



Here for Good

Community Foundation

for Monterey County

FINANCIAL STATEMENT

For the Two Months Ended February 28, 2023

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY
FINANCIAL REPORTS
For the Two Months Ended February 28, 2023**

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	
Comparisons of Actual to Budget - Operating Fund	8

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Two Months Ended February 28, 2023

Assets

Total Assets through 02/28/2023 are \$332,905,464 which reflects a 7.11% decrease since February 2022 and a .01% increase over December 2022. (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, 2022. (p. 4)

Realized and Unrealized Gains and Losses on Investments

Net year-to-date realized gains were \$889,995 and unrealized gains were \$6,793,277, for a total gain of \$7,683,272. (p. 7)

Operating Fund

February revenue ended well above the budgeted amount due to a \$100,000 anonymous donation to the operating fund. Workshop revenue was slightly higher than budgeted as in person events begin to see an increase in attendance. Revenue from interest was also much higher than budgeted. As interest revenue is earned on operating income held in the money market account, it will vary based on current rates received and fund balances. Over the course of 2023, this line is expected to continue at or above budgeted amounts. Given that the timing of gifts is unpredictable, this is not unusual. Overall, the fee revenue of \$235,096 was \$124,186 above the budgeted amount through February. This is expected to continue through March as fee revenue for the first quarter of 2023, based on December 31, 2022, fund balances, is expected to be higher than the budgeted amount based on market increases at year-end. (p. 8)

Salaries and benefits are below the budgeted amount for this month and will continue to be below budget. This is predominantly the result of a grant that is covering a portion of the salary for the Director of Community Initiatives and Partnerships related to the Health Literacy Program. In addition, there was one staff member on leave in January and most of February contributing to additional savings on salaries.

Other than two significant timing variances, administrative expenses are aligned to budget. Equipment and maintenance, as well as accounting and consultant services, are both below budget through February. These category variances are related to timing of payments for software support, audit, and database migration services. While accounting services is expected to align with the budgeted amount in March, it should be noted that computer maintenance and consulting services have the potential for significant timing variances for 2023 as the database migration project moves forward. As the timing of payments for the project are scheduled to occur with completion of project tasks, the current monthly budgeted amounts may require revision to better align to the project schedule or may show temporary variances throughout the year.

Unexpected repairs have been incurred due to the winter storms in Monterey County. Expenses exceeding budgeted amounts for repairs and maintenance and landscaping will continue through the first quarter. Some of the issues were the direct result of a power surge and reimbursement is expected from Pacific Gas & Electric (PG&E), however, the final cost of the repairs, and the estimate for

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Two Months Ended February 28, 2023

the potential reimbursement, are not yet known. A variance is also seen through February on rent and utilities as a result of a coding error. This has been corrected and the expenditure lines will reflect alignment with the budgeted amount in March.

Donor development also experienced an overage compared to budget. This is related to the timing of the deposit for the Women's Fund Luncheon, which is returning as in person event, in May 2023, as well as a return of the Legacy Society Luncheon. Advertising & Promotion is over the budgeted amount, as well. Recent activity related to the Monterey County Storm Relief fund has contributed to the overage through February, however, staff is monitoring the expenditure line and expects it to stay within the overall budget for the year.

Overall, the operating expenditures are \$63,327 below budget for an operating deficit of \$559,994 compared to the budgeted deficit of \$747,507 before investment returns and other income. A net unrealized gain through February of \$9,747 on operating reserves held in the medium-term portfolio, offset by management fees of \$58, brings the operating deficit through February to \$550,305.

Note: The Expendable Operating Cash-on-Hand is at 7.8 months, excluding the operating reserve of \$500,000 and the building reserve of \$150,000. This projection includes significant operating expenditures related to the database migration project in the coming quarter.

Portfolio Performance

The market value of the Long-Term Fund portfolio at 02/28/2023 was \$267,691,247. The one-year Total Return for the Long-Term Endowment Portfolio was -7.3% compared to the Policy Index of -6.7%

The market value of the Medium-Term Fund portfolio at 02/28/2023 was \$10,464,903. The one-year Total Return for the Medium-Term Endowment Portfolio was -6.6% compared to the Policy Index of -7.6%.

The market value of the ESG Fund portfolio at 02/28/2023 was \$9,936,531. The one-year Total Return for the ESG Portfolio was -6.1% compared to the Policy Index of -6.9%.

