



Here for Good

Community Foundation
for Monterey County

FINANCIAL STATEMENT

For the Six Months Ended June 30, 2022

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
FINANCIAL REPORTS
For the Six Months Ended June 30, 2022**

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COMMUNITY FOUNDATION FOR MONTEREY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Six Months Ended June 30, 2022

Assets

Total Assets through 6/30/2022 are \$322,733,602 a 12.39% decrease since June 2021 and a 16.54% decrease since December 2021. (p. 4)

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, 2021. (p. 4)

Realized and Unrealized Gains and Losses on Investments

Net year-to-date realized gains were \$2,581 and unrealized losses were \$54,211,245, for a total loss of \$54,208,664. (p. 7)

Operating Fund

Total revenue was \$88,849 more than the budget, and total expenses were \$172,365 less than the budget. Unrealized losses were \$99,617 on the operating reserve held in the Medium-Term Fund portfolio. The actual net operating deficit is \$7,918 compared to a budgeted deficit of \$169,344. (p. 8)

Revenue continues to be higher than budget through June. However, projections for the third quarter administrative fees based on the June 30 fund balance reflects fees lower than budgeted. Despite this, cash on hand remains steady.

Salaries and benefits continue to be below budgeted amounts. This savings is the result of position vacancies in the first quarter that have now been filled. In addition, while the salary increases related to the Croner salary study have been approved as a budget amendment, additional unbudgeted increases will diminish the savings over time.

Overall administrative expenses continue to be below budget. However, bank charges have trended slightly higher due fees assessed on large credit card donations. Services are significantly higher as a result of the Foundation contracting with former Vice President of Finance, Diane Nonella, to assist in the transition during the Director of Finance recruitment and for additional staff training services.

The 2022 rental agreement for the Salinas property was revised in late 2021. The agreement revised the rent structure to include a utility allocation. As this was completed after the budget process, there is a variance (under) on rent that is offset by a variance (over) on utilities as the agreement shifted the expense classification.

There is an excess actual over budget reflected on the annual report due to timing that will correct in June. Additional staff events have resulted in an actual over budget that is expected to increase prior to the end of the year. Despite this, the development operating actual continues to reflect a surplus over the budgeted amount.

Note: The Expendable Operating Cash-on-Hand is at 9.5 months, excluding the operating reserve of \$500,000 and the building reserve of \$150,000.

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Six Months Ended June 30, 2022**

Portfolio Performance

The market value of the Long-Term Fund portfolio at 6/30/2022 was \$262,779,027. The one-year Total Return for the Long-Term Endowment Portfolio was -12.9% compared to the Policy Index of -10.8%.

The market value of the Medium-Term Fund portfolio at 6/30/2022 was \$9,202,670. The one-year Total Return for the Medium-Term Endowment Portfolio was -12.2% compared to the Policy Index of -11.4%. (

The market value of the ESG Fund portfolio at 6/30/2022 was \$6,156,625. The one-year Total Return for the ESG Portfolio was -12.0% compared to the Policy Index of -13.0%.

The market value of the DRIM Fund portfolio at 6/30/2022 was \$2,675,240. The one-year Total Return for the DRIM Portfolio was x% compared to the Policy Index of -7.7%. 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: Center for Nonprofit Excellence funded by the David and Lucile Packard Foundation; the Salinas Inclusive Economic Development Initiative, funded by the James Irvine Foundation; COVID-19 Collaborative support funded by the David and Lucile Packard Foundation; COVID-19 support funded by the Public Health Institute; and the Monterey County Gives annual campaign.

Total Special Program revenue was \$1,124,150 and total expenses were \$11,193,944. This includes grant expense of \$9,493,617 for the 2021 Monterey County Gives campaign. (p. 6-7)

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

Total new contributions for the month were \$1,637,082.69 including:

| | | | |
|--|-----------|---------|--|
| County of Monterey | 6/1/2022 | 136,327 | Community Health Literacy Program |
| Monterey Peninsula Foundation | 6/6/2022 | 150,000 | Monterey County Fire Relief Fund |
| Mr. Leonard J. Anable, CFP | 6/7/2022 | 36,901 | Shahin Hormozi Anable Scholarship Fund for Women |
| Taylor Farms Retail, Inc. | 6/8/2022 | 147,900 | Taylor Farms Scholarship Fund |
| Gateway Center of Monterey County Inc. | 6/9/2022 | 100,000 | Gateway Center Mary Lou Cortright Memorial Fund |
| Mr. & Mrs. John and Tama Olver | 6/15/2022 | 345,000 | Libby Olver Scholarship Fund |

