

**PLACER COMMUNITY FOUNDATION
AUDITED
CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022**

**(With Summarized Comparative Totals
for the Year Ended December 31, 2021)**

PLACER COMMUNITY FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Summarized Comparative Totals for the Year Ended December 31, 2021)

TABLE OF CONTENTS

<u>Independent Auditor’s Report</u>	1
 <u>Financial Statements</u>	
Statement of Financial Position.....	4
Statement of Activities	5
Statement of Functional Expenses.....	6
Statement of Cash Flows.....	7
Notes to Financial Statements	8
 <u>Supplemental Statements</u>	
Consolidated Statement of Financial Position.....	18
Consolidated Statement of Activities	19
Schedule of Grants & Scholarships Awarded	20

P.O. Box 160
661 5th Street, Suite 101
Lincoln, CA 95648
Office (916) 434-1662
Fax (916) 434-1090

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Placer Community Foundation
Auburn, California

Opinion

We have audited the accompanying consolidated financial statements of Placer Community Foundation (the Foundation) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 Placer Community Foundation as of December 31, 2022, 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 the Foundation 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 the Foundation'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. 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, including omissions, 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 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

Report on Summarized Comparative Information

We have previously audited the Foundation’s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 18, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Consolidated Statements of Financial Position, Activities, and Schedule of Grants Awarded are presented for purposes of additional analysis and are not part of the required consolidated financial statements. Such information is the responsibility of management and was

derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Jensen Smith". The signature is written in a cursive, flowing style.

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
August 17, 2023

PLACER COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(With Summarized Comparative Information for December 31, 2021)

	2022	2021
ASSETS		
Current Assets		
Cash and Equivalents	\$ 717,809	\$ 594,800
Cash and Equivalents held by Greater Horizons	1,069,753	1,762,453
Cash and Equivalents held by Greater Horizons - Inv. Accounts	1,916,550	931,398
Prepaid Expenses & Other Receivables	3,571	3,307
Total Current Assets	3,707,683	3,291,958
Non-Current Assets		
Investments in Fixed Income Accounts	1,936,475	4,119,282
Investments in Government Securities	1,998,502	1,152,980
Investments in Mutual Funds	1,424,408	2,434,778
Investments in Common Stock	6,926,898	7,792,846
Investments in Closed End Funds	3,564,166	4,777,378
Building	156,597	156,597
Land	110,360	110,360
Leasehold Improvements	79,121	79,121
Furniture and Equipment	26,359	26,359
Artwork and Collections	4,750	26,450
Accumulated Depreciation	(140,736)	(133,075)
Total Non-Current Assets	16,086,900	20,543,076
TOTAL ASSETS	\$ 19,794,583	\$ 23,835,034
 LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 10,221	\$ 173,178
Grants Payable	1,500	15,000
Accrued Personnel Costs	9,122	14,070
Accrued Vacation and Retirement Benefits	61,523	69,150
Deferred Revenue - Membership Dues	7,725	12,100
Total Current Liabilities	90,091	283,498
TOTAL LIABILITIES	90,091	283,498
 NET ASSETS		
Without Donor Restrictions	7,947,898	9,843,808
With Donor Restrictions	11,756,594	13,707,728
TOTAL NET ASSETS	19,704,492	23,551,536
TOTAL LIABILITIES AND NET ASSETS	\$ 19,794,583	\$ 23,835,034

See Accompanying Notes

PLACER COMMUNITY FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Summarized Comparative Information for December 31, 2021)

