



*Here for Good*

**Community Foundation**

for Monterey County

**FINANCIAL STATEMENT**

**For the Seven Months Ended July 31, 2022**

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY  
FINANCIAL REPORTS  
For the Seven Months Ended July 31, 2022**

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**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Seven Months Ended July 31, 2022**

**Assets**

Total Assets through 7/31/2022 are \$335,244,224 a 10.82% decrease since July 2021 and a 13.30% 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 \$39,590,781, for a total loss of \$39,588,201. (p. 7)

**Operating Fund**

Total revenue was \$79,156 more than the budget, and total expenses were \$199,201 less than the budget. Unrealized losses were \$75,878 on the operating reserve held in the Medium-Term Fund portfolio. The actual net operating deficit is \$302,295 compared to a budgeted deficit of \$504,574. (p. 8)

Revenue continues to be higher than budget through July. However, projections for the third quarter administrative fees based on the June 30 fund balance reflect fees lower than budgeted resulting in a one month decrease in cash on hand over the three months.

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, as well as just over a month of savings on the recent Director of Gift Planning vacancy that will be filled in the first week of September. While the salary increases related to the Croner salary study were approved as a budget amendment, additional unbudgeted salary increases will diminish the salary savings over time. In addition, the renewal of the medical insurance, effective September 1, 2022, was higher than the budgeted expected increase. However, savings through September related to staff members declining coverage that was budgeted will offset the higher cost in the fourth quarter. Overall, salaries and benefits is expected to remain under budget through the end of year.

Overall administrative expenses continue to be below budget. However, bank charges have trended slightly higher due to fees assessed on large credit card donations. Services are significantly higher due to 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.

The annual report came in over budget due to unexpected increases in printing, postage, and design services. The printing service was \$10,057 over budget due to paper and supply chain issues. Staff will evaluate other budget areas for saving potential to offset the overage. The annual meetings expense currently reflects a budget deficit; however, this is related to the timing of payments for the

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
For the Seven Months Ended July 31, 2022**

Celebration of Philanthropy will correct in future months. New hires and other staff life events have resulted in an overage on staff recognition expense. This overage will run through to year end. Despite this, the development operating actual continues to reflect a surplus over the budgeted amount.

**Note:** The Expendable Operating Cash-on-Hand is at 8.5 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 7/31/2022 was \$275,048,218. The one-year Total Return for the Long-Term Endowment Portfolio was -8.6% compared to the Policy Index of -6.6%.

The market value of the Medium-Term Fund portfolio at 7/31/2022 was \$9527,888. The one-year Total Return for the Medium-Term Endowment Portfolio was -9.7% compared to the Policy Index of -8.7%.

The market value of the ESG Fund portfolio at 7/31/2022 was \$6,337,040. The one-year Total Return for the ESG Portfolio was -7.8% compared to the Policy Index of -9.4%.

The market value of the DRIM Fund portfolio at 7/31/2022 was \$2,800,701. At 6/30/22, the one-year Total Return for the DRIM Portfolio was -15.1% compared to the Policy Index of -16.3%. 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 \$1,496,944 and total expenses were \$12,845,575. 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 \$1,625,961.23 including:

Pebble Beach Company	7/1/2022	132,779	Del Monte Forest Conservancy Fund
Taylor Farms Retail, Inc.	7/1/2022	198,000	Taylor Farms Scholarship Fund
County of Monterey	7/5/2022	124,478	Community Health Literacy Program
County of Monterey	7/7/2022	174,446	COVID-19 Collaborative Community Health Workers

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
For the Seven Months Ended July 31, 2022**

Anonymous	7/13/2022	168,713	DeWitt Fund
County of Monterey	7/15/2022	133,389	Community Health Literacy Program
County of Monterey	7/15/2022	174,446	COVID-19 Collaborative Community Health Workers
Mr. Robert Kent	7/18/2022	45,000	Pass Thru Fund
Gateway Center of Monterey County Inc.	7/18/2022	100,000	Gateway Center Mary Lou Cortright Legacy Fund
East Bay Community Foundation	7/22/2022	71,400	AGB Scholarship Fund
Taylor Farms Retail, Inc.	7/29/2022	117,300	Taylor Farms Scholarship Fund

Grants to agencies for the month totaling \$5,043,878.68 were approved and recorded.