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Six Months Ended June 30, 2022**

| | | | |
|--|-----------|---------|---|
| COPA-Communities Organized for Power in Action | 6/23/2022 | 50,000 | COPA Catalyst Fund |
| Mr. & Mrs. Ken and Kathryn Smith | 6/29/2022 | 30,101 | Smith Family Alliance Fund |
| Pacific Grove Museum of Natural History | 6/30/2022 | 400,000 | PG Museum of Natural History Operating Fund |

Grants to agencies for the month totaling \$2,106,185.14 were approved and recorded.

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF FINANCIAL POSITION
CONSOLIDATED - ALL FUNDS
For the Six Months Ended June 30, 2022 and June 30, 2021

| | COMBINED OPERATING | SPECIAL PROGRAMS | ENDOWMENT | NON ENDOWED | BEQUEST, CRT RECEIVABLES | TOTAL June 30, 2022 | TOTAL June 30, 2021 |
|--|-------------------------------|-----------------------------|--------------------|------------------------|-------------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash: | | | | | | | |
| Cash & Cash Equivalents | 4,145,403 | 2,818,315 | 5,546 | 4,780,665 | 0 | 11,749,928 | 11,097,372 |
| Investments - Long Term Fund Portfolio | 0 | 0 | 178,890,509 | 83,888,518 | 0 | 262,779,028 | 306,967,337 |
| Investments - Medium Term Fund Portfolio | 634,813 | 0 | 0 | 8,567,887 | 0 | 9,202,700 | 9,614,714 |
| Investments - ESG Fund Portfolio | 0 | 0 | 3,659,131 | 2,497,494 | 0 | 6,156,625 | 5,285,515 |
| Separately Invested - DRIM Portfolio | 0 | 0 | 0 | 2,675,240 | 0 | 2,675,240 | 2,679,000 |
| Separately Invested - Pony Trust | 0 | 283,374 | 0 | 0 | 0 | 283,374 | 327,116 |
| Total Cash & Investments | 4,780,216 | 3,101,689 | 182,555,186 | 102,409,805 | 0 | 292,846,895 | 335,971,054 |
| Accounts Receivable: | | | | | | | |
| Pledges & Contributions Receivable | 3,794 | 0 | 0 | 4,500 | 0 | 8,294 | 906,679 |
| Bequests & Remainder Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Due from OPER | 0 | 0 | 1,009,745 | 0 | 0 | 1,009,745 | 1,086,876 |
| Investment in an LLC | 0 | 0 | 0 | 0 | 0 | 0 | 1,837,500 |
| Charitable Remainder Trusts | 0 | 0 | 0 | 0 | 22,184,966 | 22,184,966 | 22,333,498 |
| Charitable Gift Annuities | 0 | 0 | 0 | 0 | 4,880,359 | 4,880,359 | 4,380,833 |
| Total Accounts Receivable | 3,794 | 0 | 1,009,745 | 4,500 | 27,065,325 | 28,083,364 | 30,545,386 |
| Other Assets: | | | | | | | |
| Prepaid Expenses | 5,500 | 0 | 0 | 0 | 0 | 5,500 | 7,344 |
| Property-Net of Depreciation | 1,797,842 | 0 | 0 | 0 | 0 | 1,797,842 | 1,843,329 |
| Total Other Assets | 1,803,342 | 0 | 0 | 0 | 0 | 1,803,342 | 1,850,673 |
| TOTAL ASSETS | 6,587,352 | 3,101,689 | 183,564,931 | 102,414,305 | 27,065,325 | 322,733,602 | 368,367,113 |

