



**Executive Committee Meeting
September 24, 2019 ~ 3:30 - 5:00 PM
2354 Garden Road, Monterey, CA 93940**

AGENDA

- | | |
|---|------|
| 1. Call to Order – Birt Johnson Jr. | 3:30 |
| 2. Approval of Minutes (1- 4) <ul style="list-style-type: none">• July 16, 2019 | 3:35 |
| 3. Chair Report – Birt Johnson Jr. <ul style="list-style-type: none">• Celebration of Philanthropy – October 30, 2019• November meeting date (re:Thanksgiving) | 3:40 |
| 4. Treasurer’s Report – Jan Vanderbilt <ul style="list-style-type: none">• August Financials Summary (5-13) | 3:45 |
| 5. Resource Development Committee – Michael Reid <ul style="list-style-type: none">• Development Summary August• MC Gives! Launch• Donor Education Series: October 10
2019 Investment Briefing with CFMC Investment Consultant
Anne Westreich, CFA, Verus; Dan Baldwin CEO CFMC<ul style="list-style-type: none">A. Investment Performance OverviewB. Investment Policy and Strategy | 3:50 |
| 6. Grants and Programs Committee – Ida Lopez Chan <ul style="list-style-type: none">• Grant approvals | 3:55 |
| 7. Investment Committee – Ken Petersen <ul style="list-style-type: none">• Portfolio Update | 4:00 |
| 8. Community Impact Investment Committee – Nolan Kennedy | 4:05 |
| 9. Governance Committee – Ken Petersen <ul style="list-style-type: none">• Nominating Report | 4:10 |
| 10. New Funds <ul style="list-style-type: none">• <u>Non-Endowed Donor Advised Fund</u><ul style="list-style-type: none">• Thau Family Fund | 4:20 |

Mission Statement

To inspire philanthropy and be a catalyst for strengthening communities throughout Monterey County

Strategic Priorities

- Community Impact – Invest in developing healthy, safe and vibrant communities across Monterey County
- Philanthropic Leadership – Inspire and facilitate philanthropy throughout Monterey County
- Community Leadership – Recognize opportunities for facilitation of solutions to community issues.
- Organizational Excellence – Optimize performance and stewardship for maximum impact

Non-Endowed Scholarship Fund

- The Club at Pasadera Scholarship Fund

11. President/CEO Report – Dan Baldwin

4:25

- 3200 17 Mile Drive Property Update
 - Claim for Exemption for 3200/04 17 Mile Drive **(14-15)**
- Other real estate updates
- 75th Anniversary Advisory Committee meeting
- 2020 Census update

12. Executive Session

Adjourn

Next Executive Committee Meeting: November TBD, 2019
945 S. Main Street #207 Salinas, CA



**Executive Committee Meeting
945 S. Main Street #207, CA
July 16, 2019**

MINUTES

Committee Members Present: Birt Johnson, Jr., Teri Belli, Ida Lopez Chan, Jeff Eikenberry, Nolan Kennedy, Ken Petersen and Jan Vanderbilt

Absent: Michael Reid

A quorum was established.

CFMC Staff Present: Dan Baldwin, Laurel Lee-Alexander, Christine Dawson, Diane Nonella and Julie Conrad

CALL TO ORDER – Birt Johnson, Jr.

Birt Johnson called the regular meeting of the Executive Committee of the Community Foundation for Monterey County to order at 3:35 on July 16, 2019 at the Foundation’s Salinas office. Birt welcomed Nolan Kennedy, the chair of the Community Impact Investment Committee, which Birt designated as a standing committee and part of the executive committee going forward.

APPROVAL OF MINUTES

**Motion: to approve the May 28, 2019 executive committee minutes as written.
Ida Lopez Chan /Jeff Eikenberry second. Motion carried unanimously**

REPORT OF THE CHAIR – Birt Johnson, Jr.

Birt reported the Celebration of Philanthropy will be October 30, 2019 at Corral de Tierra County Club. Lydia Villareal has agreed to receive the Distinguished Trustee Award.

Birt informed the executive committee that Jeff Eikenberry is moving out of the area and will resign after the August 27 board meeting.

TREASURERS REPORT - Jan Vanderbilt

Jan Vanderbilt reported the June and July financial statements will be reviewed and approved at the August board meeting.