The market value of the DRIM Fund portfolio at 02/28/2023 was \$2,637,866. At 01/31/2023, the one-year Total Return for the DRIM Portfolio was -0.3% compared to the Policy Index of -0.5% on a balance of \$2,682,786. 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, in part, 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 \$560,963 and total expenses were \$11,188,721, which includes grants in the amount of \$10,890,914 related to the 2022 Monterey County Gives campaign. (p. 6-7)

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Two Months Ended February 28, 2023

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

Total new contributions for the month were \$3,074,348. New contributions included:

County of Monterey - Auditor Controller	2/6/2023	174,446	COVID-19 Collaborative Community Health Workers
Anonymous	2/7/2023	100,000	Operating Fund
Haynes Charitable Foundation	2/9/2023	1,000,000	Haynes Charitable Foundation Fund
Tanimura Family Foundation	2/13/2023	100,000	Gonzales Community Center Capital Campaign
County of Monterey - Auditor Controller	2/13/2023	140,689	Community Health Literacy Program
Community Human Services	2/13/2023	400,000	Community Human Services Stewardship Fund
County of Monterey - Auditor Controller	2/17/2023	145,120	Community Health Literacy Program
Anonymous	2/21/2023	63,476	College Futures Monterey County Fund COVID-19 Collaborative Community Health Workers
County of Monterey - Auditor Controller	2/23/2023	174,446	COVID-19 Collaborative Community Health Workers
Conrad N. Hilton Foundation	2/23/2023	250,000	Monterey County Storm Relief Fund
Monterey Peninsula Foundation	2/24/2023	280,000	The Morse Foundation Stewardship Fund

Grants to agencies for the month totaling \$12,212,526 were approved and recorded.

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF FINANCIAL POSITION
CONSOLIDATED - ALL FUNDS
For the Two Months Ended February 28, 2023 and February 28, 2022

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL February 28, 2023</u>	<u>TOTAL February 28, 2022</u>
ASSETS							
Cash:							
Cash & Cash Equivalents	3,683,316	2,513,416	11,075	9,136,600	0	15,344,407	10,526,843
Investments - Long Term Fund Portfolio	0	0	187,912,767	79,778,481	0	267,691,247	297,782,523
Investments - Medium Term Fund Portfolio	646,779	0	0	9,818,124	0	10,464,903	9,660,443
Investments - ESG Fund Portfolio	0	0	3,914,975	6,021,556	0	9,936,531	6,364,368
Separately Invested - DRIM Portfolio	0	0	0	2,637,866	0	2,637,866	3,010,601
Separately Invested - Pony Trust	0	279,247	0	0	0	279,247	308,669
Total Cash & Investments	4,330,095	2,792,663	191,838,817	107,392,626	0	306,354,201	327,653,446
Accounts Receivable:							
Pledges & Contributions Receivable	0	0	0	4,500	0	4,500	222,852
Bequests & Remainder Interest	0	0	0	0	0	0	0
Miscellaneous Accounts Receivable	0	0	0	0	0	0	0
Due from OPER	0	0	954,777	0	0	954,777	1,036,387
Investment in an LLC	0	0	1,540,675	0	0	1,540,675	0
Charitable Remainder Trusts	0	0	0	0	18,113,694	18,113,694	23,066,109
Charitable Gift Annuities	0	0	0	0	4,132,006	4,132,006	4,590,276
Total Accounts Receivable	0	0	2,495,453	4,500	22,245,700	24,745,652	28,915,624
Other Assets:							
Prepaid Expenses	10,610	0	0	0	0	10,610	5,500
Property-Net of Depreciation	1,795,000	0	0	0	0	1,795,000	1,824,203
Total Other Assets	1,805,610	0	0	0	0	1,805,610	1,829,703
TOTAL ASSETS	6,135,706	2,792,663	194,334,270	107,397,126	22,245,700	332,905,464	358,398,774

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF FINANCIAL POSITION
CONSOLIDATED - ALL FUNDS
For the Two Months Ended February 28, 2023 and February 28, 2022

