



Here for Good

Community Foundation

for Monterey County

FINANCIAL STATEMENT

For the Ten Months Ended October 31, 2022

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
FINANCIAL REPORTS
For the Ten Months Ended October 31, 2022**

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COMMUNITY FOUNDATION FOR MONTEREY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Ten Months Ended October 31, 2022

Assets

Total Assets through 10/31/2022 are \$321,069,962 which reflects a 13.82% decrease since October 2021 and a 16.97% decrease since December 2021. (p. 6)

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. In October, Mr. & Mrs. William and Nancy Doolittle made a contribution to their CRT in the amount of \$477,896 and Marc Rosen added \$210,000. In addition, two new CGA accounts were opened. Lawrence Tartaglino and Marian Buccafurni each established a \$50,000 CGA. (p. 6)

Realized and Unrealized Gains and Losses on Investments

Net year-to-date realized gains were \$466,855 and unrealized losses were \$61,886,772, for a total loss of \$61,419,917. (p. 8)

Operating Fund

Total revenue was \$74,728 less than the budget, and total expenses were \$266,167 below budget. Unrealized losses were \$121,520 on the operating reserve held in the Medium-Term Fund portfolio. The actual net operating deficit is \$555,853 compared to a budgeted deficit of \$625,483. (p. 9)

Revenue continued to be below budgeted amounts in October. 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 October 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. Computer and database maintenance charges are significantly under budget as a result of software service conversions that did not take place in 2022. These conversions are included in the 2023 budget to occur in conjunction with the proposed database conversion. In addition, services continue to be higher than budgeted due to contracted accounting services during the Director of Finance recruitment.

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

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
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For the Ten Months Ended October 31, 2022

(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.

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 \$67,775 under budget. Staff is monitoring expenditures for potential areas of savings in the category; however, resumption of events is expected to diminish this budget savings by year-end.

Note: The Expendable Operating Cash-on-Hand is at 8.6 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 10/31/2022 was \$254,675,170. The one-year Total Return for the Long-Term Endowment Portfolio was -16.6% compared to the Policy Index of -15.1%.

The market value of the Medium-Term Fund portfolio at 10/31/2022 was \$9,283,961. The one-year Total Return for the Medium-Term Endowment Portfolio was -15.6% compared to the Policy Index of -15.6%.

The market value of the ESG Fund portfolio at 10/31/2022 was \$8,215,416. The one-year Total Return for the ESG Portfolio was -16.2% compared to the Policy Index of -17.3%.

The market value of the DRIM Fund portfolio at 10/31/2022 was \$2,792,467. At 9/30/22, the one-year Total Return for the DRIM Portfolio was -14.3% compared to the Policy Index of -17.7% on a balance of \$2,591,970. 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 \$4,171,946 and total expenses were \$13,055,090. This includes grant expense of \$9,493,617 for the 2021 Monterey County Gives campaign. (p. 7-8)

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

Total new contributions for the month were \$6,780,477 including \$1,775,419 to the 2022 Monterey County Gives campaign. Other new contributions included:

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

Anonymous	10/4/2022	36,899	College Futures Monterey County Fund
County of Monterey	10/6/2022	136,033	Community Health Literacy Program
County of Monterey	10/6/2022	174,446	COVID-19 Collaborative Community Health Workers
Meals on Wheels of the Monterey Peninsula	10/6/2022	260,000	Community Kitchen Fund
Taylor Fresh Foods, Inc.	10/10/2022	2,000,000	Gonzales Community Center Capital Campaign
Ms. Tracy Gibbons	10/11/2022	400,000	Tracy Gibbons Charitable Fund
Taylor Farms Retail, Inc.	10/12/2022	45,900	Taylor Farms Scholarship Fund
Mr. Larry Tartaglino	10/12/2022	50,000	Charitable Gift Annuities
Mr. & Mrs. Jerry and Natalie Rava	10/12/2022	100,000	Gonzales Community Center Capital Campaign
Anonymous	10/14/2022	215,351	DeWitt Fund
County of Monterey	10/17/2022	131,998	Community Health Literacy Program
Mr. Marc Rosen	10/17/2022	210,000	CRT Funds with CF as Trustee (Kaspick)
Mr. & Ms. Walter Dean and Ana M. Weidner	10/18/2022	100,000	The Weidner Foundation Fund
Mr. & Mrs. William and Nancy Doolittle	10/18/2022	300,000	CRT Funds with CF as Trustee (Kaspick)
Mr. & Mrs. William and Nancy Doolittle	10/20/2022	177,896	CRT Funds with CF as Trustee (Kaspick)
Ms. Marian Buccafurni	10/24/2022	50,000	Charitable Gift Annuities
Mr. & Ms. Walter Dean and Ana M. Weidner	10/24/2022	100,000	The Weidner Foundation Fund
Mr. Brooks McChesney	10/25/2022	50,958	McChesney Fund

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
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For the Ten Months Ended October 31, 2022**

County of Monterey - Auditor Controller	10/25/2022	174,446	COVID-19 Collaborative Community Health Workers
Mr. David Spradling	10/27/2022	38,500	Pass Thru Fund

Grants to agencies for the month totaling \$792,362 were approved and recorded.

