

COMMUNITY SHARES
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Shares of Mid Ohio
Columbus, Ohio

Opinion

We have audited the accompanying financial statements of Community Shares of Mid Ohio (a nonprofit organization) and its wholly owned affiliate (“In(form)ed”), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated 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 financial statements referred to above present fairly, in all material respects, the financial position of Community Shares of Mid Ohio and its wholly owned affiliate as of June 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Shares of Mid Ohio and its wholly owned affiliate 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 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 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Shares of Mid Ohio’s ability and the ability of its affiliate to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s 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.

**INDEPENDENT AUDITOR'S REPORT
(Continued)**

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 generally accepted auditing standards, 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 Community Shares of Mid Ohio and its affiliated internal controls. 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 Community Shares of Mid Ohio's ability or the ability of its affiliate 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.

Wells, CPA

Columbus, Ohio
October 16, 2024

COMMUNITY SHARES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

| | 2024 | | | 2023 | | |
|---|--------------------------------------|-----------------------------------|-------------------|--------------------------------------|-----------------------------------|-------------------|
| | Without Donor Restriction | With Donor Restriction | Total | Without Donor Restriction | With Donor Restriction | Total |
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and Cash Equivalents | \$ 48,756 | \$ 151,648 | \$ 200,404 | \$ 109,954 | \$ - | \$ 109,954 |
| Fiscal Sponsor Funds | - | 88,193 | 88,193 | - | 149,410 | 149,410 |
| Grants Receivable | - | 57,621 | 57,621 | - | 29,873 | 29,873 |
| Investments | 40,088 | - | 40,088 | 36,492 | - | 36,492 |
| Prepaid Expenses | 764 | - | 764 | 764 | - | 764 |
| Total Current Assets | 89,608 | 297,462 | 387,070 | 147,210 | 179,283 | 326,493 |
| Non-Current Assets | | | | | | |
| Equipment | 1,721 | - | 1,721 | 1,721 | - | 1,721 |
| Less: Accumulated Depreciation | (516) | - | (516) | (344) | - | (344) |
| Equipment, Net | 1,205 | - | 1,205 | 1,377 | - | 1,377 |
| Capitalized Software | 149,582 | - | 149,582 | 149,582 | - | 149,582 |
| Less: Accumulated Depreciation | (149,582) | - | (149,582) | (149,582) | - | (149,582) |
| Capitalized Software, Net | - | - | - | - | - | - |
| Total Non-Current Assets | 1,205 | - | 1,205 | 1,377 | - | 1,377 |
| TOTAL ASSETS | \$ 90,813 | \$ 297,462 | \$ 388,275 | \$ 148,587 | \$ 179,283 | \$ 327,870 |
| LIABILITIES AND NET ASSETS | | | | | | |
| Current Liabilities | | | | | | |
| Accrued Payroll Liabilities | \$ 23,764 | \$ - | \$ 23,764 | \$ 23,764 | \$ - | \$ 23,764 |
| Accrued Interest | 4,987 | - | 4,987 | 8,471 | - | 8,471 |
| Allocations Payable | 107,147 | - | 107,147 | 73,776 | - | 73,776 |
| Total Current Liabilities | 135,898 | - | 135,898 | 106,011 | - | 106,011 |
| Long-Term Liabilities | | | | | | |
| Note Payable | 150,000 | - | 150,000 | 144,872 | - | 144,872 |
| Total Liabilities | 285,898 | - | 285,898 | 250,883 | - | 250,883 |
| Net Assets | (195,085) | 297,462 | 102,377 | (102,296) | 179,283 | 76,987 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 90,813 | \$ 297,462 | \$ 388,275 | \$ 148,587 | \$ 179,283 | \$ 327,870 |