	Year Ended December 31, 2022			Total
	Without Donor Restrictions	With Donor Restrictions	Total	Year Ended December 31, 2021
REVENUES, GRANTS, GAINS AND OTHER INCOME				
Contributions	\$ 1,594,099	\$ 495,786	\$ 2,089,885	2,607,477
Member Dues	31,425	-	31,425	29,075
Other Income	3,224	-	3,224	735,910
Interest and Dividends	133,326	232,730	366,056	398,091
Net Realized (Loss) Gain	(148,668)	(54,982)	(203,650)	1,789,297
Net Unrealized (Loss) Gain	(1,180,661)	(2,266,252)	(3,446,913)	(376,436)
Net Assets Released from Restriction	695,480	(695,480)	-	-
Total Revenues, Grants, Gains and Other Income	1,128,225	(2,288,198)	(1,159,973)	5,183,414
EXPENSES				
Program Expenses	2,584,609	-	2,584,609	3,227,922
Support Services				
General and Administration	73,150	-	73,150	51,808
Fundraising	29,312	-	29,312	25,903
Total Support Services	102,462	-	102,462	77,711
Total Expense	2,687,071	-	2,687,071	3,305,633
CHANGE IN NET ASSETS	(1,558,846)	(2,288,198)	(3,847,044)	1,877,781
Internal Funding to Endowments	(337,064)	337,064	-	-
NET ASSETS AT BEGINNING OF YEAR	9,843,808	13,707,728	23,551,536	21,673,755
NET ASSETS AT END OF YEAR	\$ 7,947,898	\$ 11,756,594	\$ 19,704,492	\$ 23,551,536

See Accompanying Notes

**PLACER COMMUNITY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Summarized Comparative Information for December 31, 2021)**

	Support Services			2022 Expenses Total	2021 Expenses Total
	Program Expenses	General and Administration	Fund Raising		
EXPENSES					
Salaries and Wages	\$ 455,548	\$ 42,724	\$ 16,472	\$ 514,744	\$ 511,968
Payroll Taxes	34,668	3,251	1,254	39,173	37,906
Employee Benefits	45,062	4,226	1,629	50,917	68,213
Grants to Other Organizations	1,760,969	-	-	1,760,969	1,594,819
Accounting and Audit Services	69,013	6,472	2,496	77,981	71,541
FIMS and Technology Consulting	36,654	3,438	1,325	41,417	42,395
Professional Services	23,721	2,225	857	26,803	169,800
Equipment Rental & Maintenance	1,128	106	41	1,275	375
Supplies	5,483	514	198	6,195	4,505
Telephone	5,368	503	194	6,065	7,320
Postage	823	54	27	904	2,932
Printing and Promotion	61,472	4,053	2,027	67,552	744,440
Utilities	7,666	505	253	8,424	5,412
Travel and Meetings	15,658	1,032	517	17,207	10,801
Depreciation	6,972	460	229	7,661	9,413
Insurance	5,212	344	171	5,727	5,307
Membership Dues & Subscriptions	11,192	738	369	12,299	7,045
Board Development	2,873	189	95	3,157	400
Donor Relations	8,990	593	296	9,879	4,035
Other	26,137	1,723	862	28,722	7,004
Total Expenses	\$ 2,584,609	\$ 73,150	\$ 29,312	\$ 2,687,071	\$ 3,305,631

See Accompanying Notes

PLACER COMMUNITY FOUNDATION
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Summarized Comparative Information for December 31, 2021)

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (3,847,044)	\$ 1,877,781
Adjustments to reconcile net assets to cash flows from operating activities:		
Depreciation	7,661	9,414
Net Unrealized Loss (Gain)	3,446,913	376,436
Non-cash (Donation)Return of Collection Item	21,700	(21,700)
(Increase) Decrease in:		
Prepaid Expenses	(264)	-
Increase (Decrease) in:		
Accounts Payable	(162,957)	170,948
Grants Payable	(13,500)	10,000
Accrued Personnel Costs	(4,948)	6,074
Accrued Vacation and Retirement Benefits	(7,627)	16,209
Deferred Revenue	(4,375)	(6,875)
Net cash provided(used) by operating activities	(564,441)	2,438,287
Cash flows from investing activities		
Purchases and Reinvestment of Securities	(8,874,765)	(14,548,792)
Proceeds from Sales of Securities	9,854,667	11,222,486
Purchase of Fixed Assets	-	-
Net cash provided(used) by investing activities	979,902	(3,326,306)
Cash flows from financing activities		
Proceeds from Note Payable	-	-
Net cash provided(used) by financing activities	-	-
 Change in cash, cash equivalents, and restricted cash	 415,461	 (888,019)
Cash, cash equivalents, and restricted cash		
Beginning of Year	3,288,651	4,176,670
End of Year	\$ 3,704,112	\$ 3,288,651

