



*Here for Good*

**Community Foundation**  
for Monterey County

## **FINANCIAL STATEMENT**

**For the Twelve Months Ended December 31, 2022**

**COMMUNITY FOUNDATION FOR MONTEREY COUNTY  
FINANCIAL REPORTS  
For the Twelve Months Ended December 31, 2022**

**TABLE OF CONTENTS**

<b>Section I – Financial Reports</b>	Page(s)
Notes to Financial Statements	1 - 4
Statement of Financial Position	5 - 6
Statement of Activities	7 - 8
<b>Section II – Combined Operating Fund Reports</b>	
Comparisons of Actual to Budget - Operating Fund	9

### **Assets**

Total Assets through 12/31/2022 are \$332,858,913 which reflects a 13.92% decrease since December 2021. (p. 5)

### **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. 5)

### **Realized and Unrealized Gains and Losses on Investments**

Net year-to-date realized gains were \$471,000 and unrealized losses were \$47,051,188, for a total loss of \$46,580,188. (p. 8)

### **Operating Fund**

Total revenue at year-end was \$168,212 less than the budget, and total expenses were \$380,492 below budget resulting in an actual surplus, before investment returns and other income, of \$233,612 compared to a budgeted surplus of \$21,332. Unrealized losses were \$107,368 on the operating reserve held in the Medium-Term Fund portfolio offset by \$747 in realized gain. Including investment gains/(losses), the year ended with an actual net operating surplus of \$126,647. (p. 9)

Revenue ended the year below budget. The volatility of the market had a significant impact on fund balances which decreased fee revenue in the third and fourth quarters. However, substantial contributions to the operating fund and staff efforts to control costs combined to maintain a positive year-end operating result.

As projected, salaries and benefits ended below budgeted amounts due to intermittent vacancies throughout the year. In September, the health care renewal experienced an increase that was 5% above the expected amount. However, budgeted benefits that were unused by select personnel offset the September increase in health costs and contributed to the overall budget surplus in salaries and benefits.

Overall administrative expenses finished the year below budget primarily due to cost savings on systems maintenance costs resulting from a delay in software conversions pending a holistic view of service and technology needs and decisions on future database systems. Contributing to this was savings on depreciation expense for budgeted purchases that were not made as efficiencies were sought to reduce costs. The 2023 budget includes a database conversion and related software conversions.

In addition, anticipated in-person conferences continued to be held virtually reducing the cost of attendance. Services ended the year higher than budgeted due to contracted accounting services during the Director of Finance recruitment. This cost is offset by the position vacancy savings realized in salaries and benefits.

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 variance continued through the end of year but has been 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 continue to evaluate the production for cost savings in future years. New hires and other staff life events resulted in an overage on staff recognition expense that ran through to year-end. Overall, however, Development, Program & Staff ended the year with a surplus as COVID-19 continued to limit in-person activities.

**Note:** The Expendable Operating Cash-on-Hand is at 9.5 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 12/31/2022 was \$260,011,613. The one-year Total Return for the Long-Term Endowment Portfolio was -14.9% compared to the Policy Index of 13.5%.

The market value of the Medium-Term Fund portfolio at 12/31/2022 was \$10,338,758. The one-year Total Return for the Medium-Term Endowment Portfolio was -12.9% compared to the Policy Index of -13.0%.

The market value of the ESG Fund portfolio at 12/31/2022 was \$9,150,467. The one-year Total Return for the ESG Portfolio was -13.7% compared to the Policy Index of -15.0%.

The market value of the DRIM Fund portfolio at 12/31/2022 was \$2,567,027. At 11/30/22, the one-year Total Return for the DRIM Portfolio was -8.9% compared to the Policy Index of -4.8% on a balance of \$2,986,872. 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 \$14,219,716 and total expenses were \$13,521,801. This includes grant expense of \$9,493,617 for the 2021 Monterey County Gives campaign. (pg. 7-8)

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

Total new contributions for the month were \$10,431,426 including \$5,346,599 to the 2022 Monterey County Gives campaign. Other new contributions included:

Mr. & Mrs. Michel and Mary Orradre

12/2/2022 50,000.00

Mike and Mary Orradre Fund

The Alexander F. Victor Foundation	12/6/2022	50,000.00	Operating Fund
Mr. Daniel Gerosin	12/8/2022	36,810.00	Pass Thru Fund
Mr. & Mrs. Daniel M. and Margaret C. Gerosin	12/8/2022	60,000.00	Gerosin Fund
County of Monterey - Auditor Controller	12/8/2022	136,591.62	Community Health Literacy Program
The David and Lucile Packard Foundation	12/9/2022	500,000.00	Community Wellness Collaborative Grant
The David and Lucile Packard Foundation	12/12/2022	160,000.00	Center for Nonprofit Excellence #8
Mr. & Mrs. Seth and Naomi Pollack	12/12/2022	500,000.00	Pollack Family Fund
Mr. & Mrs. Robert S. and JoAnna Behl	12/14/2022	30,000.00	College Futures Monterey County Fund
Ms. Josephine M. Bunn	12/16/2022	34,544.28	Josephine Bunn Fund
Ms. Josephine M. Bunn	12/16/2022	52,295.10	Josephine Bunn Fund
Anonymous	12/16/2022	200,000.00	Operating Fund
Joel & Dena Gambord Foundation	12/16/2022	215,000.00	Joel and Dena Gambord Nursing Scholarship
Marti & Steve Diamond Charitable Foundation	12/16/2022	305,192.00	Marti and Steve Diamond Charitable Foundation Fund
Mr. & Mrs. Bruce and Harriet Newell	12/19/2022	50,000.00	Carmel Valley Manor Foundation Stewardship Fund
Mr. Bill Reese	12/20/2022	39,471.00	Reese Family Fund
Mrs. Nancy B. Ausonio	12/20/2022	80,000.00	Ausonio Family Scholarship Fund
Anonymous	12/20/2022	100,000.00	Pass Thru Fund
Mrs. Tonya A. Antle	12/21/2022	35,000.00	Rick and Tonya Antle Fund
Dr. Anne R. Fitzpatrick	12/21/2022	312,064.40	Anne R. Fitzpatrick Foundation Fund

Ms. Peggy Johnson	12/27/2022	28,774.73	Pass Thru Fund
The Lackey Saunders Sprinkling Trust	12/27/2022	113,452.08	DeWitt Fund
Mr. Mike Freed and Ms. Lydia Graham	12/27/2022	301,823.56	The Graham-Freed Family Foundation Fund
Anonymous	12/28/2022	44,403.51	Vallentin Fund
Anonymous	12/29/2022	100,000.00	Pass Thru Fund
County of Monterey - Auditor Controller	12/29/2022	140,502.05	Community Health Literacy Program
Dr. Carlotta H. Mellon	12/29/2022	145,000.00	Herman-Mellon Family Fund
Mr. & Mrs. Carl and Sandra DeLay-Magnuson	12/30/2022	200,000.00	DeLay-Magnuson Foundation Fund
Mr. Peter Neumeier and Mrs. Gillian Taylor	12/30/2022	200,000.00	Neumeier Taylor Foundation Fund
The Landreth Family Fund at Goldman Sachs	12/30/2022	250,000.00	The Landreth Family Fund
Contributions to MC Gives	12/1 - 12/31	5,346,598.97	Monterey County Gives!

Grants to agencies for the month totaling \$2,123,751 were approved and recorded.

