

**COMMUNITY FOUNDATION OF COLLIER
COUNTY, INC. dba COLLIER COMMUNITY
FOUNDATION AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022



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December 20, 2023

Board of Directors and Members of
Community Foundation of Collier County, Inc.
dba Collier Community Foundation and Subsidiaries
Naples, Florida

Independent Auditor's Report

Opinion

We have audited the accompanying consolidated financial statements of Community Foundation of Collier County, Inc. dba Collier Community Foundation and Subsidiaries (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, program and supporting services, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Community Foundation of Collier County, Inc. dba Collier Community Foundation and Subsidiaries as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Hill, Barth & King LLC

Certified Public Accountants

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
COLLIER COMMUNITY FOUNDATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 33,823,330	\$ 27,007,001
Accrued interest receivable	468,154	334,083
Investments	218,769,012	215,960,317
Other receivables	801,672	565,022
Pledges receivable, net	166,464	1,339,840
Split-interest agreements	197,755	162,040
Beneficial interest agreement	27,966	28,178
Property and equipment, net	1,834,016	1,880,177
Other assets	119,935	80,511
TOTAL ASSETS	<u>\$ 256,208,304</u>	<u>\$ 247,357,169</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Grants and scholarships payable	\$ 14,935,337	\$ 3,863,538
Payables and accrued expenses	244,125	160,018
Funds held for agencies	53,582,232	69,683,977
TOTAL LIABILITIES	<u>68,761,694</u>	<u>73,707,533</u>
<u>NET ASSETS</u>		
Without donor restrictions:		
Undesignated	35,082,643	32,654,774
Field of interest	17,681,252	12,702,061
Scholarships	6,803,917	6,422,283
Donor-designated	27,489,920	25,497,721
Donor-advised	93,127,997	90,310,702
Supporting organizations	7,035,160	5,871,877
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>187,220,889</u>	<u>173,459,418</u>
NET ASSETS WITH DONOR RESTRICTIONS	<u>225,721</u>	<u>190,218</u>
TOTAL NET ASSETS	<u>187,446,610</u>	<u>173,649,636</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 256,208,304</u>	<u>\$ 247,357,169</u>

See accompanying notes to consolidated financial statements

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
COLLIER COMMUNITY FOUNDATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years ended June 30, 2023 and 2022

	2023			2022		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<u>SUPPORT AND REVENUES</u>						
Contributions	\$ 37,525,651	\$ -	\$ 37,525,651	\$ 31,199,407	\$ -	\$ 31,199,407
Interest and dividend income, net	3,851,123	-	3,851,123	3,824,574	-	3,824,574
Realized net gains on investments	4,831,065	-	4,831,065	3,473,662	-	3,473,662
Unrealized net (losses) gains on investments	8,899,849	-	8,899,849	(32,271,841)	-	(32,271,841)
Administrative fees - agency funds	181,651	-	181,651	213,544	-	213,544
Miscellaneous income	886	-	886	33,154	-	33,154
PPP debt forgiveness	-	-	-	246,800	-	246,800
TOTAL SUPPORT AND REVENUES	55,290,225	-	55,290,225	6,719,300	-	6,719,300
<u>EXPENSES</u>						
Program services:						
Grants and program expenses	38,358,038	-	38,358,038	31,238,203	-	31,238,203
Women's Foundation of Collier County	231,196	-	231,196	150,320	-	150,320
Donor services program	402,703	-	402,703	372,738	-	372,738
Unrestricted grants program	832,175	-	832,175	655,478	-	655,478
TOTAL PROGRAM SERVICES	39,824,112	-	39,824,112	32,416,739	-	32,416,739
Supporting services:						
Development	897,248	-	897,248	828,011	-	828,011
Management and general	807,394	-	807,394	786,109	-	786,109
TOTAL SUPPORTING SERVICES	1,704,642	-	1,704,642	1,614,120	-	1,614,120
TOTAL EXPENSES	41,528,754	-	41,528,754	34,030,859	-	34,030,859
Change in value of beneficial interest agreement	-	(212)	(212)	-	(2,937)	(2,937)
Change in value of split - interest agreements and annuity obligations	-	35,715	35,715	(37,259)	40,282	3,023
Net assets released from restrictions	-	-	-	14,250	(14,250)	-
CHANGES IN NET ASSETS BEFORE LLC ACTIVITY	13,761,471	35,503	13,796,974	(27,334,568)	23,095	(27,311,473)
LLC Net Profit	-	-	-	613,249	-	613,249
CHANGES IN NET ASSETS	13,761,471	35,503	13,796,974	(26,721,319)	23,095	(26,698,224)
<u>NET ASSETS</u>						
Beginning of year	173,459,418	190,218	173,649,636	200,180,737	167,123	200,347,860
End of year	\$ 187,220,889	\$ 225,721	\$ 187,446,610	\$ 173,459,418	\$ 190,218	\$ 173,649,636