Supplemental information for the years ended December 31, 2022 and 2021

Federal taxes paid	\$	-
Interest paid	\$	-

See Accompanying Notes

**PLACER COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

NOTE 1 – Nature of Organization and Significant Accounting Policies

Organization and Nature of Activities

The Placer Community Foundation (the Foundation) is a nonprofit organization whose mission is to grow local giving to benefit the community. The Foundation's function is to receive and accept funds to be administered and disbursed through grants exclusively for charitable purposes. The Foundation provides efficient and effective giving tools for donors, impactful grants for nonprofits and collaborative leadership around the most pressing needs of the community. Donors at the Foundation support charitable activities both locally and beyond. The Foundation primarily receives its revenue from donors in Placer County.

The primary program expense of the Foundation consists of direct financial support provided to other charities and charitable causes. Other substantial activities classified as program expenditures include the convening of charities to examine different community issues, nonprofit capacity building, a visiting artist-in-residence program, the creation and publication of educational and resource materials, technical and organizational consulting assistance to charities and public education efforts designed to raise the level of charitable giving for the broad benefit of all nonprofits in Placer County.

All citizens of Placer County deserve a life of health, safety, possibility and dignity - to prosper. Here in Placer County, we aspire to be a magnetic place with opportunity, prosperity, and a fulfilling life for all. But accomplishing this vision is a tall order. It takes visibility, relationships, knowledge, and tools to truly have impact. Placer Community Foundation unites people, ideas, and resources to address community challenges and create opportunities. PCF does this through gathering knowledge, convening stakeholders, addressing systemic needs, inspiring giving, and marshalling diverse resources for the greatest impact. We know that progress requires meaningful partnerships, and we foster those relationships at every turn.

In 2022, the foundation took action toward prosperity for all in Placer County by:

- Providing \$314,000 in financial assistance to more than 2,500 victims of the Mosquito Fire with cash gift cards, meal cards and resources for food, emergency shelter and mental health support
- Advocating for safe, adequate and affordable housing, highlighted with the opening of 79 new units at Mercy North Auburn at Rock Creek
- Facilitating the Placer County Conservation Program (PCCP) Endowment Fund, which serves to protect 25 percent of the 200,000+ acres of unincorporated area in Western Placer County from development
- Giving \$1,766,00 in grant dollars, 1,327 hours of free trainings and 21 Scholarships
- Diversifying our grantmaking to uphold and strengthen our promise to serve the most vulnerable in our community
- Raising \$170,000 to seed the Fire Relief Fund – a fund to provide relief support during future emergency fire events in the Placer area.
- Granting \$223,000 to provide the care and preservation of animals and natural lands.
- Granting \$140,000 to support the education and well-being of local youth and young adults.
- Granting \$580,000 in safety net grants providing food, housing and mental health programs to struggling families.

**PLACER COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

NOTE 1 – Nature of Organization and Significant Accounting Policies - Continued

The financial statements of the Foundation include the related supporting organization, Auburn Community Foundation. Auburn Community Foundation was established in 1948 and in 2005 terminated its private foundation status and commenced operation as Type 1 supporting organization. As such, these organizations are required under generally accepted accounting principles to be consolidated, but they hold a separate Internal Revenue Service exemption letter and are required to be reported separately for federal and state tax filings.

Basis of Accounting

The financial statements of the Foundation are prepared on the accrual basis of accounting and maintained in accordance with accounting principles generally accepted in the United States of America. Revenue is recognized when earned and expenditures are recognized when the liability is incurred, rather than when cash is received or disbursed.

