

**Community Foundation of  
North Central Florida, Inc.**

**Financial Statements**

**Year Ended  
December 31, 2023 and 2022**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Community Foundation of North Central Florida, Inc.  
Gainesville, Florida

**Opinion**

We have audited the accompanying financial statements of Community Foundation of North Central Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of North Central Florida, Inc. as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit 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 Community Foundation of North Central Florida, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 Community Foundation of North Central Florida, Inc.'s ability to continue as a going concern within one year after the date that the 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 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.

### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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 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 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 Community Foundation of North Central Florida, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of North Central Florida, Inc.'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.

### **Report on Summarized Comparative Information**

We have previously audited Community Foundation of North Central Florida, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 29, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 19, 2024

**Community Foundation of North Central Florida, Inc.**

**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Assets:		
Cash and cash equivalents	\$ 3,187,973	\$ 872,948
Investments - Securities	7,295,992	8,540,239
Contributions Receivable	2,031,999	1,242,695
Beneficial Interest in Lead Trust	906,792	962,367
Other Receivables	529,817	239,408
Prepaid Expense	11,892	3,570
Property and Equipment, net	587,758	604,631
Restricted to Long-Term Investment:		
Investments	6,931,669	6,331,953
Mortgage Receivable, net	413,817	438,093
Interest in Gatorade Trust	8,127,090	7,351,495
Kirenaga Tech Fund	194,742	172,088
	<u>30,219,541</u>	<u>26,759,487</u>
Total Assets	\$ <u>30,219,541</u>	\$ <u>26,759,487</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts Payable	\$ 3,378	\$ 10,031
Grants Payable	2,283,123	1,679,393
Agency Funds Payable	4,778,148	4,358,361
	<u>7,064,649</u>	<u>6,047,785</u>
Total Liabilities	7,064,649	6,047,785
Net Assets:		
Without Donor Restrictions	4,478,811	3,750,684
With Donor Restrictions	18,676,081	16,961,018
	<u>23,154,892</u>	<u>20,711,702</u>
Total Net Assets	23,154,892	20,711,702
Total Liabilities and Net Assets	\$ <u>30,219,541</u>	\$ <u>26,759,487</u>

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

Community Foundation of North Central Florida, Inc.

STATEMENTS OF ACTIVITIES

Year Ended December 31, 2023

(with summarized financial information for the year ended December 31, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b><u>Support and Revenues:</u></b>				
Contributions:				
Government Grant	\$ -	\$ -	\$ -	\$ 30,080
Beneficial Interest in Lead Trust	75,000	-	75,000	1,037,367
Other	2,096,630	2,744,635	4,841,265	3,240,074
Royalty Income - Gatorade Trust	1,174,737	-	1,174,737	1,062,628
Interest on Mortgage Receivable	-	42,872	42,872	44,764
Fund Administration Fee	61,386	-	61,386	59,407
Rental Income	5,880	-	5,880	5,400
Center for Nonprofit Excellence	15,630	-	15,630	24,945
SPARC352 Apprentice	18,938	-	18,938	29,768
Miscellaneous Revenue	69,270	-	69,270	23,135
Support Provided by Expiring Time and Purpose Restrictions	2,685,430	(2,685,430)	-	-
Total Support and Revenues	6,202,901	102,077	6,304,978	5,557,568
<b><u>Expenses:</u></b>				
Program Services:				
Grants	4,943,936	-	4,943,936	4,998,513
Expenses	243,793	-	243,793	164,964
Allocated Overhead	194,693	-	194,693	206,159
Total Program Expenses	5,382,422	-	5,382,422	5,369,636
Supporting Activities:				
Management and General	157,053	-	157,053	144,101
Fundraising	178,867	-	178,867	181,343
Total Expenses	5,718,342	-	5,718,342	5,695,080
Excess/(Deficit) of Support and Revenue Over Expenses	484,559	102,077	586,636	(137,512)
Net Investment Return/(Loss)	243,568	837,391	1,080,959	(1,297,645)
Gain on Interest of Gatorade Trust	-	775,595	775,595	1,130,495
Change in Net Assets	728,127	1,715,063	2,443,190	(304,662)
<b>Net Assets, Beginning of Year</b>	<b>3,750,684</b>	<b>16,961,018</b>	<b>20,711,702</b>	<b>21,016,364</b>
<b>Net Assets, End of Year</b>	<b>\$ 4,478,811</b>	<b>\$ 18,676,081</b>	<b>\$ 23,154,892</b>	<b>\$ 20,711,702</b>