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF FINANCIAL POSITION
CONSOLIDATED - ALL FUNDS
For the Six Months Ended June 30, 2022 and June 30, 2021

| LIABILITIES & NET ASSETS | COMBINED OPERATING | SPECIAL PROGRAMS | ENDOWMENT | NON ENDOWED | BEQUEST, CRT RECEIVABLES | TOTAL June 30, 2022 | TOTAL June 30, 2021 |
|---|-------------------------------|-----------------------------|--------------------|------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Liabilities: | | | | | | | |
| Grants Payable | 0 | 1,059,236 | 281,377 | 383,396 | 0 | 1,724,009 | 1,195,487 |
| Contingent Liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 16,217,046 |
| Funds held as Agency Endowments | 0 | 0 | 0 | 0 | 0 | 0 | 7,298,606 |
| Funds held as Stewardship Funds | 0 | 0 | 0 | 56,449,929 | 0 | 56,449,929 | 48,980,877 |
| Payroll, Misc. and Accts Payable | 1,206,796 | 0 | 8,371,490 | | 15,323,652 | 24,901,938 | 1,227,629 |
| Total Liabilities | 1,206,796 | 1,059,236 | 8,652,867 | 56,833,325 | 15,323,652 | 83,075,877 | 74,919,645 |
| Net Assets: | | | | | | | |
| Net Assets-Beginning Balance | 5,388,473 | 12,147,613 | 209,105,934 | 64,245,878 | 12,322,224 | 303,210,122 | 271,959,415 |
| Change in Net Assets - Current Year | (7,918) | (10,105,160) | (34,193,871) | (18,664,898) | (580,550) | (63,552,397) | 21,488,053 |
| Total Net Assets | 5,380,556 | 2,042,453 | 174,912,063 | 45,580,980 | 11,741,674 | 239,657,725 | 293,447,468 |
| TOTAL LIABILITIES & NET ASSETS | 6,587,352 | 3,101,689 | 183,564,931 | 102,414,305 | 27,065,325 | 322,733,602 | 368,367,113 |

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF ACTIVITIES
CONSOLIDATED - ALL FUNDS
For the Six Months Ended June 30, 2022 and June 30, 2021

| | <u>COMBINED OPERATING</u> | <u>SPECIAL PROGRAMS</u> | <u>ENDOWMENT</u> | <u>NON ENDOWED</u> | <u>BEQUEST, CRT RECEIVABLES</u> | <u>TOTAL June 30, 2022</u> | <u>TOTAL June 30, 2021</u> |
|---|-------------------------------|-----------------------------|------------------|------------------------|-------------------------------------|--------------------------------|--------------------------------|
| SUPPORT AND REVENUE: | | | | | | | |
| Contributions | 31,621 | 989,219 | 889,020 | 5,769,380 | 0 | 7,679,240 | 14,396,854 |
| Interfund Gifts | 38,251 | 0 | 22,896 | 552,958 | 0 | 614,106 | 454,165 |
| Pledge Payments Received | 0 | 0 | 0 | 0 | 0 | 0 | 13,384 |
| Future Contributions-A/R-Pledge-CRT-CGA | 0 | 0 | 0 | 0 | 147,955 | 147,955 | 15,618 |
| Contributions Received via Bequest | 16,196 | 0 | 793,517 | 0 | 0 | 809,714 | 2,493,403 |
| Change in Value, Split Interest Trusts, Future Assets | 0 | 0 | 0 | 0 | 102,533 | 102,533 | 1,532,685 |
| 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 | 10,143 | 4,652 | 1,871,981 | 954,892 | 0 | 2,841,668 | 3,694,700 |
| Administrative Fees | 2,002,404 | 0 | 0 | 0 | 0 | 2,002,404 | 1,819,677 |
| Fees from Special Projects | 48,645 | 0 | 0 | 0 | 0 | 48,645 | 64,750 |
| Workshop and Contract Service Income | 25,360 | 0 | 0 | 0 | 0 | 25,360 | 576 |
| Misc Income/Returned Grants | 1,615 | 130,279 | 2,215 | 26,684 | 0 | 160,792 | 14,865 |
| Total Support and Revenue | 2,174,234 | 1,124,150 | 3,579,630 | 7,303,914 | 250,488 | 14,432,416 | 24,500,677 |
| EXPENSES: | | | | | | | |
| Operating Expenses and Distributions: | | | | | | | |
| Salaries & Benefits | 1,440,648 | 34,344 | 0 | 0 | 0 | 1,474,992 | 1,289,580 |
| Administrative Costs | 474,691 | 339,119 | 0 | 3,436 | 0 | 817,247 | 578,087 |
| Occupancy Costs | 96,211 | 0 | 0 | 0 | 0 | 96,211 | 75,787 |
| Development Expenses | 70,616 | 26,522 | 0 | 0 | 0 | 97,138 | 79,029 |
| Board & Committee Expenses | 198 | 0 | 0 | 0 | 0 | 198 | 891 |
| Total Operating Expenses | 2,082,364 | 399,985 | 0 | 3,436 | 0 | 2,485,785 | 2,023,373 |