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL February 28, 2023</u>	<u>TOTAL February 28, 2022</u>
LIABILITIES & NET ASSETS							
Liabilities:							
Grants Payable	0	609,725	584,600	206,500	0	1,400,825	1,918,456
Contingent Liabilities	0	0	0	0	12,794,840	12,794,840	15,345,401
Funds held as Agency Endowments	0	0	7,265,614	0	0	7,265,614	8,371,490
Funds held as Stewardship Funds	0	0	0	52,184,742	0	52,184,742	56,449,929
Payroll, Misc. and Accts Payable	1,176,115	2,774	0	0	0	1,178,889	1,242,720
Total Liabilities	1,176,115	612,499	7,850,214	52,391,242	12,794,840	74,824,910	83,327,996
Net Assets:							
Net Assets-Beginning Balance	5,515,121	12,806,587	179,909,756	49,321,268	9,459,675	257,012,406	303,210,122
Change in Net Assets - Current Year	(555,530)	(10,626,423)	6,574,300	5,684,616	(8,815)	1,068,148	(28,139,344)
Total Net Assets	4,959,591	2,180,164	186,484,056	55,005,884	9,450,860	258,080,555	275,070,777
TOTAL LIABILITIES & NET ASSETS	6,135,706	2,792,663	194,334,270	107,397,126	22,245,700	332,905,464	358,398,774

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF ACTIVITIES
CONSOLIDATED - ALL FUNDS
For the Two Months Ended February 28, 2023 and February 28, 2022

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL February 28, 2023</u>	<u>TOTAL February 28, 2022</u>
SUPPORT AND REVENUE:							
Contributions	109,215	557,435	95,136	4,726,165	0	5,487,952	1,870,790
Interfund Gifts	0	0	163,124	1,477,358	0	1,640,483	22,793
Pledge Payments Received	0	0	1,540,675	0	0	1,540,675	0
Future Contributions-A/R-Pledge-CRT-CGA	0	0	0	1,540,675	0	1,540,675	0
Contributions Received via Bequest	0	0	0	0	0	0	2
In Kind Contributions	0	0	0			0	0
Change in Value, Split Interest Trusts, Future Assets	0	0	0	0	0	0	0
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	27,196	3,527	129,399	160,207	0	320,329	242,625
Administrative Fees	29,039	0	0	0	0	29,039	20,488
Fees from Special Projects	17,002	0	0	0	0	17,002	18,720
Workshop and Contract Service Income	34,570	0	0	0	0	34,570	23,260
Misc Income/Returned Grants	18,075	0	2	8,083	0	26,160	2,500
Total Support and Revenue	235,096	560,963	1,928,336	7,912,489	0	10,636,884	2,201,177
EXPENSES:							
Operating Expenses and Distributions:							
Salaries & Benefits	507,376	0	0	17,734	0	525,110	430,475
Administrative Costs	229,093	149,651	0	4,012	0	382,756	330,839
Occupancy Costs	36,331	0	0	0	0	36,331	33,560
Development Expenses	26,081	9,777	0	0	0	35,858	19,612
Board & Committee Expenses	1,434	0	0	0	0	1,434	198
Total Operating Expenses	800,315	159,428	0	21,746	0	981,488	814,685

COMMUNITY FOUNDATION FOR MONTEREY COUNTY
STATEMENT OF ACTIVITIES
CONSOLIDATED - ALL FUNDS
For the Two Months Ended February 28, 2023 and February 28, 2022

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL February 28, 2023</u>	<u>TOTAL February 28, 2022</u>
Grants and Grant Related Expenses:							
Grants	0	10,852,830	425,836	1,705,581	0	12,984,247	10,870,934
Interfund Grants	0	142,455	110,600	1,387,427	0	1,640,483	22,793
Pledge Payments Paid	0	0	0	1,540,675	0	1,540,675	0
Bequests Payments/Transfers	0	0	0	0	0	0	0
Other Expenses	0	33,730	0	16,513	0	50,243	22,307
Other Payments/Transfers	0	0	3,222	(3,222)	0	0	0
Grant Related Expenses	0	0	0	0	0	0	0
Administrative Fees	0	278	20	19,926	8,815	29,039	20,488
Fees to Managers	58	0	8,965	16,810	0	25,833	54,847
Total Grants and Grant Related Expenses	58	11,029,293	548,643	4,683,711	8,815	16,270,520	10,991,368
Total Expenses and Grants	800,373	11,188,721	548,643	4,705,457	8,815	17,252,008	11,806,053
Excess of Revenues (Expenses)							
Before Gains on Investments & Transfers	(565,277)	(10,627,758)	1,379,693	3,207,032	(8,815)	(6,615,124)	(9,604,875)
GAINS(LOSS) ON INVESTMENTS and Other Income:							
Realized-Gain (Loss)	0	0	626,544	263,451	0	889,995	1,026
Unrealized-Gain(Loss)	9,747	1,335	4,568,063	2,214,132	0	6,793,277	(18,535,495)
Other Income	0	0	0	0	0	0	0
Total Gain/(Loss) on Investments and Other Income:	9,747	1,335	5,194,606	2,477,583	0	7,683,272	(18,534,469)
Change in Net Assets	(555,530)	(10,626,423)	6,574,300	5,684,616	(8,815)	1,068,148	(28,139,344)
Net Assets Beginning of Year	5,515,121	12,806,587	179,909,756	49,321,268	9,459,675	257,012,406	303,210,122
Net Assets, End of Period	4,959,591	2,180,164	186,484,056	55,005,884	9,450,860	258,080,555	275,070,777