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

**Community Foundation of North Central Florida, Inc.**

**STATEMENTS OF CASH FLOWS**

**Years Ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities:</b>		
Change in Net Assets	\$ 2,443,190	\$ (304,662)
Adjustments:		
Net (Gain)/Loss on Investments	(1,196,407)	2,270,935
Gain on Interest in Gatorade Trust	(775,595)	(1,130,495)
Cash Contributions Restricted to Long-Term Investment	(30,000)	(191,144)
Program Loan Discount Amortization	(16,119)	(16,519)
Depreciation Expense	16,873	16,873
Changes in:		
Receivables:		
Contributions	(789,304)	(876,905)
Beneficial Interest in Lead Trust	55,575	(962,367)
Other	(290,409)	(5,820)
Prepaid Expense	(8,322)	3,755
Accounts Payable	(6,653)	6,716
Grants Payable	603,730	1,377,676
Agency Funds	419,787	(751,255)
	426,346	(563,212)
Net Cash Provided by (Used in) Operating Activities		
<b>Cash Flows from Investing Activities:</b>		
Purchase of Investments, Net	(24,201,294)	(3,570,792)
Proceeds from Sale of Investments, Net	26,019,578	4,011,477
Mortgage Loan Collections	40,395	38,430
	1,858,679	479,115
Net Cash Provided by Investing Activities		
<b>Cash Flows from Financing Activities:</b>		
Contributions Restricted to Long-Term Investment	30,000	191,144
	30,000	191,144
Net Cash Flows Provided by Financing Activities		
Net Change in Cash	2,315,025	107,047
Cash, Beginning of Year	872,948	765,901
Cash, End of Year	\$ 3,187,973	\$ 872,948

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

**Community Foundation of North Central Florida, Inc.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**Year Ended December 31, 2023**

**(with summarized financial information for the year ended December 31, 2022)**

	<b>2023</b>			<b>2022</b>	
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Totals</u>	<u>Totals</u>
Salaries and Benefits	\$ 117,963	\$ 84,205	\$ 126,602	\$ 328,770	\$ 288,274
Grants to Other Organizations	4,943,936	-	-	4,943,936	4,998,513
Direct Program Costs	243,793	-	-	243,793	164,964
Advertising	9,747	4,332	7,581	21,660	30,260
Depreciation	7,593	3,375	5,905	16,873	16,873
Insurance	4,199	1,866	3,267	9,332	9,129
Occupancy	7,803	3,468	6,068	17,339	16,868
Office Expense	22,059	9,804	17,156	49,019	73,953
Professional Fees	9,530	42,981	-	52,511	49,126
Event Expenses	-	-	-	-	13,766
Technology	12,500	5,556	9,722	27,778	29,840
Travel	3,299	1,466	2,566	7,331	3,514
<b>Totals</b>	<u>\$ 5,382,422</u>	<u>\$ 157,053</u>	<u>\$ 178,867</u>	<u>\$ 5,718,342</u>	<u>\$ 5,695,080</u>

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



# Community Foundation of North Central Florida, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

### NOTE 1 – Summary of Significant Accounting Policies

#### Entity

The Community Foundation of North Central Florida, Inc. (the Corporation) is a nonprofit corporation organized under the Florida Not-For-Profit Corporation Act. The mission of the Corporation is to promote and sustain philanthropy among the citizens of Gainesville and the surrounding area. The Corporation:

- Serves as a leader, catalyst and center for education on philanthropy,
- Strives to broaden the base of philanthropic giving,
- Provides flexible and cost-effective strategies for donors,
- Builds and preserves an endowment to address the changing needs of the community,
- Promotes and facilitates partnerships among nonprofit organizations, and
- Works toward measurable community improvement through strategic grant-making.

#### Tax Exempt Status

The Corporation is tax exempt under Section 501(c)(3) of the Internal Revenue Code and does not earn any unrelated business taxable income. Therefore, no provision for income taxes is reflected in the accompanying financial statements. In addition, the Corporation qualifies for the charitable contributions deduction and has been classified by the Internal Revenue Service as an organization that is not a private foundation.

#### Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and are presented using accounting principles generally accepted in the United States of America, as applicable for not-for-profit corporations. (U.S. GAAP)

#### Cash and Cash Equivalents

Cash consists of checking accounts and amounts held in insured cash sweep programs, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Cash equivalents consist of money market accounts, which are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 per institution.

#### Investments and Investment Policies

All investment securities have readily determinable fair values and are reported at fair value.

The Corporation's investment objective is to develop an investment portfolio that has a good probability of providing 5% distributions and maintaining its purchasing power, taking into account the impact of inflation. The Corporation recognizes there will be investment risk in order to achieve returns in excess of the "risk-free" rate of return of instruments such as Treasury Bills. Investment risk takes many forms, including interest rate risk, default risk, and market risk. However, the greater risk is not being able to achieve the goals and objectives of the portfolio. Absent specific donor restrictions to the contrary, the Corporation provides the following two alternatives for investment of assets.

1. Assets which are planned to be held for a shorter term will be invested in a portfolio consisting of fixed income and cash and equivalents.

**Community Foundation of North Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 1 – Summary of Significant Accounting Policies (continued)**

Investments and Investment Policies (continued)

2. Assets which are planned to be held for a longer term will be invested in a portfolio consisting of US equity, international equity, fixed income, alternative investments, and cash and equivalents.

Contributions, Mortgage, and Other Receivables

Contributions receivable represent the uncollected portion of unconditional promises to give. Mortgage receivables are recorded at their principal amount outstanding, with interest income recognized using the effective interest method over the term of the mortgage. Other receivables represent advances made to non-profit organizations and a program loan. The Corporation records these receivables at their net realizable value, if due in one year or less, or fair value using net present value and the market discount rate in effect at the date of the unconditional promise to give, if due in more than one year, as support and revenue in the period received. Amounts are deemed fully collectable and no allowance for doubtful accounts has been recorded.

Beneficial Interest in Lead Trust

The receivable from the charitable lead trust is recorded at fair value, based on the present value of expected future cash inflows. Annual revaluation is performed using applicable mortality tables and market conditions, with changes in value recognized accordingly.

Property and Equipment

The Corporation capitalizes property and equipment if it has an item cost of \$2,500 or more and a useful life when acquired of more than one year. Depreciation is computed using the straight-line method over estimated useful lives from 5 to 39 years.

Fair Value Measurement

The Corporation has implemented accounting guidance relating to fair value measurements. This guidance establishes a framework for measuring fair value and expands disclosures about fair value measurements. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation has the ability to access as of the measurement date.

Level 2 - inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 - unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of the unobservable inputs.

See Note 9 for a description of the valuation methodologies used for assets measured at fair value.

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1 – Summary of Significant Accounting Policies (continued)**

Grants Payable

Grants payable represent amounts the Corporation is obligated to disburse under approved grant agreements.

Agency Funds Payable

Agency funds are recorded as liabilities for amounts held on behalf of specified organizations.

Net Assets

The Corporation's net assets, the excess of assets over liabilities, are reported in two classes that are based upon existence or absence of restriction on use that are placed by its donors, as follows:

*Net Assets Without Donor Restrictions* are available to support operations. The only limits of these net assets are the broad limits resulting from the nature of the organization.

*Net Assets With Donor Restrictions* are restricted by a donor for use for a particular purpose or for use in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The Corporation's unspent contributions are included in this class if the donor limited their use. This class also includes its donor-restricted endowment fund.

When a donor's restriction is satisfied, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

(The above are accounting definitions that should be used and understood only in the context of these financial statements. They are not legal definitions and should not be used to interpret legal requirements or limitations).

Endowment Funds

Generally accepted accounting principles define an endowment fund as an established fund of cash, securities or other assets to provide income for the maintenance of a not-for-profit organization (NPO). The use of the assets of the fund may be permanently or temporarily restricted based on 1) the presence or absence of donor restrictions, or 2) the provisions of state law. In addition, the Board of a NPO may earmark a portion of its net assets without donor restrictions as a board-designated endowment to be invested to provide income for the NPO's operations and programs. The Corporation does not currently hold any board designated endowments.

