The Community Foundation of Sarasota County, Inc. and its Subsidiaries and Support Organizations

Combined Financial Statements and
Independent Auditor's Report
June 30, 2024 and 2023

KERKERING BARBERIO
ACCOUNTING ▪ TAX ▪ CONSULTING

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KERKERING BARBERIO
Kerkering, Barberio & Co.
Certified Public Accountants

Independent Auditor's Report

The Board of Directors
The Community Foundation of Sarasota County, Inc.
and its Subsidiaries and Support Organizations
Sarasota, Florida

Opinion

We have audited the combined financial statements of The Community Foundation of Sarasota County, Inc. and its subsidiaries and support organizations (the Foundation) (a nonprofit organization), which comprise the combined statements of financial position as of June 30, 2024 and 2023, the related combined statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 GAAS will always detect a material misstatement when it exists.

Auditor's Responsibilities for the Audit of the Combined 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Kurkuing Barbario & Co.

Sarasota, Florida
December 16, 2024

The Community Foundation of Sarasota County, Inc.
and its Subsidiaries and Support Organizations

Combined Statements of Financial Position

June 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 15,167,258	$ 18,371,533
Investments	494,306,214	445,452,918
Contributions, promises to give and bequests receivable	15,195,075	9,472,996
Program related investment loan, net	936,464	811,623
Split-interest agreement assets	8,653,108	8,289,029
Beneficial interest in perpetual trusts	2,129,746	1,987,669
Other assets	1,095,114	814,405
Property and equipment, net	6,511,856	3,525,965
Total Assets	$ 543,994,835	$ 488,726,138
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 939,161	$ 585,992
Grants and scholarships payable	2,054,167	2,835,346
Split-interest agreements payable	2,440,613	2,435,193
Funds held as agency endowments	51,665,094	49,617,809
Total liabilities	57,099,035	55,474,340
Net Assets:		
Without donor restrictions	447,658,903	396,659,231
With donor restrictions	39,236,897	36,592,567
Total net assets	486,895,800	433,251,798
Total Liabilities and Net Assets	$ 543,994,835	$ 488,726,138

See accompanying notes to combined financial statements.

The Community Foundation of Sarasota County, Inc. and its Subsidiaries and Support Organizations

Combined Statement of Activities and Changes in Net Assets

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue and Releases:			
Contributions	$ 61,649,581	$ 1,559	$ 61,651,140
Realized and unrealized gain on investments	40,359,140	2,876,764	43,235,904
Investment income, net of investment expenses	11,114,346	815,161	11,929,507
Change in value of split-interest agreements	(157,509)	572,861	415,352
Change in value of beneficial interest in perpetual trusts	-	136,917	136,917
Other revenue and support	353,629	-	353,629
Transfers	14,001	(14,001)	-
Net assets released from restriction	1,744,931	(1,744,931)	-
Total support, revenue and releases	115,078,119	2,644,330	117,722,449
Expenses:			
Program expenses:			
Grants and scholarships	56,512,620	-	56,512,620
Initiatives and program services	3,069,401	-	3,069,401
Total program expenses	59,582,021	-	59,582,021
Management and general	2,117,775	-	2,117,775
Development expenses	2,378,651	-	2,378,651
Total expenses	64,078,447	-	64,078,447
Change in net assets	50,999,672	2,644,330	53,644,002
Net assets, beginning of year	396,659,231	36,592,567	433,251,798
Net assets, end of year	$ 447,658,903	$ 39,236,897	$ 486,895,800

See accompanying notes to combined financial statements.

The Community Foundation of Sarasota County, Inc. and its Subsidiaries and Support Organizations

Combined Statement of Activities and Changes in Net Assets

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenue and Releases:			
Contributions	$ 33,039,781	$ 10,126	$ 33,049,907
In-kind contributions	700,000	-	700,000
Realized and unrealized gain on investments	25,832,855	2,037,026	27,869,881
Investment income, net of investment expenses	9,088,113	712,786	9,800,899
Change in value of split-interest agreements	478,374	776,847	1,255,221
Change in value of beneficial interest in perpetual trusts	-	30,910	30,910
Other revenue and support	42,852	-	42,852
Transfers	4,953	(4,953)	-
Net assets released from restriction	3,212,308	(3,212,308)	-
Total support, revenue and releases	72,399,236	350,434	72,749,670
Expenses:			
Program expenses:			
Grants and scholarships	39,944,561	-	39,944,561
Initiatives and program services	2,344,104	-	2,344,104
Total program expenses	42,288,665	-	42,288,665
Management and general	1,998,747	-	1,998,747
Development expenses	1,997,466	-	1,997,466
Total expenses	46,284,878	-	46,284,878
Change in net assets	26,114,358	350,434	26,464,792
Net assets, beginning of year	370,544,873	36,242,133	406,787,006
Net assets, end of year	$ 396,659,231	$ 36,592,567	$ 433,251,798

See accompanying notes to combined financial statements.

The Community Foundation of Sarasota County, Inc. and its Subsidiaries and Support Organizations

Combined Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	$ 53,644,002	$ 26,464,792
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	161,772	156,496
(Gain) loss on disposal of assets	(142,489)	126,155
Non-cash contributions	(10,465,317)	(7,469,193)
Discount on program related investments	(83,225)	(83,225)
Realized and unrealized gain on investments	(48,190,939)	(31,450,916)
Change in value of split-interest agreement assets	(1,092,462)	(1,094,034)
Change in value of beneficial interest in perpetual trusts	(142,077)	(31,075)
Change in operating assets:		
Contributions, promises to give and bequests receivable	(5,722,079)	4,161,321
Split-interest agreement assets	400,117	1,369,938
Program related investment loan, net	(41,616)	(6,800)
Beneficial interest in perpetual trusts	-	(28,000)
Other assets	(280,709)	(151,844)
Change in operating liabilities:		
Accounts payable and accrued expenses	353,169	258,175
Grants and scholarships payable	(781,179)	(399,432)
Split-interest agreements payable	333,686	(359,692)
Funds held as agency endowments	2,047,285	3,536,906
Total adjustments	(63,646,063)	(31,465,220)
Net cash used in operating activities	(10,002,061)	(5,000,428)
Cash Flows from Investing Activities:		
Purchases of investments	(131,642,404)	(58,513,128)
Proceeds from sales of investments	141,215,364	72,742,024
Purchases of property and equipment	(3,147,663)	(148,037)
Proceeds from disposal of assets	372,489	573,845
Net cash provided by investing activities	6,797,786	14,654,704
Change in cash and cash equivalents	(3,204,275)	9,654,276
Cash and cash equivalents, beginning of year	18,371,533	8,717,257
Cash and cash equivalents, end of year	$ 15,167,258	$ 18,371,533

See accompanying notes to combined financial statements.

