

**THE COMMUNITY FOUNDATION
FOR CRAWFORD COUNTY**

**Report for the Year Ended
December 31, 2021**

**THE COMMUNITY FOUNDATION
FOR CRAWFORD COUNTY**

December 31, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Community Foundation for Crawford County
Bucyrus, Ohio

Opinion

We have audited the accompanying financial statements of the Community Foundation for Crawford County (the "Foundation"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Foundation for Crawford County as of December 31, 2021, 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 the auditing standards generally accepted in the United States of America. 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 Community Foundation for Crawford County 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 audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United State of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 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 judgement, 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.

Knueven, Schroeder & Co.

THE COMMUNITY FOUNDATION FOR CRAWFORD COUNTY
Statement of Financial Position
December 31, 2021

ASSETS

	2021
Cash and cash equivalents	\$ 118,241
Investments at fair value	26,751,806
Deferred grants	400,000
Property and equipment, net	<u>265,900</u>
TOTAL ASSETS	<u>\$ 27,535,947</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Grants payable	\$ 447,018
Fiscal agent payable	1,287,999
Credit card payable	<u>44</u>

TOTAL LIABILITIES	<u>1,735,061</u>
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NET ASSETS

Without donor restrictions	11,623,427
With donor restrictions	<u>14,177,459</u>

TOTAL NET ASSETS	<u>25,800,886</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 27,535,947</u>
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See Independent Auditors' Report and Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR CRAWFORD COUNTY
Statement of Activities & Changes in Net Assets
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 90,941	\$ 773,450	\$ 864,391
Administrative fee income	126,710	(117,401)	9,309
Dividend income	393,155	482,340	875,495
Interest income	37	1	38
Realized gains (losses)	288,681	339,925	628,606
Unrealized gains (losses)	1,293,705	1,523,347	2,817,052
Investment custodial fees	(38,011)	(45,986)	(83,997)
Interfund gifts	(25,275)	30,107	4,832
Miscellaneous	-	-	-
Net assets released from restrictions	341,496	(341,496)	-
TOTAL REVENUES AND OTHER SUPPORT	<u>2,471,439</u>	<u>2,644,287</u>	<u>5,115,726</u>
GRANTS AND EXPENSES			
Fundraising expense	4,590	-	4,590
Continuing education	-	-	-
Depreciation	8,930	-	8,930
Dues and licenses	1,300	-	1,300
Grants	812,551	-	812,551
Insurance	3,125	-	3,125
Office, meeting and annual report expenses	6,191	-	6,191
Payroll taxes and benefits	13,314	-	13,314
Postage and printing	949	-	949
Professional fees	16,093	-	16,093
Repairs and security	7,203	-	7,203
Salaries	123,879	-	123,879
Software and computer support	13,984	-	13,984
Telephone and utilities	5,101	-	5,101
TOTAL GRANTS AND EXPENSES	<u>1,017,210</u>	<u>-</u>	<u>1,017,210</u>
CHANGE IN NET ASSETS	1,454,229	2,644,287	4,098,516
NET ASSETS BEGINNING OF YEAR	<u>10,169,198</u>	<u>11,533,172</u>	<u>21,702,370</u>
NET ASSETS END OF THE YEAR	<u>\$11,623,427</u>	<u>\$14,177,459</u>	<u>\$25,800,886</u>

See Independent Auditors' Report and Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR CRAWFORD COUNTY
Statement of Cash Flows
For the Year Ended December 31, 2021

	2021
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 4,098,516
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	8,930
Net appreciation on investments	(4,450,246)
Changes in assets and liabilities	
Receivable	-
Deferred grants	140,000
Grants payable	(171,263)
Fiscal agent payable	204,492
Credit card payable	(1,466)
	(171,037)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from disposition of investments	1,837,765
Purchase of equipment	-
Purchase of securities	(1,675,573)
	162,192
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,845)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	127,086
END OF YEAR	\$ 118,241

See Independent Auditors' Report and Notes to Financial Statements.

THE COMMUNITY FOUNDATION FOR CRAWFORD COUNTY
Notes to Financial Statements
December 31, 2021

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: The Community Foundation for Crawford County (the "Foundation") is a not-for-profit Ohio Corporation. The Foundation is responsible for charitable funds and the income generated by the funds of many donors. The Foundation is committed to promoting the well being of mankind and to serving the general charitable, educational and scientific needs of the inhabitants of the Crawford County, Ohio area through charitable grants at the discretion of the Board of Trustees.

Basis of Accounting: The financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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. Accordingly, actual results could differ from those estimates.

Cash Flows: For purposes of the statements of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments: Investments are valued at fair value as determined using quoted closing values from recognized exchanges. Unrealized gains and losses for the year are included in the statement of activities and changes in net assets. Investment income, gains and losses are recognized as without donor restrictions or with donor restrictions based upon the existence or absence of donor-imposed restrictions. Purchases and sales of securities are recorded on the trade date.

