

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

Consolidated Financial Statements
For the Year Ended June 30, 2019

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

Table of Contents

Independent Auditor's Report 1-2

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 7-21

Supplemental Information:

Independent Auditor's Report on Supplemental Information 22

Schedule of Consolidating Statements of Financial Position 23

Schedule of Consolidating Statements of Activities 24

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, 2019, 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.

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, 2019, 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.

Adjustments to Prior Period Financial Statements

The consolidated financial statements of the Foundation as of June 30, 2018, were audited by other auditors whose report dated November 2, 2018, expressed an unmodified opinion on those statements. As discussed in Note 2 to the consolidated financial statements, the Foundation has adjusted its 2018 consolidated financial statements to retrospectively adopt the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. The other auditors reported on the consolidated financial statements before the retrospective adjustment.

As part of our audit of the 2019 consolidated financial statements, we also audited the adjustments to the 2018 consolidated financial statements to retrospectively apply the change in accounting principles as described in Note 2. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the Foundation's 2018 consolidated financial statements other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2018 consolidated financial statements as a whole.

Report on Summarized Comparative Information

The summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, except for the matter described above, with the audited consolidated financial statements from which it has been derived.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
October 22, 2019

FINANCIAL STATEMENTS

The Community Foundation for Palm Beach and Martin Counties, Inc.
Consolidated Statement of Financial Position
June 30, 2019
(with comparative totals for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 4,557,311	\$ 4,277,282
Pledges receivable, net	187,500	-
Prepaid expenses	<u>168,669</u>	<u>208,608</u>
Total current assets	<u>4,913,480</u>	<u>4,485,890</u>
Non-current assets:		
Investments	175,619,004	160,411,194
Pledges receivable, net	1,772,171	-
Beneficial interests in charitable trusts	439,436	479,597
Other assets	68,109	57,394
Property and equipment, net	<u>7,339,726</u>	<u>7,543,966</u>
Total non-current assets	<u>185,238,446</u>	<u>168,492,151</u>
Total assets	<u>\$ 190,151,926</u>	<u>\$ 172,978,041</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 314,823	\$ 261,808
Grants and scholarships payable	4,121,163	928,666
Deferred revenues	<u>18,674</u>	<u>25,003</u>
Total current liabilities	<u>4,454,660</u>	<u>1,215,477</u>
Non-current liabilities:		
Security deposits	35,921	35,591
Grants and scholarships payable, net of current portion	1,903,910	3,651,000
Agency transactions payable	4,237,818	3,209,214
Liabilities under split-interest agreements	981,674	1,034,300
Bond issue payable, net	<u>4,468,606</u>	<u>4,966,447</u>
Total non-current liabilities	<u>11,627,929</u>	<u>12,896,552</u>
Total liabilities	<u>16,082,589</u>	<u>14,112,029</u>
Net Assets:		
Without donor restrictions	60,558,661	51,496,033
With donor restrictions	<u>113,510,676</u>	<u>107,369,979</u>
Total net assets	<u>174,069,337</u>	<u>158,866,012</u>
Total liabilities and net assets	<u>\$ 190,151,926</u>	<u>\$ 172,978,041</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, 2019
(with comparative totals for June 30, 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>	<u>2018 Total</u>
Revenue, Gains (Losses) and Support:				
Contributions and bequests	\$ 16,359,521	\$ 5,121,811	\$ 21,481,332	\$ 17,848,290
Net investment returns	4,334,288	5,113,352	9,447,640	8,059,091
Other revenues	503,118	-	503,118	375,248
Change in value of split-interest agreements	-	(44,640)	(44,640)	(17,442)
Net assets released from restrictions	4,049,826	(4,049,826)	-	-
 Total revenue, gains (losses) and support	 <u>25,246,753</u>	 <u>6,140,697</u>	 <u>31,387,450</u>	 <u>26,265,187</u>
Expenses:				
Program services:				
Community impact grants	13,244,181	-	13,244,181	11,623,999
Capacity building	595,040	-	595,040	576,731
 Total program services	 <u>13,839,221</u>	 <u>-</u>	 <u>13,839,221</u>	 <u>12,200,730</u>
Supporting services:				
Management and general	670,298	-	670,298	722,817
Donor services	1,674,606	-	1,674,606	1,464,356
 Total supporting services	 <u>2,344,904</u>	 <u>-</u>	 <u>2,344,904</u>	 <u>2,187,173</u>
 Total expenses	 <u>16,184,125</u>	 <u>-</u>	 <u>16,184,125</u>	 <u>14,387,903</u>
 Change in net assets	 9,062,628	 6,140,697	 15,203,325	 11,877,284
 Net Assets, beginning of year, as restated (Note 2)	 <u>51,496,033</u>	 <u>107,369,979</u>	 <u>158,866,012</u>	 <u>146,988,728</u>
 Net Assets, end of year	 <u>\$ 60,558,661</u>	 <u>\$ 113,510,676</u>	 <u>\$ 174,069,337</u>	 <u>\$ 158,866,012</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, 2019
(with comparative totals for June 30, 2018)