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL October 31, 2022</u>	<u>TOTAL October 31, 2021</u>
ASSETS							
Cash:							
Cash & Cash Equivalents	3,603,554	5,032,693	1,300	6,488,014	0	15,125,562	12,424,804
Investments - Long Term Fund Portfolio	0	0	172,840,255	81,834,915	0	254,675,170	310,963,845
Investments - Medium Term Fund Portfolio	616,745	0	0	8,667,216	0	9,283,961	9,716,261
Investments - ESG Fund Portfolio	0	0	3,525,601	4,689,815	0	8,215,416	5,754,468
Separately Invested - DRIM Portfolio	0	0	0	2,792,467	0	2,792,467	3,636,617
Separately Invested - Pony Trust	0	271,473	0	0	0	271,473	322,450
Total Cash & Investments	4,220,299	5,304,167	176,367,156	104,472,426	0	290,364,048	342,818,444
Accounts Receivable:							
Pledges & Contributions Receivable	0	0	0	4,500	0	4,500	969,429
Bequests & Remainder Interest	0	0	0	0	0	0	0
Due from OPER	0	0	982,745	0	0	982,745	1,062,092
Investment in an LLC	0	0	0	0	0	0	0
Charitable Remainder Trusts	0	0	0	0	22,864,074	22,864,074	21,360,674
Charitable Gift Annuities	0	0	0	0	5,045,359	5,045,359	4,520,833
Total Accounts Receivable	0	0	982,745	4,500	27,909,433	28,896,679	27,913,028
Other Assets:							
Prepaid Expenses	5,500	0	0	0	0	5,500	7,344
Property-Net of Depreciation	1,803,735	0	0	0	0	1,803,735	1,837,428
Total Other Assets	1,809,235	0	0	0	0	1,809,235	1,844,772
TOTAL ASSETS	6,029,534	5,304,167	177,349,902	104,476,926	27,909,433	321,069,962	372,576,245

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL October 31, 2022</u>	<u>TOTAL October 31, 2021</u>
LIABILITIES & NET ASSETS							
Liabilities:							
Grants Payable	0	2,084,805	429,600	298,000	0	2,812,405	1,249,013
Contingent Liabilities	0	0	0	0	0	0	16,283,260
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	1,196,914	0	8,371,490		15,788,605	25,357,010	1,300,071
Total Liabilities	1,196,914	2,084,805	8,801,090	56,747,929	15,788,605	84,619,343	75,111,826
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	(555,853)	(8,928,251)	(40,557,123)	(16,516,881)	(201,396)	(66,759,504)	25,505,003
Total Net Assets	4,832,620	3,219,362	168,548,811	47,728,997	12,120,828	236,450,618	297,464,418
TOTAL LIABILITIES & NET ASSETS	6,029,534	5,304,167	177,349,902	104,476,926	27,909,433	321,069,962	372,576,245

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL October 31, 2022</u>	<u>TOTAL October 31, 2021</u>
SUPPORT AND REVENUE:							
Contributions	92,077	3,739,726	2,516,672	14,898,202	0	21,246,676	22,405,983
Interfund Gifts	43,174	294,500	95,446	838,090	0	1,271,210	939,474
Pledge Payments Received	0	0	0	0	0	0	2,392,303
Future Contributions-A/R-Pledge-CRT-CGA	0	0	0	0	535,897	535,897	80,905
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	17,991	7,441	2,972,513	1,541,959	0	4,539,903	5,112,526
Administrative Fees	2,801,587	0	0	0	0	2,801,587	2,656,092
Fees from Special Projects	69,480	0	0	0	0	69,480	122,190
Workshop and Contract Service Income	26,713	0	0	0	0	26,713	576
Misc Income/Returned Grants	1,615	130,279	3,215	31,434	0	166,542	34,725
Total Support and Revenue	3,099,946	4,171,946	6,381,363	17,309,685	638,430	31,601,369	39,405,567
EXPENSES:							
Operating Expenses and Distributions:							
Salaries & Benefits	2,553,390	1,860	0	0	0	2,555,251	2,322,031
Administrative Costs	622,693	500,944	0	15,828	0	1,139,464	1,074,101
Occupancy Costs	165,761	0	0	0	0	165,761	132,420
Development Expenses	191,948	69,474	0	240	0	261,662	214,196
Board & Committee Expenses	198	0	0	0	0	198	233
Total Operating Expenses	3,533,990	572,278	0	16,068	0	4,122,336	3,742,980