Consolidated Financial Information

These consolidated 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 Foundation’s financial statements for the year ended December 31, 2021 from which the summarized information was derived.

Classes of Net Assets

The financial statements report amounts by class of net assets as defined below:

Net Assets Without Donor Restrictions: The net assets not subject to donor-imposed restrictions including transactions that are related to the donor advised funds. Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets are limited by donor-imposed restrictions.

Net Assets With Donor Restrictions: The net assets subject to donor-imposed restrictions include donor restricted contributions and income on endowment contributions that can only be expended as stipulated by the donor. This class of net assets includes the assets contributed to the Foundation where the original dollar value is to remain in perpetuity as a permanent endowment of the Foundation. While the Foundation’s bylaws provide for variance power, which, under certain unanticipated circumstances, allows for the modification of restrictions, management believes that such variance power does not apply to endowment funds, and accordingly, has recorded such amounts as with donor restrictions. It is the Foundation’s policy that permanently restricted assets are reported at their original value at the time of the gift. Income, realized and unrealized gains and losses on those assets are recorded as with donor restriction but do not impact the original corpus of the permanently restricted endowment.

**PLACER COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

NOTE 1 – Nature of Organization and Significant Accounting Policies - Continued

Cash and Cash Equivalents

Cash and cash equivalents include cash held in checking, savings, money market accounts and certificates of deposit. The carrying value of cash and cash equivalents approximates fair value due to the nature of the investment. Certificates of deposits are considered to be cash equivalents because they are liquid and the cost of liquidation is insignificant.

At December 31, 2022 and 2021 cash totaling \$2,986,303 and \$2,693,851, respectively, was held by the Greater Kansas City Community Foundation / Greater Horizons in the name of the Foundation.

Investments

The Foundation carries investments in equity securities, mutual funds, fixed income, money market funds and government securities, all of which have readily determinable values based upon public markets. Investments are carried at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Equipment and Depreciation

Equipment is stated at cost or at fair market value at the date of donation in the case of donated assets. Depreciation is computed on the straight-line method and is based on expected useful lives of three to five years. Additions and betterments of \$1,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Equipment is inventoried periodically and retired assets and the related accumulated depreciation are removed from the books when identified.

Land and Building

In 2014, the Auburn Community Foundation was gifted a building from a 501(c)(3) non-profit organization. The value of the property was determined based upon a sale of an adjacent building at that time. The building is being depreciated on a straight line basis over a period of 27 years. Land is not being depreciated. See Note 5 for further discussion of this transaction.

Artwork and Collections

In 2015, the Foundation was the recipient of a piece of art with an appraised value of \$4,750. At the request of the donor and with the approval of the Foundation's Board, the donated artwork is on display at the Foundation's office. In 2021, the Foundation received a donation of jewelry valued at \$21,700. This jewelry was returned as it could not be sold to create a fund. Neither the artwork nor the jewelry were depreciated.

Deferred Revenue

At December 31, 2022 and 2021, deferred revenue consisted of dues received from members of the Placer Collaborative Network for the next calendar year.

**PLACER COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

NOTE 1 – Nature of Organization and Significant Accounting Policies - Continued

Grants

Grants to other organizations are recorded as expenses in the period that they are approved for payment by the Board of Directors.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. However, individuals perform a variety of tasks to assist the Foundation on a volunteer basis.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support. When a donor restriction expires, through the passage of time or accomplishment of purpose, restricted net assets are reclassified to without donor restriction in the Statement of Activities as net assets released from restriction. All contributions are recorded at fair market value at the time of the receipt.

Tax Status

The Auburn Community Foundation and the Placer Community Foundation are exempt from income taxes under Section 501(C)(3) of the Internal Revenue Code and are exempt from state income taxes under Section 23701d of the California Revenue and Taxation Code.