	Program Services				Supporting Services				Total 2019 Expenses	Total 2018 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	\$ 376,543	\$ 156,506	\$ -	\$ 533,049	\$ 451,852	\$ 677,778	\$ 1,129,630	\$ 1,662,679	\$ 1,528,014	
Payroll taxes	26,466	10,399	-	36,865	31,760	47,639	79,399	116,264	112,247	
Employee benefits and other related costs	52,418	15,354	-	67,772	62,901	99,337	162,238	230,010	202,129	
Total personnel costs	455,427	182,259	-	637,686	546,513	824,754	1,371,267	2,008,953	1,842,390	
Other expenses:										
Grants and scholarships awarded	10,792,263	1,597,486	-	12,389,749	-	-	-	12,389,749	10,694,898	
Advertising and publicity	85,531	-	-	85,531	3,000	155,809	158,809	244,340	162,098	
Conferences and meetings	9,395	2,976	-	12,371	806	24,662	25,468	37,839	24,938	
Dues and memberships	6,458	35	-	6,493	910	28,041	28,951	35,444	35,664	
Equipment and software	22,712	165	-	22,877	25,442	60,591	86,033	108,910	114,594	
Insurance	8,749	1,042	45,512	55,303	12,449	33,303	45,752	101,055	96,414	
Interest	-	-	87,621	87,621	3,755	33,796	37,551	125,172	134,185	
Miscellaneous	7,942	511	1,589	10,042	6,921	34,978	41,899	51,941	94,233	
Office supplies and expenses	10,528	228	5,030	15,786	12,345	24,351	36,696	52,482	50,962	
Professional fees	23,720	2,895	33,024	59,639	29,880	282,121	312,001	371,640	345,691	
Occupancy	4,234	12,038	70,746	87,018	8,114	34,916	43,030	130,048	117,492	
Outreach	4,769	-	-	4,769	5,723	79,977	85,700	90,469	245,786	
Repairs and maintenance	8,666	-	94,300	102,966	14,440	51,971	66,411	169,377	155,744	
Travel	1,687	2,465	-	4,152	-	5,336	5,336	9,488	7,961	
Total other expenses	10,986,654	1,619,841	337,822	12,944,317	123,785	849,852	973,637	13,917,954	12,280,660	
Provision for depreciation	-	-	257,218	257,218	-	-	-	257,218	264,853	
Total expenses	\$ 11,442,081	\$ 1,802,100	\$ 595,040	\$ 13,839,221	\$ 670,298	\$ 1,674,606	\$ 2,344,904	\$ 16,184,125	\$ 14,387,903	

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, 2019
(with comparative totals for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 15,203,325	\$ 11,877,284
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for depreciation	257,218	264,853
Amortization of bond issuance costs	5,363	5,362
Amortization of bond premium	(3,204)	(3,204)
Contributed investments	(8,072,195)	-
Net realized and unrealized (gains) losses on investments	(7,303,492)	(5,758,125)
Change in value of split-interest agreements	44,640	17,442
Contribution for funds held in perpetuity	(2,762,798)	(5,364,121)
(Increase) decrease in assets:		
Pledges receivable, net	(1,959,671)	-
Prepaid expenses	39,939	(44,114)
Beneficial interests in charitable trusts	40,161	(33,231)
Other assets	(10,715)	(9,570)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	53,015	74,424
Grants and scholarships payable	1,445,407	(612,330)
Deferred revenues	(6,329)	6,116
Security deposits	330	4,671
Agency transactions payable	1,028,604	1,093,851
Net cash provided by (used in) operating activities	<u>(2,000,402)</u>	<u>1,519,308</u>
Cash Flows From Investing Activities:		
Proceeds from the sale of investments	51,223,418	74,486,342
Purchases of investments	(51,152,807)	(79,686,051)
Purchases of property and equipment	(52,978)	(74,563)
Net cash provided by (used in) investing activities	<u>17,633</u>	<u>(5,274,272)</u>
Cash Flows From Financing Activities:		
Payments on bond issue payable	(500,000)	(1,400,000)
Contribution for funds held in perpetuity	2,762,798	5,364,121
Net cash provided by (used in) financing activities	<u>2,262,798</u>	<u>3,964,121</u>
Net increase (decrease) in cash and cash equivalents	280,029	209,157
Cash and cash equivalents, beginning of year	<u>4,277,282</u>	<u>4,068,125</u>
Cash and cash equivalents, end of year	<u>\$ 4,557,311</u>	<u>\$ 4,277,282</u>