1. Organization

The Community Foundation of Sarasota County, Inc. is a public charity founded in 1979 by the Southwest Florida Estate Planning Council as a resource for caring individuals and the causes they support, enabling them to make a charitable impact on the community.

Since our founding, the Community Foundation has been making the important connection between individuals' personal memories, passions, dreams and the fulfillment of their charitable goals. We partner with our donors to create permanent charitable funds of everlasting impact. These funds ensure that people of vision will have an enduring influence on the quality of life in our community and the charitable causes they hold dear.

With assets of nearly $544 million held in more than 1,590 charitable funds, the Community Foundation awarded grants and scholarships totaling more than $56 million this past year in the areas of education, health and human services, the arts, animal welfare, and the environment. Since our founding, nearly $500 million has been awarded through grants and scholarships.

The vision and mission of the Community Foundation of Sarasota County is community impact powered by philanthropy. The work of the Community Foundation of Sarasota County, Inc. is guided by a framework of four key functions: collaborative engagement with donors and advisors; providing leadership among community stakeholders by sharing community knowledge and convening solutions; achieving community results and impact; and ensuring excellence in the governance and management of the Community Foundation of Sarasota County.

The Community Foundation of Sarasota County has two supporting organizations: the Manatee Community Foundation, and the Wetherington Foundation. The Manatee Community Foundation has one subsidiary organization, the MCF Asset Company, LLC. The Community Foundation has two subsidiary organizations, the Community Foundation Trust of Sarasota County, Inc. and CFSC Asset Company, LLC. Collectively, these organizations are referred to as the Community Foundation, or, the Foundation.

Donors

From its very beginnings, the Community Foundation has placed donor intentions and personalized charitable giving at the forefront of its business practices. Donors have a wide variety of charitable tools that maximize impact, tax benefits and their future legacies. The Community Foundation proudly displays the "Community Foundation National Standards" seal, which signifies our commitment to accountability, transparency and continuous self-improvement.

One way the Community Foundation has clearly demonstrated its commitment to honoring donor intent is to hire in-house General Counsel. This experienced legal professional is responsible for providing legal guidance to Community Foundation leadership and staff, maintaining relationships with professional advisors and donors, and ensuring that fund agreements not only reflect donor intentions, but that they can also be managed and implemented readily and with long-term foresight.

Donors who wish to make a permanent charitable impact on the community can partner with the Community Foundation to carry out their estate plans. These donors, who only need to make a statement of establishment or intent to leave a gift to the Community Foundation in their estate plans, are recognized through the Legacy Society.

1. Organization (Continued)
Donors (Continued)
Nonprofits are also encouraged to choose the Community Foundation of Sarasota County to steward their funds, and they benefit from the large investment pools at the Community Foundation, resulting in lower investment management fees.

Professional Advisors
For professional advisors, the Community Foundation is a single, convenient partner for meeting a variety of charitable interests. The Community Foundation provides professional advisors support, information and expertise on charitable giving. The Community Foundation works with advisors who wish to discuss charitable giving with their clients. The team asks and carefully listens to understand what a donor wants to achieve so that we can be an effective resource for donor's charitable purpose and intent, crafting a plan to meet their needs for community impact. Additionally, there are opportunities for professional wealth advisors to financially manage their clients' funds held at the Community Foundation.

One way the Community Foundation recognizes the efforts of area professional advisors is by hosting the Distinguished Speaker Series, a signature series of annual educational lectures provided to our community's professional advisors, enabling them to earn continuing education credits at no cost.

Community Impact
In its effort to ensure donor funds are used efficiently and achieve maximum impact, the Community Foundation works to increase nonprofit capacity through its Community Impact team with a long-term strategy for sharing data and resources related to the nonprofit sector, community needs, and charitable giving trends and best practices. Together with the Strategy & Communications department, these teams spearhead community partnerships that build and supports The Giving Partner, an online tool populated with in-depth information about more than 700 charitable organizations serving Sarasota, Manatee, Charlotte and DeSoto counties, as well as a Community Indicators dashboard that provides measurements of needs in that same geographic area in the service areas of education, economic status, health and housing.

The Giving Partner profiles include information about the organizations' core mission, programmatic impact, governance, management and financials. Using the profiles local organizations develop and update in The Giving Partner, our Foundation team provides donors with informed choices to guide their philanthropy; streamlines the grant application process; provides valuable nonprofit information to other local funders, donors and citizens; and uses local data to determine capacity-building needs including governance, management, financial, leadership and marketing training, consulting and resources. Organizations with current profiles in The Giving Partner are invited to apply for grant funding opportunities that are offered both in public, open-application periods, as well as be invited to take part in legacy-funded initiatives that support our community.

The Giving Challenge is an exciting 24-hour giving event supporting nearly 700 nonprofits serving Sarasota, Manatee, Charlotte and DeSoto counties, who have shown a commitment to transparency by having profiles in The Giving Partner. Since 2012, donors from throughout our region have shown their passion for local nonprofit organizations by providing more than $92 million in unrestricted funding to support their missions through nine Challenges. The 2024 Giving Challenge once again demonstrated the extraordinary generosity in our community when more than $17.2 million was raised in just 24 hours to benefit 724 nonprofits listed in The Giving Partner.

1. Organization (Continued)

Community Impact (Continued)

Thanks to generous matching funds provided by our partner The Patterson Foundation, generosity is incentivized to galvanize our community around charitable giving.