GRANTS AND PROGRAMS COMMITTEE – Ida Lopez Chan

Ida Lopez Chan recommended approval of the donor advised, interfund transfers and other grants over \$50,000.

1. Harles R. Sarfont College Endowment Fund (Interfund)
Fund: College Futures Monterey County Fund
Amount: \$162,326.66
Purpose: scholarships

2. The College Futures Monterey County Fund
Fund: College Futures Monterey County Fund
Amount: \$200,000
Purpose: scholarships

3. Lori and Lou Flagg Memorial Youth Fund
Agency: Boys and Girls Clubs of Monterey County
Amount: \$50,000
Purpose: Donation adding to the \$1,000,000 match for the 50th Anniversary Campaign

Motion: to approve the grants from the Harles R. Sarmont College Endowment Fund to the College Futures Monterey County Fund for \$162,326.66, The College Futures Monterey County Fund to The College Futures Monterey County Fund for \$200,000 and Lori and Lou Flagg Memorial Youth Fund to the Boys and Girls Clubs of Monterey County for \$50,000.

Ida Lopez Chan / Nolan Kennedy second. Motion carried unanimously

Laurel Lee-Alexander reported the Endowment Stewardship Committee met July 15. They discovered the Harles R. Sarmont Fund had an incomplete motion from October 2015.

Excerpt from the October 27, 2015 Board meeting minutes with *needed text in red*:

PRESIDENTS REPORT – Dan Baldwin

“Dan described the Harles R. Sarment College Endowment is the CFMC’s largest scholarship fund, with a \$2.2 million balance and over \$100,000 in scholarships awarded each year to graduating high school seniors throughout Monterey County. The criteria were written many years ago, and they called for the scholarships to be tuition only.

Dan recommends the CFMC Board exercise its power of variance to change the criteria to the following:

“Only the income from the fund may be used and, when used, shall be used for the exclusive purpose of providing ~~tuition~~ scholarships to persons who meet all of the following five qualifications:

- 1. Graduating high school senior.*
- 2. Resident of Monterey County.*
- 3. United States citizen.*
- 4. Admitted as a full-time student into a two-year or four-year college or university in the United States for the first academic year following graduation.*
- 5. Otherwise financially unable to attend such a college or university.”*

Motion: to approve the CFMC board exercise its power of variance to adjust the language in the Harles R. Sarment College Endowment and change the word “tuition” to “scholarships and add “two-year or” to Criteria #4.”

Ida Lopez Chan/ Jeff Eikenberry second. Motion carried unanimously

INVESTMENT COMMITTEE – Ken Petersen

Ken reported on the portfolio reviews and performance allocations for the Long Term, ESG and Medium Term portfolios.

The committee’s next meeting is August 12, when the draft of the 2019 Investment Policy Statement will be reviewed. Steve Dart, Anne Westritch, Ken Petersen and Dan Baldwin have been preparing

the new draft. It will go before the executive committee in November and the board in December for approval.

GOVERNANCE COMMITTEE – Dan Baldwin for Ken Petersen

Dan reported the committee will meet August 13 to review the survey results and outline the skill sets needed for 2020 board members. They will meet in September and October if necessary, to finalize potential board candidates.

The committee will recommend a new secretary for approval at the August board meeting to take Jeff Eikenberry's position.

COMMUNITY IMPACT INVESTMENT COMMITTEE - Nolan Kennedy

No report

RESOURCE DEVELOPMENT COMMITTEE – Christine Dawson for Michael Reid

The resource development committee met June 26 and focused on misconceptions and myths that linger from the past around the CFMC. The committee will create a sub-committee to work on strategies to address the issues.

NEW FUND APPROVALS – Dan Baldwin

Charitable Remainder Annuity Trust

- **The Brooks Charitable Remainder Annuity Trust**

Dan described the new CRAT created by Steve and Barbara Brooks that includes real estate in Carmel, CA. He outlined the obligations created by the 7% annuity when the CFMC is the trustee. After a thorough discussion the committee agreed to approve accepting the role of trustee for the Brooks CRAT.