See Accompanying Notes to the Financial Statements

COMMUNITY SHARES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

| | 2024 | | | 2023 | | |
|--|--------------------------------------|-----------------------------------|-------------------|--------------------------------------|-----------------------------------|------------------|
| | Without Donor Restriction | With Donor Restriction | Total | Without Donor Restriction | With Donor Restriction | Total |
| Operating Revenue and Support: | | | | | | |
| Membership Fees | \$ 141,224 | \$ - | \$ 141,224 | \$ 138,712 | \$ - | \$ 138,712 |
| Contributions | 80,661 | 118,179 | 198,840 | 119,520 | - | 119,520 |
| Annual Fees | 1,135 | - | 1,135 | - | - | - |
| Annual Dues | 17,875 | - | 17,875 | 18,169 | - | 18,169 |
| Application Fees | 825 | - | 825 | 806 | - | 806 |
| Program Income | 122,075 | - | 122,075 | 39,442 | - | 39,442 |
| Grant Income | 272,050 | - | 272,050 | 132,875 | 65,169 | 198,044 |
| Donated Facilities | 18,000 | - | 18,000 | 18,000 | - | 18,000 |
| Employee Retention Credit | 40 | - | 40 | 39,809 | - | 39,809 |
| Net Assets Released | - | - | - | - | - | - |
| Total Operating Revenue and Support | 653,885 | 118,179 | 772,064 | 507,333 | 65,169 | 572,502 |
| Operating Expenses: | | | | | | |
| Program Services | 690,835 | - | 690,835 | 504,844 | - | 504,844 |
| Management and General | 53,314 | - | 53,314 | 64,161 | - | 64,161 |
| Fundraising | 10,825 | - | 10,825 | 18,096 | - | 18,096 |
| Total Operating Expenses | 754,974 | - | 754,974 | 587,101 | - | 587,101 |
| CHANGES IN NET ASSETS FROM OPERATIONS | (101,089) | 118,179 | 17,090 | (79,768) | 65,169 | (14,599) |
| Other Changes in Net Assets: | | | | | | |
| Interest and Dividend Income | 5,479 | - | 5,479 | 592 | - | 592 |
| Unrealized Gain (Loss) from Investments | 2,821 | - | 2,821 | 2,505 | - | 2,505 |
| Workplace Contributions | 473,052 | - | 473,052 | 464,527 | - | 464,527 |
| Distributions to Agencies | (473,052) | - | (473,052) | (464,527) | - | (464,527) |
| Total Other Changes in Net Assets | 8,300 | - | 8,300 | 3,097 | - | 3,097 |
| TOTAL CHANGES IN NET ASSETS | (92,789) | 118,179 | 25,390 | (76,671) | 65,169 | (11,502) |
| Net Assets, Beginning of Year | (102,296) | 179,283 | 76,987 | (25,625) | 114,114 | 88,489 |
| Net Assets, End of Year | \$ (195,085) | \$ 297,462 | \$ 102,377 | \$ (102,296) | \$ 179,283 | \$ 76,987 |

See Accompanying Notes to the Financial Statements

COMMUNITY SHARES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|----------------------------------|-----------------------------|-----------------------------------|-------------------------|--------------------------|
| Salaries and Wages | \$ 216,608 | \$ 30,041 | \$ 7,288 | \$ 253,937 |
| Payroll Taxes | 16,859 | 2,338 | 567 | 19,764 |
| Employee Benefits | 21,323 | 2,957 | 717 | 24,997 |
| Insurance | 4,523 | 627 | 152 | 5,302 |
| Rent | 12,198 | 1,692 | 410 | 14,300 |
| Rent - In-Kind | 15,354 | 2,129 | 517 | 18,000 |
| Telephone and Internet | 16,422 | 2,278 | 553 | 19,253 |
| Professional Fees | 191,574 | - | - | 191,574 |
| Donation to Other Agencies | 49,703 | - | - | 49,703 |
| Travel and Meetings | 1,278 | - | - | 1,278 |
| Campaign Expense | 3,229 | - | - | 3,229 |
| Events | 4,375 | - | - | 4,375 |
| Training | 4,652 | 645 | 157 | 5,454 |
| Dues and Subscriptions | 2,373 | 329 | 80 | 2,782 |
| Licenses and Permits | 930 | - | - | 930 |
| Office Supplies | 4,041 | 560 | 136 | 4,737 |
| Program Supplies | 115,492 | - | - | 115,492 |
| Interest Expense | - | 8,695 | - | 8,695 |
| Bank Service Charges | 2,353 | - | - | 2,353 |
| Postage and Printing | 7,376 | 1,023 | 248 | 8,647 |
| Depreciation | 172 | - | - | 172 |
| Total Functional Expenses | <u><u>\$ 690,835</u></u> | <u><u>\$ 53,314</u></u> | <u><u>\$ 10,825</u></u> | <u><u>\$ 754,974</u></u> |

