



Here for Good

Community Foundation
for Monterey County

FINANCIAL STATEMENT

For the Nine Months Ended September 30, 2022

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
FINANCIAL REPORTS
For the Nine Months Ended September 30, 2022**

TABLE OF CONTENTS

Section I – Financial Reports	Page(s)
Notes to Financial Statements	1 - 3
Statement of Financial Position	4 - 5
Statement of Activities	6 - 7
Section II – Combined Operating Fund Reports	
Comparisons of Actual to Budget - Operating Fund	8
Section III – Fund Reports	
Sources and Uses of Funds	9

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

Assets

Total Assets through 9/30/2022 are \$305,221,503 which reflects a 15.46% decrease since September 2021 and a 21.07% 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 \$401,712 and unrealized losses were \$71,834,239, for a total loss of \$71,432,527. (p. 7)

Operating Fund

Total revenue was \$65,832 less than the budget, and total expenses were \$190,521 below budget. Unrealized losses were \$130,424 on the operating reserve held in the Medium-Term Fund portfolio. The actual net operating deficit is \$281,589 compared to a budgeted deficit of \$275,596. (p. 8)

Revenue dropped below budgeted amounts in September. Projections for the fourth quarter administrative fees based on the September 30 fund balance reflect fees lower than budgeted. However, staff efforts to find cost savings is expected to keep the cash on hand stable through year-end.

Salaries and benefits continue to be below budgeted amounts due to vacant positions throughout the year. CFMC is now fully staffed and, while the salary increases related to the Croner salary study were approved as a budget amendment, additional unbudgeted salary increases will erode the salary savings over time. In addition, the renewal of the medical insurance, effective September 1, 2022, was higher than the budgeted expected increase. Savings through September related to staff members declining budgeted coverage will offset the higher cost in the fourth quarter. Overall, salaries and benefits are expected to remain slightly under budget through the end of year.

Overall administrative expenses continue to be below budget due to cost savings on systems maintenance costs and anticipated conferences that continued to be held virtually. However, higher than budgeted bank charges due to fees assessed on large credit card donations contracted services for high level accounting assistance during the Director of Finance recruitment have resulted in overages in bank fees and 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 partially offset by a variance (over) on utilities as the agreement shifted the expense classification. This will continue through the end of year and be corrected in the 2023 budget.

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

Unexpected increases in printing, postage, and design services resulted in a budget overage for production of the annual report. The printing service was \$10,057 over budget due to paper and supply chain issues contributing to an overall overage of \$19,144. Staff is evaluating the production for cost savings in future years. New hires and other staff life events have resulted in an overage on staff recognition expense. This overage will run through to year end. Overall, Development, Program & Staff is reflecting expenditures that are \$29,712 under budget. Staff is monitoring expenditures for potential areas of savings in the category; however, resumption of events is anticipated to diminish this budget savings by year-end.

Note: The Expendable Operating Cash-on-Hand is at 8.8 months, excluding the operating reserve of \$500,000 and the building reserve of \$150,000. (p. 9)

Portfolio Performance

The market value of the Long-Term Fund portfolio at 9/30/2022 was \$245,068,463. The one-year Total Return for the Long-Term Endowment Portfolio was -17.2% compared to the Policy Index of -15.3%. (p. 10-13)

The market value of the Medium-Term Fund portfolio at 9/30/2022 was \$9,125,504. The one-year Total Return for the Medium-Term Endowment Portfolio was -15.8% compared to the Policy Index of -15.4%. (p. 14-16)

The market value of the ESG Fund portfolio at 9/30/2022 was \$7,544,089. The one-year Total Return for the ESG Portfolio was -16.3% compared to the Policy Index of -17.9%. (p. 17-19)

The market value of the DRIM Fund portfolio at 9/30/2022 was \$2,591,970. At 8/31/22, the one-year Total Return for the DRIM Portfolio was -12.2% compared to the Policy Index of -10.2% on a balance of \$2,806,906. Due to the timing of the DRIM reports, there is a one-month lag in the performance reporting. (p. 20-21)

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 \$1,707,468 and total expenses were \$12,985,755. 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 \$2,486,235 including: (p. 38-42)

Anonymous

9/1/2022 92,965

Pass Thru Fund

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

Jan and Tannie Mandel Family Trust	9/1/2022	483,408	Jan and Tannie Mandel Fund
Marsha McMahan Zelus	9/12/2022	300,181	Marsha McMahan Zelus Fund
Monterey College of Law	9/12/2022	1,046,080	Monterey College of Law Fund
Dr. George Somero and Dr. Amy Anderson	9/21/2022	49,426	Amy Anderson and George Somero Fund
Pacific Grove Public Library Foundation	9/21/2022	61,000	Pacific Grove Public Library Foundation Fund
Gateway Center of Monterey County Inc.	9/21/2022	100,000	Gateway Center Mary Lou Cortright Legacy Fund
County of Monterey	9/22/2022	138,376	Community Health Literacy Program

