



Here for Good

Community Foundation

for Monterey County

FINANCIAL STATEMENT

For the Eleven Months Ended November 30, 2022

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
FINANCIAL REPORTS
For the Eleven Months Ended November 30, 2022**

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Assets

Total Assets through 11/30/2022 are \$339,558,481 which reflects a 7.88% decrease since November 2021 and a 12.19% 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. An addition of \$58,000 was added by Marc Rosen to his CRT in November 2022. (p. 4)

Realized and Unrealized Gains and Losses on Investments

Net year-to-date realized gains were \$467,902 and unrealized losses were \$45,412,351, for a total loss of \$44,944,450. (p. 7)

Operating Fund

Total revenue was \$151,657 less than the budget, and total expenses were \$296,030 below budget. Unrealized losses were \$91,946 on the operating reserve held in the Medium-Term Fund portfolio with an additional \$96 in realized loss. The actual net operating deficit is \$831,333 compared to a budgeted deficit of \$883,347. (p. 8)

Revenue continued to be below budgeted amounts in November. Based on the September 30 fund balance, projections for the fourth quarter administrative fees will continue below budget. However, staff efforts to find cost savings and anticipated contributions are expected to keep the cash on hand strong 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 (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 Eleven Months Ended November 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 \$66,683 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 9.4 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 11/30/2022 was \$269,522,138. The one-year Total Return for the Long-Term Endowment Portfolio was -9.7% compared to the Policy Index of -8.6%.

The market value of the Medium-Term Fund portfolio at 11/30/2022 was \$9,867,763. The one-year Total Return for the Medium-Term Endowment Portfolio was -10.5% compared to the Policy Index of -10.7%.

The market value of the ESG Fund portfolio at 11/30/2022 was \$8,693,278. The one-year Total Return for the ESG Portfolio was -9.2% compared to the Policy Index of -10.8%.

The market value of the DRIM Fund portfolio at 11/30/2022 was \$2,986,872. At 10/31/22, the one-year Total Return for the DRIM Portfolio was -13.2% compared to the Policy Index of -10.7% on a balance of \$2,792,467. 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 \$7,173,262 and total expenses were \$13,186,717. 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 \$6,780,477 including \$1,775,419 to the 2022 Monterey County Gives campaign. Other new contributions included:

Mary Ann Kane Living Trust

11/9/2022 91,366

Mary Ann Kane Fund for Education

Rancho Cielo	11/9/2022	150,000	Rancho Cielo Endowment Fund
Mr. David G. Huey and Ms. Carla Hudson	11/10/2022	30,000	David G. Huey and Carla S. Hudson Family Fund
The David and Lucile Packard Foundation	11/10/2022	500,000	The David and Lucile Packard Foundation Fund
Mr. Robert Kent	11/14/2022	30,000	Pass Thru Fund
Mr. & Mrs. Victor W., Jr. and Lynda Johnson	11/14/2022	51,591	Pass Thru Fund
Ms. Nancy Burnett	11/17/2022	96,962	Pass Thru Fund
Mr. Marc Rosen	11/18/2022	58,000	CRT Funds with CF as Trustee (Kaspick)
Sol Treasures	11/21/2022	50,000	Sol Treasures Stewardship Fund
Del Monte Forest Conservancy	11/23/2022	150,000	Del Monte Forest Conservancy Fund
Ms. Eby Wold	11/28/2022	43,600	Pass Thru Fund
County of Monterey - Auditor Controller	11/28/2022	174,446	COVID-19 Collaborative Community Health Workers
Eric Davis & Ila Davis Trust	11/30/2022	38,500	Ila Davis Fund
Eric Davis & Ila Davis Trust	11/30/2022	48,500	Eric and Ila Davis Fund
Contributions to MC Gives combined	11/1-11/30	2,314,033	Monterey County Gives!

Grants to agencies for the month totaling \$1,734,231 were approved and recorded.

