

The Community Foundation for
Palm Beach and Martin Counties, Inc.

Consolidated Financial Statements
For the Year Ended June 30, 2021



**The Community Foundation for
Palm Beach and Martin Counties, Inc.**

Table of Contents

Independent Auditor's Report 1-2

Consolidated Financial Statements:

Consolidated Statement of Financial Position 3

Consolidated Statement of Activities 4

Consolidated Statement of Functional Expenses 5

Consolidated Statement of Cash Flows 6

Notes to Consolidated Financial Statements 7-22

Supplemental Information:

Independent Auditor's Report on Supplemental Information 23

Schedule of Consolidating Statements of Financial Position 24

Schedule of Consolidating Statements of Activities 25

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Community Foundation for Palm Beach
and Martin Counties, Inc.

We have audited the accompanying consolidated financial statements of The Community Foundation for Palm Beach and Martin Counties, Inc., and its supporting organization, collectively referred to as the "Foundation", (both nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Community Foundation for Palm Beach
and Martin Counties, Inc.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2020 consolidated financial statements, and we expressed an unmodified opinion on those consolidated financial statements in our report dated November 19, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
December 1, 2021

CONSOLIDATED FINANCIAL STATEMENTS



The Community Foundation for Palm Beach and Martin Counties, Inc.
Consolidated Statement of Financial Position
June 30, 2021
(with comparative totals for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 7,016,508	\$ 7,427,710
Promises to give (Note 6)	274,824	110,000
Prepaid expenses	191,346	183,930
Total current assets	<u>7,482,678</u>	<u>7,721,640</u>
Non-current assets:		
Investments (Note 5)	232,482,628	176,040,733
Promises to give, net of current portion (Note 6)	340,170	1,170,145
Beneficial interests in charitable trusts (Note 5)	355,349	398,033
Other assets	138,784	102,434
Assets held for sale	776,300	-
Property and equipment, net (Note 7)	7,522,789	7,696,177
Total non-current assets	<u>241,616,020</u>	<u>185,407,522</u>
Total assets	<u>\$ 249,098,698</u>	<u>\$ 193,129,162</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 262,698	\$ 408,494
Grants and scholarships payable (Note 8)	2,929,285	2,267,179
Deferred revenues	60,995	20,612
Total current liabilities	<u>3,252,978</u>	<u>2,696,285</u>
Non-current liabilities:		
Security deposits	36,655	34,096
Grants and scholarships payable, net of current portion (Note 8)	1,646,384	1,512,815
Agency transactions payable (Note 9)	7,029,645	4,695,532
Liabilities under split-interest agreements (Note 14)	1,485,468	884,601
Bond issue payable, net (Note 12)	4,472,923	4,470,764
Obligation under interest rate swap (Note 12)	62,847	-
Total non-current liabilities	<u>14,733,922</u>	<u>11,597,808</u>
Total liabilities	<u>17,986,900</u>	<u>14,294,093</u>
Net Assets:		
Without donor restrictions (Note 10)	81,106,092	63,422,938
With donor restrictions (Note 10)	150,005,706	115,412,131
Total net assets	<u>231,111,798</u>	<u>178,835,069</u>
Total liabilities and net assets	<u>\$ 249,098,698</u>	<u>\$ 193,129,162</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

The Community Foundation for Palm Beach and Martin Counties, Inc.
Consolidated Statement of Activities
For the Year Ended June 30, 2021
(with comparative totals for June 30, 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
Revenue, Gains (Losses) and Support:				
Contributions and bequests	\$ 17,685,131	\$ 6,002,273	\$ 23,687,404	\$ 20,740,487
Net investment returns	16,071,897	34,239,634	50,311,531	3,835,304
Other revenues	549,338	-	549,338	526,901
Change in value of split-interest agreements	-	(65,316)	(65,316)	(46,646)
Net assets released from restrictions	5,583,016	(5,583,016)	-	-
 Total revenue, gains (losses) and support	 <u>39,889,382</u>	 <u>34,593,575</u>	 <u>74,482,957</u>	 <u>25,056,046</u>
Expenses:				
Program services:				
Community impact grants	20,308,123	-	20,308,123	17,909,430
Capacity building	454,357	-	454,357	490,565
 Total program services	 <u>20,762,480</u>	 <u>-</u>	 <u>20,762,480</u>	 <u>18,399,995</u>
Supporting services:				
Management and general	972,148	-	972,148	870,327
Donor services	408,753	-	408,753	1,019,992
 Total supporting services	 <u>1,380,901</u>	 <u>-</u>	 <u>1,380,901</u>	 <u>1,890,319</u>
 Total expenses	 <u>22,143,381</u>	 <u>-</u>	 <u>22,143,381</u>	 <u>20,290,314</u>
 Change in net assets before change in fair value of interest rate swap	 <u>17,746,001</u>	 <u>34,593,575</u>	 <u>52,339,576</u>	 <u>4,765,732</u>
 Change in fair value of interest rate swap	 <u>(62,847)</u>	 <u>-</u>	 <u>(62,847)</u>	 <u>-</u>
 Change in net assets	 17,683,154	 34,593,575	 52,276,729	 4,765,732
 Net Assets, Beginning of Year	 <u>63,422,938</u>	 <u>115,412,131</u>	 <u>178,835,069</u>	 <u>174,069,337</u>
 Net Assets, End of Year	 <u>\$ 81,106,092</u>	 <u>\$ 150,005,706</u>	 <u>\$ 231,111,798</u>	 <u>\$ 178,835,069</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

The Community Foundation for Palm Beach and Martin Counties, Inc.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2021
(with comparative totals for June 30, 2020)