**Motion: to approve The Brooks Charitable Remainder Annuity Trust.
Ken Petersen / Teri Belli second. Motion carried unanimously**

PRESIDENT/CEO REPORT - Dan Baldwin

75th Anniversary

Dan informed the committee that staff research shows the CFMC will have its 75th Anniversary in 2020. Dan proposed the staff and board engage past chairs and board members as an advisory committee to set the direction of the anniversary and aspirations of the CFMC looking forward.

**Motion: to create an advisory for the CFMC's 75th Anniversary.
Ken Petersen / Teri Belli second. Motion carried unanimously**

Dan reported the highlights of the Past Chairs luncheon was the continual commitment and goodwill shared by the CFMC's past chairs.

Advocacy Guidelines

The committee discussed the proposed advocacy guidelines at length. Dan noted the CFMC does not have a formal set of guidelines and as we move into a more public profile, the guidelines will tell the CFMC how and when to act.

A recommendation was made to present the advocacy guidelines to the board at the August 27 meeting for approval. The committee would like the documents sent out early and time allotted at the meeting for a presentation and discussion about some of the critical points and IRS standard statements.

**Motion: to recommend the advocacy guidelines for approval, with a presentation and discussion, to the board at the August 27, 2019 meeting.
Jan Vanderbilt / Jeff Eikenberry second. Motion carried unanimously**

CEO Goals

Dan reported on the progress of his 2019 goals. He summarized the topics of; advocacy, leadership, community impact investing, affiliate funds, DAF's, College Futures and Census 2020 and general operations.

3200 17 Mile Drive

The property has been cleaned, trees trimmed and some painting and re-carpeted.

EXECUTIVE SESSION

Meeting adjourned at 5:25 for executive session.

Next Executive Committee Meeting is:

- **Tuesday, September 24, 2019 in the Monterey Office**

Minutes prepared by _____
Julie Conrad, Administrative Services Manager

Approved by: _____
Jeff Eikenberry, Secretary



Here for Good

Community Foundation

for Monterey County

FINANCIAL STATEMENT

For the Eight Months Ended August 31, 2019

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
FINANCIAL REPORTS
For the Eight Months Ended August 31, 2019**

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COMMUNITY FOUNDATION FOR MONTEREY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Eight Months Ended August 31, 2019

Assets

Total Assets through 8/31/2019 are \$266,591,806 a .77% increase since August 2018 and a 7.22% increase since December 2018.

Charitable Remainder Trusts (CRT) and Charitable Gift Annuities (CGA)

The CRT and CGA funds have been adjusted to reflect the activity and balances per Kaspick & Company and the third-party account balances as of December 31, 2018. In August, there was an addition to the Evelyn Torras CRT with the contribution of a house in Carmel Valley valued at \$1,375,000, and a calculated remainder value to the CFMC of \$274,817. Other remainder beneficiaries include Montage, Salvation Army and Meals on Wheels. Evelyn's two brothers are the beneficiaries of the CRT.

Realized and Unrealized Gains and Losses on Investments

Net year-to-date realized losses were \$3,005, and unrealized gains were \$16,200,872, for a total gain of \$16,197,867.

Operating Fund

Total revenue was \$147,192 more than the budget, and total expenses were \$66,276 less than the budget, unrealized gains were \$44,949 on the operating reserve held in the Medium-Term Fund portfolio. The actual net operating deficit is \$311,537 compared to a budgeted deficit of \$569,703.

Note: The Expendable Operating Cash-on-Hand is at 4.3 months, excluding the operating reserve of \$500,000 and the building reserve of \$150,000.

Portfolio Performance

The market value of the Long-Term Fund portfolio at 8/31/2019 was \$191,254,359. The one-year Total Return for the Long-Term Endowment Portfolio was 1.2% compared to the Policy Index of 2.5%.

The market value of the Medium-Term Fund portfolio at 8/31/2019 was \$7,307,083. The one-year Total Return for the Long-Term Endowment Portfolio was 5.2% compared to the Policy Index of 6.0%.

The market value of the ESG Fund portfolio at 8/31/2019 was \$3,678,773. The one-year Total Return for the Long-Term Endowment Portfolio was 3.8% compared to the Policy Index of 4.0%.