See accompanying notes to consolidated financial statements

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
COLLIER COMMUNITY FOUNDATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF PROGRAM AND SUPPORTING SERVICES

Year ended June 30, 2023

	PROGRAM SERVICES				SUPPORTING SERVICES		TOTAL
	GRANTS AND PROGRAM EXPENSES	WOMEN'S FOUNDATION OF COLLIER COUNTY	DONOR SERVICES PROGRAM	UNRESTRICTED GRANTS PROGRAM	DEVELOPMENT	MANAGEMENT AND GENERAL	2023
Grants and scholarships	\$ 38,100,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,100,488
Salaries and benefits	-	99,504	337,899	514,979	418,748	486,499	1,857,629
Professional services	114,132	4,012	3,217	67,957	30,429	170,229	389,976
Information technology	8,360	8,877	15,357	136,943	19,098	58,104	246,739
Advertising	-	-	-	154	235,397	-	235,551
Program expenses	135,058	-	-	7,000	-	-	142,058
Office expense	-	3,070	18,416	31,359	23,761	32,569	109,175
Special events	-	105,478	-	-	-	-	105,478
Printing and publications	-	7,598	-	1,147	91,550	-	100,295
Depreciation	-	-	18,420	31,023	21,329	26,176	96,948
Conferences and meetings	-	1,569	287	21,269	40,554	11,944	75,623
Rent and CAM	-	-	6,970	11,527	7,506	9,738	35,741
Dues and subscriptions	-	1,088	2,137	8,817	8,876	12,135	33,053
TOTAL	\$ 38,358,038	\$ 231,196	\$ 402,703	\$ 832,175	\$ 897,248	\$ 807,394	\$ 41,528,754

See accompanying notes to consolidated financial statements

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
COLLIER COMMUNITY FOUNDATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF PROGRAM AND SUPPORTING SERVICES (CONTINUED)

Year ended June 30, 2022

	PROGRAM SERVICES				SUPPORTING SERVICES		TOTAL
	GRANTS AND PROGRAM EXPENSES	WOMEN'S FOUNDATION OF COLLIER COUNTY	DONOR SERVICES PROGRAM	UNRESTRICTED GRANTS PROGRAM	DEVELOPMENT	MANAGEMENT AND GENERAL	2022
Grants and scholarships	\$ 31,166,477	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,166,477
Salaries and benefits	-	112,612	314,572	531,653	360,142	470,818	1,789,797
Professional services	3,233	20,036	2,753	10,191	66,213	88,338	190,764
Information technology	7,763	2,022	20,765	53,289	-	64,316	148,155
Advertising	1,300	-	-	40	77,677	-	79,017
Program expenses	59,061	-	-	-	-	-	59,061
Office expense	-	1,731	21,112	32,464	36,688	39,506	131,501
Special events	-	-	-	-	183,895	-	183,895
Printing and publications	-	12,072	-	-	68,975	-	81,047
Depreciation	-	-	-	-	-	95,302	95,302
Conferences and meetings	369	374	4,129	8,082	19,803	6,096	38,853
Rent and CAM	-	-	7,092	11,294	7,085	9,543	35,014
Dues and subscriptions	-	1,473	2,315	8,465	7,533	12,190	31,976
TOTAL	\$ 31,238,203	\$ 150,320	\$ 372,738	\$ 655,478	\$ 828,011	\$ 786,109	\$ 34,030,859

See accompanying notes to consolidated financial statements

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
COLLIER COMMUNITY FOUNDATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from contributions	\$ 33,032,500	\$ 23,561,037
Cash received from contributed securities	4,521,889	8,742,172
Cash received from interest and dividends	5,288,588	5,897,342
Cash paid for agency transactions	(4,268,786)	(4,118,028)
Cash paid for grants and program expenses	(28,435,289)	(28,124,214)
Cash paid for other expenses	(4,105,141)	(3,658,255)
Other cash receipts	180,865	324,760
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>6,214,626</u>	<u>2,624,814</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from sale of investments	48,618,036	54,429,547
Purchase of investments	(47,165,545)	(51,900,641)
Issuance of loan	(800,000)	-
Proceeds from sale of property and equipment	-	2,200,000
Purchase of property and equipment	(50,788)	(3,497)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>601,703</u>	<u>4,725,409</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments to beneficiaries of annuity obligations	-	(59,782)
Transfer of remaining annuity obligations	-	(238,565)
Proceeds from split-interest agreements	-	14,250
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>(284,097)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,816,329	7,066,126
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of year	<u>27,007,001</u>	19,940,875
End of year	<u>\$ 33,823,330</u>	<u>\$ 27,007,001</u>

