

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

FINANCIAL STATEMENTS

DECEMBER 31, 2024

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
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DECEMBER 31, 2024**

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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 statement of financial position as of December 31, 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024, 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) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. 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 and GAS 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 and GAS, 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.

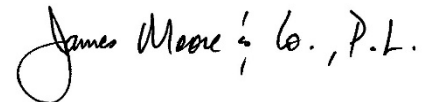
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 15, 2025 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 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 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 style with a large, looped initial 'J'.

Gainesville, Florida
August 15, 2025

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

ASSETS

Current Assets

Cash and cash equivalents	\$ 675,570
Cash and cash equivalents held on behalf of others	659,055
Investments held on behalf of others	2,782,454
Investments	3,295,502
Other receivables	34,345
Contribution receivable - donated use of facilities	93,353
Prepaid expenses	2,548
Total current assets	7,542,827

Noncurrent Assets

Gift annuity held on behalf of others	456,126
Contribution receivable - donated use of facilities	2,199,019
Property and equipment, net	1,678
Total noncurrent assets	2,656,823

Total Assets

\$ 10,199,650

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$ 18,195
Refundable advance	101,667
Deferred revenue	89,371
Cash held on behalf of others	659,055
Investments held on behalf of others	2,782,454
Total current liabilities	3,650,742

Long-term Liabilities

Gift annuity held on behalf of others	456,126
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Total Liabilities

4,106,868

Net Assets

Without donor restrictions	
Net assets without donor restrictions, undesignated	3,687,765
Board designated net assets	112,645
Total net assets without donor restrictions	3,800,410

With donor restrictions

Time-restricted for donated use of facilities	2,292,372
Total net assets with donor restrictions	2,292,372

6,092,782

Total Liabilities and Net Assets

\$ 10,199,650

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

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Gains and Other Support			
Contributions	\$ 1,785,474	\$ -	\$ 1,785,474
Interest and dividend income	102,205	-	102,205
Federal grants	794,398	-	794,398
Program income	238,634	-	238,634
Membership dues	39,550	-	39,550
Realized and unrealized gains (losses) on investments, net of related expenses	256,086	-	256,086
Administrative fee income	3,900	-	3,900
Fundraising revenue	240,878	-	240,878
Other income	3,130	-	3,130
In-kind professional services	45,660	-	45,660
Donated facilities revenue	-	28,628	28,628
Net assets released from restrictions - donated use of facilities	93,353	(93,353)	-
Total revenues, gains, and other support	<u>3,603,268</u>	<u>(64,725)</u>	<u>3,538,543</u>
Expenses			
Program services	3,159,090	-	3,159,090
Management and general	288,127	-	288,127
Fundraising	111,444	-	111,444
Total expenses	<u>3,558,661</u>	<u>-</u>	<u>3,558,661</u>
Changes in net assets	44,607	(64,725)	(20,118)
Net assets, beginning of year as restated (see note 8)	3,755,803	2,357,097	6,112,900
Net assets, end of year	<u>\$ 3,800,410</u>	<u>\$ 2,292,372</u>	<u>\$ 6,092,782</u>

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, 2024

	<u>Program Services</u>				<u>Total Program</u>	<u>Support Services</u>		<u>Total Expenses</u>
	<u>Estate Planning Council</u>	<u>Non Profit Business Council</u>	<u>Non Profit Resource Center</u>	<u>ARPA Funds And Other Programs</u>		<u>Management and General</u>	<u>Fundraising</u>	
Administrative expense	\$ -	\$ -	\$ -	\$ 73	\$ 73	\$ -	\$ -	\$ 73
Bank and management fees	35	29	1,240	-	1,304	27,332	-	28,636
Depreciation	-	-	644	-	644	-	-	644
Dues and subscriptions	115	-	1,728	-	1,843	432	-	2,275
Fundraising events	-	-	-	-	-	-	111,444	111,444
Grant contribution expense	-	-	-	268,995	268,995	-	-	268,995
In-kind donated facilities	-	-	74,682	-	74,682	18,671	-	93,353
In-kind professional services	-	-	37,960	-	37,960	7,700	-	45,660
Insurance	-	-	2,309	-	2,309	691	-	3,000
Legal and professional fees	-	-	28,133	-	28,133	7,115	-	35,248
Marketing and advertising	-	-	4,753	-	4,753	3,605	-	8,358
Meals and entertainment	654	656	-	-	1,310	-	-	1,310
Office supplies and miscellaneous	2,500	-	13,619	37,211	53,330	3,916	-	57,246
Payroll	-	-	349,830	-	349,830	183,171	-	533,001
Payroll taxes and benefits	-	-	42,532	-	42,532	26,053	-	68,585
Program service expense	-	-	21,789	-	21,789	-	-	21,789
Scholarships and grants	-	-	5,000	2,246,678	2,251,678	3,600	-	2,255,278
Taxes and licenses	61	-	454	-	515	142	-	657
Technology hardware and software	-	-	13,076	-	13,076	3,157	-	16,233
Telephone and utilities	-	-	2,389	-	2,389	597	-	2,986
Training and development	-	-	1,945	-	1,945	1,945	-	3,890
Total expenses	\$ 3,365	\$ 685	\$ 602,083	\$ 2,552,957	\$ 3,159,090	\$ 288,127	\$ 111,444	\$ 3,558,661