Functional Allocation of Expenses

Costs that can be identified with a specific program or supporting service are charged directly to the related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on an evaluation by the Foundation's management. Time studies are used to allocate payroll and related expenses and operating expenses that cannot be identified with a specific program or supporting service.

Fair Value of Financial Instruments

Due to the short term nature of cash and cash equivalents, receivables, accounts payable and accrued liabilities, their carrying amounts approximate their fair value.

Concentrations of Credit and Market Risk

A majority of the Foundation's assets are invested in marketable securities. These securities are subject to risks such as interest rate, credit and overall market volatility. Due to the level of these risks, it is reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

**PLACER COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

NOTE 1 – Nature of Organization and Significant Accounting Policies - Continued

The Foundation has cash and cash equivalents maintained at financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in interest-bearing accounts. At December 31, 2022, there was \$261,946 in funds held in bank accounts in excess of the FDIC \$250,000 insured amounts. At December 31, 2021, there was \$139,424 in funds held in bank accounts in excess of the FDIC \$250,000 insured amounts. Additionally, the Foundation maintains cash balances in a money market pool held by Greater Horizons. Uninsured accounts included in the money market pool and investment accounts totaled \$2,986,303 and \$2,693,851 at December 31, 2022 and 2021, respectively.

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 the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – Investments

At December 31, 2022, the estimated fair value of the Foundation’s investments, none of which are held for trading purposes, are as follows:

	<u>Fair Value</u>	<u>Cost</u>
Fixed Income Accounts:		
Corporate Bonds	\$ 1,314,150	\$ 1,435,289
Accrued Interest	\$ 57,615	\$ 60,608
Asset Backed Securities	\$ 276,026	\$ 323,397
REITs	\$ 288,685	\$ 279,708
Government Securities	\$ 1,998,502	\$ 2,189,103
Mutual Funds:		
Fixed Income	\$ 376,992	\$ 436,322
Equity	\$ 332,798	\$ 387,005
Non-traditional	\$ 714,617	\$ 890,929
Stocks	\$ 6,926,898	\$ 7,295,826
Exchange Traded	<u>\$ 3,564,166</u>	<u>\$ 3,150,616</u>
TOTAL	<u>\$15,850,449</u>	<u>\$16,448,803</u>

**PLACER COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

NOTE 2 – Investments – Continued

At December 31, 2021, the estimated fair value of the Foundation’s investments, none of which are held for trading purposes, were as follows:

	<u>Fair Value</u>	<u>Cost</u>
Fixed Income Accounts:		
Corporate Bonds	\$ 1,461,619	\$ 1,448,695
Accrued Interest	\$ 619,065	\$ 605,750
Asset Backed Securities	\$ 1,689,609	\$ 1,719,195
REITs	\$ 348,989	\$ 263,406
Government Securities	\$ 1,152,980	\$ 1,145,634
Mutual Funds:		
Fixed Income	\$ 578,777	\$ 571,205
Equity	\$ 1,180,209	\$ 1,041,324
Non-traditional	\$ 675,792	\$ 830,187
Stocks	\$ 7,792,846	\$ 6,487,957
Exchange Traded	\$ 4,777,378	\$ 3,350,197
TOTAL	<u>\$20,277,264</u>	<u>\$17,463,550</u>

Securities are held in custodial investment accounts administered by a financial institution. The fair value of investments in securities traded on national security exchanges is valued at the price on the last business day of the years. Investments purchases and sales are accounted for on a trade-date basis.

NOTE 3 – Liquidity and Availability of Financial Assets

The Foundation’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets (cash, cash equivalents and investments), at year end	\$ 19,554,561	\$ 23,565,915
Less those unavailable for general expenditures within one year, due to:		
<u>Contractual or donor-imposed restrictions:</u>		
Restricted by donor with time or purpose restrictions (endowment funds)	(11,756,594)	(13,707,728)
Contractually set aside for specific purposes (donor-advised funds)	(1,313,053)	(2,040,056)
<u>Board designations:</u>		
Funds set aside for specific purposes	<u>(3,014,630)</u>	<u>(3,074,405)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,470,284</u>	<u>\$ 4,743,726</u>

**PLACER COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

NOTE 4 – Fair Value of Financial Instruments

Level 1 inputs are quoted market prices in active markets for identical assets.

