

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

Financial Statements

**Year Ended
December 31, 2024 and 2023**

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INDEPENDENT AUDITOR'S REPORT

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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, 2024, 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, 2024, 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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 19, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, 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 5, 2025

Community Foundation of North Central Florida, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

	2024	2023
Assets		
Assets:		
Cash and Cash Equivalents	\$ 3,890,508	\$ 3,187,973
Investments	8,786,755	7,295,992
Contributions Receivable	619,334	2,031,999
Beneficial Interest in Lead Trust	850,095	906,792
Other Receivables	241,308	529,817
Prepaid Expense	10,368	11,892
Property and Equipment, net	570,885	587,758
Restricted to Long-Term Investment:		
Investments	9,193,926	6,931,669
Mortgage Receivable, net	385,654	413,817
Interest in Gatorade Trust	6,536,000	8,127,090
Kirenaga Tech Fund	157,787	194,742
Total Assets	<u>\$ 31,242,620</u>	<u>\$ 30,219,541</u>
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ -	\$ 3,378
Grants Payable	1,284,664	2,283,123
Agency Funds Payable	<u>4,883,241</u>	<u>4,778,148</u>
Total Liabilities	6,167,905	7,064,649
Net Assets:		
Without Donor Restrictions	5,632,453	4,478,811
With Donor Restrictions	<u>19,442,262</u>	<u>18,676,081</u>
Total Net Assets	<u>25,074,715</u>	<u>23,154,892</u>
Total Liabilities and Net Assets	<u>\$ 31,242,620</u>	<u>\$ 30,219,541</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, 2024

(with summarized financial information for the year ended December 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Support and Revenues:</u>				
Contributions:				
Beneficial Interest in Lead Trust	\$ 56,697	\$ -	\$ 56,697	\$ 55,575
Other	2,704,591	3,416,441	6,121,032	4,860,690
Royalty Income - Gatorade Trust	1,067,922	-	1,067,922	1,174,737
Interest on Mortgage Receivable	-	38,960	38,960	42,872
Fund Administration Fee	62,107	-	62,107	61,386
Rental Income	3,430	-	3,430	5,880
Center for Nonprofit Excellence	21,790	-	21,790	15,630
SPARC352 Apprentice	101,000	-	101,000	18,938
Miscellaneous Revenue	66,010	-	66,010	69,270
Support Provided by Expiring Time and Purpose Restrictions	1,993,702	(1,993,702)	-	-
Total Support and Revenues	6,077,249	1,461,699	7,538,948	6,304,978
<u>Expenses:</u>				
Program Services:				
Grants	4,284,331	-	4,284,331	4,943,936
Expenses	171,541	-	171,541	243,793
Allocated Overhead	258,670	-	258,670	194,693
Total Program Expenses	4,714,542	-	4,714,542	5,382,422
Supporting Activities:				
Management and General	186,806	-	186,806	157,053
Fundraising	200,762	-	200,762	178,867
Total Expenses	5,102,110	-	5,102,110	5,718,342
Excess of Support and Revenue Over Expenses	975,139	1,461,699	2,436,838	586,636
Net Investment Return	178,503	895,572	1,074,075	1,080,959
(Loss) Gain on Interest of Gatorade Trust	-	(1,591,090)	(1,591,090)	775,595
Change in Net Assets	1,153,642	766,181	1,919,823	2,443,190
Net Assets, Beginning of Year	4,478,811	18,676,081	23,154,892	20,711,702
Net Assets, End of Year	\$ 5,632,453	\$ 19,442,262	\$ 25,074,715	\$ 23,154,892

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, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 1,919,823	\$ 2,443,190
Adjustments:		
Net Gain on Investments	(1,074,500)	(1,080,959)
Loss (Gain) on Kirenaga Tech Fund	36,955	(22,654)
Loss (Gain) on Interest in Gatorade Trust	1,591,090	(775,595)
Program Loan Discount Amortization	(14,299)	(16,119)
Depreciation Expense	16,873	16,873
Changes in:		
Contributions Receivable	1,412,665	(789,304)
Beneficial Interest in Lead Trust	56,697	55,575
Other Receivables	288,509	(290,409)
Prepaid Expense	1,524	(8,322)
Accounts Payable	(3,378)	(6,653)
Grants Payable	(998,459)	603,730
Agency Funds	105,093	419,787
Net Cash Provided by Operating Activities	<u>3,338,593</u>	<u>549,140</u>
Cash Flows from Investing Activities:		
Purchase of Investments	(9,275,727)	(18,343,270)
Proceeds from Sale of Investments	6,597,207	20,068,760
Mortgage Loan Collections	42,462	40,395
Net Cash (Used in) Provided by Investing Activities	<u>(2,636,058)</u>	<u>1,765,885</u>
Net Change in Cash and Cash Equivalents	702,535	2,315,025
Cash and Cash Equivalents, Beginning of Year	<u>3,187,973</u>	<u>872,948</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,890,508</u></u>	<u><u>\$ 3,187,973</u></u>