The market value of the DRIM Fund portfolio at 8/31/2019 was \$2,780,271. The Total Return for the DRIM Portfolio, since inception, was 5.4% compared to the Policy Index of -6.4%. Due to the timing of the DRIM reports, there is a one-month lag in the performance reporting.

Special Program Funds

Special Program Funds include: Pathways to Safety, funded by the ACTION Council of Monterey County; the Center for Nonprofit Excellence funded by the David and Lucile Packard Foundation; the College Futures Foundation program, funded by the College Futures Foundation; the Monterey County Development Professionals, funded with the remaining assets from the dissolution of the Development Executive Network, to be used for professional development for people new to the fundraising field, and networking

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Eight Months Ended August 31, 2019**

among those involved in fund development; and the Salinas Leadership project, funded by the James Irvine Foundation; and the Monterey County Gives annual campaign.

Total Special Program revenue was \$383,421 and total expenses were \$5,770,214, which includes grants totaling \$5,295,709 from the 2018 Monterey County Gives campaign.

Gifts, Pledges, Bequests, Future Funds Greater than \$25,000, and Grants

Total new contributions for the month were \$3,061,518, including:

Estate of Mary Shaw	8/5/2019	36,000	Gloria Fund
Dr. & Mrs. Stephen and Ann Packer	8/6/2019	247,891	Packer Family Foundation
Taylor Farms Retail, Inc.	8/7/2019	107,100	Taylor Farms Scholarship Fund
Estate of Terry Haber	8/9/2019	132,142	The Edgar H. Haber and Terry Jones Haber Fund
Arkay Foundation	8/9/2019	28,000	The Fund for Homeless Women Non-Endowed Fund
Northwestern Mutual Investment Services	8/13/2019	51,000	Jack and Donna Hardy Fund
Mr. Robert Haas	8/16/2019	60,000	Charitable Gift Annuities
Taylor Farms Retail, Inc.	8/22/2019	51,000	Taylor Farms Scholarship Fund
Mr. & Mrs. William and Nancy Doolittle	8/23/2019	100,000	Doolittle Fund
United Way Monterey County	8/26/2019	65,000	United Way Monterey County Stewardship Fund III
Anonymous	8/28/2019	695,182	DeWitt Fund
Mr. & Mrs. Vincent and Evelyn Torras	8/30/2019	1,375,000	CRT Funds with CF as Trustee (Kaspick)
Peter C. Hatton Living Trust	8/30/2019	46,429	Carmel High School Class of 1952 Fund

Grants to agencies for the month totaling \$637,654 were approved and recorded.

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF FINANCIAL POSITION
CONSOLIDATED - ALL FUNDS
For the Eight Months Ended August 31, 2019 and August 31, 2018

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL August 31, 2019</u>	<u>TOTAL August 31, 2018</u>
ASSETS							
Cash:							
Cash & Cash Equivalents	1,434,752	1,261,745	1,542,365	3,578,863	0	7,817,724	8,416,848
Investments - Long Term Fund Portfolio	0	0	135,605,982	55,648,377	0	191,254,359	184,080,314
Investments - Medium Term Fund Portfolio	592,425	0	0	6,714,659	0	7,307,083	4,836,445
Investments - ESG Fund Portfolio	0	0	3,134,456	544,317	0	3,678,773	3,402,089
Separately Invested - DRIM Portfolio	0	0	0	2,780,271	0	2,780,271	2,977,717
Total Cash & Investments	2,027,177	1,261,745	140,282,803	69,266,486	0	212,838,211	203,713,412
Accounts Receivable:							
Pledges & Contributions Receivable	0	0	4,000	12,750	382,250	399,000	16,750
Bequests & Remainder Interest	0	0	0	0	264,615	264,615	264,615
Due from OPER	0	0	1,211,912	0	0	1,211,912	1,271,753
Investment in an LLC	0	0	21,000,000	0	0	21,000,000	21,000,000
Charitable Remainder Trusts	0	0	0	0	25,076,337	25,076,337	32,703,872
Charitable Gift Annuities	0	0	0	0	3,584,120	3,584,120	3,776,462
Total Accounts Receivable	0	0	22,215,912	12,750	29,307,322	51,535,985	59,033,452
Other Assets:							
Prepaid Expenses	32,763	1,000	0	0	0	33,763	1,869
Property-Net of Depreciation	1,843,175	0	0	0	0	1,843,175	1,801,349
de Guigne Property Improvements	0	0	340,673	0	0	340,673	0
	0	0	0	0	0	0	0
Total Other Assets	1,875,938	1,000	340,673	0	0	2,217,610	1,803,218
TOTAL ASSETS	3,903,114	1,262,745	162,839,388	69,279,236	29,307,322	266,591,806	264,550,082