Supplemental disclosures for noncash operating activities: Net investment gains related to agency transactions were approximately \$ 230,000 for the year ended June 30, 2019.

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 501(c)(3) not-for-profit organizations at below market rates. 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 23-24 present the financial position and activities of the Pew Fund as of and for the year ended June 30, 2019.

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

Note 2 - Summary of Significant Accounting Policies

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.

New accounting pronouncement: In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The Foundation implemented the provisions of this new standard during the year ended June 30, 2019 and has adjusted the presentation in these consolidated financial statements accordingly.

The Community Foundation for Palm Beach and Martin Counties, Inc.
Notes to Consolidated Financial Statements
June 30, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Net assets have been reclassified due to the adoption of FASB ASU No. 2016-14, as of June 30, 2018, as follows:

Net Assets Classification, at June 30, 2018	Without Donor Restrictions	With Donor Restrictions	Total
Unrestricted	\$ 75,984,084	\$ -	\$ 75,984,084
Temporarily Restricted	-	2,124,316	2,124,316
Permanently Restricted	-	80,757,612	80,757,612
Net assets, as previously reported	75,984,084	82,881,928	158,866,012
Reclassifications	<u>(24,488,051)</u>	<u>24,488,051</u>	<u>-</u>
Net assets, as reported after the adoption of FASB ASU No. 2016-14	<u>\$ 51,496,033</u>	<u>\$ 107,369,979</u>	<u>\$ 158,866,012</u>

In addition to the reclassifications discussed above and the changes in terminology used to describe categories of net assets throughout the consolidated financial statements, new disclosures were added regarding liquidity and availability of resources and related to functional allocation of expenses.

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.
- *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, pledges receivable 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.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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 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 cost, which approximates fair value. U.S. government and agency obligations and corporate bonds are carried at quoted market prices. Alternative investments consist of domestic equities, private investments, hedge strategies and real assets. 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.

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 capital 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.

Note 2 - Summary of Significant Accounting Policies (continued)

Pledges receivable: Unconditional promises to give are recorded as revenue in the period the promise is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises 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.

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 assets expected to be received in the future.

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/amortization, 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 and amortization expense was approximately \$ 257,000 for the year ended June 30, 2019.

Grants and scholarships payable: Unconditional grants are recorded in the consolidated financial statements upon the approval of the Board of Directors.

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.

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 \$ 1,845,000 for the year ended June 30, 2019.

Note 2 - Summary of Significant Accounting Policies (continued)

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 these 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 functions. 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. Payroll and related benefits, 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. Certain occupancy expenses 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 or their affiliated organizations.

Summarized prior year information: The 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 generally accepted accounting principles. This information should be read in conjunction with the Foundation's consolidated financial statements for the year ended June 30, 2018, from which the comparative information was extracted. Certain accounts in the prior year statements and notes information have been reclassified to conform to the presentation in the current year consolidated financial statements.

Subsequent events: Subsequent events were evaluated by management through October 22, 2019, 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, 2019, comprise the following:

Financial assets:	
Cash and cash equivalents	\$ 4,557,311
Pledges receivable	1,959,671
Investments	<u>175,619,004</u>
Financial assets, at year-end	<u>182,135,986</u>
Less those unavailable for general expenditures within one year, due to:	
Long-term investments - no liquidity	(27,424,974)
Investments - unfunded commitments	(9,122,864)
Investments - subject to split-interest agreements	(1,819,222)
Pledges receivable beyond one year, net	(1,772,171)
Agency funds invested for others	(4,237,818)
Endowment restrictions - corpus	(83,610,740)
Endowments subject to appropriation and satisfaction of donor restrictions	(26,663,280)
Board designated endowments	<u>(15,440,999)</u>
	<u>(170,092,068)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>12,043,918</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, 4.75% 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 \$ 4.4 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 pledges receivables, split-interest agreements, cash, cash equivalents, and investments. Management believes the pledges receivables are fully collectible and no allowance for uncollectible amounts is necessary. The Foundation regularly monitors the estimated liability 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, 2019, the Foundation had deposits in excess of the FDIC insurance limit of approximately \$ 5.5 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 may at times 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 that maintain safety and liquidity.