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL October 31, 2022</u>	<u>TOTAL October 31, 2021</u>
Grants and Grant Related Expenses:							
Grants	0	12,290,464	6,534,618	8,656,952	0	27,482,034	31,293,565
Interfund Grants	0	12,793	411,168	847,250	0	1,271,210	940,422
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	176,299	0	3,090	0	179,389	53,154
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	3,257	1,988,252	810,908	30,114	2,832,532	2,656,092
Fees to Managers	289	0	162,290	81,165	0	243,744	238,221
Total Grants and Grant Related Expenses	289	12,482,812	6,913,361	12,582,332	839,826	32,818,619	41,083,582
Total Expenses and Grants	3,534,279	13,055,090	6,913,361	12,598,400	839,826	36,940,955	44,826,563
Excess of Revenues (Expenses)							
Before Gains on Investments & Transfers	(434,333)	(8,883,145)	(531,999)	4,711,285	(201,396)	(5,339,586)	(5,420,996)
GAINS(LOSS) ON INVESTMENTS and Other Income:							
Realized-Gain (Loss)	0	(216)	286,048	181,023	0	466,855	14,505
Unrealized-Gain(Loss)	(121,520)	(44,890)	(40,311,172)	(21,409,189)	0	(61,886,772)	30,500,092
Other Income	0	0	0	0	0	0	411,402
Total Gain/(Loss) on Investments and Other Income:	(121,520)	(45,107)	(40,025,124)	(21,228,166)	0	(61,419,917)	30,925,999
Change in Net Assets	(555,853)	(8,928,251)	(40,557,123)	(16,516,881)	(201,396)	(66,759,504)	25,505,003
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	4,832,620	3,219,362	168,548,811	47,728,997	12,120,828	236,450,618	297,464,419

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

For the Ten Months Ended October 31, 2022 and October 31, 2021

	Year-To-Date			YTD Actual 10/31/2021
	Actual	Budget	Variance	
REVENUE				
Contributions - Foundations	36,839	12,000	24,839	308,308
Contributions - Indiv/Corp	55,238	6,000	49,238	49,043
Contributions - Interfund	43,174	20,000	23,174	52,236
Bequests Received	47,310	40,420	6,890	80,932
Admin Fees	2,801,587	2,975,774	(174,187)	2,656,092
Special Project Fees	69,480	53,600	15,880	122,190
Workshops/Contracts	26,713	22,000	4,713	576
Miscellaneous Income	1,615	37,800	(36,185)	11,588
Interest and Dividends	17,991	7,080	10,911	20,604
Total Revenue	3,099,946	3,174,674	(74,728)	3,301,568
EXPENSE				
Personnel				
Salaries and Wages	1,998,052	2,037,441	(39,389)	1,793,340
Payroll Taxes	147,290	145,187	2,103	123,598
Insurance and Other Benefits	408,048	493,837	(85,789)	356,552
Sub-total	2,553,390	2,676,465	(123,075)	2,273,489
Administrative				
Supplies	20,553	17,500	3,053	13,392
Equip / Computer Maintenance	114,954	203,250	(88,296)	112,622
Bank Charges	11,208	5,830	5,378	8,588
Printing	19,818	22,875	(3,057)	18,151
Postage / Freight	14,777	24,500	(9,723)	10,746
Dues/Subscriptions	49,890	50,441	(551)	44,346
Services (legal, acct, consult)	248,277	196,810	51,467	231,137
D&O Insurance	6,160	12,500	(6,340)	0
Telecommunications	45,208	49,430	(4,222)	42,353
Conferences & Training	16,212	37,870	(21,658)	6,383
Miscellaneous	147	7,130	(6,983)	6,063
Depreciation	75,490	75,490	0	66,410
Sub-total	622,693	703,626	(80,933)	560,191
Facilities				
Property / Liability Insurance	19,507	11,925	7,582	11,805
Maintenance / Repairs	8,346	19,000	(10,654)	7,209
Janitorial & Landscaping	25,206	20,250	4,956	18,005
Rent	33,182	46,890	(13,708)	27,372
Mortgage, Interest & Property Taxes	33,990	35,410	(1,420)	38,210
Utilities	45,530	26,670	18,860	29,819
Sub-total	165,761	160,145	5,616	132,420
Development, Program & Staff				
Donor Development	34,244	93,550	(59,306)	19,817
Advertising & Promotion	43,753	50,676	(6,923)	31,406
Mileage, Meals & Meetings	5,593	6,500	(907)	233
Workshops	12,324	34,360	(22,036)	1,915
Annual Meetings	34,157	35,000	(843)	21,912
75th Anniversary Expenses	0	0	0	0
Annual Report	51,144	32,000	19,144	30,498
Staff Recognition Expenses	10,733	4,750	5,983	7,779
Board & Committee Expenses	198	3,085	(2,887)	233
Sub-total	192,146	259,921	(67,775)	113,794
Total Expenses	3,533,990	3,800,157	(266,167)	3,079,894
Net Income / (Loss) Before Investment Returns and Other Income	(434,044)	(625,483)	191,439	221,674
Realized Gains/(Losses)	0	0	0	5
Unrealized Gains/(Losses)	(121,520)	0	(121,520)	18,710
Other Income	0	0	0	411,402
Investment Management Fee	289	0	289	293
Net Income / (Loss) Including Investment Returns	(555,853)	(625,483)	69,630	651,498