	Program Services				Supporting Services			Total 2021 Expenses	Total 2020 Expenses
	Community Impact Grants - Community Foundation	Community Impact Grants - Pew Fund	Capacity Building	Total Program Services	Management and General	Donor Services	Total Supporting Services		
Personnel Costs:									
Salaries and wages	\$ 1,059,706	\$ 162,829	\$ -	\$ 1,222,535	\$ 553,026	\$ 215,868	\$ 768,894	\$ 1,991,429	\$ 1,699,206
Payroll taxes, benefits and insurance	232,985	26,366	-	259,351	121,587	47,460	169,047	428,398	357,416
Staff development and other	59,289	120	-	59,409	64,817	13,998	78,815	138,224	9,574
Total personnel costs	<u>1,351,980</u>	<u>189,315</u>	<u>-</u>	<u>1,541,295</u>	<u>739,430</u>	<u>277,326</u>	<u>1,016,756</u>	<u>2,558,051</u>	<u>2,066,196</u>
Other Expenses:									
Grants and scholarships awarded	17,230,621	841,005	-	18,071,626	-	-	-	18,071,626	16,567,798
Computer equipment and software	70,474	275	-	70,749	18,174	24,570	42,744	113,493	103,602
Conferences	6,733	-	-	6,733	1,172	518	1,690	8,423	10,185
Donor and community relations	57,022	29	-	57,051	2,070	41,331	43,401	100,452	201,927
General office expense	74,174	1,405	9,690	85,269	30,693	10,975	41,668	126,937	123,134
Insurance	28,020	1,192	47,701	76,913	39,289	7,994	47,283	124,196	118,780
Interest	10,265	-	39,855	50,120	6,039	4,227	10,266	60,386	108,032
Marketing, advertising, and public relations	216,736	-	-	216,736	-	-	-	216,736	202,621
Miscellaneous	10,613	-	-	10,613	-	-	-	10,613	20,649
Occupancy	15,107	10,719	58,652	84,478	8,887	6,221	15,108	99,586	113,678
Professional services	120,130	1,500	23,557	145,187	84,742	6,435	91,177	236,364	249,188
Repairs and maintenance	25,605	-	99,407	125,012	15,062	10,543	25,605	150,617	156,124
Total other expenses	<u>17,865,500</u>	<u>856,125</u>	<u>278,862</u>	<u>19,000,487</u>	<u>206,128</u>	<u>112,814</u>	<u>318,942</u>	<u>19,319,429</u>	<u>17,975,718</u>
Provision for depreciation	<u>45,203</u>	<u>-</u>	<u>175,495</u>	<u>220,698</u>	<u>26,590</u>	<u>18,613</u>	<u>45,203</u>	<u>265,901</u>	<u>248,400</u>
Total expenses	<u>\$ 19,262,683</u>	<u>\$ 1,045,440</u>	<u>\$ 454,357</u>	<u>\$ 20,762,480</u>	<u>\$ 972,148</u>	<u>\$ 408,753</u>	<u>\$ 1,380,901</u>	<u>\$ 22,143,381</u>	<u>\$ 20,290,314</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

The Community Foundation for Palm Beach and Martin Counties, Inc.
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2021
(with comparative totals for June 30, 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 52,276,729	\$ 4,765,732
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for depreciation	265,901	248,400
Change in fair value of interest rate swap	62,847	-
Amortization of bond issuance costs	5,363	5,363
Amortization of bond premium	(3,204)	(3,205)
Contributed investments	(1,930,020)	(2,418,862)
Net realized and unrealized (gains) losses on investments	(47,581,260)	28,178
Net change on beneficial interests in charitable trusts	42,684	41,403
Change in value of split-interest agreements	65,316	46,646
Contribution of assets held for sale	(776,300)	-
Contribution for funds held in perpetuity	(5,001,444)	(6,498,617)
(Increase) decrease in assets:		
Promises to give, net	665,151	679,526
Prepaid expenses	(7,416)	(15,261)
Other assets	(36,350)	(34,325)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(145,796)	93,671
Grants and scholarships payable	795,675	(2,245,079)
Deferred revenues	40,383	1,938
Security deposits	2,559	(1,825)
Agency transactions payable	2,334,113	457,714
Net cash provided by (used in) operating activities	<u>1,074,931</u>	<u>(4,848,603)</u>
Cash Flows from Investing Activities:		
Proceeds from the sale of investments	69,496,793	51,602,587
Purchases of investments	(75,730,227)	(49,633,632)
Purchases of property and equipment	(92,513)	(604,851)
Net cash provided by (used in) investing activities	<u>(6,325,947)</u>	<u>1,364,104</u>
Cash Flows from Financing Activities:		
Proceeds from note payable	-	312,900
Payments on note payable	-	(312,900)
Payments to beneficiaries of split-interest agreements	(161,630)	(143,719)
Contribution for funds held in perpetuity	5,001,444	6,498,617
Net cash provided by (used in) financing activities	<u>4,839,814</u>	<u>6,354,898</u>
Net increase (decrease) in cash and cash equivalents	(411,202)	2,870,399
Cash and Cash Equivalents, Beginning of Year	<u>7,427,710</u>	<u>4,557,311</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,016,508</u>	<u>\$ 7,427,710</u>

Supplemental disclosures for noncash operating activities: Net realized and unrealized gains related to agency transactions were approximately \$ 1,272,000 for the year ended June 30, 2021.

The accompanying notes to consolidated financial statements are an integral part of these statements.

Note 1 - Organization and Operations

The Community Foundation for Palm Beach and Martin Counties, Inc. (the "Organization") was incorporated on January 3, 1972, under the laws of the State of Florida, as a not-for-profit organization. The Organization is organized exclusively for the support of charitable, religious, educational and scientific endeavors including the making of distributions to such entities under Section 501(c)(3) of the U.S. Internal Revenue Code (the "IRC").