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

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities	
Change in net assets	\$ (20,118)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	645
Net realized and unrealized (gains) losses on investments	(256,086)
In-kind rent expense (settlement of contribution receivable)	93,353
Interest accretion on discounted receivable	(28,628)
Changes in operating assets and liabilities:	
Change in other receivables	62,899
Change in prepaid expenses	(2,135)
Change in accounts payable and accrued expenses	7,088
Change in funds held for others	987,919
Change in refundable advance	(87,615)
Change in deferred revenue	60,396
Net cash provided by operating activities	<u>817,718</u>
 Cash flows from investing activities	
Purchase of investments	(2,470,855)
Proceeds from sale of investments	1,393,871
Net cash used in investing activities	<u>(1,076,984)</u>
 Change in cash and cash equivalents	<u>(259,266)</u>
 Cash and cash equivalents, beginning of year	1,593,891
 Cash and cash equivalents, end of year	<u><u>\$ 1,334,625</u></u>
 Presented on the statements of financial position as:	
Cash	\$ 675,570
Cash held on behalf of others	659,055
Total cash, cash equivalents, and cash held on behalf of others, end of year	<u><u>\$ 1,334,625</u></u>

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

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

(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:

(b) **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.

(c) **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, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. The Organization reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

As of December 31, 2024 net assets with donor restrictions included \$2,292,372 related to the time-restricted donated use of facilities. These restrictions represent the unamortized portion of the present value of future in-kind lease contributions (see Note 8 for further detail).

(d) **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, 2024

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

(e) **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, 2024, the Foundation had \$675,570 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 Aubryn’s GY6 Foundation Fund, Mary DeCasper Memorial Fund, Fort King Heritage Association Agency Fund, Chief Greg Graham Legacy Agency Fund, Samaritan Fund, Big Sun Youth Soccer, Community With a Heart, Love Israel Foundation Fund, and P.E.T.s. of Marion County, and various others at December 31, 2024. The funds are held in bank accounts per fund agreements. At December 31, 2024, the Foundation held \$659,055 in cash held on behalf of others.

(f) **Receivables**—Exchange receivables consist primarily of short-term amounts due from nonprofit organizations, generally collectible within 30 days. The Foundation estimates lifetime expected credit losses in accordance with ASC 326 by pooling these receivables and applying a historical loss-rate approach adjusted for current conditions and reasonable-and-supportable forecasts. Given the short-term maturities and collection history, expected credit losses were immaterial; accordingly, no allowance for credit losses was recorded at December 31, 2024. At December 31, 2024, accounts receivable totaled \$34,345.

(g) **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.

(h) **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. See Note 3.

(i) **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 earn paid time off that must be used by the end of each calendar year. Unused time off does not carry over.

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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

(j) **Refundable advance**—Income from grants and contract revenue is deferred and recognized over the periods to which it relates. The refundable advance balance at December 31, 2024 was \$101,667.

(k) **Revenue recognition and revenue streams**—Revenue primarily consists of program service revenue, membership dues, fundraising revenue, contributions, and federal grant revenue. Revenue is recorded in the period in which services are rendered. The following is a summary of the principal forms of the Organization’s billing arrangements and how revenue is recognized for each.