Grants: Grants are recorded as expenses when they are approved by the Board of Trustees for payment and grant conditions are satisfied.

Tax Status: The Foundation is exempt from Federal income taxes as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and has been classified as an entity that is not a private foundation within the meaning of Section 509(a).

Accounting principles generally accepted in the United States of America require management of the organization to evaluate tax positions taken by the organization and recognize a tax liability if the organization has taken an uncertain tax position that more than likely would not be sustained upon examination by the Internal Revenue Service. Management has evaluated income tax positions it has taken and has concluded there are not uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements at December 31, 2021. The Organization's returns are subject to examination by the Internal Revenue Service, generally for three years after the date the return is filed.

THE COMMUNITY FOUNDATION FOR CRAWFORD COUNTY

Notes to Financial Statements

December 31, 2021

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Presentation: The Foundation reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - net assets that are available for use in general operations and not subject to donor imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees.

Net assets with donor restrictions - net assets that are subject to donor imposed stipulations or that are subject to the Foundation's spending policy. As a community foundation, the Foundation possesses variance power over funds. Variance power is the unilateral right to remove donor-imposed restrictions upon a gift in response to changed circumstances. Notwithstanding the variance power, the Foundation has a fiduciary responsibility to honor the donors' intent and follows the practice of respecting the donor's grant-making preferences, as stated in their gift agreement, when they establish a fund with the Foundation. Net assets may be restricted for a specific use or by time. When donor restrictions have been met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities & Changes in Net Assets as net assets released from restrictions.

Contributions: Contributions, which include unconditional promises to give, are recognized as revenues in the period the contribution is received or the promise is made. Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Agent Liabilities: Agent liabilities are funds received by the Foundation as an agent where the donor specifically designates itself as the beneficiary of the funds they established for their own benefit. These amounts are not considered contributions and, therefore, are recorded as a Fiscal Agent Payable included in liabilities.

Property and Equipment: Expenditures for additions and improvements over \$500 are capitalized and expenditures for maintenance and repairs are charged to expense as incurred. Additions and improvements to property and equipment are recorded at the original purchase cost or at fair value for donated assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Administrative Fees: Administrative fees are charged to and expensed from the funds to support the operations of the Foundation. Administrative fees from all funds are reflected as revenue on the Statement of Activities. The administrative fees from agent liabilities are not included as expenses on the Statement of Activities because they are included in the change in agent liabilities.

THE COMMUNITY FOUNDATION FOR CRAWFORD COUNTY

Notes to Financial Statements

December 31, 2021

B - INVESTMENTS

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes 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 measurements) and lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The following investments as of December 31, 2021 in debt and equity securities are recorded at fair value on a recurring basis.

Available for sale at December 31, 2021	Level 1	Level 3	Fair Value
Mutual funds	\$ 22,785,894	\$ -	\$ 22,785,894
Exchange Traded Funds (ETFs)	3,955,954	-	3,955,954
Cash & money market funds	<u>9,958</u>	<u>-</u>	<u>9,958</u>
Total	<u>\$ 26,751,806</u>	<u>\$ -</u>	<u>\$ 26,751,806</u>

Fair values for Level 1 investments are based on quoted market prices in active markets for identical assets.

Investment gain (loss) for the year:

Dividends and interest	\$ 919,498
Realized gain (loss)	660,191
Unrealized gain (loss)	2,958,597
Investment fees	<u>(88,040)</u>
	4,450,246
Less amount allocated to fiscal agent funds	<u>(213,052)</u>
	<u>\$ 4,237,194</u>

THE COMMUNITY FOUNDATION FOR CRAWFORD COUNTY

Notes to Financial Statements

December 31, 2021

C - FISCAL AGENT PAYABLE

Fiscal agent payables represent funds placed on deposit with the Foundation by other organizations that designate themselves as the beneficiary. The Foundation accounts for these transfers as a liability in accordance with applicable accounting standards. Income is added to these funds in accordance with the Foundation's investment allocation policies. Contributions, income, fees and distributions are reflected as adjustments to the liability account and are not reflected in the Statement of Activities.

The change in fiscal agent payables is as follows:

Beginning balance	\$ 1,083,507
Contributions	44,920
Investment income (loss)	217,095
Fees	(13,352)
Grants	(44,171)
Ending balance	<u>\$ 1,287,999</u>

The organizations with agency payable funds may also have associated funds included in net assets with donor restrictions.

D - CONCENTRATIONS OF CREDIT RISK ARISING FROM DEPOSITS IN EXCESS OF INSURED LIMITS

The Foundation maintains cash and investment accounts at various financial institutions. These accounts are insured up to certain limits. At times, the Foundation's balances exceed these limits.

E - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions by type of fund are as follows:

Agency Funds	\$ 1,841,773
Designated Funds	3,216,139
Donor Advised Funds	589,878
Scholarship Funds	5,967,905
School Funds	2,561,764
	<u>\$ 14,177,459</u>

Net assets with donor restrictions released during the year by type of fund were as follows:

Agency Funds	\$ 14,437
Designated Funds	104,702
Donor Advised Funds	-
Scholarship Funds	182,750
School Funds	39,607
	<u>\$ 341,496</u>

THE COMMUNITY FOUNDATION FOR CRAWFORD COUNTY

Notes to Financial Statements

December 31, 2021

F - UNIFORM PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS ACT

The State of Ohio adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective June 1, 2009. The Board of Trustees has interpreted UPMIFA as requiring endowment funds to be classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

G - SUBSEQUENT EVENTS

The Foundation has evaluated all subsequent events through January 27, 2023, the date the financial statements were available to be issued.

The Coronavirus pandemic has had an economic impact on the United States and the international community, resulting in increased volatility in the financial markets. Any future impact cannot be determined.

H - RISKS AND UNCERTAINTIES

The Foundation invests in various financial securities. Financial securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain financial securities, it is at least reasonably possible that changes in the values of financial securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial condition.

I - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Land	\$ 22,153
Buildings	323,569
Computers and website	38,507
Furniture & fixtures	<u>35,580</u>
	419,809
Less accumulated depreciation	<u>(153,909)</u>
Property and equipment, net	<u>\$ 265,900</u>

J - ENDOWMENT

The majority of the Foundation's funds consists of endowed funds established for a variety of purposes. These funds include both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

THE COMMUNITY FOUNDATION FOR CRAWFORD COUNTY

Notes to Financial Statements

December 31, 2021

J - ENDOWMENT (continued)

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for granting purposes while seeking to maintain the purchasing power of the endowment assets. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distributions with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of approximately 3% to 5%, while growing the funds if possible. The investment policy establishes an achievable return objective through diversification of asset classes by the Foundation rebalancing the asset mix to remain within an acceptable level of risk as determined by the Board of Trustees. Investment risk is measured in terms of total endowment funds; investment assets and allocation between asset classes and strategies are managed to not expose the funds to unacceptable levels of risk.

Endowment funds by net asset type at December 31, 2021 and changes therein were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated funds	\$ 11,253,049	\$ -	\$ 11,253,049
Donor restricted funds	-	14,177,459	14,177,459
	<u>\$ 11,253,049</u>	<u>\$ 14,177,459</u>	<u>\$ 25,430,508</u>
Net assets, beginning of year	\$ 9,773,737	\$ 11,533,172	\$ 21,306,909
Contributions	41,818	803,557	845,375
Investment income (loss)	1,975,543	2,345,613	4,321,156
Transfers	30,982	-	30,982
Grants	(446,868)	(341,496)	(788,364)
Fees & expenses	(122,163)	(163,387)	(285,550)
Net assets, end of year	<u>\$ 11,253,049</u>	<u>\$ 14,177,459</u>	<u>\$ 25,430,508</u>

K - DEFERRED GRANTS

Deferred grants represent Board approved grants that are payable when certain grant conditions are satisfied and will be recognized as grant expense at that time. Deferred grants consist of the following:

Grant (A), payable \$50,000 per year for the next 7 years	\$ 350,000
Grant (B), payable \$50,000 per year for the next 1 year	<u>50,000</u>
	<u>\$ 400,000</u>

THE COMMUNITY FOUNDATION FOR CRAWFORD COUNTY

Notes to Financial Statements

December 31, 2021

L - FUNCTIONAL EXPENSES

The costs of supporting the activities of the Foundation have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services as follows:

Program expenses	\$ 820,561
Management and general	192,059
Fundraising	<u>4,590</u>
	<u>\$ 1,017,210</u>

Costs that are not directly attributable to a function are allocated based on various estimated factors such as usage or time expended.

M - LIQUIDITY AND AVAILABILITY

Financial assets as of December 31, 2021, reduced by amounts not available for general expenditure within one year are as follows:

Financial assets:

Cash and cash equivalents	\$ 118,241
Investments	<u>26,751,806</u>
Total financial assets	26,870,047

Less amounts not available for general expenditure within one year:

Net assets with donor restrictions	(14,177,459)
Fiscal agent payables	(1,287,999)
Board designated endowment funds	<u>(11,253,049)</u>

Financial assets available to meet cash needs for general expenditures within one year

\$ 151,540

The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The board designated endowment funds are available for general expenditure if the board approves that action.

THE COMMUNITY FOUNDATION FOR CRAWFORD COUNTY
Notes to Financial Statements
December 31, 2021

N - NEW ACCOUNTING PRONOUNCEMENTS

The following FASB ASUs are issued but not yet effective:

ASU 2016-02, *Leases (Topic 842)*, which amends existing standards for lease accounting. The new standard is effective for fiscal years beginning after December 15, 2021. The Foundation is currently evaluating the effect that this pronouncement will have on its financial statements.