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**STATEMENT OF FINANCIAL POSITION**  
**CONSOLIDATED - ALL FUNDS**  
For the Seven Months Ended July 31, 2022 and July 31, 2021

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL July 31, 2022</u>	<u>TOTAL July 31, 2021</u>
<b>ASSETS</b>							
<b>Cash:</b>							
Cash & Cash Equivalents	3,834,483	2,952,686	7,046	4,575,751	0	11,369,966	18,701,436
Investments - Long Term Fund Portfolio	0	0	186,610,731	88,437,487	0	275,048,218	307,372,444
Investments - Medium Term Fund Portfolio	659,402	0	0	8,868,487	0	9,527,888	9,688,736
Investments - ESG Fund Portfolio	0	0	3,778,617	2,558,423	0	6,337,040	5,680,073
Separately Invested - DRIM Portfolio	0	0	0	2,800,701	0	2,800,701	3,598,092
Separately Invested - Pony Trust	0	291,017	0	0	0	291,017	327,445
<b>Total Cash &amp; Investments</b>	<b>4,493,884</b>	<b>3,243,704</b>	<b>190,396,394</b>	<b>107,240,848</b>	<b>0</b>	<b>305,374,830</b>	<b>345,368,225</b>
<b>Accounts Receivable:</b>							
Pledges & Contributions Receivable	747	0	0	4,500	0	5,247	906,679
Bequests & Remainder Interest	0	0	0	0	0	0	0
Due from OPER	0	0	1,003,029	0	0	1,003,029	1,080,711
Investment in an LLC	0	0	0	0	0	0	0
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
<b>Total Accounts Receivable</b>	<b>747</b>	<b>0</b>	<b>1,003,029</b>	<b>4,500</b>	<b>27,065,325</b>	<b>28,073,601</b>	<b>28,701,721</b>
<b>Other Assets:</b>							
Prepaid Expenses	5,500	0	0	0	0	5,500	7,344
Property-Net of Depreciation	1,790,293	0	0	0	0	1,790,293	1,847,764
<b>Total Other Assets</b>	<b>1,795,793</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,795,793</b>	<b>1,855,108</b>
<b>TOTAL ASSETS</b>	<b>6,290,425</b>	<b>3,243,704</b>	<b>191,399,422</b>	<b>107,245,348</b>	<b>27,065,325</b>	<b>335,244,224</b>	<b>375,925,055</b>

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**STATEMENT OF FINANCIAL POSITION**  
**CONSOLIDATED - ALL FUNDS**  
For the Seven Months Ended July 31, 2022 and July 31, 2021

<b>LIABILITIES &amp; NET ASSETS</b>	<b>COMBINED OPERATING</b>	<b>SPECIAL PROGRAMS</b>	<b>ENDOWMENT</b>	<b>NON ENDOWED</b>	<b>BEQUEST, CRT RECEIVABLES</b>	<b>TOTAL July 31, 2022</b>	<b>TOTAL July 31, 2021</b>
<b>Liabilities:</b>							
Grants Payable	0	2,471,902	446,600	367,896	0	3,286,398	1,255,487
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	1,204,247	0	8,371,490		15,323,652	24,899,389	6,198,703
<b>Total Liabilities</b>	<b>1,204,247</b>	<b>2,471,902</b>	<b>8,818,090</b>	<b>56,817,825</b>	<b>15,323,652</b>	<b>84,635,716</b>	<b>79,950,720</b>
<b>Net Assets:</b>							
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	(302,295)	(11,375,811)	(26,524,602)	(13,818,355)	(580,550)	(52,601,613)	24,014,919
<b>Total Net Assets</b>	<b>5,086,178</b>	<b>771,802</b>	<b>182,581,332</b>	<b>50,427,523</b>	<b>11,741,674</b>	<b>250,608,508</b>	<b>295,974,335</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>6,290,425</b>	<b>3,243,704</b>	<b>191,399,422</b>	<b>107,245,348</b>	<b>27,065,325</b>	<b>335,244,224</b>	<b>375,925,055</b>

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**STATEMENT OF ACTIVITIES**  
**CONSOLIDATED - ALL FUNDS**  
For the Seven Months Ended July 31, 2022 and July 31, 2021