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF FINANCIAL POSITION
CONSOLIDATED - ALL FUNDS
For the Eight Months Ended August 31, 2019 and August 31, 2018

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL August 31, 2019</u>	<u>TOTAL August 31, 2018</u>
LIABILITIES & NET ASSETS							
Liabilities:							
Grants Payable	0	0	405,643	749,750	0	1,155,393	904,533
Contingent Liabilities	0	0	0	0	18,952,245	18,952,245	22,792,721
Funds held as Agency Endowments	0	0	5,618,470	0	0	5,618,470	5,927,483
Funds held as Stewardship Funds	0	0	0	21,850,007	0	21,850,007	22,394,260
Payroll, Misc. and Accts Payable	1,329,352	0	85	0	0	1,329,437	1,433,189
Total Liabilities	1,329,352	0	6,024,198	22,599,757	18,952,245	48,905,552	53,452,186
Net Assets:							
Net Assets-Beginning Balance	2,885,299	6,649,538	141,189,002	34,571,260	13,076,060	198,371,158	213,820,147
Change in Net Assets - Current Year	(311,537)	(5,386,793)	15,626,188	12,108,219	(2,720,982)	19,315,096	(2,722,250)
Total Net Assets	2,573,762	1,262,745	156,815,190	46,679,479	10,355,078	217,686,254	211,097,896
TOTAL LIABILITIES & NET ASSETS	3,903,114	1,262,745	162,839,388	69,279,236	29,307,322	266,591,806	264,550,082

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF ACTIVITIES
CONSOLIDATED - ALL FUNDS
For the Eight Months Ended August 31, 2019 and August 31, 2018

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL August 31, 2019</u>	<u>TOTAL August 31, 2018</u>
SUPPORT AND REVENUE:							
Contributions	51,004	15,212	623,969	11,163,965	0	11,854,150	9,449,117
Interfund Gifts	41,904	0	71,408	2,552,635	0	2,665,946	878,640
Pledge Payments Received	0	367,750	0	0	0	367,750	1,794,000
Future Contributions-A/R-Pledge-CRT-CGA	0	0	0	0	985,586	985,586	1,757,997
Contributions Received via Bequest	167,216	0	6,127,662	0	20,000	6,314,878	21,000,000
Change in Value, Split Interest Trusts, Future Assets	0	0	0	0	2,930,735	2,930,735	0
Gain/Loss on Sale of Property	0	0	0	0	0	0	0
Income from Related Party (LLC)	0	0	0	0	0	0	0
Interest & Dividend Income	43,170	459	1,614,768	753,697	0	2,412,094	2,307,993
Administrative Fees	1,364,509	0	0	0	0	1,364,509	1,384,132
Fees from Special Projects	15,468	0	0	0	0	15,468	19,684
Workshop and Contract Service Income	22,562	0	0	0	0	22,562	6,727
Misc Income/Returned Grants	61,326	0	44,780	2,666	0	108,772	155,488
Total Support and Revenue	1,767,159	383,421	8,482,586	14,472,962	3,936,321	29,042,450	38,753,778
EXPENSES:							
Operating Expenses and Distributions:							
Salaries & Benefits	1,434,224	0	0	0	0	1,434,224	1,326,419
Administrative Costs	389,890	158,511	0	0	0	548,401	450,380
Occupancy Costs	116,237	0	0	0	0	116,237	118,022
Development Expenses	181,194	8,440	0	0	0	189,633	160,154
Board & Committee Expenses	1,850	0	0	0	0	1,850	2,319
Total Operating Expenses	2,123,394	166,950	0	0	0	2,290,344	2,057,293

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF ACTIVITIES
CONSOLIDATED - ALL FUNDS
For the Eight Months Ended August 31, 2019 and August 31, 2018