# Community Foundation of North Central Florida, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

### NOTE 1 – Summary of Significant Accounting Policies (continued)

#### Endowment Funds (continued)

The Florida Uniform Prudent Management of institutional Funds Act (FUPMIFA) includes the following provision: *Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the institution.* The Corporation has interpreted FUPMIFA to require investment earnings in excess of the fair value of the original gift to be treated as net assets with donor restrictions until appropriated for expenditure by the Board of Directors. These excess amounts are time restricted.

The majority of the Corporation's endowment assets are held in donor advised funds. The remainder are held in donor designated funds, field of interest funds and in the general endowment. The Corporation currently has no policy regarding the appropriation of endowment assets for expenditure. Rather, the Corporation looks to the fund agreements and receives advice from donor advisors regarding distributions to be made.

#### Revenue Recognition – Contributions

- **Measurement.** Contributions are measured at fair value at the date of donation.
- **Donor Restrictions.** The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. However, donor-restricted contributions whose restrictions are met within the same fiscal year are reported as net assets without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as "support provided by expiring time and purpose restrictions."
- **Contributed Non-Financial Assets.** Contributions of services are recognized when received if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Although the Corporation received significant contributions of time from its Board of Directors and instructors for the Center for Nonprofit Excellence, none of these services were recorded since they did not meet the criteria for recognition. Donated goods that are measurable are recorded as contributions at their fair values at the date of receipt by the Corporation with a corresponding amount recorded as expense. During 2023, there were no contributions of non-financial assets.
- **Conditional Contributions.** Conditional contributions are recognized when the condition has been substantially met. Amounts received before the conditions have been met are reported as refundable advance.
- **Bequests.** The Corporation is a beneficiary under several donors' wills. Contributions from bequests are recognized as contributions receivable when the probate court declares that the will is valid and the Corporation has an irrevocable right to the bequest.

#### Investment Income and Gains

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are earned.

# Community Foundation of North Central Florida, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

### NOTE 1 – Summary of Significant Accounting Policies (continued)

#### Expense Classifications

The costs of programs and other activities have been summarized on a functional basis:

- **Program Grants** - contributions made to entities which promote charitable activities.
- **Program Expenses** - the amounts consist of the expenditure of funds in accordance with donor stipulations or in furtherance of field of interest objectives.
- **Allocated Overhead** - expenses that can be reasonably allocated to programmatic activities. These expenses are allocated based on an estimate of the amount of staff time devoted to programmatic activities.
- **Management and General** - those activities that provide governance, oversight, business and financial management, financial recordkeeping, budgeting, legal, and human resource management services.
- **Fundraising Expenses** - Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Activities include publicizing and conducting fundraising campaigns, maintaining donor lists, conducting fundraising events, and any other activities that solicit contributions from corporations, foundations, individuals and others.

Expenses that can be identified with a specific function are charged directly to that function, whereas costs common to multiple functions have been allocated. Salaries and wages, benefits and payroll taxes are allocated based on employee estimates of the percentage of time spent in each function. Occupancy, technology, office, travel, advertising, insurance and depreciation expense are allocated based on estimates by the Corporation's management.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

#### Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (ASC 842)*, that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The Corporation adopted ASC 842 effective January 1, 2022. The adoption of this pronouncement had no impact to the financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets*, which requires the monitoring and tracking of gifts in kind by asset category, while also noting any donor-imposed restrictions. The Corporation adopted ASU 2020-07 effective January 1, 2022. The adoption of this pronouncement had no impact to the financial statements.

**Community Foundation of North Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 1 – Summary of Significant Accounting Policies (continued)**

Recent Accounting Pronouncements (continued)

Effective January 1, 2023, the Company adopted FASB ASU 2016-13, *Financial Instruments - Credit Losses* (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Corporation adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Corporation's financial statements and did not change how the allowance for credit losses (i.e., doubtful accounts) is determined.

Reclassifications

Certain prior year information has been reclassified to conform to the current year presentation. The reclassifications had no effect on prior year change in net assets.