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, 2024

(with summarized financial information for the year ended December 31, 2023)

	2024				2023
	Program Services	Management and General	Fund Raising	Totals	Totals
Grants to Other Organizations	\$ 4,284,331	\$ -	\$ -	\$ 4,284,331	\$ 4,943,936
Salaries and Benefits	192,038	112,004	140,594	444,636	328,770
Direct Program Costs	171,541	-	-	171,541	243,793
Office Expense	20,922	10,461	20,921	52,304	49,019
Professional Fees	6,462	44,718	-	51,180	52,511
Technology	12,891	6,445	12,891	32,227	27,778
Occupancy	7,208	3,604	7,207	18,019	17,339
Depreciation	6,749	3,375	6,749	16,873	16,873
Advertising	6,581	3,290	6,581	16,452	21,660
Insurance	3,813	1,906	3,813	9,532	9,332
Travel	2,006	1,003	2,006	5,015	7,331
Totals	\$ 4,714,542	\$ 186,806	\$ 200,762	\$ 5,102,110	\$ 5,718,342

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

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

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. The Corporation considers all highly liquid investments with an original maturity, when acquired, of three months or less to be cash equivalents. Cash equivalents consist of money market accounts, which are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 per institution.

Comparative Financial Statements

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 – Summary of Significant Accounting Policies (continued)

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.
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 based on historical performance and reasonable forecasts.

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:

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 – Summary of Significant Accounting Policies (continued)

Fair Value Measurement (continued)

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 8 for a description of the valuation methodologies used for assets measured at fair value.

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).

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 – Summary of Significant Accounting Policies (continued)

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.

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 2024 and 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.

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 – Summary of Significant Accounting Policies (continued)

Revenue Recognition – Contributions (continued)

- **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.
- **Royalty Income.** The Corporation holds one unit of interest in the Gatorade Trust (the Trust). This unit of interest entitles the Corporation to a proportionate share of the income from the Trust. Income from the Trust is recognized as royalty revenue when earned. 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 of interest only with the approval of two-thirds of the remaining interests in the Trust.

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.

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.

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 1 – Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

Effective January 1, 2023, the Corporation 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:	2024	2023
Cash and Cash Equivalents	\$ 3,890,508	\$ 3,187,973
Contributions Receivable	619,334	2,031,999
Beneficial Interest in Lead Trust	850,095	906,792
Other Receivables	241,308	529,817
Investments (Note 7)	17,980,681	14,227,661
Mortgage Receivable, net	385,654	413,817
Interest in Gatorade Trust	6,536,000	8,127,090
Kireanga Tech Fund	<u>157,787</u>	<u>194,742</u>
Total Financial Assets	30,661,367	29,619,891
Less assets restricted or designated for:		
Grant Payables (Note 10)	(1,284,664)	(2,283,123)
Agency Funds (Note 11)	(4,883,241)	(4,778,148)
Endowments (Note 14)	(16,115,580)	(15,472,576)
Purpose Restricted (Note 13)	(2,476,587)	(2,206,713)
Time Restricted (Note 13)	(850,095)	(906,792)
Donor Advised (Note 12)	<u>(4,339,785)</u>	<u>(3,731,075)</u>
Amount available for general expenditures within one year	<u>\$ 711,415</u>	<u>\$ 241,464</u>

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, 2024

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 \$991,410 and \$111,688 in excess of FDIC insurance coverage as of December 31, 2024 and 2023, respectively. The Corporation held \$1,788,415 and \$2,185,254 in excess of SIPC insurance coverage as of December 31, 2024 and 2023, 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 four pledges from two donors that are expected to be received over the next year. The net amount expected to be received is discounted at an estimated risk adjusted rate of 2%.