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL July 31, 2022</u>	<u>TOTAL July 31, 2021</u>
<b>SUPPORT AND REVENUE:</b>							
Contributions	48,141	1,357,049	906,719	6,993,292	0	9,305,201	17,968,569
Interfund Gifts	38,251	5,000	27,946	774,590	0	845,787	486,877
Pledge Payments Received	0	0	0	0	0	0	2,392,303
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	541,418
Income from Related Party (LLC)	0	0	0	0	0	0	0
Interest & Dividend Income	12,610	4,616	1,995,457	1,029,466	0	3,042,149	3,856,635
Administrative Fees	2,010,350	0	0	0	0	2,010,350	1,851,532
Fees from Special Projects	53,854	0	0	0	0	53,854	79,110
Workshop and Contract Service Income	25,360	0	0	0	0	25,360	576
Misc Income/Returned Grants	1,615	130,279	3,215	31,434	0	166,542	19,237
<b>Total Support and Revenue</b>	<b>2,206,376</b>	<b>1,496,944</b>	<b>3,726,854</b>	<b>8,828,782</b>	<b>250,488</b>	<b>16,509,444</b>	<b>31,237,962</b>
<b>EXPENSES:</b>							
<b>Operating Expenses and Distributions:</b>							
Salaries & Benefits	1,683,761	39,719	0	0	0	1,723,480	1,496,846
Administrative Costs	511,102	379,788	0	4,328	0	895,217	663,777
Occupancy Costs	112,158	0	0	0	0	112,158	89,791
Development Expenses	125,374	34,586	0	240	0	160,200	106,559
Board & Committee Expenses	198	0	0	0	0	198	673
<b>Total Operating Expenses</b>	<b>2,432,593</b>	<b>454,093</b>	<b>0</b>	<b>4,568</b>	<b>0</b>	<b>2,891,253</b>	<b>2,357,646</b>



**COMMUNITY FOUNDATION FOR MONTEREY COUNTY**  
**STATEMENT OF ACTIVITIES**  
**CONSOLIDATED - ALL FUNDS**  
For the Seven Months Ended July 31, 2022 and July 31, 2021

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL July 31, 2022</u>	<u>TOTAL July 31, 2021</u>
<b>Grants and Grant Related Expenses:</b>							
Grants	0	12,223,764	4,849,569	5,552,970	0	22,626,303	23,515,820
Interfund Grants	0	2,793	381,245	461,750	0	845,787	486,877
Pledge Payments Paid	0	0	0	0	0	0	13,384
Bequests Payments/Transfers	0	0	0	0	809,711	809,711	4,861,586
Other Expenses	0	162,028	0	1,633	0	163,661	43,429
Other Payments/Transfers	0	0	(2,182,967)	2,182,967	0	0	0
Grant Related Expenses	0	0	0	0	0	0	0
Administrative Fees	0	2,897	1,362,062	624,064	21,326	2,010,350	1,915,017
Fees to Managers	200	0	117,232	58,360	0	175,792	171,208
<b>Total Grants and Grant Related Expenses</b>	<b>200</b>	<b>12,391,482</b>	<b>4,527,141</b>	<b>8,881,743</b>	<b>831,038</b>	<b>26,631,603</b>	<b>31,007,321</b>
<b>Total Expenses and Grants</b>	<b>2,432,793</b>	<b>12,845,575</b>	<b>4,527,141</b>	<b>8,886,311</b>	<b>831,038</b>	<b>29,522,857</b>	<b>33,364,967</b>
<b>Excess of Revenues (Expenses)</b>							
Before Gains on Investments & Transfers	(226,417)	(11,348,630)	(800,287)	(57,529)	(580,550)	(13,013,413)	(2,127,005)
<b>GAINS(LOSS) ON INVESTMENTS and Other Income:</b>							
Realized-Gain (Loss)	0	0	941	1,639	0	2,581	7,439
Unrealized-Gain(Loss)	(75,878)	(27,181)	(25,725,257)	(13,762,466)	0	(39,590,781)	25,723,084
Other Income	0	0	0	0	0	0	411,402
<b>Total Gain/(Loss) on Investments and Other Income:</b>	<b>(75,878)</b>	<b>(27,181)</b>	<b>(25,724,315)</b>	<b>(13,760,826)</b>	<b>0</b>	<b>(39,588,201)</b>	<b>26,141,924</b>
<b>Change in Net Assets</b>	<b>(302,295)</b>	<b>(11,375,811)</b>	<b>(26,524,602)</b>	<b>(13,818,355)</b>	<b>(580,550)</b>	<b>(52,601,613)</b>	<b>24,014,919</b>
<b>Net Assets Beginning of Year</b>	<b>5,388,473</b>	<b>12,147,613</b>	<b>209,105,934</b>	<b>64,245,878</b>	<b>12,322,224</b>	<b>303,210,122</b>	<b>271,959,415</b>
<b>Net Assets, End of Period</b>	<b>5,086,178</b>	<b>771,802</b>	<b>182,581,332</b>	<b>50,427,523</b>	<b>11,741,674</b>	<b>250,608,508</b>	<b>295,974,335</b>