Community Foundation Initiatives

It is when the Community Foundation's deep knowledge of community needs intersects with the passion of our donors that innovation truly happens. In partnership with living and legacy donors, and numerous other community organizations, the Community Foundation has applied a two-generational lens to much of its work. Inspired by the work of Ascend at the Aspen Institute, this approach posits that a powerful way to help struggling families move beyond poverty is through a "two-generation" strategy, which provides opportunities for children and their parents together. Examples of this approach are recognized in these successful programs:

- Family Stability: these efforts are focused on keeping families in their home through Season of Sharing, a 24-year campaign that provides targeted financial assistance, primarily for mortgage/rent and utilities; and Student Emergency Fund, specific to supporting the emergency needs of public and charter school students in Sarasota County. These funds are available to principals and teachers for one-time, immediate assistance.
- Literacy/Education/Career: a multi-project, multi-partner effort that includes programs such as EdExploreSRQ (experiential learning opportunities for students in K-12); Campaign for Grade Level Reading (focusing on literacy and mental health efforts on birth through third grade); Strauss Literacy Initiative (identifying learning disorders and supporting intervention, as well as providing professional development for teachers about learning disorders); and two-generational work with students and parents at Alta Vista, Gocio, Tuttle and Emma E. Booker Elementary Schools which serve asset limited families. Parents have the opportunity to enroll in GED and post-secondary programs. Over 300 parents have been supported in their educational pursuits. We also administer traditional post-secondary scholarships for recent high school graduates.

2. Summary of Significant Accounting Policies

Combined Financial Statements

The combined financial statements and notes are representations of the Foundation's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the combined financial statements.

Basis of Accounting

The Foundation prepares its combined financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates and Assumptions

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

2. Summary of Significant Accounting Policies (Continued)

Principles of Combination

The combined financial statements of the Foundation include its own accounts, and the accounts of related organizations which include the Community Foundation Trust of Sarasota County, Inc. (Trust), Wetherington Foundation, Inc. (WF), a Type I supporting organization, Manatee Community Foundation, Inc. (MCF), a Type I supporting organization, MCF Asset Company, LLC, and CFSC Asset Company, LLC, all of which are exempt nonprofit organizations. The Foundation controls WF and MCF through a majority voting interest in the Board of Directors. All material transactions between the organizations have been eliminated.

Financial Statement Presentation

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

Net assets without donor restrictions - Net assets that provide management or the governing board with discretionary control to use in carrying on the mission of the Foundation due to the absence of donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to explicit or implicit donor-imposed stipulations for use in future periods or currently available for use but only for purposes specified by the grantor or donor. When a restriction expires, these net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Other net assets have restrictions that are perpetual in nature. These net assets are subject to donor-imposed stipulations that neither expire within a certain period of time nor can be fulfilled or otherwise removed by actions of the Foundation.

Variance Power

Accounting principles generally accepted in the United States of America and the *Not-for-Profit Entities* Topic of the FASB Accounting Standards Codification provide that if the governing body of an organization has the unilateral power to redirect the use of a donor's contribution to another beneficiary, such contributions must be classified as net assets without donor restrictions. The Board of Directors of the Foundation has the ability known as variance power; however, the Board of Directors would generally intend to exercise this authority only if the stated purpose of a contribution becomes no longer applicable and incapable of fulfillment. Accordingly, the Foundation's combined financial statements classify the majority of funds, including the corpus of certain donor advised funds, as net assets without donor restrictions, but segregate for internal management and record keeping the portion that is held as donor advised from the funds that are currently available for grants administration.

Financial Instruments Not Measured at Fair Value

Certain of the Foundation's financial instruments are not measured at fair value on a recurring basis but nevertheless are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and liabilities include cash and cash equivalents; contributions, promises to give and bequests receivable; other assets; accounts payable and accrued expenses; and grants and scholarships payable.

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Foundation considers all short-term, highly liquid investments with original maturities of ninety days or less to be cash equivalents. Cash equivalents include money market funds, which are readily convertible to cash, and are stated at cost which approximates fair value. Cash and cash equivalents temporarily held by financial institutions for investment purposes are included with investments in the combined statements of financial position.

Investments

Investments are stated at fair value, which represents the value on the date of donation or cost on the date of purchase plus reinvested earnings and appreciation or depreciation. Increases and decreases in fair value are recognized in the period in which they occur and the carrying values of the investments are adjusted to reflect these fluctuations. Gains or losses on securities sold are computed on a specific identification basis. Investment income and unrealized gains or losses are allocated to the funds based upon their respective balances. Investment income is shown net of investment management fees on the combined statement of activities and changes in net assets.

The Foundation's investments consist primarily of common and preferred stocks, exchange-traded funds, index funds, mutual funds, United States government securities/bonds, corporate bonds, and alternative investments. Assets included in investments are carried at fair value as detailed in Note 5.

Contributions and Promises to Give Receivable

Contributions, including unconditional promises to give, are recognized as revenue when the donor's commitment is received. Unconditional promises are recognized net of allowances. Grant revenue is recorded as a contribution when awarded on an unconditional basis.

The Foundation assesses the collectability of individual promises to give annually and provides an allowance for uncollectible promises to give. The Foundation considers all promises to give to be fully collectible at June 30, 2024 and 2023, therefore no allowance has been provided for in these combined financial statements.

Bequests Receivable

The Foundation has been named beneficiary in a number of bequests. Bequests that have not been recorded in the accompanying combined financial statements are those where the donors' wills have not been declared valid by the probate court or the value of the amounts to be received are not yet determinable. All other bequests are reflected as bequests receivable in the accompanying combined financial statements.

Program Related Investment Loan

The Foundation enters into program related investment loans with nonprofit organizations. The investments may represent below market rate loans for the furtherance of the not-for-profit's tax-exempt mission. At origination these loans have set repayment terms and dates, though the Foundation may elect to forgive the program related investment loan and convert the balance to a grant.

Beneficial Interest in Perpetual Trusts

The Foundation has been given beneficial interests in perpetual trusts. The trusts' assets are held by third party trustees and the Foundation receives the income generated by the trusts' assets in perpetuity or until the termination of the Foundation. The Foundation's beneficial interests in the perpetual trusts are measured by the fair value of the trusts' assets held on behalf of the Foundation.