	2024	2023
2024	\$ -	\$ 1,584,250
2025	637,975	477,225
Total	637,975	2,061,475
Less Unamortized Discount	(18,641)	(29,476)
Contributions Receivable, net	<u>\$ 619,334</u>	<u>\$ 2,031,999</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 2024 and 2023, 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 \$18,303 and \$19,425 in 2024 and 2023, 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, 2024

NOTE 6 – Property and Equipment, net

Property and equipment consist of the following at December 31:

	<u>2024</u>	<u>2023</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>(180,385)</u>	<u>(163,512)</u>
Property and Equipment, net	<u><u>\$ 570,885</u></u>	<u><u>\$ 587,758</u></u>

In 2001, the Corporation was donated the Patient's Park land, which is approximately 18 acres of land in northwest Gainesville, Florida. The donor restricted the property to perpetual use as a public park. The land was recognized at fair market value at the time of the donation. In 2024, the land was released from restriction.

Depreciation expense totaled \$16,873 for the years ended December 31, 2024 and 2023.

NOTE 7 – Investments

A summary of investments at December 31 is as follows:

	<u>Fair Market Value</u>	<u>Cost Basis</u>
2024		
Mutual Funds		
UBS		
Fixed Income	\$ 4,971,221	\$ 4,955,329
Equities	11,185,203	9,890,172
Non-traditional	1,576,547	1,560,398
Schwab		
Equities	80,189	80,018
Commonwealth Financial		
Fixed Income	45,606	47,525
Equities	<u>121,915</u>	<u>118,426</u>
	17,980,681	16,651,868
Privately Held Stock		
Interest in Gatorade Trust	6,536,000	-
Venture Capital Investments		
Kirenaga Tech Fund	<u>157,787</u>	<u>200,000</u>
	<u><u>\$ 24,674,468</u></u>	<u><u>\$ 16,851,868</u></u>

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 7 – Investments (continued)

	Fair Market Value	Cost Basis
2023		
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	54,969	54,315
	<u>14,227,661</u>	<u>13,510,849</u>
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><u>\$ 22,549,493</u></u>	<u><u>\$ 13,710,849</u></u>

Net (loss) return on investments consists of the following:

	2024	2023
Interest and Dividends	\$ 548,264	\$ 429,421
Management Fees	(91,384)	(69,582)
Net (Loss) Gain	<u>(524,286)</u>	<u>1,965,924</u>
Total (Loss) Return on Investments	<u><u>\$ (67,406)</u></u>	<u><u>\$ 2,325,763</u></u>

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

	2024	2023
Net Investment Return	\$ 1,074,075	\$ 1,080,959
Net Investment Return on Agency Payable	449,609	469,209
(Loss) Gain on Interest of Gatorade Trust	<u>(1,591,090)</u>	<u>775,595</u>
Total (Loss) Return on Investments	<u><u>\$ (67,406)</u></u>	<u><u>\$ 2,325,763</u></u>

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 8 – Fair Value Measurements

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

The fair value of the Corporation's Investments 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, 2024. 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:

2024	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 17,980,681	\$ -	\$ -	\$ 17,980,681
Interest in Gatorade Trust	-	-	6,536,000	6,536,000
Beneficial Interest in Lead Trust	-	-	850,095	850,095
Kirenaga Tech Fund	-	-	157,787	157,787
Total	\$ 17,980,681	\$ -	\$ 7,543,882	\$ 25,524,563

2023	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 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
Total	\$ 14,227,661	\$ -	\$ 9,228,624	\$ 23,456,285

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

	2024	2023
Balance - January 1	\$ 9,228,624	\$ 8,485,950
(Loss) Return on Investments	(1,684,742)	742,674
Balance - December 31	\$ 7,543,882	\$ 9,228,624

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 9 – 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>
2025	\$ 23,827	\$ 22,464	\$ 46,291
2026	25,046	21,245	46,291
2027	26,327	19,964	46,291
2028	27,674	18,617	46,291
2029	29,090	17,201	46,291
Thereafter	<u>328,175</u>	<u>77,872</u>	<u>406,047</u>
Totals	<u>\$ 460,139</u>	<u>\$ 177,363</u>	<u>\$ 637,502</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>2024</u>	<u>2023</u>
Unpaid Principal	\$ 460,139	\$ 503,080
Unamortized Discount	<u>(74,485)</u>	<u>(89,263)</u>
Net Amount Reported	<u>\$ 385,654</u>	<u>\$ 413,817</u>

NOTE 10 – 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>2024</u>	<u>2023</u>
2024	\$ -	\$ 1,835,166
2025	1,300,822	477,225
Less Unamortized Discount	<u>(16,158)</u>	<u>(29,268)</u>
Total Grants Payable	<u>\$ 1,284,664</u>	<u>\$ 2,283,123</u>