Grants to agencies for the month totaling \$2,602,370 were approved and recorded. (p. 43-49)

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL September 30, 2022</u>	<u>TOTAL September 30, 2021</u>
ASSETS							
Cash:							
Cash & Cash Equivalents	3,918,790	2,642,280	1,250	4,158,878	0	10,721,198	11,895,574
Investments - Long Term Fund Portfolio	0	0	166,346,247	78,722,216	0	245,068,463	300,422,330
Investments - Medium Term Fund Portfolio	606,930	0	0	8,518,574	0	9,125,504	9,626,461
Investments - ESG Fund Portfolio	0	0	3,420,952	4,123,137	0	7,544,089	5,589,390
Separately Invested - DRIM Portfolio	0	0	0	2,591,970	0	2,591,970	3,461,407
Separately Invested - Pony Trust	0	274,018	0	0	0	274,018	324,088
Total Cash & Investments	4,525,719	2,916,298	169,768,448	98,114,776	0	275,325,242	331,319,250
Accounts Receivable:							
Pledges & Contributions Receivable	0	0	0	4,500	0	4,500	902,929
Bequests & Remainder Interest	0	0	0	0	0	0	0
Due from OPER	0	0	989,529	0	0	989,529	1,068,319
Investment in an LLC	0	0	0	0	0	0	0
Charitable Remainder Trusts	0	0	0	0	21,198,143	21,198,143	21,360,674
Charitable Gift Annuities	0	0	0	0	5,923,395	5,923,395	4,520,833
Total Accounts Receivable	0	0	989,529	4,500	27,121,537	28,115,566	27,852,755
Other Assets:							
Prepaid Expenses	5,500	0	0	0	0	5,500	7,344
Property-Net of Depreciation	1,775,195	0	0	0	0	1,775,195	1,843,019
Total Other Assets	1,780,695	0	0	0	0	1,780,695	1,850,363
TOTAL ASSETS	6,306,415	2,916,298	170,757,977	98,119,276	27,121,537	305,221,503	361,022,368

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL September 30, 2022</u>	<u>TOTAL September 30, 2021</u>
LIABILITIES & NET ASSETS							
Liabilities:							
Grants Payable	0	2,090,490	429,600	305,000	0	2,825,090	1,230,013
Contingent Liabilities	0	0	0	0	0	0	16,283,259
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	1,199,530	0	8,371,490		15,357,946	24,928,967	1,203,752
Total Liabilities	1,199,530	2,090,490	8,801,090	56,754,929	15,357,946	84,203,986	74,996,507
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	(281,589)	(11,321,805)	(47,149,047)	(22,881,531)	(558,633)	(82,192,605)	14,066,446
Total Net Assets	5,106,884	825,808	161,956,887	41,364,347	11,763,591	221,017,517	286,025,862
TOTAL LIABILITIES & NET ASSETS	6,306,415	2,916,298	170,757,977	98,119,276	27,121,537	305,221,503	361,022,368

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL September 30, 2022</u>	<u>TOTAL September 30, 2021</u>
SUPPORT AND REVENUE:							
Contributions	78,922	1,565,723	2,497,417	11,112,034	0	15,254,096	19,202,275
Interfund Gifts	42,674	5,000	95,446	777,090	0	920,210	804,422
Pledge Payments Received	0	0	0	0	0	0	2,392,303
Future Contributions-A/R-Pledge-CRT-CGA	0	0	0	0	178,660	178,660	89,405
Contributions Received via Bequest	47,310	0	793,517	0	0	840,827	3,520,562
Change in Value, Split Interest Trusts, Future Assets	0	0	0	0	102,533	102,533	1,598,814
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	16,064	6,466	2,812,324	1,448,696	0	4,283,551	4,944,324
Administrative Fees	2,789,915	0	0	0	0	2,789,915	2,648,620
Fees from Special Projects	64,271	0	0	0	0	64,271	107,830
Workshop and Contract Service Income	26,638	0	0	0	0	26,638	576
Misc Income/Returned Grants	1,615	130,279	3,215	31,434	0	166,542	34,462
Total Support and Revenue	3,067,408	1,707,468	6,201,920	13,369,255	281,193	24,627,243	35,885,010
EXPENSES:							
Operating Expenses and Distributions:							
Salaries & Benefits	2,309,611	1,860	0	0	0	2,311,471	1,943,325
Administrative Costs	588,979	473,219	0	15,028	0	1,077,226	990,017
Occupancy Costs	151,683	0	0	0	0	151,683	117,833
Development Expenses	167,845	58,530	0	240	0	226,615	169,833
Board & Committee Expenses	198	0	0	0	0	198	233
Total Operating Expenses	3,218,315	533,609	0	15,268	0	3,767,192	3,221,241