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL November 30, 2022</u>	<u>TOTAL November 30, 2021</u>
ASSETS							
Cash:							
Cash & Cash Equivalents	3,303,615	7,733,512	3,400	6,425,411	0	17,465,937	14,437,282
Investments - Long Term Fund Portfolio	0	0	189,529,647	79,992,491	0	269,522,138	305,211,828
Investments - Medium Term Fund Portfolio	646,814	0	0	9,220,949	0	9,867,763	9,672,068
Investments - ESG Fund Portfolio	0	0	3,738,358	4,954,921	0	8,693,278	5,689,991
Separately Invested - DRIM Portfolio	0	0	0	2,986,872	0	2,986,872	3,706,517
Separately Invested - Pony Trust	0	279,945	0	0	0	279,945	321,232
Total Cash & Investments	3,950,429	8,013,456	193,271,405	103,580,644	0	308,815,933	339,038,918
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	975,939	0	0	975,939	1,055,844
Investment in an LLC	0	0	0	0	0	0	0
Charitable Remainder Trusts	0	0	0	0	22,914,036	22,914,036	21,349,683
Charitable Gift Annuities	0	0	0	0	5,045,359	5,045,359	4,333,630
Total Accounts Receivable	0	0	975,939	4,500	27,959,395	28,939,834	27,708,586
Other Assets:							
Prepaid Expenses	5,500	0	0	0	0	5,500	8,799
Property-Net of Depreciation	1,797,214	0	0	0	0	1,797,214	1,832,358
Total Other Assets	1,802,714	0	0	0	0	1,802,714	1,841,157
TOTAL ASSETS	5,753,143	8,013,456	194,247,344	103,585,144	27,959,395	339,558,481	368,588,661

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL November 30, 2022</u>	<u>TOTAL November 30, 2021</u>
LIABILITIES & NET ASSETS							
Liabilities:							
Grants Payable	0	1,914,274	458,600	317,250	0	2,690,124	1,209,964
Contingent Liabilities	0	0	0	0	15,838,533	15,838,533	16,228,380
Funds held as Agency Endowments	0	0	8,371,490	0	0	8,371,490	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	1,196,003	0	0	0	0	1,196,003	1,219,501
Total Liabilities	1,196,003	1,914,274	8,830,090	56,767,179	15,838,533	84,546,080	74,937,328
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	(831,333)	(6,048,431)	(23,688,681)	(17,427,914)	(201,362)	(48,197,720)	21,691,918
Total Net Assets	4,557,140	6,099,182	185,417,253	46,817,964	12,120,862	255,012,402	293,651,333
TOTAL LIABILITIES & NET ASSETS	5,753,143	8,013,456	194,247,344	103,585,144	27,959,395	339,558,481	368,588,661

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL November 30, 2022</u>	<u>TOTAL November 30, 2021</u>
SUPPORT AND REVENUE:							
Contributions	110,337	6,306,918	2,805,782	16,097,859	0	25,320,897	26,373,707
Interfund Gifts	43,174	727,100	97,446	838,840	0	1,706,560	1,149,222
Pledge Payments Received	0	0	0	0	0	0	2,392,303
Future Contributions-A/R-Pledge-CRT-CGA	0	0	0	0	543,969	543,969	80,905
Contributions Received via Bequest	49,137	0	793,517	0	0	842,654	3,692,976
Change in Value, Split Interest Trusts, Future Assets	0	0	0	0	102,533	102,533	1,638,904
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	28,733	8,965	3,050,180	1,598,145	0	4,686,023	5,199,211
Administrative Fees	2,797,251	0	0	0	0	2,797,251	2,678,323
Fees from Special Projects	74,689	0	0	0	0	74,689	136,550
Workshop and Contract Service Income	26,833	0	0	0	0	26,833	576
Misc Income/Returned Grants	1,624	130,279	12,715	33,934	0	178,552	34,725
Total Support and Revenue	3,131,777	7,173,262	6,759,640	18,568,779	646,502	36,279,960	43,918,819
EXPENSES:							
Operating Expenses and Distributions:							
Salaries & Benefits	2,804,123	1,860	0	0	0	2,805,983	2,541,148
Administrative Costs	672,828	557,327	0	19,733	0	1,249,887	1,196,190
Occupancy Costs	181,947	0	0	0	0	181,947	147,503
Development Expenses	211,608	71,624	0	240	0	283,473	239,046
Board & Committee Expenses	246	0	0	0	0	246	10,000
Total Operating Expenses	3,870,751	630,812	0	19,973	0	4,521,536	4,133,887