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

For the Two Months Ended February 28, 2023 and February 28, 2022

	Year-To-Date			YTD Actual 2/28/2022
	Actual	Budget	Variance	
REVENUE				
Contributions - Foundations	2,100	5,000	(2,900)	6,239
Contributions - Indiv/Corp	107,115	0	107,115	1,330
Contributions - Interfund	0	0	0	0
Bequests Received	0	12,294	(12,294)	2
Admin Fees	29,039	26,750	2,289	20,488
Special Project Fees	17,002	19,666	(2,665)	18,720
Workshops/Contracts	34,570	29,500	5,070	23,260
Miscellaneous Income	18,075	10,200	7,875	0
Interest and Dividends	27,196	7,500	19,696	1,758
Total Revenue	235,096	110,910	124,186	71,797
EXPENSE				
Personnel				
Salaries and Wages	385,683	412,108	(26,425)	322,745
Payroll Taxes	32,535	32,188	347	31,797
Insurance and Other Benefits	89,157	89,605	(448)	65,519
Sub-total	507,376	533,901	(26,525)	420,060
Administrative				
Supplies	2,874	4,911	(2,037)	5,056
Equip / Computer Maintenance	144,539	156,163	(11,624)	18,646
Bank Charges	2,282	2,171	111	2,506
Printing	368	5,300	(4,932)	0
Postage / Freight	2,333	6,519	(4,186)	6,185
Dues/Subscriptions	28,002	24,850	3,152	26,001
Services (legal, acct, consult)	8,709	35,064	(26,355)	84,123
D&O Insurance	0	0	0	6,160
Telecommunications	9,313	9,180	133	8,830
Conferences & Training	9,405	1,512	7,893	3,180
Miscellaneous	308	150	158	31
Depreciation	15,800	15,800	0	15,098
Sub-total	223,932	261,620	(37,688)	175,815
Facilities				
Property / Liability Insurance	8,260	8,260	0	7,901
Maintenance / Repairs	5,855	3,891	1,964	85
Janitorial & Landscaping	4,532	4,392	140	3,590
Rent	3,387	6,774	(3,387)	6,577
Mortgage, Interest & Property Taxes	6,437	6,745	(308)	6,975
Utilities	7,796	9,810	(2,014)	8,432
Sub-total	36,267	39,872	(3,605)	33,560
Development, Program & Staff				
Donor Development	12,479	6,166	6,313	2,838
Advertising & Promotion	9,063	6,540	2,523	5,399
Mileage, Meals & Meetings	683	1,152	(469)	160
Workshops	1,314	2,216	(902)	69
Annual Meetings	0	0	0	0
Annual Report	0	0	0	0
Staff Recognition Expenses	2,542	2,900	(358)	2,956
Board & Committee Expenses	1,434	4,050	(2,616)	198
Sub-total	27,515	23,024	4,491	11,620
Total Expenses	795,090	858,417	(63,327)	641,056
Net Income / (Loss) Before Investment Returns and Other Income				
	(559,994)	(747,507)	187,513	(569,259)
Realized Gains/(Losses)	0	0	0	0
Unrealized Gains/(Losses)	9,747	0	9,747	(36,555)
Other Income	0	0	0	0
Investment Management Fee	58	0	58	57
Net Income / (Loss) Including Investment Returns	(550,305)	(747,507)	197,202	(605,871)