See Accompanying Notes to the Financial Statements

COMMUNITY SHARES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|----------------------------------|-----------------------------|-----------------------------------|-------------------------|--------------------------|
| Salaries and Wages | \$ 197,515 | \$ 43,144 | \$ 9,454 | \$ 240,659 |
| Payroll Taxes | 17,627 | 3,851 | 844 | 22,322 |
| Employee Benefits | 21,761 | 4,753 | 1,042 | 27,556 |
| Insurance | 5,345 | 1,168 | 256 | 6,769 |
| Rent | 7,663 | 388 | 1,649 | 9,700 |
| Rent - In-Kind | 14,220 | 720 | 3,060 | 18,000 |
| Telephone and Internet | 27,424 | 5,991 | 1,313 | 34,728 |
| Professional Fees | 128,249 | - | - | 128,249 |
| Donation to Other Agencies | 1,914 | - | - | 1,914 |
| Travel and Meetings | 3,090 | - | - | 3,090 |
| Campaign Expense | 658 | - | - | 658 |
| Events | 18,602 | - | - | 18,602 |
| Training | 496 | 108 | 24 | 628 |
| Dues and Subscriptions | 6,444 | 1,407 | 308 | 8,159 |
| Licenses and Permits | 730 | - | - | 730 |
| Office Supplies | 2,726 | 596 | 131 | 3,453 |
| Program Supplies | 39,917 | - | - | 39,917 |
| Bank Service Charges | - | 1,966 | - | 1,966 |
| Postage and Printing | 318 | 69 | 15 | 402 |
| Depreciation | 172 | - | - | 172 |
| Amortization | 9,973 | - | - | 9,973 |
| Total Functional Expenses | <u><u>\$ 504,844</u></u> | <u><u>\$ 64,161</u></u> | <u><u>\$ 18,096</u></u> | <u><u>\$ 577,647</u></u> |

See Accompanying Notes to the Financial Statements

COMMUNITY SHARES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

| | 2024 | 2023 |
|---|-------------------|-------------------|
| Cash Flows from Operating Activities | | |
| Change in Net Assets | \$ 25,390 | \$ (11,502) |
| Adjustments to Reconcile Change in Net Assets to Net Cash | | |
| Provided by (Used in) Operating Activities: | | |
| Depreciation | 172 | 172 |
| Amortization | - | 9,973 |
| Unrealized Gain on Investments | (2,821) | (2,505) |
| (Increase) Decrease in Operating Assets: | | |
| Fiscal Sponsor Funds | 61,217 | (35,296) |
| Grants Receivable | (27,748) | (16,373) |
| Increase (Decrease) in Operating Liabilities: | | |
| Accrued Payroll Liabilities | - | 6,213 |
| Accrued Interest | (3,484) | - |
| Allocations Payable | 33,371 | (29,157) |
| Net Cash Provided by (Used in) Operating Activities | 86,097 | (78,475) |
| Cash Flows from Investing Activities | | |
| Purchase of Marketable Securities | (775) | - |
| Net Cash Used in Investing Activities | (775) | - |
| Cash Flows from Financing Activities | | |
| Proceeds from Note Payable | 5,128 | - |
| Principal Payment of Note Payable | - | (5,128) |
| Net Cash Provided by (Used in) Financing Activities | 5,128 | (5,128) |
| Net Change in Cash and Cash Equivalents | 90,450 | (83,603) |
| Cash and Cash Equivalents with and Without Donor Restrictions at Beginning of Year | 109,954 | 193,557 |
| Cash and Cash Equivalents with and Without Donor Restrictions at End of Year | \$ 200,404 | \$ 109,954 |
| Supplemental Cash Flow Information | | |
| Interest Paid | \$ 3,567 | \$ - |

See Accompanying Notes to the Financial Statements

**COMMUNITY SHARES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1 – NATURE OF ACTIVITIES

Community Shares of Mid Ohio, a nonprofit corporation, is a collective of locally based public charities established to collaboratively raise funds for the benefit of its members. Community Shares of Mid Ohio, which consists of nearly 70 charities, builds mutually beneficial relationships and secures resources to empower member nonprofits in Central Ohio.