2. Summary of Significant Accounting Policies (Continued)

Property and Equipment, Net

Property and equipment are stated at historical cost at the date of acquisition or fair value at the date of donation, in the case of gifts. Property and equipment are recorded as net assets without donor restrictions or net assets with donor restrictions when the donations have time stipulations. Expenditures over $2,500 that significantly add to the productivity or extend the useful lives of property and equipment are capitalized. Other expenditures for maintenance and repairs are charged to operations in the period the costs are incurred.

Depreciation is provided for over the estimated service lives of the respective assets on a straight-line basis. A summary of estimated useful lives is as follows:

Land improvements	10 to 15 years
Buildings and improvements	10 to 39 years
Furniture and equipment	3 to 7 years

Split-Interest Agreements

The Foundation's split-interest agreements with donors consist of charitable gift annuities, charitable remainder annuity trusts and charitable remainder unitrusts. Contributions of split-interest agreements are recorded at fair value when the Foundation is informed of the contribution and its interest is irrevocable. Contributions of split-interest agreements and charitable remainder trusts included in contributions on the accompanying combined statements of activities was $374,320 and $0 for the years ended June 30, 2024 and 2023, respectively. Assets are invested and payments are made to donors and/or others in accordance with the respective agreements. The present value of payments under these arrangements are calculated using applicable tax discount rates at the combined statements of financial position dates and annuity payout rates ranging from 3.7% - 9.8%.

Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the value of split-interest agreements in the combined statements of activities and changes in net assets. These amounts and amounts of related assets and liabilities are based on the estimated maturities of the agreements. Actual results could differ from those estimates.

Charitable remainder trusts are classified as net assets with donor restrictions. Once the beneficial interest is passed to the Foundation, the remaining assets are released for use and restricted as specified by the donor.

Charitable gift annuities are classified as net assets without donor restrictions or net assets with donor restrictions based upon the individual gift agreements. Gift annuity assets totaled $1,768,305 and $1,886,818 as of June 30, 2024 and 2023, respectively, and are included in investments in the combined statement of financial position. Distributions of the annuities are paid from income first then as a release of principal, if necessary.

The Foundation has reinsured nine gift annuities with highly rated life insurance companies. Estimated future payments related to the reinsured gift annuity totaled $1,049,048 and $848,380 as of June 30, 2024 and 2023, respectively, and is recorded in the combined statement of financial position under split-interest agreements payable.

2. Summary of Significant Accounting Policies (Continued)

Grants and Scholarships Payable

Grants and scholarships payable consist of grants which are recorded as expenses when authorized by the Board of Directors and committed to a specified recipient but have not yet been paid. Certain grants made by the Board of Directors are contingent on activities to be performed by the recipient and are recorded as expenses when those conditions are met.

Agency Endowments

The Foundation accounts for agency transactions in accordance with FASB Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. This Topic establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets or both to another entity that is specified by the donor. The ASC specifically requires that if a nonprofit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency endowments.

The Foundation maintains variance power and legal ownership of agency endowment funds and as such, continues to report the funds as assets of the Foundation. However, a liability has been established for the fair value of the funds.

At June 30, 2024 and 2023 the Foundation held 138 and 147, respectively, agency endowment funds with fair values of $51,665,094 and $49,617,809, respectively. Funds are segregated on the combined statements of financial position and are classified as funds held as agency endowments.

Contributed Nonfinancial Assets

During the year ended June 30, 2023, the Foundation recognized nonfinancial assets within revenue in the form of an in-kind contribution of real estate. The in-kind contribution of real estate was recorded based on the appraised value at the time of contribution, which totaled $700,000 as of the date of the contribution. During the year ended June 30, 2023, the Foundation sold the real estate for $573,845. There were no in-kind contributions of real estate during the year ended June 30, 2024.

Donated services have not been recorded in the accompanying combined financial statements because they did not meet the requirements for recording under generally accepted accounting principles; however, a substantial number of volunteers have donated time to the Foundation.

Income Tax Status

The Foundation and its support organizations are exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been provided for. The Foundation is not a private foundation under Section 509(a) of the Internal Revenue Code.

Under the *Income Taxes* Topic of the FASB Accounting Standards Codification, the Foundation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes and determined that there are no uncertain tax positions that would have a material impact on the combined financial statements.

2. Summary of Significant Accounting Policies (Continued)
Income Tax Status (Continued)
The Foundation files income tax returns in the U.S. federal jurisdiction. The tax periods open to examination by the major taxing jurisdictions to which the Foundation is subject include fiscal years ended June 30, 2021 through June 30, 2024.

Leases
In February 2016, the FASB issued ASC Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The Foundation adopted Topic 842 on July 1, 2022 and made an accounting policy election under Topic 842 not to recognize right-of-use assets and liabilities for leases with a term of 12 months or less. In August 2023, the Foundation entered into a short-term lease, for a period of 12 months, for office space while their main office was being renovated. The Foundation incurred $235,388 of short-term lease expenses during the year ended June 30, 2024.

3. Liquidity and Availability
Financial assets available for grants, scholarships and other expenses within one year of the statement of financial position date comprise the following at June 30:

	2024	2023
Cash and cash equivalents	$ 16,391,548	$ 19,147,067
Short-term investments	89,581,669	80,624,416
Long-term investments made available for current use	18,518,433	18,355,625
	$ 124,491,650	$ 118,127,108

The assets above include $87,269,464 and $76,898,827 in donor-advised funds as of June 30, 2024 and 2023, respectively. The Foundation generally uses these assets for grantmaking based on donor recommendations.

The amounts reflected above in cash and cash equivalents and short-term investments are available for the Foundation's general expenditures, liabilities and other obligations, as well as for grant and scholarship awards from non-endowed grant making funds.

As described in Note 14, the Foundation's distribution policy for endowed funds for the years ending June 30, 2024 and 2023 is 4.3% and 4.4%, respectively. A spendable amount of $13,094,076 and $13,047,502 will be/was made available for grantmaking from these funds during the fiscal years ending June 30, 2025 and 2024, respectively. In addition, $5,424,357 and $5,308,123 remained as spendable as a result of previous years available to spend amounts which had not been distributed as of June 30, 2024 and 2023, respectively. These amounts are included in long-term investments made available for current use.