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL December 31, 2022</u>	<u>TOTAL December 31, 2021</u>
<b>ASSETS</b>							
<b>Cash:</b>							
Cash & Cash Equivalents	4,230,810	14,073,518	8,650	7,045,825	0	25,358,802	21,182,185
Investments - Long Term Fund Portfolio	0	0	183,058,119	76,953,494	0	260,011,613	314,432,071
Investments - Medium Term Fund Portfolio	635,980	0	0	9,702,778	0	10,338,758	10,192,405
Investments - ESG Fund Portfolio	0	0	3,651,332	5,499,135	0	9,150,467	6,202,586
Separately Invested - DRIM Portfolio	0	0	0	2,567,027	0	2,567,027	3,337,514
Separately Invested - Pony Trust	0	278,594	0	0	0	278,594	321,382
<b>Total Cash &amp; Investments</b>	<b>4,866,789</b>	<b>14,352,112</b>	<b>186,718,101</b>	<b>101,768,260</b>	<b>0</b>	<b>307,705,262</b>	<b>355,668,143</b>
<b>Accounts Receivable:</b>							
Pledges & Contributions Receivable	0	0	0	4,500	0	4,500	444,672
Bequests & Remainder Interest	0	0	0	0	0	0	0
Miscellaneous Accounts Receivable	0	0	104,719	0	0	104,719	0
Due from OPER	0	0	969,110	0	0	969,110	1,049,576
Investment in an LLC	0	0	0	0	0	0	0
Charitable Remainder Trusts	0	0	0	0	18,122,509	18,122,509	23,077,349
Charitable Gift Annuities	0	0	0	0	4,132,006	4,132,006	4,590,276
<b>Total Accounts Receivable</b>	<b>0</b>	<b>0</b>	<b>1,073,829</b>	<b>4,500</b>	<b>22,254,515</b>	<b>23,332,844</b>	<b>29,161,873</b>
<b>Other Assets:</b>							
Prepaid Expenses	10,610	0	0	0	0	10,610	10,324
Property-Net of Depreciation	1,810,196	0	0	0	0	1,810,196	1,839,301
<b>Total Other Assets</b>	<b>1,820,807</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,820,807</b>	<b>1,849,625</b>
<b>TOTAL ASSETS</b>	<b>6,687,596</b>	<b>14,352,112</b>	<b>187,791,930</b>	<b>101,772,760</b>	<b>22,254,515</b>	<b>332,858,913</b>	<b>386,679,641</b>

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

	<u>COMBINED OPERATING</u>	<u>SPECIAL PROGRAMS</u>	<u>ENDOWMENT</u>	<u>NON ENDOWED</u>	<u>BEQUEST, CRT RECEIVABLES</u>	<u>TOTAL December 31, 2022</u>	<u>TOTAL December 31, 2021</u>
<b>LIABILITIES &amp; NET ASSETS</b>							
<b>Liabilities:</b>							
Grants Payable	0	1,539,503	588,600	266,750	0	2,394,853	2,151,264
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	1,172,475	6,023	27,960	0	0	1,206,458	1,222,239
<b>Total Liabilities</b>	<b>1,172,475</b>	<b>1,545,525</b>	<b>7,882,174</b>	<b>52,451,492</b>	<b>12,794,840</b>	<b>75,846,506</b>	<b>83,540,323</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	126,647	658,974	(29,196,178)	(14,924,610)	(2,862,549)	(46,197,716)	31,179,904
<b>Total Net Assets</b>	<b>5,515,121</b>	<b>12,806,587</b>	<b>179,909,756</b>	<b>49,321,268</b>	<b>9,459,675</b>	<b>257,012,406</b>	<b>303,139,319</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>6,687,596</b>	<b>14,352,112</b>	<b>187,791,930</b>	<b>101,772,760</b>	<b>22,254,515</b>	<b>332,858,913</b>	<b>386,679,641</b>