**NOTE 2 – Liquidity and Availability**

The expenditures of the Corporation consist of grants, program expenses and general operating expenditures. Grants and program expenses are funded from available donor funds or unconditional promises from donors to provide funding. Financial assets available for general expenditure within one year are all financial assets without donor restrictions or board designations limiting their use as displayed in the following table:

Financial Assets:	2023	2022
Cash and cash equivalents	\$ 3,187,973	\$ 872,948
Contributions Receivable	2,031,999	1,242,695
Beneficial Interest in Lead Trust	906,792	962,367
Other Receivables	529,817	239,408
Investments (Note 7)	14,227,661	14,872,192
Mortgage Receivable, net	413,817	438,093
Interest in Gatorade Trust	8,127,090	7,351,495
Kireanga Tech Fund	194,742	172,088
Total Financial Assets	29,619,891	26,151,286
Less assets restricted or designated for:		
Grant Payables (Note 11)	(2,283,123)	(1,679,393)
Agency Funds (Note 12)	(4,778,148)	(4,358,361)
Endowments (Note 15)	(15,472,576)	(14,121,542)
Purpose and Time Restricted (Note 14)	(3,113,505)	(2,749,476)
Donor Advised (Note 13)	(3,731,075)	(3,085,793)
Amount available for general expenditures within one year	\$ 241,464	\$ 156,721

As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**Community Foundation of North Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 2 – Liquidity and Availability (continued)**

The Corporation manages and invests funds for a variety of donors and charitable organizations. In that capacity, the Corporation has developed a system to maximize earnings by the transfer of excess cash into investments.

**NOTE 3 – Concentration of Credit Risk**

The Corporation held \$111,688 and \$198,011 in excess of FDIC insurance coverage as of December 31, 2023 and 2022, respectively. The Corporation held \$2,185,254 and \$0 in excess of SIPC insurance coverage as of December 31, 2023 and 2022, respectively. The Corporation has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**NOTE 4 – Contributions Receivable**

Contributions receivable represents three pledges from one donor that are expected to be received over the next two years. The net amount expected to be received is discounted at an estimated risk adjusted rate of 2%.

	<u>2023</u>	<u>2022</u>
2023	\$ -	\$ 1,010,000
2024	1,584,250	250,000
2025	477,225	-
Total	<u>2,061,475</u>	<u>1,260,000</u>
Less Unamortized Discount	<u>(29,476)</u>	<u>(17,305)</u>
Contributions Receivable, net	<u>\$ 2,031,999</u>	<u>\$ 1,242,695</u>

**NOTE 5 – Beneficial Interest in Lead Trust**

During 2022, a donor established a trust naming the Corporation as the lead beneficiary of a charitable lead annuity trust. Under terms of the split-interest agreement, the Corporation is to receive \$75,000 annually for its unrestricted use until the donor's death. At the time of the donor's death, the trust is to terminate, and remaining trust assets are to be distributed to others. The receivable for the split-interest agreement is carried at fair value, which the Corporation has estimated based on the present value of its expected future cash inflows. Based on donor life expectancy and a 2% discount rate, the fair value of the Corporation's interest in the trust was estimated to be \$1,011,332, which was recorded in 2022 as a contribution with donor restrictions and as contribution receivable—charitable lead trust. The Corporation received \$75,000 from the trust in 2023 and 2022, which was recorded as a reduction in the receivable and a corresponding reclassification from net assets with donor restrictions to net assets without donor restrictions. The Corporation also recorded amortization of the discount on the estimated present value of future distributions of \$19,425 and \$26,035 in 2023 and 2022, respectively. On an annual basis, the Corporation will revalue the contribution receivable based on applicable mortality tables and current market conditions.

**Community Foundation of North Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 6 – Property and Equipment, net**

Property and equipment consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Land - Patient's Park	\$ 90,000	\$ 90,000
Office Furniture and Equipment	3,217	3,217
Building	<u>658,053</u>	<u>658,053</u>
	751,270	751,270
Less Accumulated Depreciation	<u>(163,512)</u>	<u>(146,639)</u>
Property and Equipment, net	<u>\$ 587,758</u>	<u>\$ 604,631</u>

The Corporation received a donation of approximately 18 acres of land in northwest Gainesville, Florida. The Donor restricted the property to perpetual use as a public park and has pledged to pay all operating costs of the park, including insurance, taxes, and maintenance. Land is reported at cost or, if donated, at the estimated fair value at the date of donation.