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
COLLIER COMMUNITY FOUNDATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Changes in net assets	\$ 13,796,974	\$ (26,698,224)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Gain on sale of investments	(8,121,744)	(10,194,859)
Net (appreciation) depreciation in fair value of investments	(10,606,477)	49,808,519
Change in present value discount of pledges receivable	(3,308)	(29,970)
Gain on disposal of assets	-	(630,206)
Depreciation	96,948	111,738
Change in value of split-interest agreements and annuity obligations	(35,715)	(3,023)
Change in value of beneficial interest agreement	212	2,937
Contributed securities	(1,745,454)	(1,247,249)
Granted securities	16,212,490	-
Paycheck Protection Program debt forgiveness	-	(246,800)
(Increase) decrease in assets:		
Accrued interest receivable	(134,071)	(86,603)
Other receivables	563,349	1,752,871
Pledges receivable	1,176,684	655,050
Other assets	(39,424)	(26,499)
Increase (decrease) in liabilities:		
Grants and scholarships payable	11,071,799	3,113,988
Payables and accrued expenses	84,107	(29,197)
Funds held for agencies	(16,101,744)	(13,627,659)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 6,214,626</u>	<u>\$ 2,624,814</u>

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
COLLIER COMMUNITY FOUNDATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Community Foundation of Collier County, Inc. dba Collier Community Foundation, and Subsidiaries (the Foundation) was incorporated in 1983 and began its operations in 1985 as a Florida nonprofit corporation. The express purpose of the Foundation is to support and fund charitable, educational, and cultural endeavors and social services primarily in Collier County, Florida by providing a permanent source of capital and endowment funds to meet the changing needs of Collier County in perpetuity. Grants awarded are in accordance with the terms of the Foundation's guidelines and are subject to the approval of the board of trustees (the Board).

Principles of Consolidation:

The accompanying consolidated financial statements include the accounts of Community Foundation of Collier County, Inc. dba Collier Community Foundation, and two supporting organizations: The Kapnick Fund, Inc. and The Lawrence and Ellen Macks Family Foundation of Florida, Inc. (collectively, the "Foundation"), after elimination of intercompany accounts and transactions.

Previously, the consolidated financial statements also included the accounts of JFN 4444, LLC, a for-profit Florida limited liability company that owned commercial rental property in Naples, Florida. The property was sold in December of 2021.

Basis of Accounting:

The accounts of the Foundation are maintained, and the accompanying consolidated financial statements have been prepared, on the accrual basis of accounting. Accordingly, assets are recorded when the Foundation obtains the rights of ownership or is entitled to claims for receipt and liabilities are recorded when the obligation is incurred.

Financial Statement Presentation:

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Although most contributions to the Foundation include donor-imposed restrictions, the variance power established in the amended Declaration of Trust and the Corporate By-Laws for Community Foundation of Collier County, Inc. dba Collier Community Foundation, gives the Foundation unilateral variance power to alter the restriction on any donation without the donor's approval. The provisions regarding variance power have been included in the Foundation's governing instruments since it was established in 1983. This variance power applies to all of the funds created within the Foundation. In addition, the total return spending policy adopted by the Foundation allows the Foundation to supplement income with distributions from the original corpus of gifts, if necessary, to maintain distribution levels authorized by the Foundation's board.

Accordingly, net assets of the Foundation and changes therein are classified as net assets without donor restrictions for financial reporting purposes except for those assets that have time restrictions, which will delay receipt of funds into the Foundation. Assets with time restrictions are recorded as net assets with donor restrictions. Expirations of donor-imposed restrictions on net assets are reported as reclassifications between the applicable classes of net assets. Net assets are released from donor restrictions by the occurrence of the passage of time or other events specified by the donors.

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
COLLIER COMMUNITY FOUNDATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued):

Notwithstanding the net assets without donor restriction classification, the Foundation consistently follows the practice of respecting donor's grantmaking preferences, as stated in their wills or fund agreements, when they establish a fund with the Foundation.

The Foundation's component Funds, which have been combined for presentation purposes, are of various types reflecting the intent of the donors who have contributed to them and are described as follows:

Undesignated Funds – Represents funds without donor restrictions where the donor has given the board full discretion to make distributions for charitable purposes to meet the needs of Collier County.

Field of Interest Funds – Represents funds without donor restrictions used at the board's discretion to benefit a particular charitable need (or field of interest) specified by the donor.

Scholarship Funds – Represents funds without donor restrictions that are used to provide nondiscriminatory scholarships to eligible applicants in order to further their education.

Donor-Designated Funds – Represents funds where the donor has designated a charity or charities for which support will be provided and are classified as without donor restrictions by virtue of the variance power of the Foundation board.