The Organization owns and occupies a 33,000 square-foot building resting on 1.3 acres, in downtown West Palm Beach, Florida. The building provides a permanent home for its offices. The remaining office space is leased to unrelated not-for-profit organizations. The building includes community rooms and a conference room that are also available to unrelated 501(c)(3) not-for-profit organizations for events at below market rates. Adjacent to its offices, the Organization owns a parcel of land used to provide additional parking for its functions, employees, and tenants.

In 1998, the Mary and Robert Pew Public Education Fund (the "Pew Fund") was established as a supporting organization to the Organization. The Pew Fund supports initiatives that improve public education for economically disadvantaged children attending Palm Beach and Martin County schools. The consolidating supplemental schedules on pages 24-25 present the financial position and activities of the Pew Fund as of and for the year ended June 30, 2021.

The Organization and the Pew Fund are collectively referred to as the "Foundation".

Note 2 - Summary of Significant Accounting Policies

Basis of accounting: The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Update (FASB ASU) No. 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU No. 2016-14, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Principles of consolidation: The accompanying consolidated financial statements include the accounts of the Organization and its supporting organization, the Pew Fund. All significant intercompany accounts and transactions have been eliminated in consolidation.

Net assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Note 2 - Summary of Significant Accounting Policies (continued)

- *Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Net assets with donor restrictions include cash, cash equivalents, investments, promises to give, beneficial interests in charitable trusts, assets held for sale, and assets under split-interest agreements. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. See Notes 10 and 11 for additional information. Gifts of long-lived assets and gifts restricted for the acquisitions of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

Generally, contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. All contributions are considered available for general use, unless specifically restricted by the donor or subject to other legal restrictions.

The Organization's bylaws and Fund agreements include a variance provision that allows the Board of Directors to vary the use of contributions received. Based on this provision, the Foundation classifies a significant portion of its contributions and assets as net assets without donor restrictions for consolidated financial statement presentation. As discussed in Note 11, the Organization follows the provisions of the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA") for those donor endowments requiring resources to be held in perpetuity. Further, the Organization will continue its stewardship responsibilities by internally accounting for and reporting on all net assets in accordance with each donor's original intent as provided for in the underlying gift instrument that established the fund.

Cash equivalents: In general, the Foundation defines all highly liquid investments, with a maturity of three months or less when purchased to be cash equivalents. Cash and equivalents that the Foundation intends to use for long-term purposes are classified as investments in the accompanying consolidated statement of financial position.

Investments: Investments are in the custody of brokerage and investment firms who manage them in accordance with policies set by the Foundation's Board of Directors.

Investments in common stocks (equities) are carried at market value, as quoted on major stock exchanges. Money market funds are valued at amortized cost. U.S. government and agency obligations and corporate bonds are generally carried at quoted market prices. Alternative investments consist of domestic equities, private investments, and hedge strategies. Alternative investments (non-traditional, not readily-marketable assets), some of which are structured such that the Foundation holds limited partnership interests, are stated at fair value as estimated in an unquoted market. Individual investment holdings within the alternative investments may, in turn, include investments in both non-marketable and market-traded securities. Valuation of these investments and, therefore Foundation holdings, are determined by the investment manager or general partner. Values may be based on historical costs, appraisals, or other estimates that require varying degrees of judgment. While these financial instruments may contain varying degrees of risk, the Foundation's risk with respect to such transactions is limited to its capital balance, and any remaining commitments, in each investment.

Note 2 - Summary of Significant Accounting Policies (continued)

See Note 5 for a discussion of fair value measurements. Investments received as contributions are recorded at the quoted market value or estimated fair value at the date of receipt. Net investment returns (losses) are reported in the consolidated statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

The Foundation pools a number of funds in order to obtain greater investment advantage and more efficient administration. The objective of investment management of all funds is to maximize the growth consistent with minimizing exposure to risks of capital losses and attainment of the desired level of grant making. The Foundation's investment policy is to invest initial contributions and subsequent additions to all pooled funds in equity, fixed income and other assets based on an allocation determined by the Investment Committee and approved by the Board of Directors. The Foundation allocates income and expenses, gains and losses from pooled investments based on the ratio of the previous month's share of each Fund's fair value to the total pooled investments.

Bequests receivable: The Foundation records bequests when all requirements for the transfer of the assets have been met. Bequests are recorded at amounts that approximate fair value, generally based on quoted prices of the underlying investments, less estimated costs and contingencies.

Promises to give: The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at net present value based on an appropriate discount rate; at the time a promise is received. In subsequent years, amortization of the discounts are included in contribution revenue in the accompanying consolidated statement of activities. An allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. At June 30, 2021, management considers all promises to give to be fully collectible, therefore, no uncollectible allowance was recorded.

Split-interest agreements: The Foundation has been designated as the beneficiary of assets held in charitable remainder trusts and charitable gift annuities whose maturities are based on the life expectancies of the income beneficiaries or a specified term of years.

Trusts and annuities in which the Foundation is both trustee and remainder beneficiary are recorded at the estimated fair value of the assets in the trusts. The corresponding liability for certain future amounts due to beneficiaries is recorded at the estimated fair value of annuity payments. Adjustments to the liability to reflect the revaluation of the present value of annuity payments are recognized in the accompanying consolidated statement of activities as a change in value of split-interest agreements.

Trusts for which the Foundation does not act as trustee (beneficial interests in charitable trusts) are recorded at the present value of the expected future cash inflows.

Assets held for sale: The Foundation receives assets from estates which, from time to time, may include real estate property. The Foundation classifies the property as assets held for sale, which has been recorded at an estimated fair value, based on comparable market data.