Depreciation expense totaled \$16,873 for the years ended December 31, 2023 and 2022.

**NOTE 7 – Investments**

A summary of investments at December 31 is as follows:

2023	<u>Fair Market Value</u>	<u>Cost Basis</u>
Mutual Funds		
UBS		
Fixed Income	\$ 3,889,255	\$ 3,792,476
Equities	9,405,036	8,746,256
Non-traditional	878,401	917,802
Schwab		
Equities	<u>54,969</u>	<u>54,315</u>
	14,227,661	13,510,849
Privately Held Stock		
Interest in Gatorade Trust	8,127,090	-
Venture Capital Investments		
Kirenaga Tech Fund	<u>194,742</u>	<u>200,000</u>
	<u>\$ 22,549,493</u>	<u>\$ 13,710,849</u>



**Community Foundation of North Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 7 – Investments (continued)**

	Fair Market Value	Cost Basis
2022		
Mutual Funds		
UBS		
Fixed Income	\$ 5,379,549	\$ 5,894,516
Equities	9,463,202	7,010,346
Schwab		
Equities	29,441	34,207
	14,872,192	12,939,069
Privately Held Stock		
Interest in Gatorade Trust	7,351,495	-
Venture Capital Investments		
Kirenaga Tech Fund	172,088	200,000
	\$ 22,395,775	\$ 13,139,069

Net return/(loss) on investment consists of the following:

	2023	2022
Interest and Dividends	\$ 429,421	\$ 466,037
Management Fees	(69,582)	(34,415)
Net Gain/(Loss)	1,965,924	(1,152,337)
Total Return/(Loss) on Investments	\$ 2,325,763	\$ (720,715)

Net return/(loss) on investments is reported in the financial statements as follows:

	2023	2022
Net Investment Return/(Loss)	\$ 1,080,959	\$ (1,297,645)
Net Investment Return/(Loss) on Agency Payable	469,209	(553,565)
Gain on Interest of Gatorade Trust	775,595	1,130,495
Total Return/(Loss) on Investments	\$ 2,325,763	\$ (720,715)

**NOTE 8 – Interest in Gatorade Trust**

The Corporation holds one unit of interest in the Gatorade Trust (the Trust). This unit entitles the Corporation to a proportionate share of the income from the Trust. Income from the Trust is recognized as royalty revenue when received. The donor of the Trust has advised that 10% of royalties are unrestricted and 90% are to be added to a donor advised fund. The Corporation may sell its unit only with the approval of two-thirds of the remaining interests in the Trust.

**Community Foundation of North Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 8 – Interest in Gatorade Trust (continued)**

The fair value of the Corporation's interest is estimated each year and any changes are reported as a change in the interest - see Note 9 for more details. Any differential between projected earnings and actual earnings will have a direct effect on estimated fair value.

**NOTE 9 – Fair Value Measurements**

Assets measured at fair value on a recurring basis include Investments in Securities, Interest in Gatorade Trust, Investments in Kirenaga Tech Fund, and Beneficial Interest in Lead Trust.

The fair value of the Corporation's Investments in Securities is determined by reference to quoted prices in active markets for identical assets and other relevant information generated by market transactions, according to generally accepted accounting principles, this method of valuation uses Level 1 inputs.

The fair value of the Interest in Gatorade Trust is determined by obtaining a certified valuation at least every three years. Valuations are based, in part, on an estimate of future royalty receipts. Absent evidence to the contrary, the Corporation considers the receipts of the most recent year to be the best estimate of future royalty receipts. Any differential between projected and actual royalty receipts will have a direct effect on estimated fair value. The latest valuation available is dated as of December 31, 2021. For the years when a valuation is not available, the Corporation estimates future royalty receipts and applies a multiplier to estimate the value at which the Corporation would be able to transfer its interest. The fair value of pooled investments with Kirenaga Tech Fund (Kirenaga) is determined based on the Corporation's allocated share of Kirenaga's investment pool. Information is provided to the Corporation by Kirenaga in quarterly investment reports. The fair value of the Beneficial Interest in Lead Trust is based on donor life expectancy and a 2% discount rate. These methods of valuation use Level 3 inputs, as that term is defined in U.S. GAAP.