Donor-Advised Funds – Represents funds without donor restrictions for which the donor wishes to be actively involved in choosing the organizations that receive grants from the fund. However, ultimate responsibility and discretion for making such distributions remains with the Board.

Supporting Organizations – Represents separate Florida nonprofit corporations established exclusively for charitable, educational, and scientific purposes and specifically within those purposes to support the work of the Foundation.

Net Assets with Donor Restrictions – Represents Foundation assets which will not be available for Foundation use until a specific time restriction expires or an event occurs such as the maturation of remainder trusts.

Liquidity:

Assets are presented in the accompanying consolidated statements of financial position according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

Cash and Cash Equivalents:

For purposes of these consolidated financial statements, the Foundation considers all unrestricted bank accounts, money market funds, and short-term investments with a maturity of three months or less when purchased to be cash equivalents. The Foundation maintains bank accounts with balances which, at times, may exceed federally insured limits. The exposure to the Foundation for uninsured cash at June 30, 2023 is \$30,916,163.

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
COLLIER COMMUNITY FOUNDATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments:

Investments in securities, mutual funds, corporate bonds, and government bonds are carried at fair value determined by quoted prices on the last business day of the year. Investments in alternative investment funds that are not readily tradable are carried at an estimated fair value at the end of the period, as determined by management based upon consolidated financial statements, third-party pricing services, and other financial information reported by the administrator of the underlying investment funds.

The Foundation follows a total return concept with regard to investments; as such, unrealized appreciation or depreciation on net assets is considered to be without donor restrictions.

Split-Interest Agreements:

The Foundation's split-interest agreements with donors consist of charitable remainder trusts and charitable lead trusts. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the value of split-interest agreements in the consolidated statements of activities and changes in net assets.

Beneficial Interest Agreement:

The Foundation's beneficial interest agreement consists of a charitable gift annuity where the annuity is the obligation of a different charity. Upon the charity's satisfaction of its obligation, the entire residuum will be distributed to the Foundation. This designation is irrevocable. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the value of beneficial interest agreement in the consolidated statements of activities and changes in net assets.

Property and Equipment:

Property and equipment are capitalized at cost, if purchased or at fair value at the time of contribution, on items valued at more than \$2,500 with a life greater than one year. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the respective assets ranging from 5-35 years.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Funds Held for Agencies:

The Foundation has adopted accounting standards for transactions in which a community foundation accepts a contribution from a nonprofit organization and agrees to transfer those assets, the return on investment of those assets, or both, back to the nonprofit organization. The standards specifically require that if a nonprofit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the 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 funds. The Foundation maintains variance power and legal ownership of agency endowment funds and as such continues to report the funds as assets of the Foundation. However, a liability has been established for the fair value of the funds.

Contributions:

Contributions are recorded at fair value when received or when the Foundation is notified of an irrevocable gift. Gifts of real estate and property are recorded at fair value at the date of the gift.

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
COLLIER COMMUNITY FOUNDATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of program and supporting services. Accordingly, pass-through funds and grants have been allocated directly to program services and the remaining costs have been allocated both directly and indirectly to either program or supporting services based on time studies performed by management.

Fair Value Measurements:

The Foundation categorizes its assets and liabilities, measured at fair value, into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Financial assets and liabilities are valued using inputs which are quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, municipal bonds, and corporate debt securities.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset or inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes privately held domestic equities.

The Foundation measures assets without readily determinable fair values using net asset value per share (or equivalent) as an expedient. These assets and liabilities fall within the hierarchy level known as NAV which includes private equity funds, venture capital funds, hedge funds, commingled funds, and real estate investment funds.

Subsequent to initial recognition, the Foundation may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Donated Services:

Many individuals volunteer their time and perform a variety of tasks that assist the Foundation in educational services, committee assignments, and fund-raising. During the years ended June 30, 2023 and 2022, the Foundation did not recognize donated services in the consolidated statements of activities and changes in net assets.

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
COLLIER COMMUNITY FOUNDATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes:

The Internal Revenue Service (IRS) has determined the Collier Community Foundation and its supporting organizations to be exempt from income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3). In addition, the Foundation has been determined by the IRS to be other than a private foundation within the meaning of Section 509(a) of the IRC. Accordingly, no provision for income taxes has been made in these consolidated financial statements.

Use of Estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification:

Certain cash flow items in the prior year consolidated financial statements have been reclassified to conform to the current year presentation. Such reclassifications had no effect on changes in net assets.