Note 2 - Summary of Significant Accounting Policies (continued)

Property and equipment: The Foundation records property and equipment at cost if purchased, or fair value if donated, and capitalizes assets whose cost is \$ 2,500 or more, using the straight-line method of depreciation, based upon the estimated useful lives of the various classes of depreciable assets as follows:

Building and improvements	7-40 years
Furniture, fixtures, and office equipment	3-10 years

Depreciation expense was approximately \$ 266,000 for the year ended June 30, 2021.

Grants and scholarships payable: Grants and scholarships awarded are recorded upon the approval of the Board of Directors and when funds are obligated for distribution. In the normal course of business, refunds and cancellations are recorded as a reduction of expenses in the period when canceled or refunded. At June 30, 2021 and 2020, the Foundation is unaware of any material conditions on grants that are unlikely to be satisfied during the approved grant period.

Agency transactions: ASC No. 958, *Not-for-Profit Entities*, establishes standards for transactions in which a community foundation accepts assets from a not-for-profit organization and agrees to transfer those assets, the return on investment of those assets or both back to the not-for-profit organization. ASC No. 958 specifically requires that, if a not-for-profit organization establishes a Fund at a community foundation with its own assets and specifies itself as the beneficiary of that Fund, that community foundation must account for the transfer of such assets as a liability rather than as a contribution. The Foundation refers to such Funds as agency transactions, the liability of which is shown on the consolidated statement of financial position as agency transactions payable. Agency activities are not reflected on the consolidated statement of activities and changes in net assets.

Derivative financial instruments: The Foundation makes limited use of derivative instruments for the purpose of managing interest rate risks. An interest rate swap agreement is used to convert the Foundation's variable rate long-term debt to fixed.

Revenue and revenue recognition: The Foundation recognizes contributions (nonexchange transactions) when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met or explicitly waived. Bequests are recognized when all requirements for the transfer of the assets to the Foundation have been met, appropriate court orders have been issued and the amount is determinable. Assets received before the barrier is overcome are accounted for as refundable advances.

Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Foundation considers as exchange transactions those in which it receives consideration from agencies (Note 9) for management services associated with agency (funds) transactions.

Revenue from operating leases and space rentals is recognized over the term of the agreement as the benefits are provided unless the revenue is associated with a specific event, in which case it is recognized when the event occurs. Amounts received in advance are deferred to the applicable period.

Note 2 - Summary of Significant Accounting Policies (continued)

Foundation management fees: The Foundation assesses an annual administrative fee averaging 1% of the fair market value of assets under management. The administrative fee is used to support the operations of the Foundation. Administrative fees amounted to approximately \$ 2,198,000 for the year ended June 30, 2021.

Contributed services, facilities, and goods: A number of unpaid volunteers have made contributions of their time to develop and continue the programs of the Foundation. Contributed services are recognized as contributions if the services: (a) create or enhance nonfinancial assets and (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased. The Foundation has not disclosed the value of certain services in the accompanying consolidated financial statements since it is not susceptible to objective measurement and valuation. Contributed facilities and goods/equipment are recorded at their estimated fair market value when received.

Functional allocation of expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Expenses that can be directly identified with a program or supporting service are charged accordingly. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel costs, and most other expenses, are allocated on the basis of estimates of time and effort; unless specifically determined by management on an account by account basis. Occupancy expenses and costs associated with operating and maintaining the Foundation's real estate are allocated on the basis of square footage.

Use of estimates: The Foundation makes estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Related parties: The Foundation receives direct and indirect support in the form of donations from various Board Members and/or their affiliated organizations.

Comparative financial information: The accompanying consolidated financial statements include summarized comparative information from the prior year, which is not presented by net asset type and functional expense classification and does not include sufficient detail to conform with accounting principles generally accepted in the United States of America ("GAAP"). This information should be read in conjunction with the Foundation's audited consolidated financial statements for the year ended June 30, 2020, from which the comparative information was derived.

Subsequent events: Subsequent events were evaluated by management through December 1, 2021, which is the date the consolidated financial statements were available for issuance.

Note 3 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date ending June 30, 2021, comprise the following:

Financial assets:	
Cash and cash equivalents	\$ 7,016,508
Promises to give, net	614,994
Investments	232,482,628
Assets held for sale	<u>776,300</u>
Financial assets, at year-end	<u>240,890,430</u>
Less those unavailable for general expenditures within one year, due to:	
Long-term investments - no liquidity	(34,480,516)
Investments - unfunded commitments	(9,360,070)
Investments - subject to split-interest agreements	(2,861,800)
Promises to give beyond one year, net	(340,170)
Agency funds invested for others	(7,029,645)
Endowment restrictions - corpus	(95,110,801)
Endowments subject to appropriation and satisfaction of donor restrictions	(52,548,230)
Board designated endowments	<u>(19,412,213)</u>
	<u>(221,143,445)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>19,746,985</u></u>

The Foundation employs a spending policy, which determines the aggregate distributions from its funds for grantmaking and administrative expenses in a given year, based on a rate provided by the Foundation's Board. The spending amount is limited to the Board's set rate, 4.50% for the following year, times a rolling twelve-quarter average fair value of the applicable funds. Based on the information above, the estimated spending amount of approximately \$ 4.6 million will be made available for grantmaking and administrative expenses from the applicable funds within one year.

Note 4 - Credit Risk and Concentrations

Financial instruments that potentially subject the Foundation to concentration of credit risk consist primarily of promises to give, split-interest agreements, cash, cash equivalents, and investments. Management believes the promises to give are fully collectible and no allowance for uncollectible amounts is necessary. These receivables are unsecured. The Foundation regularly monitors the estimated liability, and available assets, associated with split-interest arrangements. The Foundation has cash in financial institutions that is insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At June 30, 2021, the Foundation had deposits in excess of the FDIC insurance limit of approximately \$ 6.7 million. Cash equivalents, other securities, and some amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure. The SIPC insurance does not protect against market losses on investments. Balances exceed the SIPC insurance limits. Deposit and investment accounts are maintained with what management believes to be quality financial institutions. In addition, the Foundation has established guidelines relative to diversification and maturities to promote safety and liquidity.