Level 2 inputs are inputs other than quoted prices within Level 1; for example, quoted prices for similar assets.

Level 3 inputs are unobservable inputs for the assets.

The major categories of assets measured at fair value on a recurring basis for the year ended December 31, 2022 are:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash & Cash Equivalents	\$ 3,704,112	-	\$3,704,112	-
Fixed Income Accounts	\$ 1,936,475	\$ 1,936,475	-	-
Investments	\$13,913,974	\$13,913,974	-	-

The major categories of assets measured at fair value on a recurring basis for the year ended December 31, 2021 were:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash & Cash Equivalents	\$ 3,288,651	-	\$3,288,651	-
Fixed Income Accounts	\$ 4,119,282	\$ 4,119,282	-	-
Investments	\$16,157,982	\$16,157,982	-	-

The following methods and assumptions were used by the Foundation in estimating its fair value disclosures for financial instruments:

- Cash and Cash Equivalents: The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of those instruments.
- Fixed Income Accounts and Investments: The fair values of fixed income accounts and investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

NOTE 5 – Lease/Related-Party Transaction

On November 17, 2014, property was donated to the Auburn Community Foundation. The Auburn Community Foundation provides office space in this building to the Placer Community Foundation at no charge. It is the policy of the Auburn Community Foundation and the Placer Community Foundation to record donations of long-lived assets as increases in unrestricted net assets.

**PLACER COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

NOTE 5 – Lease/Related-Party Transaction - Continued

In conjunction with the transfer, the Auburn Community Foundation agreed to lease part of the office space back to the original donor for a period two years with an option to renew the lease for two periods of five years. In 2016, the non-profit organization exercised the option to renew the lease for the next five years. Under the terms of the agreement, the donor, which is a 501(c)(3) non-profit organization, can occupy part of the office space rent free for two years. In addition, the Auburn Community Foundation established a \$50,000 endowment fund for the benefit of the 501(c)(3) organization in the year of the donation.

Beginning in year three, November 1, 2016, the rent became \$250 per month and is adjusted annually for the consumer price index for San Francisco-Oakland – San Jose California. Rents received in the year ended December 31, 2022 were \$282.96 per month through October 31, 2022 and \$299.09 for the remaining rest of the year.

NOTE 6 – Endowment Funds

The Foundation’s endowment consists of 52 endowment funds restricted by donors at December 31, 2022. The endowment funds are included in the Foundation portfolio and are allocated a proportionate share of the income, realized and unrealized gains and losses and fees each month. From time to time, the fair value of assets associated with endowment funds may fall below the historical gift value. The Foundation spending policy determines the distributions from the endowed funds for grantmaking in a given year. The spendable amount on an endowment is typically 4 or 5% of twelve quarter trailing average of the fair market value of the fund. It is the policy of the Foundation to adhere to the guidelines of California’s Uniform Prudent Management of Institutional Funds Act (Probate Code Section 18501 et seq.).

A reconciliation of restricted endowment fund activity for 2022 and 2021 follows:

	<u>2022</u>	<u>2021</u>
Balance, Beginning of Year	\$13,707,728	\$12,896,814
Contributions	495,786	154,053
Interest and Dividends	232,730	260,902
Net Realized & Unrealized (Losses) Gains (net of fees)	(2,321,234)	885,457
Transfer from(to)Unrestricted Funds	(358,416)	(489,498)
Balance, End of Year	<u>\$11,756,594</u>	<u>\$13,707,728</u>

Historical accumulated gift values of the endowment funds at 2022 and 2021 were \$10,882,013 and \$10,058,975, respectively.