Community Shares of Mid Ohio receives much of its support from membership fees, which are generated from a percentage of funds obtained through worksite campaigns. These funds are shown separately on the Statements of Activities as workplace contributions and distributions to agencies.

In(form)ed, a wholly owned affiliate of Community Shares of Mid Ohio, seeks to eliminate the risk of late or missed deadlines for nonprofit organizations that purchase the services while ensuring continuity of operations and protecting organization leadership.

In(form)ed receives much of its revenue through payment for the services provided.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Community Shares of Mid Ohio and its fully owned subsidiary, In(form)ed. All significant interorganizational transactions and balances have been eliminated in consolidation. The consolidated entity is referred to as Community Shares.

Basis of Presentation

The financial statements of Community Shares have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, which require Community Shares to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of Community Shares' management and the Board of Trustees.

Net Assets with Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Community Shares or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds to be maintained in perpetuity.

Donor-restricted net assets consisted of the following as of June 30:

**COMMUNITY SHARES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

| |
|--|
| NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
|--|

| | 2024 | 2023 |
|-----------------------------------|-------------|-------------|
| Sponsored Program Funds | \$ 297,462 | \$ 179,283 |
| Total Donor-Restricted Net Assets | \$ 297,462 | \$ 179,283 |

Revenue Recognition

Community Shares’ primary sources of revenue consist of the following:

Membership Fees and Annual Dues

Revenue from membership fees is recognized when it is earned and realizable, usually when received. Revenue from annual dues is recognized when invoiced to member agencies.

Contributions

All contributions are considered available for Community Shares’ general programs unless specifically restricted by the donor. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities. If donor restrictions are met in the reporting period in which the income is recognized, they are recognized as increases to net assets without donor restriction.

Revenue from Contracts with Customers

Revenue from contracts with customers is recorded on the accrual basis of accounting and is derived from annual dues and application fees. All Community Shares’ revenue from contracts with customers is from performance obligations satisfied over time and is derived from contracts with an initial expected duration of one year or less. Prices are specific to distinct performance obligations and do not consist of multiple transactions.

Donated Facilities, Goods, and Services

Contributions of noncash assets are recorded at their fair values at the dates of donation. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Facilities that are donated are recognized as revenue and expense and discussed in detail in Note 13.

Pass-Through Funds

Worksite campaign contributions are allocated when received between pass-through funds to member agencies and membership fees that allow Community Shares to fund its ongoing operations. Pass-through funds to member agencies are recorded as allocations payable on the Statements of Financial Position. Payments to agencies are compiled quarterly and usually distributed to member agencies no later than 30 days after the end of each quarter. These funds are allocated to member agencies according to the proportion of total designated pledges each agency receives in each worksite campaign.

**COMMUNITY SHARES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money-market funds. Community Shares considers investments available for current use with an initial maturity of three months or less to be cash equivalents.

Grants Receivable

Receivables consist of amounts for contributions. Contributions are recognized when the conditions on which they depend are substantially met. Contributions sent by worksite campaigns and others during the period that are received after year-end are recognized as revenue and as receivables. Pledges that are expected to be collected within one year are recorded at net realizable value upon receipt of the promise. Unconditional promises to give that are expected to be collected in future years are recorded at fair value at the time of the donation. Community Shares considers contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Investments – Securities

Community Shares carries its investment securities at their fair values based on quoted prices in active markets (all Level 1 measurements) and classifies them as current assets on the Statements of Financial Position. Net unrealized gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation. If donor restrictions are met in the reporting period in which the income and gains are recognized, they are recognized as increases to net assets without donor restriction.