Program service revenue – Program service revenue includes fees earned from maintaining and managing donor-advised and agency investment pools, as well as from providing services such as grant scans, proposal writing, editing and review, and nonprofit and grant education and training. Management fees are generally calculated as a percentage of the assets under management and are recognized over time as investment management services are provided. Revenue from other program services is recognized at the point in time when the related service is performed, as the customer receives and consumes the benefits simultaneously. Fees received in advance of services are recorded as deferred revenue and recognized when the service is delivered. The Foundation’s arrangements for program services do not typically include variable consideration beyond asset value fluctuations, significant financing components, or noncash consideration

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.

Fundraising revenue – Fundraising revenue is generated through events and activities held by the Foundation to raise funds in support of its mission. Revenue from ticket sales, sponsorships, and related event activities is recognized at the point in time when the event occurs. Amounts received in advance of the event are recorded as deferred revenue and recognized as revenue when the event takes place. Contributions received in connection with fundraising events that are not directly related to an exchange transaction are recognized as contribution revenue in accordance with the Foundation’s contribution recognition policy.

Contributions – Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Federal grant revenue – A portion of the Foundation’s revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. The Foundation received federal cost-reimbursable grants of \$794,398 for the year ended December 31, 2024.

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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

(l) **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, 2024, the Foundation held \$2,782,454 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, 2024 the Foundation held \$456,126, in the gift annuity held on behalf of others.

(m) **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. 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, 2024

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

(n) **Contributed nonfinancial assets**—The Foundation receives contributed nonfinancial assets, including donated use of facilities (with utilities) and donated professional services. Contributed nonfinancial assets are recognized as contribution revenue at fair value on the date received (or, for donated use of facilities, as the benefit is provided during the period) and are reported as with or without donor restrictions based on donor stipulations. Donated services are recognized only if they create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills.

Contributed nonfinancial assets recognized in 2024 were as follows:

Donated use of facilities (including utilities)	\$ 93,353
Donated professional services	45,660
Total contributed nonfinancial assets	\$ 139,013

Narrative of valuation methods and inputs:

Donated use of facilities – The fair value of the donated right to use office space (and included utilities) is measured using market participant assumptions for comparable leased space in the local market. Management considers observable market data such as asking and executed rental rates for similar properties (location, square footage, building class, condition, and term), adjusted as necessary for differences, and includes an estimate for utilities based on donor-provided information or prevailing utility rates. These inputs are primarily observable and are classified within Level 2 of the fair value hierarchy. The arrangement is subject to a time restriction; amounts are released from donor restriction in the period the facilities are utilized.

Donated professional services – Recognized services are valued using market rates for the type of service provided at the time the services are rendered. Inputs are based on observable pricing for similar services and are classified within Level 2 of the fair value hierarchy. These services were used in program services and management and general and were not monetized.

Donated materials and supplies – There were no material donated materials and supplies during 2024.

Monetization and utilization policy – The Foundation’s policy is to utilize contributed nonfinancial assets in furtherance of its mission rather than to monetize them. No contributed nonfinancial assets were sold during 2024. If contributed materials are not immediately required for program use, management may sell such items; none were sold in 2024.

Restrictions – Donor-imposed restrictions on contributed nonfinancial assets, if any, are disclosed in the accompanying notes. The donated use of facilities is time-restricted and is released from donor restriction as the facilities are used. Donated professional services were received without donor-imposed purpose restrictions unless otherwise noted.

Noncash nature – Contributed nonfinancial assets are noncash and do not provide cash resources; related amounts are excluded from cash flows from operating activities except for presentation within the indirect-method reconciliation as noncash items.

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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

(o) **Expense allocation**—The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and functional expenses. 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.

(p) **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 \$8,358 of marketing and advertising expense for the years ended December 31, 2024.

(q) **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.

(r) **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.

(s) **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 15, 2025. No subsequent events have been recognized or disclosed.

(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.

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

(2) **Fair Value Measurements:** (Continued)

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, 2024, including those within the gift annuity held on behalf of others, are set forth below:

	Investment Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Diversified strategies	\$ 576,521	\$ -	\$ -	\$ 576,521
Equities	3,619,781	-	-	3,619,781
Fixed Income	1,116,071	1,221,709	-	2,337,780
Total investment at fair value	\$ 5,312,373	\$ 1,221,709	\$ -	\$ 6,534,082

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

Property and equipment consisted of the following at December 31, 2024:

Equipment	\$ 13,900
Leasehold improvements	2,721
	16,621
Less: Accumulated depreciation	(14,943)
Property and equipment, net	\$ 1,678

Depreciation expense for the year ended December 31, 2024 was \$644.