As part of the Foundation's liquidity management, financial assets are structured to be available as general expenditures, liabilities and other obligations become due. The Foundation invests cash in excess of daily requirements in short-term investments and interest-bearing checking. Occasionally the board will designate a portion of an operating surplus to its operating reserve, which was $1,108,013 and $2,317,729 as of June 30, 2024 and 2023, respectively.

4. Contributions, Promises to Give and Bequests Receivable

As of June 30, 2024 and 2023, the Foundation has written contributions, promises to give and bequests receivable totaling $15,195,075 and $9,472,996, respectively. The Foundation records signed promises to give as receivables based upon management evaluations of donors and pledge history.

As of June 30, 2024 and 2023, no allowance for uncollectible promises to give has been established, as all receivables were considered collectible. Amounts are generally collected over one to five years and are recorded at their realizable value which approximates fair value. Based on the limited receivable balance due after one year, amounts are not discounted to net present value.

5. Fair Value of Financial Assets and Liabilities

The Foundation values certain assets in accordance with the *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification. The *Fair Value Measurements and Disclosures* Topic provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

The following table presents the classes of assets and liabilities measured at fair value on a recurring basis as of June 30, 2024 and 2023 and indicates the fair value hierarchy of the valuation techniques used to determine fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.), or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The inputs reflect the Foundation's assumptions based on the best information available in the circumstance.

Description	Fair Value June 30, 2024	Level 1	Level 2	Level 3
Assets at Fair Value				
Investments:				
Equity:				
Large cap U.S.	$ 170,992,413	$ 170,992,413	$ -	$ -
Mid cap U.S.	40,598,379	40,598,379	-	-
Small cap U.S.	12,323,280	12,323,280	-	-
International developed	75,880,845	75,880,845	-	-
Emerging markets	31,094,559	31,094,559	-	-
Total equity	330,889,476	330,889,476	-	-

5. Fair Value of Financial Assets and Liabilities (Continued)

Description	Fair Value June 30, 2024	Level 1	Level 2	Level 3
Assets at Fair Value (Continued)				
Fixed Income:				
Core U.S. fixed	108,178,426	108,178,426	-	-
TIPS	1,593,157	1,593,157	-	-
International	727,811	727,811	-	-
High yield	20,164,344	20,164,344	-	-
Total fixed income	130,663,738	130,663,738	-	-
Alternative:				
Commodities	6,053,392	6,053,392	-	-
REITS	8,559,441	8,559,441	-	-
Global real estate	8,150,635	8,150,635	-	-
Limited partnerships	820,928	-	-	820,928
Other	22,007	22,007	-	-
Total alternative	23,606,403	22,785,475	-	820,928
Cash and cash equivalents	6,501,140	6,501,140	-	-
Investments measured at net asset value*	2,645,457	-	-	-
Total investments	494,306,214	490,839,829	-	820,928
Bequests receivable	14,852,467	14,852,467	-	-
Estimated reinsurance receivable	1,049,048	-	-	1,049,048
Charitable remainder trust assets held as trustee	691,297	691,297	-	-
Charitable remainder trusts receivable	6,912,763	-	-	6,912,763
Beneficial interest in trusts	2,129,746	2,129,746	-	-
Total Assets at Fair Value	$ 519,941,535	$ 508,513,339	$ -	$ 8,782,739
Liabilities at Fair Value				
Split-interest agreements payable	$ 2,440,613	$ -	$ -	$ 2,440,613
Funds held as agency endowments	51,665,094	51,665,094	-	-
Total Liabilities at Fair Value	$ 54,105,707	$ 51,665,094	$ -	$ 2,440,613

(*) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the combined statements of financial position.

5. Fair Value of Financial Assets and Liabilities (Continued)

Description	Fair Value June 30, 2023	Level 1	Level 2	Level 3
Assets at Fair Value				
Investments:				
Equity:				
Large cap U.S.	$ 144,230,661	$ 144,230,661	$ -	$ -
Mid cap U.S.	32,273,541	32,273,541	-	-
Small cap U.S.	10,092,997	10,092,997	-	-
International developed	67,852,651	67,852,651	-	-
Emerging markets	22,690,708	22,690,708	-	-
Total equity	277,140,558	277,140,558	-	-
Fixed Income:				
Core U.S. fixed	101,634,352	101,634,352	-	-
TIPS	3,252,037	3,252,037	-	-
International	1,780,193	1,780,193	-	-
High yield	17,027,994	17,027,994	-	-
Total fixed income	123,694,576	123,694,576	-	-
Alternative:				
Commodities	12,515,334	12,515,334	-	-
REITS	11,810,332	11,810,332	-	-
Hedge funds	4,514	4,514	-	-
Limited partnerships	820,928	-	-	820,928
Infrastructure	4,006,970	4,006,970	-	-
Other	36,885	36,885	-	-
Total alternative	29,194,963	28,374,035	-	820,928
Cash and cash equivalents	12,117,978	12,117,978	-	-
Real estate held as investment	230,000	-	-	230,000
Investments measured at net asset value*	3,074,843	-	-	-
Total investments	445,452,918	441,327,147	-	1,050,928
Bequests receivable	9,145,717	9,145,717	-	-
Estimated reinsurance receivable	848,380	-	-	848,380
Charitable remainder trust assets held as trustee	664,773	664,773	-	-
Charitable remainder trusts receivable	6,775,876	-	-	6,775,876
Beneficial interest in trusts	1,987,669	1,987,669	-	-
Total Assets at Fair Value	$ 464,875,333	$ 453,125,306	$ -	$ 8,675,184

5. Fair Value of Financial Assets and Liabilities (Continued)

Description	Fair Value June 30, 2023	Level 1	Level 2	Level 3
Liabilities at Fair Value				
Split-interest agreements payable	$ 2,435,193	$ -	$ -	$ 2,435,193
Funds held as agency endowments	49,617,809	49,617,809	-	-
Total Liabilities at Fair Value	$ 52,053,002	$ 49,617,809	$ -	$ 2,435,193

The total cost of investments as of June 30, 2024 and 2023 is $403,648,898 and $396,829,748, respectively. For the year ended June 30, 2024, the Foundation had realized and unrealized gains on investments of $5,926,793 and $42,264,146, respectively. This includes realized and unrealized gains on agency endowments totaling $411,803 and $4,543,232, respectively.