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL August 31, 2019</u>	<u>TOTAL August 31, 2018</u>
Grants and Grant Related Expenses:							
Grants	0	5,371,428	2,942,176	4,375,019	0	12,688,622	12,847,080
Interfund Grants	0	224,525	326,260	2,115,161	0	2,665,946	878,640
Pledge Payments Paid	0	0	0	0	367,750	367,750	1,794,000
Bequests Payments/Transfers	0	0	0	0	6,252,717	6,252,717	21,000,000
Other Expenses	0	7,312	75,570	250	0	83,132	4,661,662
Other Payments/Transfers	0	0	(363,624)	363,624	0	0	0
Grant Related Expenses	0	0	1,760	0	0	1,760	0
Administrative Fees	0	0	973,537	354,137	36,835	1,364,509	1,384,132
Fees to Managers	251	0	149,059	61,130	0	210,440	203,670
Total Grants and Grant Related Expenses	251	5,603,264	4,104,738	7,269,320	6,657,303	23,634,876	42,769,183
Total Expenses and Grants	2,123,645	5,770,214	4,104,738	7,269,320	6,657,303	25,925,221	44,826,477
Excess of Revenues (Expenses)							
Before Gains on Investments & Transfers	(356,486)	(5,386,793)	4,377,849	7,203,642	(2,720,982)	3,117,229	(6,072,699)
GAINS(LOSS) ON INVESTMENTS:							
Realized-Gain (Loss)		0	0	(3,005)	0	(3,005)	136,665
Unrealized-Gain(Loss)	44,949	0	11,248,340	4,907,583	0	16,200,872	3,213,783
Total Gain/(Loss) on Investments	44,949	0	11,248,340	4,904,578	0	16,197,867	3,350,448
Change in Net Assets	(311,537)	(5,386,793)	15,626,188	12,108,219	(2,720,982)	19,315,096	(2,722,250)
Net Assets Beginning of Year	2,885,299	6,649,538	141,189,002	34,571,260	13,076,060	198,371,158	213,820,147
Net Assets, End of Period	2,573,762	1,262,745	156,815,190	46,679,479	10,355,078	217,686,254	211,097,896

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
Combined Operating Fund Budget vs. Actual
For the Eight Months Ended August 31, 2019 and August 31, 2018

	Year-To-Date			YTD Actual 8/31/2018
	Actual	Budget	Variance	
REVENUE				
Contributions - Foundations	38,264	2,500	35,764	2,524
Contributions - Indiv/Corp	12,740	25,800	(13,060)	11,635
Contributions - Interfund	41,904	35,053	6,851	38,579
Pledge Payments Received	0	0	0	0
Bequests Received	167,216	40,874	126,342	0
Admin Fees	1,364,509	1,434,716	(70,207)	1,384,132
Special Project Fees	15,468	8,056	7,412	19,684
Workshops/Contracts	22,562	21,900	662	6,727
Miscellaneous Income	61,326	41,068	20,258	45,379
Interest and Dividends	43,170	10,000	33,170	17,572
Total Revenue	1,767,159	1,619,967	147,192	1,526,233
EXPENSE				
Personnel				
Salaries and Wages	1,112,880	1,156,828	(43,947)	1,023,305
Payroll Taxes	83,166	84,773	(1,607)	77,865
Insurance and Other Benefits	238,177	256,262	(18,085)	225,249
Sub-total	1,434,224	1,497,862	(63,639)	1,326,419
Administrative				
Supplies	13,682	13,532	150	15,908
Equip / Computer Maintenance	85,616	81,173	4,443	79,991
Bank Charges	17,771	10,000	7,771	10,041
Printing	11,317	13,395	(2,078)	6,532
Postage / Freight	10,161	12,636	(2,475)	14,511
Dues/Subscriptions	24,476	29,914	(5,438)	19,979
Services (legal, acct, consult)	132,818	128,981	3,837	94,229
D&O Insurance	2,703	2,710	(7)	2,737
Telecommunications	10,778	12,264	(1,486)	12,138
Conferences & Training	27,815	23,950	3,865	17,408
Miscellaneous	2,010	7,650	(5,640)	4,996
Depreciation	50,744	50,744	0	54,912
Sub-total	389,890	386,949	2,941	333,384
Facilities				
Property / Liability Insurance	11,294	12,000	(706)	11,625
Maintenance / Repairs	5,860	7,336	(1,476)	6,806
Janitorial & Landscaping	14,390	13,664	726	12,919
Rent	32,585	34,656	(2,071)	31,639
Mortgage, Interest & Property Taxes	32,933	32,933	0	34,473
Utilities	19,173	20,664	(1,491)	20,561
Sub-total	116,236	121,253	(5,017)	118,022
Development, Program & Staff				
Donor Development	85,768	82,550	3,218	70,120
Advertising & Promotion	33,614	28,434	5,180	22,891
Mileage, Meals & Meetings	5,828	7,776	(1,948)	7,496
Workshops	27,608	33,212	(5,604)	14,998
Annual Meetings	399	0	399	244
Annual Report	26,279	26,000	279	23,779
Staff Recognition Expenses	1,698	2,519	(821)	1,747
Board & Committee Expenses	1,850	3,114	(1,264)	2,319
Sub-total	183,044	183,605	(561)	143,593
Total Expenses	2,123,394	2,189,670	(66,276)	1,921,418
Net Income / (Loss) Before Investment Returns	(356,234)	(569,703)	213,468	(395,185)
Realized Gains/(Losses)	0	0	0	1,010
Unrealized Gains/(Losses)	44,949	0	44,949	(4,201)
Investment Management Fee	251	0	251	0
Net Income / (Loss) Including Investment Returns	(311,537)	(569,703)	258,166	(398,375)