The level of inputs used and the fair value measurement for assets valued on a recurring basis are as follows:

2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Marketable Securities	\$ 14,227,661	\$ -	\$ -	\$ 14,227,661
Interest in Gatorade Trust	-	-	8,127,090	8,127,090
Beneficial Interest in Lead Trust	-	-	906,792	906,792
Kirenaga Tech Fund	-	-	194,742	194,742
<b>Total</b>	<b><u>\$ 14,227,661</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 9,228,624</u></b>	<b><u>\$ 23,456,285</u></b>
2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Marketable Securities	\$ 14,872,192	\$ -	\$ -	\$ 14,872,192
Interest in Gatorade Trust	-	-	7,351,495	7,351,495
Beneficial Interest in Lead Trust	-	-	962,367	962,367
Kirenaga Tech Fund	-	-	172,088	172,088
<b>Total</b>	<b><u>\$ 14,872,192</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,485,950</u></b>	<b><u>\$ 23,358,142</u></b>

**Community Foundation of North Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 9 – Fair Value Measurements (continued)**

A summary of the changes in the fair value of the Corporation's Level 3 investments at December 31 is as follows:

	<u>2023</u>	<u>2022</u>
Balance - January 1	\$ 8,485,950	\$ 6,421,000
Additions	-	962,367
Return on Investments	<u>742,674</u>	<u>1,102,583</u>
Balance - December 31	<u>\$ 9,228,624</u>	<u>\$ 8,485,950</u>

**NOTE 10 – Mortgage Receivable**

The Corporation loaned \$800,000 to a local charity in 2006. The charity used the proceeds to purchase a facility to house its operations. The Corporation obtained a promissory note that is secured by the purchased property. The note calls for monthly payments of \$3,858 at a 5% fixed rate of interest for forty years. Future cash flows are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 21,635	\$ 24,661	\$ 46,296
2025	22,741	23,555	46,296
2026	23,904	22,392	46,296
2027	25,127	21,169	46,296
2028	26,412	19,884	46,296
Thereafter	<u>383,261</u>	<u>112,511</u>	<u>495,772</u>
Totals	<u>\$ 503,080</u>	<u>\$ 224,172</u>	<u>\$ 727,252</u>

The Corporation recorded a discount on the date the loan was made. The discount reflects the contribution inherent in the below market rate of the loan. It is computed as the difference between the present value of the loan at the stated interest rate of 5% and the present value of the loan at a fair market rate, estimated to be 8% at the date of the loan. Using the effective interest rate method, the Corporation will amortize the discount into interest income over the life of the loan. The loan is reported on the Statement of Financial Position as:

	<u>2023</u>	<u>2022</u>
Unpaid Principal	\$ 503,080	\$ 543,955
Unamortized Discount	<u>(89,263)</u>	<u>(105,862)</u>
Net Amount Reported	<u>\$ 413,817</u>	<u>\$ 438,093</u>

**Community Foundation of North Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 11 – Grants Payable**

Grants payable represent promises to give. Payables related to pledges have been discounted at an estimated risk adjusted rate of 2%. These promises are scheduled to be fulfilled as follows:

	<u>2023</u>	<u>2022</u>
2023	\$ -	\$ 1,246,502
2024	1,835,166	450,000
2025	477,225	-
Less Unamortized Discount	<u>(29,268)</u>	<u>(17,109)</u>
Total Grants Payable	<u>\$ 2,283,123</u>	<u>\$ 1,679,393</u>

**NOTE 12 – Agency Funds**

The Corporation enters into agreements to hold and invest funds for specified organizations. Amounts provided by the specified organizations and held by the Corporation are accounted for as agency funds payable. Additional amounts provided, earnings, and gains on investments are added to the liability. Any investment fees and losses and any disbursements to the specified organization are subtracted from the liability. The number of agencies and account balances are as follows:

<u>Year</u>	<u>Number of Agencies</u>	<u>Total</u>
2023	23	\$ 4,778,148
2022	23	\$ 4,358,361

**NOTE 13 – Net Assets Without Donor Restrictions**

Net assets without donor restrictions consist of the following:

	<u>2023</u>	<u>2022</u>
Donor Advised Funds	\$ 3,731,075	\$ 3,085,793
Invested in Property and Equipment	497,758	514,631
Funds with Negative Fund Balance	-	(517)
Other	<u>249,978</u>	<u>150,777</u>
Total	<u>\$ 4,478,811</u>	<u>\$ 3,750,684</u>

Donor advised funds are without donor restrictions when the agreement allows the Corporation flexibility to vary its purposes if necessary.