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL September 30, 2022</u>	<u>TOTAL September 30, 2021</u>
Grants and Grant Related Expenses:							
Grants	0	12,272,964	6,473,962	7,944,957	0	26,691,883	29,515,629
Interfund Grants	0	2,793	400,668	516,750	0	920,210	804,422
Pledge Payments Paid	0	0	0	0	0	0	13,384
Bequests Payments/Transfers	0	0	0	0	809,711	809,711	5,888,745
Other Expenses	0	173,257	0	2,583	0	175,840	50,546
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	3,132	1,988,250	799,364	30,114	2,820,860	2,648,620
Fees to Managers	259	0	134,109	67,257	0	201,625	197,041
Total Grants and Grant Related Expenses	259	12,452,146	6,814,022	11,513,877	839,826	31,620,129	39,118,387
Total Expenses and Grants	3,218,574	12,985,755	6,814,022	11,529,145	839,826	35,387,321	42,339,628
Excess of Revenues (Expenses)							
Before Gains on Investments & Transfers	(151,165)	(11,278,288)	(612,102)	1,840,110	(558,633)	(10,760,078)	(6,454,618)
GAINS(LOSS) ON INVESTMENTS and Other Income:							
Realized-Gain (Loss)	0	0	286,048	115,664	0	401,712	3,898
Unrealized-Gain(Loss)	(130,424)	(43,518)	(46,822,993)	(24,837,304)	0	(71,834,239)	20,105,765
Other Income	0	0	0	0	0	0	411,402
Total Gain/(Loss) on Investments and Other Income:	(130,424)	(43,518)	(46,536,945)	(24,721,641)	0	(71,432,527)	20,521,065
Change in Net Assets	(281,589)	(11,321,805)	(47,149,047)	(22,881,531)	(558,633)	(82,192,605)	14,066,446
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	5,106,884	825,808	161,956,887	41,364,347	11,763,591	221,017,517	286,025,862

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

For the Nine Months Ended September 30, 2022 and September 30, 2021

	Year-To-Date			YTD Actual 9/30/2021
	Actual	Budget	Variance	
REVENUE				
Contributions - Foundations	36,839	12,000	24,839	305,307
Contributions - Indiv/Corp	42,083	6,000	36,083	45,672
Contributions - Interfund	42,674	20,000	22,674	52,236
Bequests Received	47,310	36,378	10,932	80,932
Admin Fees	2,789,915	2,956,350	(166,435)	2,648,620
Special Project Fees	64,271	49,240	15,031	107,830
Workshops/Contracts	26,638	22,000	4,638	576
Miscellaneous Income	1,615	24,900	(23,285)	11,588
Interest and Dividends	16,064	6,372	9,692	18,648
Total Revenue	3,067,408	3,133,240	(65,832)	3,271,408
EXPENSE				
Personnel				
Salaries and Wages	1,809,374	1,830,557	(21,183)	1,473,957
Payroll Taxes	135,496	132,157	3,339	107,984
Insurance and Other Benefits	364,741	443,018	(78,277)	320,003
Sub-total	2,309,611	2,405,732	(96,121)	1,901,944
Administrative				
Supplies	17,381	15,750	1,631	11,556
Equip / Computer Maintenance	107,605	190,125	(82,520)	104,025
Bank Charges	10,296	5,247	5,049	7,860
Printing	17,212	22,875	(5,663)	16,956
Postage / Freight	14,302	24,000	(9,698)	9,694
Dues/Subscriptions	48,945	48,813	132	44,346
Services (legal, acct, consult)	242,952	184,767	58,185	218,975
D&O Insurance	6,160	12,500	(6,340)	0
Telecommunications	40,636	44,487	(3,851)	38,263
Conferences & Training	15,403	35,603	(20,200)	5,549
Miscellaneous	147	6,417	(6,270)	10,063
Depreciation	67,941	67,941	0	59,769
Sub-total	588,979	658,525	(69,546)	527,055
Facilities				
Property / Liability Insurance	19,007	11,925	7,082	11,805
Maintenance / Repairs	8,346	18,500	(10,154)	7,141
Janitorial & Landscaping	23,071	18,225	4,846	16,193
Rent	29,795	42,201	(12,406)	23,162
Mortgage, Interest & Property Taxes	30,691	31,970	(1,279)	32,972
Utilities	40,773	24,003	16,770	26,560
Sub-total	151,683	146,824	4,859	117,833
Development, Program & Staff				
Donor Development	28,556	63,550	(34,994)	18,542
Advertising & Promotion	39,278	44,086	(4,808)	24,890
Mileage, Meals & Meetings	5,290	5,849	(559)	185
Workshops	11,579	30,095	(18,516)	1,315
Annual Meetings	21,700	15,000	6,700	14,685
75th Anniversary Expenses	0	0	0	0
Annual Report	51,144	32,000	19,144	30,498
Staff Recognition Expenses	10,298	4,400	5,898	6,079
Board & Committee Expenses	198	2,775	(2,577)	233
Sub-total	168,043	197,755	(29,712)	96,426
Total Expenses	3,218,315	3,408,836	(190,521)	2,643,259
Net Income / (Loss) Before Investment Returns and Other Income				
	(150,907)	(275,596)	124,689	628,149
Realized Gains/(Losses)	0	0	0	5
Unrealized Gains/(Losses)	(130,424)	0	(130,424)	8,545
Other Income	0	0	0	411,402
Investment Management Fee	259	0	259	264
Net Income / (Loss) Including Investment Returns	(281,589)	(275,596)	(5,993)	1,047,837