Note 4 - Credit Risk and Concentrations (continued)

Approximately 59% of promises to give, or approximately \$ 400,000, were due from one donor as of June 30, 2021. For the year ended June 30, 2021, approximately 40% of the contributions and bequests were received from two donors.

Note 5 - Investments

As of June 30, 2021, investments consisted of the following at their fair value:

<u>Investment Type</u>	<u>Amount</u>
Domestic equities	\$ 93,084,819
Fixed income	43,025,554
Private investments	34,480,516
International equities	31,606,071
Hedge strategies	21,157,249
Cash and equivalents	8,557,291
Real assets	<u>571,128</u>
Total	<u>\$ 232,482,628</u>

The Foundation believes the methods for providing estimated fair values on these financial instruments is reasonable. Alternative investments often do not have readily determinable market values and their estimated value is subject to uncertainty. Therefore, there may be a significant difference between their estimated value and the value that would have been used had a readily determinable fair market value for such investments existed.

Spending Policy: The Investment Committee of the Board of Directors evaluates the spending rate of grants periodically in light of total estimated long-term results from investments, fees, expenses and the effects of inflation. For the year ended June 30, 2021, the Board set the grant spending rate at 4.50% of the rolling twelve-quarter average fair value of the applicable Funds.

Fair Value Measurements: In accordance with the Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 820, *Fair Value Measurement and Disclosures*, the Foundation has defined and established a framework for measuring fair value and expanded disclosures about fair value measurements. Various inputs are used in determining the fair value of the Foundation's investments. These inputs are summarized in three levels listed below:

- Level 1 - inputs are quoted market prices (unadjusted) in active markets for identical investments that the reporting entity can access at the measurement date.
- Level 2 - inputs are other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly. (e.g. quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmarks, interest rates and yield curves, and/or securities indices.)
- Level 3 - inputs are significant unobservable inputs. (e.g. information about assumptions, including risk, market participants would use in pricing a security.)

The Community Foundation for Palm Beach and Martin Counties, Inc.
Notes to Consolidated Financial Statements
June 30, 2021

Note 5 - Investments (continued)

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities.

Fair values of investments held by the Foundation are classified at June 30, 2021 as follows:

Investment Type	Level 1	Level 2	Level 3	Investments Valued at NAV	Total
Domestic equities	\$ 63,674,501	\$ -	\$ 29,410,318	\$ -	\$ 93,084,819
Fixed income	36,075,869	6,949,685	-	-	43,025,554
Private investments	-	-	30,627,502	3,853,014	34,480,516
International equities	31,606,071	-	-	-	31,606,071
Hedge strategies	1,209,389	-	3,998,600	15,949,260	21,157,249
Real assets	571,128	-	-	-	571,128
Total investments, measured at fair value	\$ 133,136,958	\$ 6,949,685	\$ 64,036,420	\$ 19,802,274	223,925,337
Investments, measured at amortized cost:					
Cash and equivalents					8,557,291
Total investments					\$ 232,482,628
Beneficial interests in charitable trusts	\$ -	\$ -	\$ 355,349	\$ -	\$ 355,349

The following is a reconciliation of investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Investments	Beneficial Interests in Charitable Trusts	Total
Balance, July 1, 2020	\$ 42,341,065	\$ 398,033	\$ 42,739,098
Net purchases/contributions and sales/redemptions	3,755,948	-	3,755,948
Net investment earnings	1,324,774	-	1,324,774
Change in value	16,614,633	(42,684)	16,571,949
Balance, June 30, 2021	\$ 64,036,420	\$ 355,349	\$ 64,391,769

The Community Foundation for Palm Beach and Martin Counties, Inc.
Notes to Consolidated Financial Statements
June 30, 2021

Note 5 - Investments (continued)

The following table presents the unfunded commitments, and redemption frequency for investments in entities that calculate fair value using net asset value per share, or its equivalent, and those classified as Level 3, excluding beneficial interests in charitable trusts:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>
Domestic equities (a)	\$ 29,410,318	\$ -	Semi-liquid
Private investments (b)	34,480,516	9,360,070	Semi-liquid to no liquidity
Hedge strategies (c)	<u>19,947,860</u>	<u>-</u>	Monthly to semi-liquid
	<u>\$ 83,838,694</u>	<u>\$ 9,360,070</u>	

- (a) This category represents hedge funds that strategically invest in publicly-traded equities.
- (b) This category represents private equity and debt securities in companies that are not publicly traded on a stock exchange, as they are invested in closed end partnerships.
- (c) This category represents long and short equity hedge funds.

Note 6 - Promises to give

Promises to give are summarized, as of June 30, 2021, as follows:

Receivable in less than one year	\$ 274,824
Receivable in one to five years	200,000
Receivable in greater than five years	<u>200,000</u>
Total unconditional promises to give at face value	<u>674,824</u>
Less: discounts	<u>(59,830)</u>
Net unconditional promises to give	<u>\$ 614,994</u>

Note 7 - Property and Equipment

At June 30, 2021, property and equipment consists of the following:

Building and improvements	\$ 8,591,445
Furniture, fixtures, and office equipment	<u>1,040,724</u>
	9,632,169
Less: accumulated depreciation	<u>5,414,692</u>
	4,217,477
Land	<u>3,305,312</u>
Property and equipment, net	<u>\$ 7,522,789</u>

Note 8 - Grants and Scholarships Payable

The Foundation has made commitments to provide funding to other organizations and individuals, as of June 30, 2021, payable at estimated amounts as follows:

Payable in less than one year	\$ 2,929,285
Payable in one to three years	<u>1,646,384</u>
	<u>\$ 4,575,669</u>

Note 9 - Agency Transactions

As discussed in Note 2, an agency transaction is the transfer of assets from a not-for-profit organization to establish a Fund at the Foundation whereby the not-for-profit organization specifies itself as the beneficiary of that Fund. The transfers to the Fund, related investment income (losses), fees earned, and distributions back to the not-for-profit organization are recorded as an increase or decrease to the corresponding assets and liabilities and are not included in the net assets of the Foundation.