Note 4 - Credit Risk and Concentrations (continued)

Approximately 86% of pledges receivable, or approximately \$ 1,825,000, were due from three donors as of June 30, 2019. For the year ended June 30, 2019, approximately 56% of the contributions and bequests were received from two donors.

Note 5 - Investments

As of June 30, 2019, investments consisted of the following at their fair value:

	<u>2019</u>
Domestic equities	\$ 59,426,945
Fixed income	34,540,092
Private investments	27,424,974
International equities	26,475,731
Hedge strategies	20,420,615
Cash and equivalents	5,737,693
Real assets	<u>1,592,954</u>
Total	<u>\$ 175,619,004</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, 2019, the Board set the grant spending rate at 4.75% 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 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, 2019

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, 2019 as follows:

Investment Type	Level 1	Level 2	Level 3	Investments Valued at NAV	Total
Domestic equities	\$ 41,350,430	\$ -	\$ 18,076,515	\$ -	\$ 59,426,945
Fixed income	29,122,567	5,417,525	-	-	34,540,092
Private investments	-	-	23,353,636	4,071,338	27,424,974
International equities	26,475,731	-	-	-	26,475,731
Hedge strategies	833,223	-	54,898	19,532,494	20,420,615
Real assets	529,368	-	-	1,063,586	1,592,954
Total investments measured at fair value	\$ 98,311,319	\$ 5,417,525	\$ 41,485,049	\$ 24,667,418	169,881,311
Investments measured at amortized cost:					
Cash and equivalents					5,737,693
Total investments					\$ 175,619,004
Beneficial interests in charitable trusts	\$ -	\$ -	\$ 439,436	\$ -	\$ 439,436

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, 2018	\$ 68,801,565	\$ -	\$ 68,801,565
Transfers between levels	(20,058,392)	479,597	(19,578,795)
Net purchases/contributions and sales/redemptions	(10,713,802)	-	(10,713,802)
Net investment earnings	451,493	-	451,493
Change in value	3,004,185	(40,161)	3,375,605
Balance, June 30, 2019	\$ 41,485,049	\$ 439,436	\$ 42,336,066

The Community Foundation for Palm Beach and Martin Counties, Inc.
Notes to Consolidated Financial Statements
June 30, 2019

Note 5 - Investments (continued)

The following table presents the unfunded commitments, redemption frequency, and notice period 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)	\$ 18,076,515	\$ -	Semi-liquid
Private investments (b)	27,424,974	9,122,864	No liquidity
Hedge strategies (c)	19,587,392	-	Monthly/Semi-liquid
Real assets (d)	<u>1,063,586</u>	<u>-</u>	Daily
	<u>\$ 66,152,467</u>	<u>\$ 9,122,864</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.
- (d) This investment strategy is to achieve growth through current income and capital appreciation by investing in real assets markets which include oil, gas, commodities, metals and infrastructure.

Note 6 - Pledges Receivable

The Foundation records unconditional promises to give as pledges receivable. These pledges receivable are recorded at fair value at the date of the gift, less an allowance for uncollectible pledges, if deemed necessary, and are discounted to the present value of their expected future cash flows. The allowance for uncollectible pledges is based on prior collection history and specific review of all pledges. The Foundation considered all pledges to be fully collectible; therefore, no allowance was recorded as of June 30, 2019.

Pledges receivable are summarized, as of June 30, 2019, as follows:

Receivable in less than one year	\$ 187,500
Receivable in one to five years	1,535,000
Receivable in greater than five years	<u>400,000</u>
Total unconditional pledges at face value	<u>2,122,500</u>
Less: discount	<u>(162,829)</u>
Net unconditional pledges	<u>\$ 1,959,671</u>

The Community Foundation for Palm Beach and Martin Counties, Inc.
Notes to Consolidated Financial Statements
June 30, 2019

Note 7 - Property and Equipment

At June 30, 2019, property and equipment consists of the following:

Building and improvements	\$ 7,894,081
Furniture, fixtures, and office equipment	<u>1,045,776</u>
	8,939,857
Less: accumulated depreciation	<u>4,905,443</u>
	4,034,414
Land	<u>3,305,312</u>
Property and equipment, net	<u><u>\$ 7,339,726</u></u>