**Community Foundation of North Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 14 – Net Assets With Donor Restrictions**

Net assets with donor restrictions consist of the following:

	<u>2023</u>	<u>2022</u>
Purpose restrictions available for spending:		
Educational Grants	\$ 698,729	\$ 658,663
Health and Human Service Grants	732,198	396,151
Civic and Community Grants	237,365	234,862
Youth	53,436	-
Arts and Culture	8,762	-
Other Grants	<u>476,223</u>	<u>487,629</u>
Total purpose restricted net assets	2,206,713	1,777,305
Time restrictions:		
Pledges Receivables for Programs	-	9,804
Beneficial Interest in Lead Trust	<u>906,792</u>	<u>962,367</u>
Total net assets with time restrictions	906,792	972,171
Endowment Funds:		
Cade Family Fund (see Note 8)	8,127,090	7,351,495
Donor Advised Endowment Funds - Original Gifts total \$4,340,799. Earnings may be granted to nonprofit organizations on the advice of the donor.	5,236,916	4,926,384
Donor Designated Endowment Funds - Original Gifts total \$1,076,851. Earnings are granted to organizations which are chosen by the donor when they established the fund.	1,304,281	1,194,098
Field of Interest Endowments - Original Gifts total \$546,131. Earnings are restricted to provide funding for specific community initiatives.	681,252	552,473
General Endowment Fund - Original Gifts total \$63,283. Earnings are neither donor restricted nor donor advised.	<u>123,037</u>	<u>97,092</u>
Total Endowment Funds	15,472,576	14,121,542
Land - Patients' Park	<u>90,000</u>	<u>90,000</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 18,676,081</u></u>	<u><u>\$ 16,961,018</u></u>

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 15 – Endowment Funds**

The Corporation's endowment funds consist of approximately 37 individual funds established for a variety of purposes. Its endowment funds include donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Corporation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Corporation expects its endowment assets, over time, to produce an average rate of return of approximately over 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Corporation has interpreted FUPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

The changes in endowment fund balances are as follows:

	<u>2023</u>	<u>2022</u>
Balance - January 1	\$ 14,121,542	\$ 14,094,408
Net Investment Return	1,500,013	332,897
Contributions	254,236	384,375
Grants	<u>(403,215)</u>	<u>(690,138)</u>
Balance - December 31	<u>\$ 15,472,576</u>	<u>\$ 14,121,542</u>

**Community Foundation of North Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 16 – Net Assets Released from Donor Restrictions**

Net assets were released from restrictions as follows:

	<u>2023</u>	<u>2022</u>
Expiration of time restrictions	\$ 65,379	\$ 108,437
Expenditure of purpose restrictions:		
Educational	85,749	719,536
Health and Human Services	1,376,260	259,045
Civic	82,562	68,074
Youth	1,006	-
Arts and Culture	5,643	-
Other	665,616	139,986
Expenditure from Endowed Funds:		
Donor Advised Funds	261,275	384,560
Donor Designated Funds	68,233	61,080
Field of Interest Funds	68,707	232,749
General Endowment Fund	5,000	11,750
Totals	<u>\$ 2,685,430</u>	<u>\$ 1,985,217</u>

**NOTE 17 – Grants to Other Organizations**

The Corporation makes donations to other charitable organizations for the following purposes:

	<u>2023</u>	<u>2022</u>
Educational	\$ 62,398	\$ 756,128
Health and Human Services	2,115,998	2,277,776
Civic and Community	58,352	72,638
Animals and Environment	648,981	124,379
Youth	93,971	87,862
Arts and Culture	62,503	66,873
Varied Charitable Interests	1,901,733	1,612,857
Totals	<u>\$ 4,943,936</u>	<u>\$ 4,998,513</u>

**Community Foundation of North Central Florida, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 18 – Summarized Comparative Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

**NOTE 19 – Subsequent Events**

The Corporation evaluated events and transactions for potential recognition or disclosure through September 19, 2024, which is the date the financial statements were available to be issued.