(4) **Investment income, net:**

Investment return for the year ended December 31, 2024 consisted of:

Interest and dividends	\$ 102,205
Realized and unrealized gains	320,360
Total investment return	422,565
Less: investment expenses	(64,274)
Investment income, net	\$ 358,291

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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

The change in assets held for others during 2024 is summarized as follows:

Balance, beginning of year	\$ 2,909,716
Additions:	
Contributions	1,622,019
Investment income	72,834
Net unrealized and realized loss	188,431
Total additions	1,883,284
Deductions:	
Distributions	(867,262)
Investment expenses	(28,103)
Total deductions	(895,365)
Change in balance	987,919
Balance, end of year	\$ 3,897,635

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

At December 31, 2024, net assets without donor restrictions include seventeen board designated endowment funds, forty-eight donor advised funds, and three 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. The Foundation held no donor-restricted endowment funds at year-end.

(7) **Board Designated 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, 2024, the board designated account totaled \$112,645.

(8) **Contribution receivable – donated use of facilities:**

Description at terms:

On April 1, 2020, the Foundation's lease was amended to provide use of certain premises through March 31, 2054, for nominal cash rent of \$1 per month. Management determined the fair value of the donated use of facilities (including utilities) to be \$93,353 per full year based on prevailing market rental rates for comparable space.

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

(8) **Contribution receivable – donated use of facilities:** (Continued)

Recognition and measurement:

The arrangement represents an unconditional promise to give a nonfinancial asset. In accordance with ASC 958, the Foundation recognized a contribution receivable with donor restrictions at the present value of expected future benefits at the amendment date, using a risk-free discount rate of 1.23 percent (30-year U.S. Treasury yield in April 2020). Interest accretion is recognized each period to amortize the discount, and the receivable is reduced as the donated benefit is used. Amounts are released from donor restriction in the period the facilities are utilized.

Carrying amount and classification at December 31, 2024:

Contribution receivable – current portion	\$ 93,353
Contribution receivable – noncurrent portion	2,199,019
Total contribution receivable, present value	<u>\$ 2,292,372</u>

Expected future benefits and present value:

The following summarizes the undiscounted future donated-use benefits and their present value at December 31, 2024:

<u>Expected future benefits (undiscounted)</u>	<u>Amount</u>
Due in < 1 year (2025)	\$ 93,353
Due in years 2 – 5 (2026-2029)	373,412
Due in years 6 – 10 (2030-2034)	466,765
Due after 10 years (2035-2054 and first quarter 2054)	1,797,047
Total undiscounted future benefits	<u>2,730,577</u>
Less: unamortized discount at 1.23%	(438,205)
Present value of contribution receivable	<u>\$ 2,292,372</u>

Activity during 2024 (noncash):

Beginning balance, present value	\$ 2,357,097
Interest accretion (noncash)	28,628
Reduction for current-year donated use (release)	<u>(93,353)</u>
Ending balance, present value	<u>\$ 2,292,372</u>

Related net assets:

At December 31, 2024, net assets with donor restrictions include the time-restricted balance related to the contribution receivable described above. During 2024, \$93,353 was released from donor restriction as the donated facilities were used.

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

(8) **Contribution receivable – donated use of facilities:** (Continued)

Restatement of beginning net assets (noncash):

During 2024, the Foundation corrected an error related to the recognition of the contribution receivable for donated use of facilities. The correction has been reflected as an adjustment to net assets at January 1, 2024. The adjustment is entirely noncash. A reconciliation is presented below.

Net assets at January 1, 2024, as previously reported	\$ 3,755,803
Cumulative effect of correction (recognition of contribution receivable, net of prior releases)	<u>2,357,097</u>
Net assets at January 1, 2024, as restated	<u>\$ 6,112,900</u>

Allowance for uncollectible amounts:

Management evaluates contributions receivable for expected uncollectible amounts. The receivable described above represents a legally enforceable promise to provide the use of facilities and related utilities. Based on the donor's creditworthiness and the nature of the promise, no allowance for uncollectible amounts was recorded at December 31, 2024.

(9) **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.

(10) **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, 2024, the uninsured cash balance was \$272,641.

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, 2024, the uninsured cash and cash equivalents balance was \$248,135.

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

(11) **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	\$ 675,570
Investments	3,295,502
Accounts receivable	34,345
Total	4,005,417
Less those unavailable for general expenditures within one year, due to:	
Board designated general endowment fund	(112,645)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,892,772

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.