For the year ended June 30, 2023, the Foundation had realized and unrealized gains on investments of $1,602,084 and $29,848,831, respectively. This includes realized and unrealized gains on agency endowments totaling $200,137 and $3,380,897. The Foundation incurred $906,009 and $814,668 of investment management fees during the years ended June 30, 2024 and 2023, respectively.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level of a financial instrument within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following methods and assumptions were used by the Foundation in estimating the fair value of its Level 1, Level 2 and Level 3 financial instruments:

Charitable remainder trust assets held as trustee and beneficial interest in trusts - represents assets held by the Foundation under charitable remainder trusts. Fair value is measured based on the underlying securities held within the trust assets, which have been determined to be Level 1 securities for the years ended June 30, 2024 and 2023.

Estimated reinsurance receivable, charitable remainder trusts receivable and split-interest agreements payable - The fair value of these assets and liabilities are estimated by discounting future cash flows using actuarial rates from mortality tables (Levels 1 and 3).

Limited partnerships - the limited partnership investments were donated and fair value was based on independent appraisals performed on August 17, 2018 and March 13, 2019 (Level 3).

Bequests receivable - the fair value is estimated by management based on expected future cash flows. Collectability of these receivables is based on the Foundation's assumptions based on the best information available in the circumstances (Level 1).

Real estate held as investment - the real estate investments were donated and fair value was based on an independent real estate appraisal or comparative market analysis (Level 3).

5. Fair Value of Financial Assets and Liabilities (Continued)

The fair value of the funds listed below have been estimated based on net asset value per share as a practical expedient as reported by the investee. Fair value of the private equity funds and other alternative investments is estimated based upon the net asset value per share as reported by the investee, however, these funds are not redeemable and represent partnership interests. While the Foundation does receive distributions from these funds, it cannot determine or estimate the period of time over which the underlying investment may be liquidated by the investees.

	NAV in Funds June 30, 2024	Redemption Frequency	Redemption Notice Period
Other Alternative:			
Makena Capital Associations, L.P. (a)	$ 2,645,457	Annually	1 year
Total	$ 2,645,457		

	NAV in Funds June 30, 2023	Redemption Frequency	Redemption Notice Period
Other Alternative:			
Makena Capital Associations, L.P. (a)	$ 3,074,843	Annually	1 year
Total	$ 3,074,843		

(a) This limited partnership is referred to as a "feeder fund" as it is part of a "master-feeder" structure whereby the limited partnership invests substantially all of its assets in several "master funds". The investment objectives of the master funds are to achieve capital appreciation in a wide range of asset classes through proprietary asset allocation and careful selection of third-party investment managers. The Master Funds may liquidate their investments in the Underlying Funds periodically, subject to the terms of the Underlying Funds' governing documents, which generally provide for restrictions on transferability, minimum holding periods or lock-ups, the suspension of redemptions/withdrawals or the institution of gates on redemptions/withdrawals, at the discretion of the Underlying Funds portfolio managers. As a result, the Master Funds may not be able to redeem/withdraw from an investment in an Underlying Fund depending on the provisions of the respective Underlying Funds' offering documents and any negotiated liquidity agreements between the Master Funds and the Underlying Funds without continued exposure to changes in valuations, which could be material. As of December 31, 2017, the Foundation submitted notice to the limited partnership to withdrawal 100% of the capital account.

6. Program Related Investment Loans

The program related investment loans are summarized as follows for the years ended June 30:

	2024	2023
Loan receivable, gross beginning of year	$ 2,000,000	$ 2,000,000
Interest receivable	122,416	80,800
Less present value discount	(1,185,952)	(1,269,177)
Program related investment loan, net end of year	$ 936,464	$ 811,623

7. Property and Equipment

Property and equipment consists of the following at June 30:

	2024	2023
Land and land improvements	$ 1,456,663	$ 1,456,663
Buildings and improvements	3,809,205	3,847,179
Furniture and equipment	326,738	494,650
Construction in progress	3,365,385	235,372
	8,957,991	6,033,864
Less accumulated depreciation	2,446,135	2,507,899
Total property and equipment, net	$ 6,511,856	$ 3,525,965

Depreciation expense for the years ended June 30, 2024 and 2023 was $161,772 and $156,496, respectively.

8. Agency Endowment Activity

The Foundation holds agency endowment funds on behalf of other nonprofit organizations. The following is a summary of the activity for the years ended June 30:

	2024	2023
Agency funds, beginning of year	$ 49,617,809	$ 46,080,903
Contributions	2,452,047	1,019,719
Investment income	1,502,550	1,258,719
Realized and unrealized gain on investments	4,955,035	3,581,034
Grants	(6,763,933)	(2,228,818)
Investment and administrative fees	(98,414)	(93,748)
Agency funds, end of year	$ 51,665,094	$ 49,617,809

The amounts reflected in the combined statement of activities for the years ended June 30, 2024 and 2023 are presented net of the activity summarized above related to agency endowments.

9. Net Asset Classifications

The Foundation's net assets have been classified into the following categories as of June 30:

	2024	2023
Without Donor Restrictions	$ 447,658,903	$ 396,659,231
With Donor Restrictions		
Restricted for the Passage of Time:		
Endowment earnings	6,074,355	3,976,505
Split-interest agreements and gift annuities	9,429,607	9,127,055
Restricted in Perpetuity:		
Endowment	23,603,445	23,364,677
Charitable Remainder Trust	129,490	124,330
Total With Donor Restrictions	39,236,897	36,592,567
Total Net Assets	$ 486,895,800	$ 433,251,798

During the years ended June 30, 2024 and 2023, the Foundation released net assets with donor restrictions of $1,744,931 and $3,212,308, respectively.