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF ACTIVITIES
CONSOLIDATED - ALL FUNDS
For the Six Months Ended June 30, 2022 and June 30, 2021

| | <u>COMBINED OPERATING</u> | <u>SPECIAL PROGRAMS</u> | <u>ENDOWMENT</u> | <u>NON ENDOWED</u> | <u>BEQUEST, CRT RECEIVABLES</u> | <u>TOTAL June 30, 2022</u> | <u>TOTAL June 30, 2021</u> |
|---|-------------------------------|-----------------------------|---------------------|------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Grants and Grant Related Expenses: | | | | | | | |
| Grants | 0 | 10,642,486 | 2,874,406 | 4,065,532 | 0 | 17,582,424 | 20,573,924 |
| Interfund Grants | 0 | 2,793 | 341,813 | 269,500 | 0 | 614,106 | 454,165 |
| Pledge Payments Paid | 0 | 0 | 0 | 0 | 0 | 0 | 13,384 |
| Bequests Payments/Transfers | 0 | 0 | 0 | 0 | 809,711 | 809,711 | 2,482,668 |
| Other Expenses | 0 | 145,933 | 0 | 1,633 | 0 | 147,566 | 40,335 |
| Other Payments/Transfers | 0 | 0 | (2,183,577) | 2,183,577 | 0 | 0 | 0 |
| Grant Related Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Administrative Fees | 0 | 2,747 | 1,362,055 | 616,276 | 21,326 | 2,002,404 | 1,869,677 |
| Fees to Managers | 171 | 0 | 89,281 | 44,700 | 0 | 134,153 | 131,037 |
| Total Grants and Grant Related Expenses | 171 | 10,793,959 | 2,483,978 | 7,181,218 | 831,038 | 21,290,363 | 25,565,190 |
| Total Expenses and Grants | 2,082,534 | 11,193,944 | 2,483,978 | 7,184,654 | 831,038 | 23,776,148 | 27,588,563 |
| Excess of Revenues (Expenses) | | | | | | | |
| Before Gains on Investments & Transfers | 91,700 | (10,069,794) | 1,095,651 | 119,260 | (580,550) | (9,343,733) | (3,087,886) |
| GAINS(LOSS) ON INVESTMENTS and Other Income: | | | | | | | |
| Realized-Gain (Loss) | 0 | 0 | 941 | 1,639 | 0 | 2,581 | 2,277 |
| Unrealized-Gain(Loss) | (99,617) | (35,367) | (35,290,464) | (18,785,798) | 0 | (54,211,245) | 24,162,259 |
| Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 411,402 |
| Total Gain/(Loss) on Investments and Other Income: | (99,617) | (35,367) | (35,289,522) | (18,784,158) | 0 | (54,208,664) | 24,575,939 |
| Change in Net Assets | (7,918) | (10,105,160) | (34,193,871) | (18,664,898) | (580,550) | (63,552,397) | 21,488,053 |
| Net Assets Beginning of Year | 5,388,473 | 12,147,613 | 209,105,934 | 64,245,878 | 12,322,224 | 303,210,122 | 271,959,415 |
| Net Assets, End of Period | 5,380,556 | 2,042,453 | 174,912,063 | 45,580,980 | 11,741,674 | 239,657,725 | 293,447,469 |

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
Combined Operating Fund Budget vs. Actual**