(12) **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, 2024, were \$14,161.

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Federal Grantor/Pass Through Grantor	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
FEDERAL AWARDS			
U.S. Department of Treasury			
Passed through Marion County: COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 451,043
Passed through the City of Ocala: COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	300,000
Total U.S. Department of Treasury			<u>751,043</u>
Department of Homeland Security			
Passed through the City of Ocala: Disaster Grants - Public Assistance	97.036	Z4062	43,355
Total Federal Awards			<u>\$ 794,398</u>

Note 1: Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes federal award activity of Community Foundation 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. Expenditures are recognized on the accrual basis of accounting as costs are incurred and, for pass-through awards, to the extent allowable under the terms of the award. The SEFA is presented on the same basis of accounting as the Foundation's financial statements.

Note 2: Summary of Significant Accounting Policies - 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.

Note 4: Pass-through identifying numbers - For federal awards passed through other entities, the SEFA presents the pass-through entity identifying number assigned by the pass-through entity. If no number was assigned, "N/A" is shown.

**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, 2024, 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 15, 2025.

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.

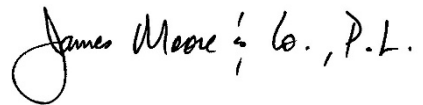
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

James Moore & Co., P.L.

Gainesville, Florida
August 15, 2025

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, 2024. 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, 2024.

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.

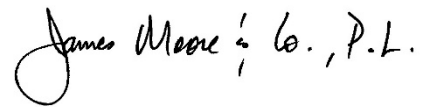
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item, 2024-001, that we consider to be a significant deficiency. 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.

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

Gainesville, Florida
August 15, 2025

**COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

I. Summary of Auditors' Results:

Financial Statements

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiencies identified? X yes _____ none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major Federal programs:

- Material weakness (es) identified? _____ yes X no
- Significant deficiencies identified? _____ yes X none reported

Types of auditors' report issued on compliance for major Federal programs: *Unmodified*

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major programs:

Federal Program	Federal Assistance Listing Number
COVID 19: Coronavirus State and Local Fiscal Recovery Funds	\$ (21.027)
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as a low risk auditee?	_____ yes <u> X </u> no

COMMUNITY FOUNDATION OCALA/MARION COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)

II. Findings Related to the Financial Statement Which are Required to be Reported in Accordance with *Government Auditing Standards*:

Finding 2024-001: Adjustments Related to In-Kind Leases and Contribution Receivable

Criteria: Management is responsible for preparing financial statements in accordance with U.S. generally accepted accounting principles (GAAP), including appropriate recognition, measurement, and disclosure of in-kind contributions and related receivables.

Condition: During the current audit, noncash adjustments were recorded to align the accounting for an in-kind lease and the related contribution receivable with GAAP. The adjustments were material to the financial statements. Management recorded these entries during the audit and prior to the issuance of the financial statements.

Cause: The Foundation's lease was amended to substantially extend the lease term to a period more favorable to the Foundation. The change in term necessitated a complex measurement of a long-duration, noncash contribution receivable

Effect: Before correction, the financial statements reflected an understatement in in-kind contribution revenue, the contribution receivable, and related net assets. These adjustments were entirely noncash and did not affect cash flows or liquidity.

Recommendation: We recommend that management continue to monitor all contracts for amendments that may affect accounting treatment.

Views of responsible officials and planned corrective action: Management's views and planned corrective actions are presented in the accompanying Corrective Action Plan.

III. Findings and Questioned Costs for Federal Awards:

There are no current year findings.

IV. Prior Year Financial Statement Audit Findings:

None.

August 15, 2025

Lauren Deiorio
President/Executive Director
Community Foundation Ocala/Marion County, Inc.

James Moore & Co., P.L.
5931 NW 1st Placet
Gainesville, Florida 32607

Subject: Response to Findings and Corrective Action Plan

The Foundation will formalize a brief policy for the in-kind lease receivable and add a year-end step to update the amortization, post the noncash accretion and adjust for net assets released from restriction. A GAAP assessment of any lease amendments will be completed by the Director of Finance within five business days of execution effective with the next reporting cycle.

Management concurs that this was a noncash financial-reporting adjustment driven by an amended lease term and not an operational control issue. The actions above are intended to ensure the entry is booked and reconciled on a timely basis each year.