9. Net Asset Classifications (Continued)

Net Asset Composition

The following table summarizes all Foundation net assets as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds	$ 334,889,845	$ 29,677,800	$ 364,567,645
Non-Endowment Funds without Donor Restrictions:			
Donor Advised	85,484,602	-	85,484,602
Designated	5,869,050	-	5,869,050
Field of Interest	8,967,083	-	8,967,083
Operating/Building	9,338,907	-	9,338,907
Scholarship	1,160,230	-	1,160,230
Undesignated	386,817	-	386,817
	111,206,689	-	111,206,689
Split-interest agreements and gift annuities	1,562,369	9,559,097	11,121,466
Total Net Assets	$ 447,658,903	$ 39,236,897	$ 486,895,800

The following table summarizes all Foundation net assets as of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds	$ 293,611,142	$ 27,341,182	$ 320,952,324
Non-Endowment Funds without Donor Restrictions:			
Donor Advised	74,826,932	-	74,826,932
Designated	7,150,130	-	7,150,130
Field of Interest	10,108,366	-	10,108,366
Operating/Building	8,275,916	-	8,275,916
Scholarship	773,396	-	773,396
Undesignated	407,632	-	407,632
	101,542,372	-	101,542,372
Split-interest agreements and gift annuities	1,505,717	9,251,385	10,757,102
Total Net Assets	$ 396,659,231	$ 36,592,567	$ 433,251,798

10. Affiliated Organizations' Net Assets

At June 30, 2024 and 2023, the organizations included in the combined financial statements had net assets as follows:

	2024	2023
The Community Foundation of Sarasota County, Inc.	$ 422,763,372	$ 370,233,184
Community Foundation Trust of Sarasota County	14,833,492	14,005,854
Wetherington Foundation, Inc.	1,998,005	1,816,461
Manatee Community Foundation, Inc.	47,300,931	47,196,299
Total	$ 486,895,800	$ 433,251,798

11. Functional Expenses

Functional expenses are those expenses incurred by the Foundation in the accomplishment of its stated mission. They can further be categorized as follows:

- Initiatives and program services, including awarded grants, services to other non-profits, community programs, philanthropic leadership, and civic leadership;
- Development and fundraising, including originating and maintaining relationships with donors; and
- Management and general, including expenses that benefit the Foundation as an entity and the management and accounting for funds.

The cost of providing the various program and supporting services have been summarized on a functional basis in the combined statements of activities. This statement reflects expenses that are attributed to more than one program or supporting function. Accordingly, certain expenses require allocation on a reasonable and consistent basis among the programs and supporting services benefited. The expenses that are allocated include occupancy expenses, which are allocated on the basis of square footage, and compensation and other expenses, which are allocated on the basis of estimate of time and effort.

The costs of providing program and support services for the year ended June 30, 2024 was $7,565,827 which is not specifically attributable to particular components of the activities. These costs were allocated as follows:

	Program	Management & General	Development	Total
Grants and scholarships	$ 56,512,620	$ -	$ -	$ 56,512,620
Initiatives and program services	299,837	-	-	299,837
Communications and marketing	49,607	-	198,429	248,036
Compensation and benefits	1,486,413	1,638,865	1,522,667	4,647,945
Donor relations and events	-	-	226,527	226,527
Insurance	51,765	57,074	53,028	161,867
Occupancy expenses	470,246	121,863	113,223	705,332
Professional fees and contract services	487,467	128,897	119,758	736,122
Professional memberships	16,341	18,017	16,739	51,097
Software, licenses and support	45,503	50,170	46,613	142,286
Staff development and recruiting expenses	34,191	37,698	35,025	106,914
Supplies and office expenses	45,531	50,201	46,642	142,374
Other expenses	82,500	14,990	-	97,490
Total Functional Expenses	$ 59,582,021	$ 2,117,775	$ 2,378,651	$ 64,078,447

11. Functional Expenses (Continued)

The costs of providing program and support services for the year ended June 30, 2023 was $6,340,317 which is not specifically attributable to particular components of the activities. These costs were allocated as follows:

	Program	Management & General	Development	Total
Grants and scholarships	$ 39,944,561	$ -	$ -	$ 39,944,561
Initiatives and program services	259,316	-	-	259,316
Communications and marketing	38,087	-	152,349	190,436
Compensation and benefits	1,371,979	1,595,273	1,324,854	4,292,106
Donor relations and events	-	-	200,014	200,014
Insurance	27,392	31,851	26,451	85,694
Occupancy expenses	300,992	82,230	68,291	451,513
Professional fees and contract services	111,498	129,645	107,668	348,811
Professional memberships	16,780	19,511	16,204	52,495
Software, licenses and support	37,718	43,856	36,422	117,996
Staff development and recruiting expenses	32,888	38,239	31,758	102,885
Supplies and office expenses	34,645	40,285	33,455	108,385
Other expenses	112,809	17,857	-	130,666
Total Functional Expenses	$ 42,288,665	$ 1,998,747	$ 1,997,466	$ 46,284,878

12. Retirement Plans

Effective January 1, 2014, the Foundation amended their 401(k) Profit Sharing Plan and Trust to a Safe Harbor 401(k) Plan. The Plan provides for a 401(k) Safe Harbor Matching Contribution and a discretionary Profit Sharing Contribution by the Foundation for eligible employees. Effective January 1, 2023, the Foundation amended their 401(k) Profit Sharing Plan and Trust to allow Manatee Community Foundation, Inc. to participate. Prior to January 1, 2023, Manatee Community Foundation, Inc. had their own established Simplified Employee Pension (SEP) IRA Plan. For the years ended June 30, 2024 and 2023, employer contributions of $247,427 and $205,315, respectively, were made to the Safe Harbor 401(k) Plan.

13. Advertising Expense

Advertising costs are expensed as incurred or expensed the first time the advertising takes place. Advertising expense for the years ended June 30, 2024 and 2023 totaled $184,611 and $137,616, respectively.

14. Endowments

The Foundation's endowment consists of funds established for a variety of donor-restricted purposes as well as funds classified as board designated endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

14. Endowments (Continued)

Interpretation of Relevant Law

The Board of Directors has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions that are perpetual in nature (a) the original value of gifts donated to the perpetual endowment, and, (b) the original value of subsequent gifts to the perpetual endowment. Any portion of the endowment, including investment income, which is not classified as net assets with donor restrictions that are perpetual in nature, is to be classified as net assets with donor restrictions until it is appropriated for expenditure.