Equipment and Capitalized Software

Equipment is recorded at cost if acquired or at estimated fair value if donated. Depreciation is computed under the straight-line method over the estimated useful life of five years. Amounts over \$600 are capitalized and depreciated.

The software costs are amortized using the straight-line method over the estimated useful life of five years.

Accrued Payroll Liabilities

Accrued payroll liabilities consist of vacation leave and wages. Community Shares accrues unused vacation leave in accordance with Community Shares' personnel policy. The liability has been charged to wages expense for purposes of cost allocation.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than

**COMMUNITY SHARES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and Wages, Payroll Taxes, Employee Benefits, Insurance, Rent, Telephone and Internet, Training, Dues and Subscriptions, Office Supplies, and Postage and Printing are allocated based on time studies.

Advertising Expense

Community Shares uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expenses for the years ended June 30, 2024 and 2023 totaled \$3,229 and \$658, respectively, and is included as part of Campaign Expense on the Statements of Functional Expenses.

Income Tax Status

Community Shares is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Consequently, no provisions for income taxes have been made in the accompanying financial statements. Additionally, Community Shares has not been classified as a private foundation because it is an organization of the type described in Sections 509(a)(1) and 170 (b)(A)(vi) of the Internal Revenue Code.

Community Shares follows FASB guidance on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, Community Shares may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of Community Shares, and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. On June 30, 2024, there were no material unrecognized tax benefits identified or recorded as liabilities.

Community Shares files a Form 990 in the U.S. federal jurisdiction and the state of Ohio. Community Shares' federal exempt organization tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. All tax returns for years ending after June 30, 2021 are open for examination.

Nonfinancial Contributed Assets

A substantial number of volunteers have donated their time to Community Shares of Mid Ohio. The majority of this time is through volunteer support at Community Shares of Mid Ohio events. These donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

**COMMUNITY SHARES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Generally accepted accounting principles define subsequent events as events or transactions that occur after the Statement of Financial Position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through October 16, 2024, the date on which the financial statements were available to be issued.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

Community Shares maintains its operating cash accounts at two financial institutions in Central Ohio. All funds are kept in interest-bearing accounts and are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 at each institution. At various times, Community Shares will have balances that exceed the FDIC limit.

Community Shares’ market is concentrated in one geographical area and the credit risk for grants receivable is concentrated as well because substantially all the balances are receivable from individuals located within the same geographic region.

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2024 and 2023 consists of the following:

| | 2024 | 2023 |
|---------------------------------|-------------|-------------|
| Operating Account | \$ 90,880 | \$ 5,134 |
| Savings Account | 4,404 | 4,403 |
| Morgan Stanley Account | 105,120 | 100,417 |
| Total Cash and Cash Equivalents | \$ 200,404 | \$ 109,954 |

NOTE 5 – FISCAL SPONSOR FUNDS

Fiscal sponsor funds are held by Community Shares on behalf of other entities and are disbursed only upon instruction from such entities. The amounts of fiscal sponsor funds held for other parties and not commingled by Community Shares totaled \$297,462 and \$179,283 as of June 30, 2024 and 2023, respectively. These funds are reflected as net assets with donor restrictions.

NOTE 6 – GRANTS RECEIVABLE

Receivables as of June 30, 2024 and 2023 consist of the following:

| | 2024 | 2023 |
|-------------------------|-------------|-------------|
| Grants Receivable | \$ 57,621 | \$ 29,873 |
| Total Grants Receivable | \$ 57,621 | \$ 29,873 |

**COMMUNITY SHARES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 7 – INVESTMENTS

Investments consist of mutual funds. Market risk could occur and is dependent on the future changes in market prices of the various investments held. An analysis of the investments not classified as cash equivalents and held at June 30, 2024 and 2023 are as follows:

| | 2024 | 2023 |
|--------------|-------------------|-------------------|
| | Fair Value | Fair Value |
| Mutual Funds | \$ 40,088 | \$ 36,492 |

NOTE 8 – EQUIPMENT AND CAPITALIZED SOFTWARE

During 2022, Community Shares acquired a laptop. Depreciation for the laptop amounted to \$172 for the years ended June 30, 2024 and 2023.