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 11 – 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:

Year	Number of Agencies	Total
2024	21	\$ 4,883,241
2023	23	\$ 4,778,148

NOTE 12 – Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following:

	2024	2023
Donor Advised Funds	\$ 4,339,785	\$ 3,731,075
Invested in Property and Equipment	480,885	497,758
Other	811,783	249,978
Total	<u>\$ 5,632,453</u>	<u>\$ 4,478,811</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, 2024

NOTE 13 – Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

	<u>2024</u>	<u>2023</u>
Purpose restrictions available for spending:		
Educational Grants	\$ 1,034,944	\$ 848,446
Health and Human Service Grants	881,593	810,459
Civic and Community Grants	153,632	237,365
Youth Grants	62,593	53,436
Arts and Culture Grants	97,600	83,621
Environmental Grants	45,271	37,429
Other Grants	<u>200,954</u>	<u>135,957</u>
Total purpose restricted net assets	2,476,587	2,206,713
Time restrictions:		
Beneficial Interest in Lead Trust	<u>850,095</u>	<u>906,792</u>
Total net assets with time restrictions	850,095	906,792
Endowment Funds:		
Cade Family Fund (see Note 8)	6,536,000	8,127,090
Donor Advised Endowment Funds - Original Gifts total \$6,340,799. Earnings may be granted to nonprofit organizations on the advice of the donor.	7,481,433	5,236,916
Donor Designated Endowment Funds - Original Gifts total \$1,106,851. Earnings are granted to organizations which are chosen by the donor when they established the fund.	1,448,588	1,304,281
Field of Interest Endowments - Original Gifts total \$546,131. Earnings are restricted to provide funding for specific community initiatives.	520,090	681,252
General Endowment Fund - Original Gifts total \$63,283. Earnings are neither donor restricted nor donor advised.	<u>129,469</u>	<u>123,037</u>
Total Endowment Funds	16,115,580	15,472,576
Land - Patients' Park	<u>-</u>	<u>90,000</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 19,442,262</u></u>	<u><u>\$ 18,676,081</u></u>

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 14 – Endowment Funds

The Corporation's endowment funds consist of approximately 40 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>2024</u>	<u>2023</u>
Balance - January 1	\$ 15,472,576	\$ 14,121,542
Net Investment (Loss) Return	(801,514)	1,500,013
Contributions	2,297,511	254,236
Grants	<u>(852,993)</u>	<u>(403,215)</u>
Balance - December 31	<u>\$ 16,115,580</u>	<u>\$ 15,472,576</u>

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 15 – Net Assets Released from Donor Restrictions

Net assets were released from restrictions as follows:

	<u>2024</u>	<u>2023</u>
Expiration of time restrictions	\$ 56,697	\$ 65,379
Expenditure of purpose restrictions:		
Educational	99,698	89,131
Health and Human Services	682,249	1,378,028
Civic	133,632	82,562
Youth	1,293	1,006
Arts and Culture	3,755	7,334
Environmental	791	846
Other	72,594	657,929
Expenditure from Endowed Funds:		
Donor Advised Funds	417,978	261,275
Donor Designated Funds	59,044	68,233
Field of Interest Funds	369,211	68,707
General Endowment Fund	6,760	5,000
Expenditure from Programmatic Funds:		
Programmatic Funds	<u>90,000</u>	<u>-</u>
Totals	<u>\$ 1,993,702</u>	<u>\$ 2,685,430</u>

Community Foundation of North Central Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE 16 – Grants to Other Organizations

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

	<u>2024</u>	<u>2023</u>
Animal-Related	\$ 971,092	\$ 959,037
Educational	808,898	754,748
Religion	636,960	231,248
Youth Devel	560,155	280,906
Arts, Culture	448,655	113,370
Human Service	349,177	272,298
Health, General	198,241	153,860
Housing, Shelter	124,375	119,200
Community Devel	124,195	34,675
Disaster Relief	33,000	-
Environmental	14,800	54,252
Other	14,783	8,449
Mental Health	<u>-</u>	<u>1,961,893</u>
Totals	<u><u>\$ 4,284,331</u></u>	<u><u>\$ 4,943,936</u></u>

NOTE 17 – Subsequent Events

The Corporation evaluated events and transactions for potential recognition or disclosure through September 5, 2025, which is the date the financial statements were available to be issued