For the Six Months Ended June 30, 2022 and June 30, 2021

| | Year-To-Date | | | YTD Actual 6/30/2021 |
|---|------------------|------------------|------------------|-------------------------|
| | Actual | Budget | Variance | |
| REVENUE | | | | |
| Contributions - Foundations | 19,739 | 8,000 | 11,739 | 282,558 |
| Contributions - Indiv/Corp | 11,882 | 3,000 | 8,882 | 18,395 |
| Contributions - Interfund | 38,251 | 20,000 | 18,251 | 48,051 |
| Bequests Received | 16,196 | 24,252 | (8,056) | 60,389 |
| Admin Fees | 2,002,404 | 1,954,925 | 47,479 | 1,819,677 |
| Special Project Fees | 48,645 | 36,160 | 12,485 | 64,750 |
| Workshops/Contracts | 25,360 | 18,000 | 7,360 | 576 |
| Miscellaneous Income | 1,615 | 16,800 | (15,185) | 10,366 |
| Interest and Dividends | 10,143 | 4,248 | 5,895 | 14,205 |
| Total Revenue | 2,174,234 | 2,085,385 | 88,849 | 2,318,965 |
| EXPENSE | | | | |
| Personnel | | | | |
| Salaries and Wages | 1,128,644 | 1,203,475 | (74,831) | 978,864 |
| Payroll Taxes | 90,427 | 91,060 | (633) | 75,208 |
| Insurance and Other Benefits | 221,577 | 284,846 | (63,269) | 214,398 |
| Sub-total | 1,440,648 | 1,579,381 | (138,733) | 1,268,470 |
| Administrative | | | | |
| Supplies | 10,944 | 10,500 | 444 | 7,159 |
| Equip / Computer Maintenance | 75,052 | 114,750 | (39,698) | 71,090 |
| Bank Charges | 9,198 | 3,498 | 5,700 | 6,076 |
| Printing | 13,778 | 17,825 | (4,047) | 16,956 |
| Postage / Freight | 12,808 | 16,100 | (3,292) | 9,639 |
| Dues/Subscriptions | 39,392 | 43,529 | (4,137) | 40,443 |
| Services (legal, acct, consult) | 228,469 | 160,958 | 67,511 | 178,400 |
| D&O Insurance | 6,160 | 12,500 | (6,340) | 0 |
| Telecommunications | 26,549 | 29,658 | (3,109) | 22,886 |
| Conferences & Training | 6,900 | 24,402 | (17,502) | 4,111 |
| Miscellaneous | 147 | 4,278 | (4,131) | 3,514 |
| Depreciation | 45,294 | 45,294 | 0 | 39,846 |
| Sub-total | 474,691 | 483,292 | (8,601) | 400,122 |
| Facilities | | | | |
| Property / Liability Insurance | 11,267 | 11,925 | (658) | 11,305 |
| Maintenance / Repairs | 7,817 | 15,730 | (7,913) | 2,911 |
| Janitorial & Landscaping | 12,442 | 12,150 | 292 | 11,280 |
| Rent | 19,732 | 28,134 | (8,402) | 10,529 |
| Mortgage, Interest & Property Taxes | 20,661 | 21,514 | (853) | 22,165 |
| Utilities | 24,292 | 16,002 | 8,290 | 17,596 |
| Sub-total | 96,211 | 105,455 | (9,244) | 75,787 |
| Development, Program & Staff | | | | |
| Donor Development | 15,963 | 23,550 | (7,587) | 12,650 |
| Advertising & Promotion | 25,360 | 29,755 | (4,395) | 19,449 |
| Mileage, Meals & Meetings | 2,079 | 3,896 | (1,817) | 57 |
| Workshops | 8,082 | 19,700 | (11,619) | 1,225 |
| Annual Meetings | 372 | 0 | 372 | 0 |
| 75th Anniversary Expenses | 0 | 0 | 0 | 0 |
| Annual Report | 12,758 | 3,500 | 9,258 | 195 |
| Staff Recognition Expenses | 6,003 | 3,950 | 2,053 | 3,204 |
| Board & Committee Expenses | 198 | 2,250 | (2,052) | 891 |
| Sub-total | 70,814 | 86,601 | (15,787) | 37,671 |
| Total Expenses | 2,082,364 | 2,254,729 | (172,365) | 1,782,049 |
| Net Income / (Loss) Before Investment Returns and Other Income | | | | |
| | 91,871 | (169,344) | 261,215 | 536,916 |
| Realized Gains/(Losses) | 0 | 0 | 0 | 0 |
| Unrealized Gains/(Losses) | (99,617) | 0 | (99,617) | 13,451 |
| Other Income | 0 | 0 | 0 | 411,402 |
| Investment Management Fee | 171 | 0 | 171 | 177 |
| Net Income / (Loss) Including Investment Returns | (7,918) | (169,344) | 161,426 | 961,593 |