Note 8 - Grants and Scholarships Payable

The Foundation has made unconditional promises to provide funding to other organizations and individuals, as of June 30, 2019, payable at estimated amounts as follows:

Payable in less than one year	\$ 4,121,163
Payable in one to three years	<u>1,903,910</u>
	<u><u>\$ 6,025,073</u></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, 2019 were as follows:

Agency transactions payable, July 1, 2018	\$ 3,209,214
Earnings (losses) allocated to agency accounts	230,157
Amounts received on behalf of others	901,922
Management fees earned by the Foundation	(36,957)
Distributions to agencies	<u>(66,518)</u>
Agency transactions payable, June 30, 2019	<u><u>\$ 4,237,818</u></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, subject to donors intent.

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, 2019, 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	\$ 1,186,150
Donor-advised	10,958,354
Field of interest	7,441,440
Scholarship	2,873,583
Undesignated	4,119,207
Administrative	84,546
	<u>26,663,280</u>

Amounts required to be maintained in perpetuity:

Designated	4,274,248
Donor-advised	33,185,545
Field of interest	30,604,607
Scholarship	13,465,464
Undesignated	2,040,846
Administrative	40,030
	<u>83,610,740</u>

Subtotal - endowments	<u>110,274,020</u>
-----------------------	--------------------

The Community Foundation for Palm Beach and Martin Counties, Inc.
Notes to Consolidated Financial Statements
June 30, 2019

Note 10 - Net Assets (continued)

Subject to the passage of time:	
Pledges receivable, the proceeds from which have been restricted by donors for	
Designated	1,684,744
Administrative	274,927
	<u>1,959,671</u>
Split-interest agreements, net	<u>1,276,985</u>
	<u>3,236,656</u>
Subtotal - subject to the passage of time	<u>3,236,656</u>
Total net assets with donor restrictions	<u>\$ 113,510,676</u>

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, 2019:

Endowment spending rate distribution	\$ 4,186,768
Changes in donor restrictions	<u>(136,942)</u>
	<u>\$ 4,049,826</u>

As of June 30, 2019, the Foundation's net assets without donor restrictions are classified as follows:

Designated	\$ 126,715
Donor-advised	30,444,321
Field of interest	445,747
Scholarship	110,153
Supporting organization	8,527,283
Administrative	5,463,443
Board designated	<u>15,440,999</u>
Total net assets without donor restrictions	<u>\$ 60,558,661</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.

The Community Foundation for Palm Beach and Martin Counties, Inc.
Notes to Consolidated Financial Statements
June 30, 2019

Note 11 - Endowments (continued)

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.
- 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, 2019:

Type of Endowment	Without Donor Restrictions	Net Assets With Donor Restrictions		
		Net Earnings	Endowment Restricted	Total
Donor Restricted	\$ -	\$ 26,663,280	\$ 83,610,740	\$ 110,274,020
Board Designated	<u>15,440,999</u>	<u>-</u>	<u>-</u>	<u>15,440,999</u>
	<u>\$ 15,440,999</u>	<u>\$ 26,663,280</u>	<u>\$ 83,610,740</u>	<u>\$ 125,715,019</u>

The changes in endowment net assets for the year ended June 30, 2019, are as follows:

	Without Donor Restrictions	Net Assets With Donor Restrictions		
		Net Earnings	Endowment Restricted	Total
Endowment Fund Balance, as of July 1, 2018, as restated	\$ 15,204,519	\$ 25,290,742	\$ 80,757,612	\$ 121,252,873
Contributions	-	399,342	2,762,798	3,162,140
Transfers to/(from) Board designated endowment funds	(109,592)	46,612	90,330	27,350
Amounts appropriated for expenditure	(408,255)	(4,186,768)	-	(4,595,023)
Net Investment returns	<u>754,327</u>	<u>5,113,352</u>	<u>-</u>	<u>5,867,679</u>
Endowment Fund Balance, as of June 30, 2019	<u>\$ 15,440,999</u>	<u>\$ 26,663,280</u>	<u>\$ 83,610,740</u>	<u>\$ 125,715,019</u>

Note 11 - Endowments (continued)

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. There were no underwater funds as of June 30, 2019.

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 \$ 390,800 for the year ended June 30, 2019.

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

<u>June 30,</u>	
2020	\$ 262,300
2021	184,000
2022	164,600
2023	129,900
2024	<u>34,800</u>
	<u>\$ 775,600</u>

The building and adjacent land were financed through the issuance of \$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, 2019, the interest rate for the bonds was 2.00%.