NOTE B – INVESTMENTS

Investments at June 30, 2023 and 2022, are composed of the following:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Domestic equities	\$ 63,561,639	\$ 76,900,982	\$ 68,648,232	\$ 79,044,334
International equities	34,446,627	36,603,235	36,725,113	35,928,913
Fixed income	50,100,329	46,217,014	51,396,987	47,251,826
Commingled funds	34,557,650	41,545,159	31,611,552	33,661,082
Hedge funds	3,809,811	6,232,070	4,484,811	6,832,977
Private equity	13,794,218	9,881,855	14,746,231	11,272,165
Real estate investment funds	825,000	1,350,603	825,000	1,497,829
Commodity funds	46,308	38,094	501,437	471,191
TOTAL INVESTMENTS	\$201,141,582	\$218,769,012	\$ 208,939,363	\$ 215,960,317

Several of the alternative investment funds may engage in the speculative trading of commodity interests, including commodity and financial futures, forward contracts, options on futures, and other financial instruments. Risks to these investment companies arise from the possible adverse changes in the market value of such interests and the potential inability of counterparties to perform under the terms of the contracts. In addition, the funds from time-to-time may utilize leveraging in the underlying investments. However, the risk to the Foundation is limited to the amount of the Foundation's investments in each of these funds. There are no alternative investment funds that represent more than 5% of its net assets as of June 30, 2023 and 2022.

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE B – INVESTMENTS (CONTINUED)

The Foundation invests in a variety of investments. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the consolidated statements of financial position.

The following is a detailed summary of investment return at June 30:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income	\$ 5,422,658	\$ -	\$ 5,422,658
Gain on sale of investments	8,121,744	-	8,121,744
Investment fees	(782,711)	-	(782,711)
Net change in fair value of investments	10,606,476	-	10,606,476
Less: investment gain allocated to agency funds	(5,786,130)	-	(5,786,130)
NET INVESTMENT RETURN	<u>\$ 17,582,037</u>	<u>\$ -</u>	<u>\$ 17,582,037</u>

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income	\$ 5,983,946	\$ -	\$ 5,983,946
Gain on sale of investments	10,194,859	-	10,194,859
Investment fees	(853,522)	-	(853,522)
Net change in fair value of investments	(49,808,519)	-	(49,808,519)
Plus: investment loss allocated to agency funds	9,509,631	-	9,509,631
NET INVESTMENT RETURN	<u>\$ (24,973,605)</u>	<u>\$ -</u>	<u>\$ (24,973,605)</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE C – AGENCY FUNDS

Agency funds are assets received from nonprofit organizations that designated themselves as beneficiaries. Accordingly, agency funds are reported as liabilities rather than as net assets without donor restrictions to the Foundation. The liability balance and activities related to agency funds are summarized as follows:

	<u>2023</u>	<u>2022</u>
Liability for agency funds, beginning of year	\$ 69,683,977	\$ 83,311,636
Receipts	2,268,658	8,222,308
Interest and dividend income, net	788,824	1,305,851
Realized and unrealized net gains (losses) on investment	4,997,306	(10,815,482)
Distributions	(23,974,882)	(12,126,792)
Administrative expense allocation	(181,651)	(213,544)
Liability for agency funds, end of year	<u>\$ 53,582,232</u>	<u>\$ 69,683,977</u>

NOTE D – PLEDGES RECEIVABLE

Pledges receivable as of June 30, 2023 and 2022 consist of and are expected to be collected as follows:

	<u>2023</u>	<u>2022</u>
Pledges	\$ 171,166	\$ 1,347,850
Less: discount to net present value	(4,702)	(8,010)
TOTAL PLEDGES RECEIVABLE	<u>\$ 166,464</u>	<u>\$ 1,339,840</u>
Less than one year	\$ 80,499	\$ 867,558
One to five years	85,965	472,282
TOTAL PLEDGES RECEIVABLE	<u>\$ 166,464</u>	<u>\$ 1,339,840</u>

NOTE E – SPLIT-INTEREST AGREEMENTS

The Foundation is known to be an irrevocable beneficiary of one charitable lead trust and one charitable remainder trust. The Foundation is not the trustee for any of the trusts and does not exercise control over any of the assets. The beneficial interest in these assets of \$197,755 and \$162,040 has been recorded, as of June 30, 2023 and 2022, respectively, at the present value of the estimated future benefits to be received once the assets are distributed, using a discount rate of 3.6% and 1.2%, respectively, and a remainder factor based on the life expectancy of the donor.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment, net, at June 30, 2023 and 2022, consists of the following:

	<u>2023</u>	<u>2022</u>
Building	\$ 2,208,386	\$ 2,208,386
Office equipment	<u>301,524</u>	<u>258,076</u>
	2,509,910	2,466,462
Less accumulated depreciation	<u>675,894</u>	<u>586,285</u>
NET PROPERTY AND EQUIPMENT	<u>\$ 1,834,016</u>	<u>\$ 1,880,177</u>

Depreciation expense was \$96,948 and \$95,302 for the years ended June 30, 2023 and 2022, respectively. Depreciation expense of \$16,436 was charged to JFN 4444, LLC operations for the years ended June 30, 2022.