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

	<b><u>COMBINED OPERATING</u></b>	<b><u>SPECIAL PROGRAMS</u></b>	<b><u>ENDOWMENT</u></b>	<b><u>NON ENDOWED</u></b>	<b><u>BEQUEST, CRT RECEIVABLES</u></b>	<b><u>TOTAL December 31, 2022</u></b>	<b><u>TOTAL December 31, 2021</u></b>
<b>SUPPORT AND REVENUE:</b>							
Contributions	386,113	12,381,605	2,535,896	13,340,486	0	28,644,100	34,115,933
Interfund Gifts	55,174	1,694,035	130,481	855,340	0	2,735,030	2,200,306
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	3,715,114
Change in Value, Split Interest Trusts, Future Assets	0	0	0	0	(2,558,654)	(2,558,654)	3,616,266
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	43,325	13,797	5,694,768	1,392,407	0	7,144,297	9,353,134
Administrative Fees	3,731,911	0	0	0	0	3,731,911	3,668,107
Fees from Special Projects	84,065	0	0	0	0	84,065	164,294
Workshop and Contract Service Income	28,438	0	0	0	0	28,438	576
Misc Income/Returned Grants	1,624	130,279	12,715	87,934	0	232,552	37,225
<b>Total Support and Revenue</b>	<b>4,379,786</b>	<b>14,219,716</b>	<b>9,167,378</b>	<b>15,676,167</b>	<b>(2,014,685)</b>	<b>41,428,361</b>	<b>59,885,579</b>
<b>EXPENSES:</b>							
<b>Operating Expenses and Distributions:</b>							
Salaries & Benefits	3,030,001	1,860	0	0	0	3,031,862	2,744,501
Administrative Costs	691,010	672,148	0	21,535	0	1,384,692	1,317,993
Occupancy Costs	197,653	0	0	0	0	197,653	163,635
Development Expenses	226,892	88,777	0	240	0	315,909	263,405
Board & Committee Expenses	618	0	0	0	0	618	10,109
<b>Total Operating Expenses</b>	<b>4,146,174</b>	<b>762,785</b>	<b>0</b>	<b>21,775</b>	<b>0</b>	<b>4,930,734</b>	<b>4,499,644</b>

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

	<b><u>COMBINED OPERATING</u></b>	<b><u>SPECIAL PROGRAMS</u></b>	<b><u>ENDOWMENT</u></b>	<b><u>NON ENDOWED</u></b>	<b><u>BEQUEST, CRT RECEIVABLES</u></b>	<b><u>TOTAL December 31, 2022</u></b>	<b><u>TOTAL December 31, 2021</u></b>
<b>Grants and Grant Related Expenses:</b>							
Grants	0	12,368,192	7,259,346	9,142,323	0	28,769,861	34,558,911
Interfund Grants	0	12,793	680,268	2,042,270	0	2,735,330	2,235,609
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	194,891	0	3,090	0	197,981	98,872
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	183,140	2,479,435	656,607	38,153	3,357,334	3,359,273
Fees to Managers	344	0	199,170	45,422	0	244,937	147,380
<b>Total Grants and Grant Related Expenses</b>	<b>344</b>	<b>12,759,016</b>	<b>2,206,623</b>	<b>20,301,308</b>	<b>847,864</b>	<b>36,115,155</b>	<b>46,474,589</b>
 <b>Total Expenses and Grants</b>	 <b>4,146,518</b>	 <b>13,521,801</b>	 <b>2,206,623</b>	 <b>20,323,083</b>	 <b>847,864</b>	 <b>41,045,889</b>	 <b>50,974,232</b>
 <b>Excess of Revenues (Expenses)</b>							
Before Gains on Investments & Transfers	233,268	697,915	6,960,755	(4,646,916)	(2,862,549)	382,472	8,911,347
 <b>GAINS(LOSS) ON INVESTMENTS and Other Income:</b>							
Realized-Gain (Loss)	747	9	285,952	184,291	0	471,000	343,490
Unrealized-Gain(Loss)	(107,368)	(38,950)	(36,442,885)	(10,461,985)	0	(47,051,188)	21,513,665
Other Income	0	0	0	0	0	0	411,402
 <b>Total Gain/(Loss) on Investments and Other Income:</b>	 <b>(106,620)</b>	 <b>(38,941)</b>	 <b>(36,156,933)</b>	 <b>(10,277,694)</b>	 <b>0</b>	 <b>(46,580,188)</b>	 <b>22,268,557</b>
 <b>Change in Net Assets</b>	 <b>126,647</b>	 <b>658,974</b>	 <b>(29,196,178)</b>	 <b>(14,924,610)</b>	 <b>(2,862,549)</b>	 <b>(46,197,716)</b>	 <b>31,179,904</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>5,515,121</b>	 <b>12,806,587</b>	 <b>179,909,756</b>	 <b>49,321,268</b>	 <b>9,459,675</b>	 <b>257,012,406</b>	 <b>303,139,318</b>