**PLACER COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

NOTE 6 – Endowment Funds – Continued

A total return investment policy based upon long-term investment strategies has been adopted for endowment assets as opposed to interest sensitive short-term policies. This allows funds to utilize current income as well as a portion of capital appreciation. The performance of the investment managers is evaluated quarterly based upon specified market indices.

All contributions, including those with donor imposed restrictions, are subject to the variance powers established by the Foundation's governing documents. The variance provision gives the Board of Directors the power to modify any restriction placed on gifts to the Foundation that is deemed to be unnecessary, incapable of fulfillment or is no longer consistent with the charitable needs of the community. In spite of the variance power, it is the policy of the Foundation to recognize gifts with or without donor restrictions based upon the intent of the donor.

NOTE 7 – Employee Benefit Plan

During the year ended December 31, 2009, the Board of Directors implemented a Simplified Employee Pension Plan (SEP) for employees with more than three years of service. The plan is a defined contribution plan with annual contribution amount determined by the Board of Directors on a yearly basis. Contributions are made to each employee's SEP-IRA. It is the intent of the Board to contribute at least 6% of compensation to eligible employees. In 2022 and 2021, the Board of Directors approved an employer contribution of 6.5% and 7.5%, respectively, of each eligible employee's salary to the SEP. In addition, employees may contribute 100% of their salaries up to a maximum of \$20,500 and \$19,500 in 2022 and 2021, respectively, to a 403(b) plan. Vesting is immediate on all contributions by the Foundation and the employees. Pension expense totaled \$26,095, \$29,500, \$23,017, \$23,372, and \$24,928, for the years ended December 31, 2022, 2021, 2020, 2019, and 2018, respectively.

NOTE 8 – Open Tax Years

The Foundation's tax form 990, Returns of Organizations Exempt From Income Tax for 2020, 2021 and 2022 are subject to examination by the Internal Revenue Service for three years after they are filed. Open years include 2019 through 2022 for the State of California which has a four year statute of limitations.

**PLACER COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

NOTE 9 – Net Assets Without Donor Restrictions

The net assets not subject to donor-imposed restrictions include funds that are set aside by the board either as donor advised funds or community funds. Advised funds enable donors to identify funding opportunities aligned with their values and charitable interests. Donors may recommend grant recipients subject to the Foundation’s due diligence and approval. At December 31, 2022, the Foundation had 49 advised funds totaling \$1,313,053 which are included in the net assets without donor restrictions. Other funds are set up by the Foundation and designated to specific purposes providing support for community needs. Net assets without donor restrictions at December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Donor advised funds	\$1,313,053	\$2,040,056
Designated funds	\$3,014,630	\$3,074,405
Without designations	<u>\$3,620,215</u>	<u>\$4,729,347</u>
TOTAL	<u>\$7,947,898</u>	<u>\$9,843,808</u>

NOTE 10 – Uncertainties

Throughout 2022, the stock market experienced a significant decline in value. At December 31, 2022, the unrealized losses totaled \$3.5 million or 19% of the Foundation’s investment value. The Foundation will continue to monitor its investments as it has successfully done in the past, but has no immediate plans to make any significant change its investment portfolios.

In 2023, the stock market values have continued to fluctuate and at June 30, 2023 the foundation had an unrealized gain year to date of \$1.2 million or a 6% increase year to date. Market values continue to fluctuate, accordingly, the extent to which market fluctuations may impact the Foundation’s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to these effects.

NOTE 11 – Evaluation of Subsequent Events

The Foundation has evaluated events subsequent to December 31, 2022 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 17, 2023, the date which the financial statements were available to be issued. There were no events through this date that required disclosure.

