,440	417	4,472	-	-	4,472
Office supplies and miscellaneous	2,499	190	8,786	23,980	35,455	5,260	-	40,715
Payroll	-	-	355,606	-	355,606	148,729	-	504,335
Payroll taxes and benefits	-	-	43,108	-	43,108	20,470	-	63,578
Program service expense	-	-	11,554	-	11,554	-	-	11,554
Scholarships and grants	-	-	-	1,592,522	1,592,522	-	-	1,592,522
Taxes and licenses	61	-	260	-	321	260	-	581
Technology hardware and software	-	-	8,773	-	8,773	7,741	-	16,514
Telephone and utilities	-	-	1,131	-	1,131	1,131	-	2,262
Training and development	-	-	1,320	-	1,320	2,815	-	4,135
Total expenses	\$ 3,355	\$ 1,863	\$ 546,071	\$ 1,616,984	\$ 2,168,273	\$ 235,956	\$ 69,763	\$ 2,473,992

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

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Estate Planning Council	Non Profit Business Council	Non Profit Resource Center	ARPA Funds And Other Programs	Total Program	Management and General	Fundraising	Total Expenses
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
Fundraising events	-	-	-	-	-	-	26,562	26,562
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	-	-	8,161	-	8,161	-	-	8,161
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
Total expenses	\$ 2,575	\$ 11,241	\$ 630,363	\$ 2,116,264	\$ 2,760,443	\$ 138,619	\$ 26,562	\$ 2,925,624

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

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 1,643,828	\$ (167,581)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,961	2,962
Net realized and unrealized (gains) losses on investments	(226,045)	319,838
Changes in operating assets and liabilities:		
Change in other receivables	(95,494)	27,511
Change in prepaid expenses	6,934	(7,347)
Change in accounts payable and accrued expenses	(5,426)	(11,169)
Change in refundable advance	(47,632)	66,869
Change in deferred revenue	(118,616)	230,095
Net cash provided by operating activities	1,160,510	461,178
 Cash flows from investing activities		
Net purchases of investments	(1,375,495)	(274,874)
Net transfers from cash held on behalf of others	598,660	3,133
Net cash used in investing activities	(776,835)	(271,741)
 Change in cash and cash equivalents	383,675	189,437
 Cash and cash equivalents, beginning of year	1,210,216	1,020,779
 Cash and cash equivalents, end of year	\$ 1,593,891	\$ 1,210,216
 Presented on the statements of financial position as:		
Cash	\$ 1,289,321	\$ 806,667
Cash held on behalf of others	304,570	403,549
Total cash, cash equivalents, and cash held on behalf of others, end of year	\$ 1,593,891	\$ 1,210,216

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, 2023 AND 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 Foundation 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, 2023 and 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, 2023 AND 2022

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

(c) **Cash, cash equivalents and cash held on behalf of others**—For purposes of the statements 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, 2023 and 2022, the Foundation had \$1,289,321 and \$806,667, respectively, 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, Samaritan Fund, Big Sun Youth Soccer, and Community With a Heart at December 31, 2023 and 2022. The funds are held in bank accounts per fund agreements. At December 31, 2023 and 2022, the Foundation held \$304,570 and \$403,549 respectively, in cash held on behalf of others.

(d) **Receivables**—Receivables are recorded by the Foundation for funds to be received from various sources. An allowance for credit losses has not been recorded, as all amounts are deemed collectible by management. Accounts receivable balances at December 31, 2023 and 2022, were \$97,244 and \$1,750, 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 2023 and 2022 was \$2,961 and \$2,962, respectively. 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, however, employees are compensated for paid time off earned and taken based on the number of years of their employment and in accordance with the outline in the employee handbook.