During 2018, Community Shares internally developed software. Amortization expense for the years ended June 30, 2024 and 2023 was \$0 and \$9,972, respectively. The intangible asset had been completely amortized as of the year ended June 30, 2023.

NOTE 9 – ACCRUED PAYROLL LIABILITIES

Accrued payroll liabilities as of June 30, 2024 and 2023 consists of the following:

| | 2024 | 2023 |
|-----------------------------------|-------------|-------------|
| Accrued Wages Payable | \$ 1,119 | \$ 1,119 |
| Accrued Vacation Payable | 22,645 | 22,645 |
| Total Accrued Payroll Liabilities | \$ 23,764 | \$ 23,764 |

NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Generally accepted accounting principles establish 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 Measurements) and the lowest priority to unobservable inputs (Level 3 Measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.
- Level 2 - inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;

**COMMUNITY SHARES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

- 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 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 following methods and assumptions were used by Community Shares in estimating the fair value of its financial instruments:

Cash and Cash Equivalents and Fiscal Sponsor Funds – The carrying amount reported on the Statements of Financial Position approximates fair value because of the short maturity of those instruments.

Mutual Funds – The fair value of Community Shares' mutual funds, which invests in marketable equity and debt securities, is based on quoted market prices.

The fair values of assets measured at June 30, 2024 are as follows:

| <u>Description</u> | <u>Fair Value</u> | <u>Quoted Prices in Active Markets for Identical Assets (Level I)</u> |
|---------------------------|-------------------|---|
| Cash and Cash Equivalents | \$ 200,404 | \$ 200,404 |
| Fiscal Sponsor Funds | 88,193 | 88,193 |
| Mutual Funds | 40,088 | 40,088 |
| | <u>\$ 328,685</u> | <u>\$ 328,685</u> |

The fair values of assets measured at June 30, 2023 are as follows:

| <u>Description</u> | <u>Fair Value</u> | <u>Quoted Prices in Active Markets for Identical Assets (Level I)</u> |
|---------------------------|-------------------|---|
| Cash and Cash Equivalents | \$ 109,954 | \$ 109,954 |
| Fiscal Sponsor Funds | 149,410 | 149,410 |
| Mutual Funds | 36,492 | 36,492 |
| | <u>\$ 295,856</u> | <u>\$ 295,856</u> |

**COMMUNITY SHARES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Community Shares recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2024 and 2023.

NOTE 11 – NOTE PAYABLE

Under the Economic Injury Disaster Loan (“EIDL”), a pre-existing Small Business Administration (“SBA”) loan program, Community Shares received a \$150,000 loan on June 15, 2020. The funds were provided by the SBA loan program in response to the economic disruption due to the outbreak of COVID-19. EIDL funds can be used to pay business expenses such as payroll, benefits, rent, mortgage, and general overhead but cannot be used for expenses that are compensated by other sources. The loan is payable over 30 years with an interest rate of 2.75% and monthly payments of \$641. The first payment was due December 15, 2022. The loan is collateralized by property Community Shares now owns or acquires and shall not transfer any collateral without the prior written consent of the SBA. Accrued interest on the loan was \$0 and \$8,471 for the years ended June 30, 2024 and 2023, respectively.

Future scheduled maturities of long-term debt for years ending June 30 are as follows:

| | |
|------------|-------------------|
| 2025 | \$ - |
| 2026 | 2,056 |
| 2027 | 3,670 |
| 2028 | 3,772 |
| 2029 | 3,877 |
| Thereafter | <u>136,625</u> |
| | <u>\$ 150,000</u> |