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
SOURCES AND USES OF FUNDS**

For the Nine Months Ended September 30, 2022 (with comparative percentages for September 30, 2021)

Source of Funds			
Description	Total	% of	9/30/2021
	Contributions	Total	% of Total
Agency Contributions	2,062,516	13.09%	10.85%
Bequests	1,586,966	10.08%	0.16%
Board & Staff	0	0.00%	0.31%
CFMC Annual Appeal	0	0.00%	0.00%
Corporate Contributions	2,706,634	17.18%	8.77%
Foundation Contributions	3,480,272	22.10%	48.27%
Individual Contributions	5,661,654	35.95%	31.13%
IRA Rollover	60,797	0.39%	0.37%
Monterey County Gives Campaign	0	0.00%	-0.05%
Memorial/Honor	46,420	0.29%	0.14%
Newsletter/Annual Report Insert	0	0.00%	0.03%
Returned Grants	144,279	0.92%	0.03%
Special Project	1,000	0.01%	0.00%
Women's Fund Lunch	0	0.00%	0.00%
Sub-Total Contributions	15,750,537	100.00%	100.00%
YE Agency Funds Adjustment	0	0.00%	0.00%
YE Stewardship Funds Adjustment	0	0.00%	0.00%
TOTAL	15,750,537	100.00%	100.00%

Disbursement of Funds			
Description	Total	% of	9/30/2021
Grants		Total	% of Total
Affiliate Fund	80,000	0.30%	0.36%
Awards	0	0.00%	0.00%
Community Impact	2,161,512	8.09%	5.99%
Donor Advised	4,414,045	16.52%	27.46%
Board/CEO Discretionary	1,244,203	4.66%	4.81%
Employee Matching	100	0.00%	0.00%
Field of Interest	129,295	0.48%	0.42%
Monterey County Gives	9,506,941	35.59%	25.98%
Neighborhood Grants	30,750	0.12%	0.01%
Opportunity	18,200	0.07%	0.10%
Organizational Development	57,066	0.21%	0.15%
Pass Through	85,350	0.32%	0.50%
Restricted & Designated Agency Funds	4,880,952	18.27%	14.10%
Scholarships	1,514,663	5.67%	4.33%
Special Projects	2,588,411	9.69%	15.75%
Sub-Total Grants	26,711,489	100.00%	99.96%
General Operating & Programs	0	0.00%	0.00%
Other Fund Expenses	0	0.00%	0.04%
Prior period voided grants	0	0.00%	0.00%
YE Agency Funds Adjustment	0	0.00%	0.00%
YE Stewardship Funds Adjustment	0	0.00%	0.00%
TOTAL	26,711,489	100.00%	100.00%

by Region	% of Total	09/30/2021 % of Total
Big Sur	4.08%	9.24%
Other County	4.70%	3.17%
Countywide	40.16%	33.01%
Neighboring County	1.07%	0.83%
Monterey Peninsula	23.78%	15.63%
Multiple Areas	2.24%	12.82%
North County	2.92%	2.46%
Salinas/Salinas Valley	10.38%	8.87%
Seaside - Marina	1.91%	2.85%
South County	5.37%	4.03%
Outside CA	3.39%	7.04%
Outside the US	0.00%	0.07%
	100.00%	100.00%

by Program Area	% of Total	09/30/2021 % of Total
Arts, Culture & Humanities	11.15%	9.73%
Education	17.81%	18.94%
Environment & Animal Welfare	15.19%	12.29%
Health (Individual & Community)	17.07%	15.54%
Human Services	21.59%	26.81%
International & Foreign Affairs	0.46%	0.35%
Public & Community Benefit	14.89%	15.36%
Recreation & Sports	0.00%	0.00%
Religion-related	1.84%	0.99%
	100.00%	100.00%