NOTE G – GRANTS AND SCHOLARSHIPS PAYABLE

Grants and scholarships are recorded as expenses when authorized and committed to a specified recipient and all material conditions have been satisfied by the recipient. As of June 30, 2023, grants and scholarships payable for the next five years and thereafter are as follows:

2024	\$ 12,313,721
2025	1,328,600
2026	496,008
2027	312,008
2028	115,000
Thereafter	<u>370,000</u>
	<u>\$ 14,935,337</u>

NOTE H – ANNUITY OBLIGATIONS

The Foundation received funds for gift annuities. The annuity agreements provide that the Foundation will pay annuitants an amount each year based on the established life expectancy of the donor. The Foundation transferred its annuity obligations and all contracts to Charitable Gift America on June 23, 2022. During the years ended June 30, 2023 and 2022, the Foundation did not enter into any new annuity agreement obligations. Payments to beneficiaries for the years ended June 30, 2023 and 2022 totaled \$0 and \$59,782, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE I – ENDOWMENT FUNDS

Endowment as of June 30, 2023 and 2022 consists of board-designated endowment funds as follows:

	2023	2022
Designated for specific nonprofits	\$ -	\$ 24,030,361
Designated for grant making	-	28,607,448
Administrative and program endowment	-	1,467,360
Scholarship	-	6,422,283
Field of interest	-	12,329,971
TOTAL BOARD-DESIGNATED ENDOWMENT FUNDS	\$ -	\$ 72,857,423

The Foundation has no donor restricted endowment due to the Foundation's variance power authority as described in Note A. The Board removed designation on endowment funds on January 24, 2023. Until that date, the Foundation's endowment funds consisted of funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of board-designated or donor-imposed restrictions.

Interpretation of Relevant Law:

The Foundation classifies as board-designated endowment net assets (a) the original value of gifts designated by the Board as endowment, (b) the original value of subsequent gifts to the board-designated endowment, and (c) accumulations of investment earnings and/or losses to the board-designated endowment in accordance with Board designations. The Foundation considers all earnings and/or losses on board-designated endowment funds to accumulate in the board-designated endowment fund.

Investment Policies:

The Foundation has established an investment policy to determine investment or reinvestment of the assets in accordance with such guidelines, policies, and procedures that are authorized by the Board. These guidelines, policies, and procedures shall attempt to provide a predictable stream of funding to programs supported by the board-designated endowment fund.

Spending Policies:

The Foundation has a policy to determine the endowment distribution each year. In establishing this policy, the Foundation considers the long-term expected return on its endowment net of investment fees, inflation, and administrative fees. The Foundation's goal is to provide sustainable funding to nonprofits in perpetuity.

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE I – ENDOWMENT FUNDS (CONTINUED)

Endowment funds as of June 30, 2023 and 2022 and during the years then ended is as follows:

	<u>2023</u>	<u>2022</u>
Endowment net assets - Beginning of year	\$ 72,857,423	\$ 80,826,258
Investment return:		
Investment income	726,477	1,462,024
Investment expenses	(211,952)	(331,405)
Net appreciation (depreciation)	4,823,315	(10,842,876)
Total investment return	<u>5,337,840</u>	<u>(9,712,257)</u>
Contributions	19,612,031	22,671,669
Amounts released from endowment	(84,880,374)	-
Amounts appropriated for expenditures	<u>(12,926,920)</u>	<u>(20,928,247)</u>
Endowment net assets - End of year	<u>\$ -</u>	<u>\$ 72,857,423</u>

NOTE J – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Time restricted - split interest agreements	\$ 197,755	\$ 162,040
Time restricted - beneficial interest agreement	27,966	28,178
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 225,721</u>	<u>\$ 190,218</u>

NOTE K – NET ASSETS RELEASED FROM RESTRICTIONS

During the years ended June 30, 2023 and 2022, the Foundation released the following amounts from net assets with donor restrictions upon satisfying the terms of restriction:

	<u>2023</u>	<u>2022</u>
Split interest	\$ -	\$ 14,250
TOTAL RELEASED FROM DONOR RESTRICTIONS	<u>\$ -</u>	<u>\$ 14,250</u>

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE L – FAIR VALUE MEASUREMENTS

The Foundation uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how the Foundation measures fair value, refer to NOTE A. The following table presents the fair value hierarchy for the balances of the assets of the Foundation measured at fair value on a recurring basis as of June 30, 2023 and 2022:

	Balance at June 30, 2023	Level 1	Level 2	Level 3	NAV
Assets:					
Investments:					
Domestic equities	\$ 76,900,982	\$ 76,780,982	\$ -	\$ 120,000	\$ -
International equities	36,603,235	36,603,235	-	-	-
Fixed income	46,217,014	34,599,143	11,617,871	-	-
Hedge funds	6,232,070	-	-	-	6,232,070
Private equity	9,881,855	-	-	-	9,881,855
Real estate investment funds	1,350,603	-	-	-	1,350,603
Commodity funds	38,094	38,094	-	-	-
Commingled funds	41,545,159	-	-	783,175	40,761,984
Total investments	<u>\$218,769,012</u>	<u>\$148,021,454</u>	<u>\$11,617,871</u>	<u>\$ 903,175</u>	<u>\$ 58,226,512</u>
Split-interest agreements	<u>\$ 197,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 197,755</u>	<u>\$ -</u>
Beneficial interest agreement	<u>\$ 27,966</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,966</u>	<u>\$ -</u>
	Balance at June 30, 2022	Level 1	Level 2	Level 3	NAV
Assets:					
Investments:					
Domestic equities	\$ 79,044,334	\$ 78,924,334	\$ -	\$ 120,000	\$ -
International equities	35,928,913	35,928,913	-	-	-
Fixed income	47,251,826	35,886,338	11,365,488	-	-
Hedge funds	6,832,977	-	-	-	6,832,977
Private equity	11,272,165	-	-	-	11,272,165
Real estate investment funds	1,497,829	-	-	-	1,497,829
Commodity funds	471,191	471,191	-	-	-
Commingled funds	33,661,082	-	-	-	33,661,082
Total investments	<u>\$ 215,960,317</u>	<u>\$ 151,210,776</u>	<u>\$ 11,365,488</u>	<u>\$ 120,000</u>	<u>\$ 53,264,053</u>
Split-interest agreements	<u>\$ 162,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,040</u>	<u>\$ -</u>
Beneficial interest agreement	<u>\$ 28,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,178</u>	<u>\$ -</u>
Liabilities:					
Annuity obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COMMUNITY FOUNDATION OF COLLIER COUNTY, INC. dba
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE L – FAIR VALUE MEASUREMENTS (CONTINUED)

	2023	2022
Level 3 Split-Interest Agreements:		
Balance at June 30, 2022	\$ 162,040	\$ 136,008
Change in fair value of split-interest agreements	35,715	40,282
Split-interest agreement payments	-	(14,250)
Balance at June 30, 2023	<u>\$ 197,755</u>	<u>\$ 162,040</u>
Level 3 Beneficial Interest Agreement:		
Balance at June 30, 2022	\$ 28,178	\$ 31,115
Change in fair value of beneficial interest agreement	(212)	(2,937)
Balance at June 30, 2023	<u>\$ 27,966</u>	<u>\$ 28,178</u>
Level 3 Annuity Obligations:		
Balance at June 30, 2022	\$ -	\$ 261,088
Payments made to beneficiaries	-	(59,782)
Change in fair value of annuity obligations	-	37,259
Transfer annuity obligation	-	(238,565)
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ -</u>
Level 3 Domestic Equities:		
Balance at June 30, 2022	\$ 120,000	\$ 556,440
Purchase of domestic equities	783,175	-
Transfer to level 1 domestic equities	-	(436,440)
Balance at June 30, 2023	<u>\$ 903,175</u>	<u>\$ 120,000</u>

Level 1 quoted prices (unadjusted) that are observable in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurable rate.

Level 2 fixed income and structured investments are measured at fair value with a valuation technique utilizing market prices at the close of the last business day for the statement period, provided by the investment advisors. In addition, Level 2 assets consist of hedge funds, private equities, and real estate funds are measured at fair value with a valuation technique utilizing market prices at the close of the last business day for the statement period, provided by the investment advisors.

Level 3 privately held domestic equities are measured at cost. Split-interest agreements, beneficial interest agreements, and annuity obligations are measured at fair value with a valuation technique utilizing estimated payout percentages, life expectancies, and IRS remainder factors.

The Foundation holds investments in certain entities that calculate net asset value per share (or its equivalent). Additionally, the Foundation invests in certain illiquid assets as part of its overall investment strategy. The liquidity needs of the investment pools are reviewed periodically to ensure that the Foundation maintains adequate liquid investments in order to meet its grantmaking obligations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE L – FAIR VALUE MEASUREMENTS (CONTINUED)

The components of these funds are as follows for hedge fund, private equity, real estate and commingled fund investments as of June 30, 2023:

Investments	NAV	Investment Objective	Redemption Frequency	Redemption Notice Period
Hedge Fund Investments:				
Hedge Funds of Funds	\$ 1,373,843	Diversified Strategies	Quarterly	45 days
Hedge Fund	991,179	Private Credit	Quarterly	30 days
Hedge Fund	2,597,005	Long/Short Equity	Quarterly to Annually	50 to 60 days
Hedge Fund	1,270,043	Relative Value	Quarterly	97 days
	NAV	Unfunded Commitments	Investment Objective	Term Remaining
Private Equity Investments:				
Limited Partnerships:				
Private Equity Funds of Funds	\$ 2,129,146	\$ 1,150,505	Buyout / Venture Capital	1-14 years
Private Equity Funds	1,035,183	938,870	Leveraged Buyout	1-6 years
Private Equity Funds	643,598	1,085,632	Direct Real Estate	1-6 years
Private Equity Funds	3,995,680	1,998,929	Private Credit	1-8 years
Private Equity Funds	704,051	2,168,513	Venture Capital	1-13 years
Private Equity Funds	1,303,877	848,606	Growth Equity	5-12 years
Private Equity Fund	70,320	-	Renewable Energy	1-3 years
	NAV	Investment Objective	Redemption Frequency	Redemption Notice Period
Real Estate Investments:				
Real Estate Funds	\$ 1,350,603	Direct Real Estate	Quarterly	110 days
	NAV	Investment Objective	Redemption Frequency	Redemption Notice Period
Commingled Fund Investments:				
Commingled Funds	\$ 11,029,045	Domestic Equity	Quarterly	45 days to 3 years
Commingled Funds	23,995,645	International Equity	Monthly to Semi-annually	4 days to 3 years
Commingled Funds	5,737,294	Fixed Income	Monthly	30 days to 3 years

There are no unfunded commitments for the hedge fund investments, real estate investments or commingled fund investments. There are commingled fund investments not available within one year of \$4,860,772.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE M – DEFINED CONTRIBUTION PENSION PLANS

The Foundation offers both Safe Harbor 401(k) and profit-sharing defined contribution plans covering substantially all employees.

Employees with one-year of service may participate in the 401(k) plan. Under the Safe Harbor 401(k) plan, the Foundation shall make a non-elective contribution for each eligible employee equal to 3% of their annual salary. Contributions to the 401(k) plan for the years ended June 30, 2023 and 2022 were \$42,411 and \$36,074, respectively.

Employees with 12-months of service are eligible to receive contributions from the profit-sharing plan. The Foundation has full discretion over how and when it makes contributions based on its budget each fiscal year. The vesting schedule for the profit-sharing plan is a 5-year graded vesting schedule. Contributions to the profit-sharing plan for the years ended June 30, 2023 and 2022 were \$77,058 and \$74,153, respectively.

NOTE N – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation's financial assets available for general use expenditures within one year as of June 30, 2023 and 2022, consist of the following:

Financial assets, as of June 30:	2023	2022
Cash and cash equivalents	\$ 33,823,330	\$ 27,007,001
Investments	204,026,385	207,620,370
Accounts and interest receivable	1,556,225	2,319,456
FINANCIAL ASSETS AVAILABLE WITHIN ONE YEAR		
TO MEET CASH NEEDS FOR GENERAL EXPENDITURES	<u>\$ 239,405,940</u>	<u>\$ 236,946,827</u>

Liquid investments are total investments less private equity and commingled fund investments not available within one year as detailed in note L, totaling \$14,742,627 and \$8,339,947 as of June 30, 2023 and 2022, respectively.

The Foundation's core operations are funded primarily through asset-based administrative fees on the charitable funds under management, calculated as a percentage of fair value. The board of directors has established reserves designed to support operations during periods of market volatility, when administrative fees collected may fall short of budgeted expectations. Reserves were \$2,642,231 and \$2,083,371 as of June 30, 2023 and 2022, respectively, and are included in the amounts available and are invested in money market accounts, short-term investments and the Foundation's diversified investment pools.

Assets above include component funds subject to donor recommendations, which are available for grants and general expenditures by virtue of the variance power of the Foundation Board. As described in note A, certain component funds, including undesignated, field of interest, scholarship, and donor-designated funds are subject to the board-approved spending policy of 4% for fiscal year 2023 and 2022. The spendable amount of \$2,251,475 and \$1,944,876, respectively, was made available for grantmaking from these component funds during the year.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to become available as needed for grants, general expenditures, liabilities, and other obligations. The Foundation invests cash in excess of daily requirements in money market and other short-term investments.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

NOTE O – RELATED PARTIES

The Foundation maintains a portion of its investments through Northern Trust. A member of the Foundation's board of trustees joined Northern Trust in 1999 and is President of the West Florida Region. The Foundation's investments managed or held in custody by Northern Trust totaled approximately \$27,943,000.

NOTE P – SUBSEQUENT EVENTS

Management evaluated all activity of the Foundation through December 20, 2023, the date the consolidated financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements or notes, except as noted below.

Subsequent to June 30, 2023, the Foundation's Board approved the return of assets to one agency resulting in a decrease of total fund assets and liabilities by approximately \$5.6 million.