Return Objectives and Risk Parameters

The Foundation has adopted investment policies and spending polices for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a long-term rate of return on assets that will support its spending policy and maintain or grow the real value of the portfolio.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution a percentage of its endowment funds' average fair value over the period of 12 quarters through the fiscal year end proceeding the fiscal year in which the distribution is planned. For the years ended June 30, 2024 and 2023, the authorized distribution rate was 4.3% and 4.4%, respectively. In establishing this policy, the Foundation considered the long-term expected return on its endowment. The Foundation's objective is to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as provide for additional real growth through new gifts and investment return.

Change in Endowment Net Assets

During the year ended June 30, 2024, the Foundation had the following endowment-related activities:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 293,611,142	$ 27,341,182	$ 320,952,324
Investment return, net	39,696,436	3,562,635	43,259,071
Contributions	18,321,633	1,560	18,323,193
Split-interest agreement maturity	-	325,117	325,117
Amounts appropriated for expenditure	(16,758,897)	(1,552,694)	(18,311,591)
Other changes	19,531	-	19,531
Changes in endowment net assets	41,278,703	2,336,618	43,615,321
Endowment net assets, end of year	$ 334,889,845	$ 29,677,800	$ 364,567,645

14. Endowments (Continued)

Change in Endowment Net Assets (Continued)

During the year ended June 30, 2023, the Foundation had the following endowment-related activities:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 268,811,901	$ 26,430,829	$ 295,242,730
Investment return, net	26,993,564	2,712,638	29,706,202
Contributions	11,343,865	10,126	11,353,991
Amounts appropriated for expenditure	(13,549,028)	(1,812,411)	(15,361,439)
Other changes	10,840	-	10,840
Changes in endowment net assets	24,799,241	910,353	25,709,594
Endowment net assets, end of year	$ 293,611,142	$ 27,341,182	$ 320,952,324

Endowment Net Asset Composition

As of June 30, 2024, the composition of the Foundation's endowment funds were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted Endowment Funds:			
Restricted for the passage of time	$ -	$ 6,074,355	$ 6,074,355
Restricted in perpetuity for endowment	-	23,603,445	23,603,445
Total Donor Restricted Endowment Funds	-	29,677,800	29,677,800
Board Designated Endowment Funds:			
Donor advised	29,391,608	-	29,391,608
Designated	95,233,511	-	95,233,511
Field of interest	119,718,509	-	119,718,509
Operating/Building	10,170,902	-	10,170,902
Scholarship	31,432,881	-	31,432,881
Undesignated	48,942,434	-	48,942,434
Total Board Designated	334,889,845	-	334,889,845
Total Endowment Funds	$ 334,889,845	$ 29,677,800	$ 364,567,645

As of June 30, 2023, the composition of the Foundation's endowment funds were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor Restricted Endowment Funds:			
Restricted for the passage of time	$ -	$ 3,976,505	$ 3,976,505
Restricted in perpetuity for endowment	-	23,364,677	23,364,677
Total Donor Restricted Endowment Funds	-	27,341,182	27,341,182

14. Endowments (Continued)
Endowment Net Asset Composition (Continued)

	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds:			
Donor advised	27,142,798	-	27,142,798
Designated	83,108,129	-	83,108,129
Field of interest	109,449,899	-	109,449,899
Operating/Building	7,868,726	-	7,868,726
Scholarship	27,945,736	-	27,945,736
Undesignated	38,095,854	-	38,095,854
Total Board Designated	293,611,142	-	293,611,142
Total Endowment Funds	$ 293,611,142	$ 27,341,182	$ 320,952,324

Funds with Deficiencies
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 Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law.

At June 30, 2024, funds with deficiencies of $40,674 were reported in net assets with donor restrictions, as a result of unrealized losses within the endowment fund account.

Fair value of underwater endowment funds	$ 349,894
Original endowment gift amount	390,568
Deficiencies of underwater endowment funds	$ (40,674)

At June 30, 2023, funds with deficiencies of $144,059 were reported in net assets with donor restrictions, as a result of unrealized losses within the endowment fund account.

Fair value of underwater endowment funds	$ 1,086,887
Original endowment gift amount	1,230,946
Deficiencies of underwater endowment funds	$ (144,059)

15. Transfers
From time to time, certain donor-restricted charitable gift annuities may have fair values in excess of or less than the amount required to fund distributions to the annuitants. The Foundation records the differences as transfers between net assets with donor restrictions and net assets without donor restrictions. During the years ended June 30, 2024 and 2023, the Foundation recorded a transfer of $14,001 and $4,953, respectively, from net assets with donor restrictions to net assets without donor restrictions.

16. Concentrations of Credit and Economic Risk
Financial instruments, which potentially subject the Foundation to concentrations of credit risk, consist principally of cash and cash equivalents, and investments. The Foundation places its cash and cash equivalents with high credit quality financial institutions. During the year, the Foundation may have deposits with financial institutions which exceed the FDIC insured limit.

16. Concentrations of Credit and Economic Risk (Continued)

The Foundation invests in a variety of investment vehicles, as described in Note 5. These investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Foundation's investments, which could materially affect amounts reported in the combined financial statements.

17. Related Party Transactions

A board member of the Community Foundation of Sarasota County holds a key position at a financial institution with which the Foundation holds significant cash and investments. The board member is not the investment manager of the Foundation's funds at this institution. The Foundation paid $299,508 and $279,688 in investment fees to this financial institution for the years ended June 30, 2024 and 2023, respectively. A second board member holds a key position at a company that provides broadcast and digital advertising services to the Foundation. The Foundation paid $10,000 and $0 for digital advertising services to this company for the years ended June 30, 2024 and 2023, respectively.

A Manatee Community Foundation board member's company provided real estate closing services to the Foundation. The Foundation paid $0 and $8,699 for the real estate closing services for the years ended June 30, 2024 and 2023, respectively.

From time to time, board members make pledges and contributions to the Foundation. Certain board members, staff and family members of board and staff are also on nonprofit boards that receive grants from the Foundation. All board members and staff are required to complete and sign conflict of interest forms annually and to adhere to the Conflict of Interest Policy.

18. Subsequent Events

The Foundation has evaluated all events subsequent to the combined statement of financial position date of June 30, 2024 through the date these statements were available for issuance, December 16, 2024, and have determined that there are no subsequent events that require disclosure under the FASB Accounting Standards Codification.