Agency transactions during the year ended June 30, 2021 were as follows:

Agency transactions payable, July 1, 2020	\$ 4,695,532
Earnings (losses) allocated to agency accounts	1,353,591
Amounts received on behalf of others	1,114,760
Management fees earned by the Foundation	(53,793)
Distributions to agencies	<u>(80,445)</u>
Agency transactions payable, June 30, 2021	<u>\$ 7,029,645</u>

Note 10 - Net Assets

The Foundation internally accounts for all net assets in accordance with the donor's original intent as provided for in the gift instrument, in the following classifications:

Designated: Funds for which the spending is distributed to one or more charitable beneficiaries in accordance with the donor's designation.

Donor-advised: Funds which enables donors to contribute assets to their funds at any time and then to periodically make recommendations to the Foundation regarding grants from their funds.

Field of interest: Funds that are established to make grants in a specified area of interest, or a specified geographical area, or both.

Scholarship: Funds that are opened by donors who are interested in helping students pursue university, or college, using criteria of the donor's choosing.

Undesignated and administrative: Funds that are discretionary and the spending from which are under the direction of the Foundation's governing boards and management.

Note 10 - Net Assets (continued)

Board designated: The Foundation's Board has the ability to designate identified amounts of net assets without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time.

As of June 30, 2021, the Foundation's net assets with donor restrictions are restricted for the following purpose or periods:

Endowments:	
Subject to appropriation and expenditure when a specified event occurs:	
Designated	\$ 3,309,347
Donor-advised	20,167,344
Field of interest	15,747,478
Scholarship	7,792,991
Undesignated	5,415,863
Administrative	115,207
	<u>52,548,230</u>
Amounts required to be maintained in perpetuity:	
Designated	7,720,815
Donor-advised	36,329,398
Field of interest	31,115,236
Scholarship	17,856,376
Undesignated	2,048,946
Administrative	40,030
	<u>95,110,801</u>
Subtotal - endowments	<u>147,659,031</u>
Subject to the passage of time:	
Promises to give, the proceeds from which have been restricted by donors for Donor-advised	<u>614,994</u>
Beneficial interests in charitable trusts and split-interest agreements, net	<u>1,731,681</u>
Subtotal - subject to the passage of time	<u>2,346,675</u>
Total net assets with donor restrictions	<u>\$ 150,005,706</u>

Note 10 - Net Assets (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose, or by occurrence of the passage of time, or other events specified by the donor, are as follows, for the year ended June 30, 2021:

Expiration of time restrictions	\$ 717,383
Satisfaction of purpose restrictions:	
Endowment spending rate distribution	<u>4,865,633</u>
	<u>\$ 5,583,016</u>

As of June 30, 2021, the Foundation's net assets without donor restrictions are classified as follows:

Designated	\$ 459,146
Donor-advised	44,934,785
Field of interest	631,940
Scholarship	94,623
Supporting organization	9,676,491
Administrative	5,896,894
Board designated	<u>19,412,213</u>
Total net assets without donor restrictions	<u>\$ 81,106,092</u>

Note 11 - Endowments

The Board of Directors of the Foundation has interpreted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets restricted for perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The Foundation considers all earnings on endowment funds to be restricted for operations of the specified programs.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA. In accordance with FUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The purposes of the Foundation and the donor-restricted endowment fund.
- 2) The duration and preservation of the fund.
- 3) General economic conditions.
- 4) The possible effect of inflation and deflation.
- 5) The expected total return from income and the appreciation (depreciation) of investments.

The Community Foundation for Palm Beach and Martin Counties, Inc.
Notes to Consolidated Financial Statements
June 30, 2021

Note 11 - Endowments (continued)

- 6) Other resources of the Foundation.
- 7) The investment and spending policies of the Foundation.

The following is a summary of endowment funds subject to FUPMIFA for the year ended June 30, 2021:

Type of Endowment	Without Donor Restrictions	Net Assets With Donor Restrictions		Total
		Net Earnings	Endowment Corpus	
Donor Restricted	\$ -	\$ 52,548,230	\$ 95,110,801	\$ 147,659,031
Board Designated	19,412,213	-	-	19,412,213
	<u>\$ 19,412,213</u>	<u>\$ 52,548,230</u>	<u>\$ 95,110,801</u>	<u>\$ 167,071,244</u>

The changes in endowment net assets for the year ended June 30, 2021, are as follows:

	Without Donor Restrictions	Net Assets With Donor Restrictions		Total
		Net Earnings	Endowment Corpus	
Endowment Fund Balance, as of July 1, 2020	\$ 15,368,823	\$ 22,792,291	\$ 90,109,357	\$ 128,270,471
Contributions	-	277,597	5,001,444	5,279,041
Transfers to/(from) endowment funds	-	104,341	-	104,341
Amounts appropriated for expenditure	(606,114)	(4,865,633)	-	(5,471,747)
Net Investment returns	<u>4,649,504</u>	<u>34,239,634</u>	<u>-</u>	<u>38,889,138</u>
Endowment Fund Balance, as of June 30, 2021	<u>\$ 19,412,213</u>	<u>\$ 52,548,230</u>	<u>\$ 95,110,801</u>	<u>\$ 167,071,244</u>

From time to time, the fair value of the assets associated with individual donor restricted endowment funds may fall below historical gift value. Deficiencies, if any, are reflected in net assets with donor restrictions. The Foundation interprets FUPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2021, there were no underwater funds.