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

**For the Seven Months Ended July 31, 2022 and July 31, 2021**

	Year-To-Date			YTD Actual 7/31/2021
	Actual	Budget	Variance	
<b>REVENUE</b>				
Contributions - Foundations	34,739	12,000	22,739	298,808
Contributions - Indiv/Corp	13,402	6,000	7,402	33,570
Contributions - Interfund	38,251	20,000	18,251	48,051
Bequests Received	16,196	28,294	(12,098)	60,389
Admin Fees	2,010,350	1,974,050	36,300	1,851,532
Special Project Fees	53,854	40,520	13,334	79,110
Workshops/Contracts	25,360	22,000	3,360	576
Miscellaneous Income	1,615	19,400	(17,785)	11,588
Interest and Dividends	12,610	4,956	7,654	15,567
<b>Total Revenue</b>	<b>2,206,376</b>	<b>2,127,220</b>	<b>79,156</b>	<b>2,399,190</b>
<b>EXPENSE</b>				
<b>Personnel</b>				
Salaries and Wages	1,318,686	1,410,359	(91,673)	1,136,158
Payroll Taxes	102,014	105,090	(3,076)	85,507
Insurance and Other Benefits	263,061	335,665	(72,604)	249,516
<b>Sub-total</b>	<b>1,683,761</b>	<b>1,851,114</b>	<b>(167,353)</b>	<b>1,471,180</b>
<b>Administrative</b>				
Supplies	13,242	12,250	992	8,249
Equip / Computer Maintenance	79,498	133,875	(54,377)	78,152
Bank Charges	9,550	4,081	5,469	6,958
Printing	14,565	18,625	(4,060)	16,956
Postage / Freight	13,164	16,850	(3,686)	9,679
Dues/Subscriptions	43,023	45,157	(2,134)	42,443
Services (legal, acct, consult)	232,679	166,951	65,728	192,940
D&O Insurance	6,160	12,500	(6,340)	0
Telecommunications	31,648	34,601	(2,953)	27,353
Conferences & Training	14,583	28,469	(13,886)	4,310
Miscellaneous	147	4,991	(4,844)	3,514
Depreciation	52,843	52,843	0	46,487
<b>Sub-total</b>	<b>511,102</b>	<b>531,193</b>	<b>(20,091)</b>	<b>437,042</b>
<b>Facilities</b>				
Property / Liability Insurance	11,267	11,925	(658)	11,305
Maintenance / Repairs	8,224	17,500	(9,276)	4,691
Janitorial & Landscaping	14,632	14,175	457	12,939
Rent	23,020	32,823	(9,803)	14,740
Mortgage, Interest & Property Taxes	24,027	25,022	(995)	25,788
Utilities	30,987	18,669	12,318	20,327
<b>Sub-total</b>	<b>112,158</b>	<b>120,114</b>	<b>(7,956)</b>	<b>89,791</b>
<b>Development, Program &amp; Staff</b>				
Donor Development	19,289	28,550	(9,261)	13,551
Advertising & Promotion	28,268	33,886	(5,618)	20,589
Mileage, Meals & Meetings	2,388	4,547	(2,159)	108
Workshops	9,264	23,965	(14,701)	1,225
Annual Meetings	8,872	0	8,872	0
75th Anniversary Expenses	0	0	0	0
Annual Report	51,144	32,000	19,144	7,940
Staff Recognition Expenses	6,149	4,000	2,149	3,461
Board & Committee Expenses	198	2,425	(2,227)	673
<b>Sub-total</b>	<b>125,572</b>	<b>129,373</b>	<b>(3,801)</b>	<b>47,547</b>
<b>Total Expenses</b>	<b>2,432,593</b>	<b>2,631,794</b>	<b>(199,201)</b>	<b>2,045,560</b>
<b>Net Income / (Loss) Before Investment Returns and Other Income</b>				
	<b>(226,217)</b>	<b>(504,574)</b>	<b>278,357</b>	<b>353,630</b>
Realized Gains/(Losses)	0	0	0	0
Unrealized Gains/(Losses)	(75,878)	0	(75,878)	17,371
Other Income	0	0	0	411,402
Investment Management Fee	200	0	200	206
<b>Net Income / (Loss) Including Investment Returns</b>	<b>(302,295)</b>	<b>(504,574)</b>	<b>202,279</b>	<b>782,197</b>