(h) **Refundable advance**—Refundable advance represents amounts approved to pay to non-profit or governmental agencies as of December 31, 2023 and 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, 2023 AND 2022

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

(i) **Investments and gift annuity 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, 2023 and 2022, the Foundation held \$2,151,114 and \$1,470,097, respectively, in investments held on behalf of others. The Foundation manages a gift annuity, which benefits the beneficiaries named within the annuity. The resources received under this agreement are not considered contributions to the Foundation, and therefore have been classified as a liability. At December 31, 2023 and 2022, the Foundation held \$454,032 and \$429,405, respectively, in the gift annuity 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, 2023 and 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.

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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

(k) **In-kind contributions**—Contributions of equipment, rent, and professional services have been recorded in the accompanying financial statements. These contributions are recorded at their estimated fair values at date of receipt. These contributions total \$96,766 and \$112,395 for the years ended December 31, 2023 and 2022, respectively. 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.

(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 \$4,469 and \$8,103 of marketing and advertising expense for the years ended December 31, 2023 and 2022, respectively.

(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) **Recent accounting pronouncements**—The Financial Accounting Standards Board (FASB) and other entities issued new or modifications to, or interpretations of, existing accounting guidance. The Foundation has considered the new pronouncements that altered accounting principles generally accepted in the United States of America. The Foundation does not believe that any new or modified principles will have a material impact on the Foundation's reported financial position or operations in the near term.

(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 21, 2024. No subsequent events have been recognized or disclosed.

(r) **Reclassifications**—Certain amounts in the prior year financials have been reclassified to conform to the current year presentation. These reclassifications had no effect on total net assets.

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 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, 2023 and 2022, all Level 1, including those within the gift annuity held on behalf of others, are set forth below:

	2023	2022
Diversified strategies	\$ 428,253	\$ 304,725
Equities	3,005,405	718,202
Fixed income funds	1,767,354	2,568,540
Total investments at fair value	\$ 5,201,012	\$ 3,591,467

(3) Property, Equipment and Accumulated Depreciation:

Property and equipment consisted of the following at December 31:

	2023	2022
Equipment	\$ 13,900	\$ 13,900
Leasehold improvements	2,721	2,721
	16,621	16,621
Less: Accumulated depreciation	(14,298)	(11,337)
Property and equipment, net	\$ 2,323	\$ 5,284

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

(4) Change in Assets Held for Others:

The change in assets held for others during 2023 and 2022, is summarized as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 2,303,051	\$ 2,299,918
Additions:		
Contributions	642,009	685,924
Investment income	47,369	31,174
Net unrealized and realized loss	201,282	(267,402)
Total additions	<u>890,660</u>	<u>449,696</u>
Deductions:		
Distributions	(263,800)	(432,269)
Investment expenses	(20,195)	(14,294)
Total deductions	<u>(283,995)</u>	<u>(446,563)</u>
Change in balance	<u>606,665</u>	<u>3,133</u>
Balance, end of year	<u>\$ 2,909,716</u>	<u>\$ 2,303,051</u>

(5) Net Assets Without Donor Restrictions:

At December 31, 2023, net assets without donor restrictions include two endowment funds, forty-five donor advised funds, and three scholarship funds. At December 31, 2022, 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, 2023 and 2022, the board designated account totaled \$103,428 and \$90,946, respectively.

(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.

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(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, 2023 and 2022, the uninsured cash balance was \$85,545 and \$299,537, respectively.

The Foundation maintains certain investment accounts with financial institutions which are not insured by the FDIC. These funds may be subject to insurance by Securities Investor Protection Corporation (SIPC), subject to various limitations. At December 31, 2023 and 2022, the uninsured cash and cash equivalents balance was \$563,350 and \$22,070, respectively.

(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:

	2023	2022
Cash and cash equivalents	\$ 1,289,321	\$ 806,667
Investments	2,595,866	1,691,965
Accounts receivable	97,244	1,750
Total	3,982,431	2,500,382
Less those unavailable for general expenditures within one year, due to:		
Board designated general endowment fund	103,428	90,946
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,879,003	\$ 2,409,436

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, 2023 and 2022, were \$13,653 and \$11,964, respectively.