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Abby Taylor-Silva

Maija West

Daniel R. Baldwin
President/CEO

September 17, 2019

The Clerk of the Board
County of Monterey, State of California
P.O. Box 1728
Salinas, CA 93902

RE: Claim Against County of Monterey
Refund of Property Taxes
3200-3204 17 Mile Drive
Pebble Beach, CA 93953

Dear Monterey County Board of Supervisors,

We are filing a Claim Against County of Monterey in the amount of \$535,167.73 for property taxes paid on 3200-3204 17 Mile Drive, Pebble Beach CA.

On the advice of the Monterey County Assessor's office, we are making clear this filing is a claim and not an appeal. This claim is based on the July 11, 2019 Welfare or Veterans' Organization Exemption Assessor's Finding on Qualification of Property Use in which the Monterey County Assessor's Office marked N.E.U. as the requirement not met. N.E.U. states that the "Property is not used exclusively for religious, hospital, or charitable purposes within the meaning of section 214 of the Revenue and Taxation Code."

The Community Foundation for Monterey County ("CFMC") is a public charity described in Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code. CFMC's specific charitable purpose, as stated in its Articles of Incorporation, is "to receive, distribute and provide funds and services to charitable organizations for the benefit of persons and communities within Monterey County, California." CFMC achieves this charitable purpose mainly by receiving contributions and making grants, thus serving as a bridge between donors and Monterey County charitable programs operated by other organizations.

The Properties are currently owned by the LLC, which, along with its sole member, the CFMC, is organized and operated exclusively for charitable purposes; neither is organized for profit or allows any private inurement; the LLC is using the Properties exclusively for the purpose of liquidating them to



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fund CFMC's charitable grantmaking program, which is CFMC's charitable function.

We have enclosed an Attorney Legal Opinion Letter explaining our position, along with other documents to help you understand our reasoning for filing the claim. Please don't hesitate to contact me should you have any questions.

Sincerely,

Daniel R Baldwin
President/CEO

Enclosures:

Claim Against County of Monterey
Form BOE 267-F County of Monterey Assessor – NOT BEEN MET – N.E.U
Email from Darlene Bagwell – County of Monterey Assessor
Attorney Legal Opinion Letter
Form BOE 277 - F State Board of Equalization – Been Met: Charitable
BOE # 368 - CFMC
BOE # 27680 - CFMC, Real Estate Number 1 LLC
Gift Acceptance Policy – CFMC
Income Statement – 3200-3204 17 Mile Drive, Pebble Beach
Property Tax Reconciliation - 3200-3204 17 Mile Drive, Pebble Beach
Grant Deeds - 3200-3204 17 Mile Drive, Pebble Beach



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