Note 12 - Headquarters Building and Bond Indenture

The Foundation leases office space in its 33,000 square-foot headquarters building in West Palm Beach, Florida to other not-for-profit organizations at below-market rates as part of its capacity building program. The leases carry terms ranging from one to ten years. Rents and related income totaled approximately \$ 439,000 for the year ended June 30, 2021.

Note 12 - Headquarters Building and Bond Indenture (continued)

Expected minimum future base rental income on current operating leases, not including common area maintenance charges, are approximately as follows:

<u>June 30,</u>	<u>Amount</u>
2022	\$ 293,300
2023	248,300
2024	101,600
2025	<u>37,600</u>
	<u>\$ 680,800</u>

The building and adjacent land were financed through the issuance of a \$ 10,900,000 tax exempt, variable rate demand revenue bonds, designed specifically for not-for-profit organizations. The bonds were issued pursuant to an indenture of trust between Palm Beach County and a trustee to provide the funds to finance this project, to pay a portion of the interest on the bonds, and to pay certain costs incurred in connection with the issuance of the bonds. The bonds mature March 1, 2034, and interest accrues through one of four interest rate modes: daily, floating, adjustable, or fixed, as defined. Bonds bearing interest under the daily rate or floating rate modes may be redeemed at any time at the option of the holder.

The bonds were issued in March 2004 (the “issue date”) in the adjustable rate mode at 2.00%, with an adjustable rate reset date of September 2005. Beginning September 2005 (the “conversion date”), the bond interest was computed pursuant to a floating rate mode. As of June 30, 2021, the interest rate for the bonds was 0.08%.

As of June 30, 2021, the outstanding balance of the bond indenture was \$ 4,500,000, which is presented in the accompanying consolidated statement of financial position net of unamortized bond issuance costs and premiums of \$ 67,935 and \$ 40,858, respectively.

Swap agreement obligation: During the year, the Foundation entered into an interest rate swap agreement with a bank that expires in April 2026. The agreement effectively converts the variable interest rate debt to fixed interest rate debt to the extent of the notional amount. For the outstanding notional principal amount of \$ 4,542,000 as of June 30, 2021. The fixed rate being paid to the bank is 0.91%, while the payment received from the bank is 0.03% (USD - SIFMA Municipal Swap Index).

The fair value asset (obligation) of the swap agreement is based on a quote obtained from the primary financial lender, which was quoted at approximately (\$ 63,000) as of June 30, 2021; and is included in the combined statement of financial position under the long-term liabilities section. The net change of approximately (\$ 63,000) is reflected in the June 30, 2021 combined statement of activities.

Note 13 - Commitments and Contingencies

Funding Commitments: The Foundation has entered into various separate funding arrangements on certain alternative investments. The remaining commitment as of June 30, 2021 is estimated at approximately \$ 9,360,000.

Note 13 - Commitments and Contingencies (continued)

Letter of Credit: The Foundation maintains a letter of credit agreement with a financial institution. The agreement provides for a revolving letter of credit not to exceed \$ 7,001,734 to secure the principal and interest balance of the Foundation's bond issuance (see Note 12). Annually, the letter of credit incurs a fee of approximately 0.68% of the stated amount of bonds, payable in quarterly installments.

Line of Credit: The Foundation has available a \$ 2,000,000 revolving line of credit from a financial institution expiring in March 2022. The line of credit bears interest at a variable rate based on the greater of 1.00% or PRIME less one-half of one percent (0.50%), 2.75% as of June 30, 2021. As of June 30, 2021, no funds were outstanding on the line of credit.

Note 14 - Liabilities Under Split-Interest Agreements

The Foundation records gift annuity assets received at estimated fair value. The actuarially determined present value of the future annuity cash flows required to be paid to the annuitants amounted to approximately \$ 1,485,000 as of June 30, 2021 and is recorded as a liability in the consolidated statement of financial position. The difference between the amount provided for the gift annuity and the liability for future payments is recognized as a contribution at the date of the gift. The annuity liability is revalued annually using current discount rates and other actuarial assumptions. Actuarial changes and annuity payments are reported as change in value of split-interest agreements in the consolidated statement of activities. The total assets for charitable gift annuities were \$ 2,861,800 as of June 30, 2021, which are included in investments in the consolidated statement of financial position.

The State of Florida requires that the Foundation maintains assets equal to at least 110% of the sum of the reserves on outstanding gift annuity agreements in order to collateralize the charitable gift annuities. Reserves are calculated as the net present value of future guaranteed payments to beneficiaries. The Foundation is required to segregate these assets as separate and distinct accounts and not use these assets for any purpose other than the annuity benefits. In addition, the state also requires the Foundation to meet investment guidelines for the annuities.

Note 15 - Retirement Plans

The Foundation currently offers a 401(k) "Safe Harbor" retirement plan, to which employees may make contributions subject to limits imposed by the Internal Revenue Service. Contributions to the plan by the Foundation are discretionary. Employees must complete three months of service to be eligible for participation in the plan. The Foundation also offers a 457(b) plan for certain highly compensated employees. Contributions to the plan by the Foundation are discretionary. Participants may make contributions subject to limits imposed by the Internal Revenue Service. Total expense for employee retirement plans the year ended June 30, 2021 was approximately \$ 140,000.

Note 16 - Income Taxes

The Organization and the Pew Fund are qualified under Section 501(c)(3) of the Internal Revenue Code (the "IRC") and are therefore not subject to federal income taxes, with the exception of any unrelated business income. Management has evaluated the unrelated business income tax implications and believes that the effects, if any, are immaterial to the Foundation's financial statements. Accordingly, no provision for income taxes has been made.