NOTE 12 – LINE OF CREDIT

Community Shares secured a \$75,000 line of credit (LOC) with WesBanco Bank, Inc. on May 5, 2021 for general business purposes. The LOC is due on demand and, if no demand, on May 5, 2027. Draws on the LOC bear interest at prime rate (currently 4.28%) plus a margin of 2.25 percentage points. Interest payments for 36 months are due on the unpaid principal balance beginning June 5, 2021. Beginning June 5, 2024, monthly principal and interest payments of \$2,268 are due for 35 months. One final payment of \$2,268 is due on May 5, 2027 if all payments were made as scheduled and the prime rate does not change. Otherwise, the final payment will be for all principal and accrued interest not yet paid. Prepayment penalty on the LOC is \$250 if refinanced within the first 36 months of the term of the note. Except for the foregoing, Community Shares may pay all or a portion of the amount owed earlier than it is due. The loan is unsecured. No funds were drawn on the LOC as of June 30, 2024 and 2023.

NOTE 13 – DONATED FACILITIES, GOODS, AND SERVICES

Community Shares occupies office space provided by LifeCare Alliance at 1699 W. Mound St.,

**COMMUNITY SHARES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 13 – DONATED FACILITIES, GOODS, AND SERVICES (Continued)

Columbus, Ohio 43223. Community Shares is not charged for use of these facilities. The fair value of this office space was \$18,000 for each of the years ended June 30, 2024 and 2023, and is recorded in Donated Facilities, Goods, and Services, and In-Kind Rent Expense on the Statements of Activities and Statements of Functional Expenses. The agreement for the office space is in effect through December 31, 2024, and is then subject to negotiation for a further period.

A laptop, donated in 2022, with a fair market value of \$1,721 is included in Equipment on the Statements of Financial Position.

NOTE 14 – RETIREMENT PLAN

Community Shares has a defined contribution plan covering all employees who meet the eligibility requirements. Community Shares' contributions to the plan have been determined by the Board of Trustees. Contributions to the plan, included in employee benefits on the Statements of Functional Expenses, were \$6,998 and \$6,556 for the years ended June 30, 2024 and 2023, respectively.

NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Community Shares has financial assets available for use within one year from the Statements of Financial Position dates and are as follows:

| Financial Assets at Year-End: | 2024 | 2023 |
|---|------------------|-------------------|
| Total Current Assets | \$ 387,068 | \$ 326,493 |
| Less: | | |
| Prepaid Expenses | 763 | 764 |
| Donor Restricted Current Assets | <u>297,462</u> | <u>179,283</u> |
| Total Financial Assets Available for Use Within One Year | <u>\$ 88,843</u> | <u>\$ 146,446</u> |

Generally, the goal of Community Shares is to maintain financial assets to be able to meet its general operating expenditures. Currently, operating expenditures for a 90-day period amount to approximately \$186,000 and \$145,000 for the years ended June 30, 2024 and 2023, respectively.

NOTE 16 – CHANGES IN ACCOUNTING PRINCIPLES

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires Community Shares to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. The FASB has subsequently issued additional ASUs amending certain aspects of ASU 2016-13.

COMMUNITY SHARES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 16 – CHANGES IN ACCOUNTING PRINCIPLES (Continued)

On July 1, 2023, Community Shares adopted the new accounting standard and all of the related amendments using the modified retrospective method. Community Shares recognized the cumulative effect of initially applying the new credit loss standard to its receivables by reclassifying accounts receivable to grants receivable of \$29,873 for the year ended June 30, 2023. Results for the reporting periods beginning after July 1, 2023, are presented under ASC 326. The comparative information has been reclassified and is reported under the new accounting standard.

NOTE 17 – GOING CONCERN

The Organization's total in restricted net assets was \$297,462 for the year ended June 30, 2024. After accounting for restricted assets, the Organization has \$89,606 of liquid assets to cover operating costs. After adjusting the average monthly expenses for in-kind rent and donations to other agencies, the monthly expenses approximate \$57,000. Therefore, with no additional funding and without drawing restricted assets, the Organization has approximately 45 days of liquid assets to fund the ongoing activities. It is management's assertion that this short fall is a temporary instance. Management asserts that the ability to liquidate certain assets, reducing expenses, changing the fee structure that is charged to the fiscal sponsors from 5% to 7%, and the collection of membership dues will change the financial outlook as soon as December 31, 2024 and will increase the cash available to fund ongoing activities.