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

For the Twelve Months Ended December 31, 2022 and December 31, 2021

	Year-To-Date			YTD Actual 12/31/2021
	Actual	Budget	Variance	
<b>REVENUE</b>				
Contributions - Foundations	42,554	50,000	(7,446)	380,858
Contributions - Indiv/Corp	343,559	97,500	246,059	122,171
Contributions - Interfund	55,174	66,758	(11,584)	64,086
Bequests Received	49,137	48,500	637	106,518
Admin Fees	3,731,911	4,148,820	(416,909)	3,668,107
Special Project Fees	84,065	62,320	21,745	164,294
Workshops/Contracts	28,438	22,000	6,438	576
Miscellaneous Income	1,624	43,600	(41,976)	11,588
Interest and Dividends	43,325	8,500	34,825	32,360
<b>Total Revenue</b>	<b>4,379,786</b>	<b>4,547,998</b>	<b>(168,212)</b>	<b>4,550,557</b>
<b>EXPENSE</b>				
<b>Personnel</b>				
Salaries and Wages	2,389,707	2,451,205	(61,498)	2,107,461
Payroll Taxes	170,066	170,753	(687)	142,414
Insurance and Other Benefits	470,228	595,470	(125,242)	416,922
<b>Sub-total</b>	<b>3,030,001</b>	<b>3,217,428</b>	<b>(187,427)</b>	<b>2,666,797</b>
<b>Administrative</b>				
Supplies	24,195	21,000	3,195	19,499
Equip / Computer Maintenance	126,343	229,498	(103,155)	122,182
Bank Charges	13,181	19,000	(5,819)	9,649
Printing	34,635	32,750	1,885	29,628
Postage / Freight	24,129	35,050	(10,921)	19,445
Dues/Subscriptions	53,204	53,741	(537)	47,241
Services (legal, acct, consult)	259,212	223,327	35,885	261,680
D&O Insurance	12,626	12,500	126	0
Telecommunications	54,832	59,321	(4,489)	50,815
Conferences & Training	18,448	43,095	(24,647)	11,519
Miscellaneous	147	8,550	(8,403)	6,063
Depreciation	70,057	90,583	(20,526)	67,313
<b>Sub-total</b>	<b>691,010</b>	<b>828,415</b>	<b>(137,405)</b>	<b>645,033</b>
<b>Facilities</b>				
Property / Liability Insurance	19,507	11,925	7,582	11,805
Maintenance / Repairs	10,797	20,000	(9,203)	11,324
Janitorial & Landscaping	29,729	24,300	5,429	21,263
Rent	39,957	56,269	(16,312)	33,949
Mortgage, Interest & Property Taxes	42,209	42,218	(9)	45,269
Utilities	55,454	32,000	23,454	40,025
<b>Sub-total</b>	<b>197,653</b>	<b>186,712</b>	<b>10,941</b>	<b>163,635</b>
<b>Development, Program &amp; Staff</b>				
Donor Development	36,992	104,550	(67,558)	28,598
Advertising & Promotion	64,032	61,376	2,656	49,575
Mileage, Meals & Meetings	8,110	7,800	310	720
Workshops	16,354	40,900	(24,546)	2,377
Annual Meetings	35,183	35,000	183	26,476
Annual Report	51,144	32,000	19,144	30,855
Staff Recognition Expenses	15,077	7,350	7,727	9,642
Board & Committee Expenses	618	5,135	(4,517)	10,109
<b>Sub-total</b>	<b>227,510</b>	<b>294,111</b>	<b>(66,601)</b>	<b>158,352</b>
<b>Total Expenses</b>	<b>4,146,174</b>	<b>4,526,666</b>	<b>(380,492)</b>	<b>3,633,817</b>
<b>Net Income / (Loss) Before Investment Returns and Other Income</b>	<b>233,612</b>	<b>21,332</b>	<b>212,280</b>	<b>916,740</b>
Realized Gains/(Losses)	747	0	747	10
Unrealized Gains/(Losses)	(107,368)	0	(107,368)	8,828
Other Income	0	0	0	411,402
Investment Management Fee	344	0	344	351
<b>Net Income / (Loss) Including Investment Returns</b>	<b>126,647</b>	<b>21,332</b>	<b>105,315</b>	<b>1,336,629</b>