Note 17 - Uncertainties

Although the coronavirus (COVID-19) has caused disruption in international and U.S. economies, the Foundation is a strong and stable organization as evidenced by approximately 50 years of dedicated service to the community. Grants and total assets remain stable year after year, which enables the Foundation to be a valued resource toward the advancement of philanthropy in Palm Beach and Martin Counties.

COVID-19 and the fear of further spread has caused an overall reduction in business and economic activity. On March 11, 2020, the *World Health Organization* designated the COVID-19 outbreak a pandemic. Management and the Board of Directors continue to evaluate and monitor the effect, if any, that may have on the Foundation's financial position.

SUPPLEMENTAL INFORMATION



INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL INFORMATION

To the Board of Directors
The Community Foundation for Palm Beach
and Martin Counties, Inc.

We have audited the consolidated financial statements of The Community Foundation for Palm Beach and Martin Counties, Inc., and its supporting organization, as of and for the year ended June 30, 2021, and have issued our report thereon dated December 1, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole.

The schedules of consolidating statements on pages 24 and 25 are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
December 1, 2021

The Community Foundation for Palm Beach and Martin Counties, Inc.
Schedule of Consolidating Statements of Financial Position
June 30, 2021

	<u>Community Foundation</u>	<u>Pew Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 7,011,981	\$ 4,527	\$ 7,016,508
Promises to give	274,824	-	274,824
Prepaid expenses	191,150	196	191,346
	<u>7,477,955</u>	<u>4,723</u>	<u>7,482,678</u>
Total current assets			
Non-current assets:			
Investments	222,248,015	10,234,613	232,482,628
Promises to give, net of current portion	340,170	-	340,170
Beneficial interests in charitable trusts	355,349	-	355,349
Other assets	137,784	1,000	138,784
Assets held for sale	776,300	-	776,300
Property and equipment, net	7,522,789	-	7,522,789
	<u>231,380,407</u>	<u>10,235,613</u>	<u>241,616,020</u>
Total non-current assets			
	<u>231,380,407</u>	<u>10,235,613</u>	<u>241,616,020</u>
Total assets	<u>\$ 238,858,362</u>	<u>\$ 10,240,336</u>	<u>\$ 249,098,698</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	\$ 261,210	\$ 1,488	\$ 262,698
Grants and scholarships payable	2,473,820	455,465	2,929,285
Deferred revenues	60,995	-	60,995
	<u>2,796,025</u>	<u>456,953</u>	<u>3,252,978</u>
Total current liabilities			
	<u>2,796,025</u>	<u>456,953</u>	<u>3,252,978</u>
Non-current liabilities:			
Security deposits	36,655	-	36,655
Grants and scholarships payable, net of current portion	1,539,492	106,892	1,646,384
Agency transactions payable	7,029,645	-	7,029,645
Liabilities under split-interest agreements	1,485,468	-	1,485,468
Bond issue payable, net	4,472,923	-	4,472,923
Obligation under interest rate swap	62,847	-	62,847
	<u>14,627,030</u>	<u>106,892</u>	<u>14,733,922</u>
Total non-current liabilities			
	<u>14,627,030</u>	<u>106,892</u>	<u>14,733,922</u>
Total liabilities	<u>17,423,055</u>	<u>563,845</u>	<u>17,986,900</u>
Net Assets:			
Without donor restrictions	71,429,601	9,676,491	81,106,092
With donor restrictions	150,005,706	-	150,005,706
	<u>221,435,307</u>	<u>9,676,491</u>	<u>231,111,798</u>
Total net assets			
	<u>221,435,307</u>	<u>9,676,491</u>	<u>231,111,798</u>
Total liabilities and net assets	<u>\$ 238,858,362</u>	<u>\$ 10,240,336</u>	<u>\$ 249,098,698</u>

Subject to the accompanying independent auditor's report on supplemental information.

The Community Foundation for Palm Beach and Martin Counties, Inc.
Schedule of Consolidating Statements of Activities
For the Year Ended June 30, 2021

	<u>Community Foundation</u>	<u>Pew Fund</u>	<u>Total</u>
Revenue, Gains (Losses) and Support:			
Contributions and bequests	\$ 23,652,654	\$ 34,750	\$ 23,687,404
Net investment returns	47,770,349	2,541,182	50,311,531
Other revenues	549,338	-	549,338
Change in value of split-interest agreements	(65,316)	-	(65,316)
	<u>71,907,025</u>	<u>2,575,932</u>	<u>74,482,957</u>
Expenses:			
Program services:			
Community impact grants	19,262,683	1,045,440	20,308,123
Capacity building	454,357	-	454,357
	<u>19,717,040</u>	<u>1,045,440</u>	<u>20,762,480</u>
Supporting services:			
Management and general	972,148	-	972,148
Donor service	408,753	-	408,753
	<u>1,380,901</u>	<u>-</u>	<u>1,380,901</u>
Total expenses	<u>21,097,941</u>	<u>1,045,440</u>	<u>22,143,381</u>
Change in net assets before change in fair value of interest rate swap	<u>50,809,084</u>	<u>1,530,492</u>	<u>52,339,576</u>
Change in fair value of interest rate swap	<u>(62,847)</u>	<u>-</u>	<u>(62,847)</u>
Change in net assets	50,746,237	1,530,492	52,276,729
Net Assets, Beginning of Year	<u>170,689,070</u>	<u>8,145,999</u>	<u>178,835,069</u>
Net Assets, End of Year	<u>\$ 221,435,307</u>	<u>\$ 9,676,491</u>	<u>\$ 231,111,798</u>

Subject to the accompanying independent auditor's report on supplemental information.