As of June 30, 2019, 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 \$ 78,661 and \$ 47,267, respectively.

Note 13 - Commitments and Contingencies

Funding Commitments: The Foundation has entered into various separate funding commitments on certain alternative investments. The remaining commitment as of June 30, 2019 is approximately \$ 9,123,000.

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). As of June 30, 2019, the amount held in reserve was approximately \$ 6,000.

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%), 5.00% as of June 30, 2019. As of June 30, 2019, 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 \$ 981,674, as of June 30, 2019 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 \$ 1,819,222 as of June 30, 2019, 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 Organization also offers a 457(b) plan for certain highly compensated employees. Contributions to the plan by the Organization 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, 2019 was approximately \$ 83,000.

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.

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, 2019, and have issued our report thereon dated October 22, 2019, 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 23 and 24 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
October 22, 2019

The Community Foundation for Palm Beach and Martin Counties, Inc.
Schedule of Consolidating Statements of Financial Position
June 30, 2019

	<u>Community Foundation</u>	<u>Pew Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 4,552,214	\$ 5,097	\$ 4,557,311
Pledges receivable, net	187,500	-	187,500
Prepaid expenses and other assets	168,471	198	168,669
Total current assets	<u>4,908,185</u>	<u>5,295</u>	<u>4,913,480</u>
Non-current assets:			
Investments	166,193,822	9,425,182	175,619,004
Pledges receivable, net	1,772,171	-	1,772,171
Beneficial interests in charitable trusts	439,436	-	439,436
Other assets	67,109	1,000	68,109
Property and equipment, net	7,339,726	-	7,339,726
Total non-current assets	<u>175,812,264</u>	<u>9,426,182</u>	<u>185,238,446</u>
Total assets	<u>\$ 180,720,449</u>	<u>\$ 9,431,477</u>	<u>\$ 190,151,926</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	\$ 310,414	\$ 4,409	\$ 314,823
Grants and scholarships payable	3,344,378	776,785	4,121,163
Deferred revenues	18,674	-	18,674
Total current liabilities	<u>3,673,466</u>	<u>781,194</u>	<u>4,454,660</u>
Non-current liabilities:			
Security deposits	35,921	-	35,921
Grants and scholarships payable, net of current portion	1,780,910	123,000	1,903,910
Agency transactions payable	4,237,818	-	4,237,818
Liabilities under split-interest agreements	981,674	-	981,674
Bond issue payable, net	4,468,606	-	4,468,606
Total non-current liabilities	<u>11,504,929</u>	<u>123,000</u>	<u>11,627,929</u>
Total liabilities	<u>15,178,395</u>	<u>904,194</u>	<u>16,082,589</u>
Net Assets:			
Without donor restrictions	52,031,378	8,527,283	60,558,661
With donor restrictions	113,510,676	-	113,510,676
Total net assets	<u>165,542,054</u>	<u>8,527,283</u>	<u>174,069,337</u>
Total liabilities and net assets	<u>\$ 180,720,449</u>	<u>\$ 9,431,477</u>	<u>\$ 190,151,926</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, 2019

	<u>Community Foundation</u>	<u>Pew Fund</u>	<u>Total</u>
Revenue, Gains (Losses) and Support:			
Contributions and bequests	\$ 21,429,207	\$ 52,125	\$ 21,481,332
Net investment returns	8,894,335	553,305	9,447,640
Other revenues	503,118	-	503,118
Change in value of split-interest agreements	(44,640)	-	(44,640)
	<u>30,782,020</u>	<u>605,430</u>	<u>31,387,450</u>
Total revenue, gains (losses) and support			
Expenses:			
Program services:			
Community impact grants	11,442,081	1,802,100	13,244,181
Capacity building	595,040	-	595,040
	<u>12,037,121</u>	<u>1,802,100</u>	<u>13,839,221</u>
Total program services			
Supporting services:			
Management and general	670,298	-	670,298
Donor service	1,674,606	-	1,674,606
	<u>2,344,904</u>	<u>-</u>	<u>2,344,904</u>
Total supporting services			
	<u>14,382,025</u>	<u>1,802,100</u>	<u>16,184,125</u>
Total expenses			
	16,399,995	(1,196,670)	15,203,325
Change in net assets			
Net Assets, beginning of year	<u>149,142,059</u>	<u>9,723,953</u>	<u>158,866,012</u>
Net Assets, end of year	<u>\$ 165,542,054</u>	<u>\$ 8,527,283</u>	<u>\$ 174,069,337</u>

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