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL November 30, 2022</u>	<u>TOTAL November 30, 2021</u>
Grants and Grant Related Expenses:							
Grants	0	12,348,192	7,150,911	9,716,862	0	29,215,965	32,331,796
Interfund Grants	0	12,793	515,268	1,178,500	0	1,706,560	1,149,222
Pledge Payments Paid	0	0	0	0	0	0	13,384
Bequests Payments/Transfers	0	0	0	0	809,711	809,711	6,061,159
Other Expenses	0	191,513	0	3,090	0	194,603	86,136
Other Payments/Transfers	0	0	(8,411,595)	8,411,595	0	0	0
Grant Related Expenses	0	0	0	0	0	0	0
Administrative Fees	0	3,408	1,988,317	798,317	38,153	2,828,195	2,678,348
Fees to Managers	318	0	170,953	85,389	0	256,660	251,137
Total Grants and Grant Related Expenses	318	12,555,906	1,413,854	20,193,754	847,864	35,011,695	42,571,183
Total Expenses and Grants	3,871,069	13,186,717	1,413,854	20,213,727	847,864	39,533,231	46,705,070
Excess of Revenues (Expenses)							
Before Gains on Investments & Transfers	(739,291)	(6,013,455)	5,345,787	(1,644,949)	(201,362)	(3,253,271)	(2,786,251)
GAINS(LOSS) ON INVESTMENTS and Other Income:							
Realized-Gain (Loss)	(96)	(28)	285,952	182,074	0	467,902	21,357
Unrealized-Gain(Loss)	(91,946)	(34,948)	(29,320,419)	(15,965,039)	0	(45,412,351)	24,045,410
Other Income	0	0	0	0	0	0	411,402
Total Gain/(Loss) on Investments and Other Income:	(92,042)	(34,976)	(29,034,467)	(15,782,965)	0	(44,944,450)	24,478,169
Change in Net Assets	(831,333)	(6,048,431)	(23,688,681)	(17,427,914)	(201,362)	(48,197,720)	21,691,918
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	4,557,140	6,099,182	185,417,253	46,817,964	12,120,862	255,012,402	293,651,333

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

For the Eleven Months Ended November 30, 2022 and November 30, 2021

	Year-To-Date			YTD Actual 11/30/2021
	Actual	Budget	Variance	
REVENUE				
Contributions - Foundations	39,554	31,000	8,554	309,808
Contributions - Indiv/Corp	70,784	51,750	19,034	52,101
Contributions - Interfund	43,174	42,500	674	52,236
Bequests Received	49,137	44,462	4,675	84,380
Admin Fees	2,797,251	2,985,274	(188,023)	2,678,323
Special Project Fees	74,689	57,960	16,729	136,550
Workshops/Contracts	26,833	22,000	4,833	576
Miscellaneous Income	1,624	40,700	(39,076)	11,588
Interest and Dividends	28,733	7,788	20,945	21,828
Total Revenue	3,131,777	3,283,434	(151,657)	3,347,389
EXPENSE				
Personnel				
Salaries and Wages	2,193,082	2,244,325	(51,243)	1,945,296
Payroll Taxes	158,834	158,217	617	132,688
Insurance and Other Benefits	452,207	544,656	(92,449)	390,413
Sub-total	2,804,123	2,947,198	(143,075)	2,468,397
Administrative				
Supplies	22,375	19,250	3,125	17,794
Equip / Computer Maintenance	122,458	216,375	(93,917)	117,730
Bank Charges	12,407	9,413	2,994	8,984
Printing	29,856	31,750	(1,894)	18,217
Postage / Freight	20,567	31,000	(10,433)	14,014
Dues/Subscriptions	52,088	52,069	19	45,876
Services (legal, acct, consult)	255,100	208,853	46,247	244,794
D&O Insurance	6,160	12,500	(6,340)	0
Telecommunications	50,239	54,373	(4,134)	46,471
Conferences & Training	18,354	41,137	(22,783)	7,183
Miscellaneous	186	7,843	(7,657)	6,063
Depreciation	83,039	83,039	0	73,051
Sub-total	672,828	767,602	(94,774)	600,177
Facilities				
Property / Liability Insurance	19,507	11,925	7,582	11,805
Maintenance / Repairs	10,797	19,500	(8,703)	9,853
Janitorial & Landscaping	26,273	22,275	3,998	19,667
Rent	36,570	51,579	(15,009)	30,661
Mortgage, Interest & Property Taxes	38,956	38,828	128	41,750
Utilities	49,844	29,337	20,507	33,767
Sub-total	181,947	173,444	8,503	147,503
Development, Program & Staff				
Donor Development	35,493	99,050	(63,557)	21,026
Advertising & Promotion	56,830	59,301	(2,471)	40,930
Mileage, Meals & Meetings	6,616	7,151	(535)	291
Workshops	15,061	37,425	(22,364)	1,915
Annual Meetings	35,183	35,000	183	23,000
75th Anniversary Expenses	0	0	0	0
Annual Report	51,144	32,000	19,144	30,855
Staff Recognition Expenses	11,281	5,300	5,981	8,057
Board & Committee Expenses	246	3,310	(3,064)	10,000
Sub-total	211,854	278,537	(66,683)	136,073
Total Expenses	3,870,751	4,166,781	(296,030)	3,352,149
Net Income / (Loss) Before Investment Returns and Other Income				
	(738,974)	(883,347)	144,373	(4,760)
Realized Gains/(Losses)	(96)	0	(96)	10
Unrealized Gains/(Losses)	(91,946)	0	(91,946)	10,520
Other Income	0	0	0	411,402
Investment Management Fee	318	0	318	322
Net Income / (Loss) Including Investment Returns	(831,333)	(883,347)	52,014	416,850