PLACER COMMUNITY FOUNDATION

SUPPLEMENTAL STATEMENTS

PLACER COMMUNITY FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	<u>Auburn Community Foundation</u>	<u>Placer Community Foundation</u>	<u>Consolidated Placer Community Foundation</u>
ASSETS			
Current assets:			
Cash and equivalents	\$ 299	\$ 717,510	717,809
Cash and Equivalents held by Greater Horizons	28,977	1,040,776	1,069,753
Cash and Equivalents held by Greater Horizons - Inv. Accts.	250,160	1,666,390	1,916,550
Prepaid Expenses & Other Receivables	-	3,571	3,571
Total Current Assets	279,436	3,428,247	3,707,683
Non-Current Assets			
Investments in Fixed Income Accounts	368,968	1,567,507	1,936,475
Investments in Government Securities	348,777	1,649,725	1,998,502
Investments in Mutual Funds	182,024	1,242,384	1,424,408
Investments in Common Stock	1,575,346	5,351,552	6,926,898
Investments in Closed End Funds	486,999	3,077,167	3,564,166
Building	156,597	-	156,597
Land	110,360	-	110,360
Leasehold Improvements	77,046	2,075	79,121
Furniture and Equipment	-	26,359	26,359
Artwork and Collections	-	4,750	4,750
Accumulated Depreciation	(112,556)	(28,180)	(140,736)
Total Non-Current Assets	3,193,561	12,893,339	16,086,900
Total Assets	\$ 3,472,997	\$ 16,321,586	\$ 19,794,583
 LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts Payable	\$ -	\$ 10,221	10,221
Grants Payable	-	1,500	1,500
Accrued Personnel Costs	-	9,122	9,122
Accrued Vacations and Retirement Benefits	-	61,523	61,523
Deferred Revenue - Membership Dues	-	7,725	7,725
Note Payable - Payroll Protection Program	-	-	-
Total Current Liabilities	-	90,091	90,091
Total Liabilities	-	90,091	90,091
Net Assets:			
Without Donor Restrictions	3,422,997	4,524,901	7,947,898
With Donor Restrictions	50,000	11,706,594	11,756,594
Total Net Assets	3,472,997	16,231,495	19,704,492
Total Liabilities and Net Assets	\$ 3,472,997	\$ 16,321,586	19,794,583

See Accompanying Notes and Independent Auditor's Report

**PLACER COMMUNITY FOUNDATION
CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Auburn Community Foundation	Placer Community Foundation	Interfund Activities	Consolidated Placer Community Foundation
REVENUES, GRANTS, GAINS AND OTHER INCOME				
Contributions	\$ -	\$ 2,089,885	\$ -	\$ 2,089,885
Member Dues	-	31,425	-	31,425
Program Fees	-	304,796	(304,796)	-
Other Income	2,941	283	-	3,224
Interest and Dividends	64,437	301,619	-	366,056
Net Realized (Loss) Gain	(78,077)	(125,573)	-	(203,650)
Net Unrealized (Loss) Gain	(631,669)	(2,815,244)	-	(3,446,913)
Net Assets Released From Restriction	-	-	-	-
Total Revenues, Grants, Gains and Other Income	(642,368)	(212,809)	(304,796)	(1,159,973)
Expenses				
Salaries and Wages	-	514,744	-	514,744
Payroll Taxes	-	39,173	-	39,173
Employee Benefits	-	50,917	-	50,917
Grants to Other Organizations	88,333	1,672,636	-	1,760,969
Accounting and Audit Services (interfund admin. fees)	60,189	322,588	(304,796)	77,981
FIMS and Technology Consulting	-	41,417	-	41,417
Professional Services	-	26,803	-	26,803
Equipment Maintenance	-	1,275	-	1,275
Supplies	-	6,195	-	6,195
Telephone	-	6,065	-	6,065
Postage	-	904	-	904
Printing and Promotion	-	67,552	-	67,552
Utilities	-	8,424	-	8,424
Travel and Meetings	-	17,207	-	17,207
Depreciation	6,268	1,393	-	7,661
Insurance	-	5,727	-	5,727
Membership Dues and Subscriptions	-	12,299	-	12,299
Board Development	-	3,157	-	3,157
Donor Relations	-	9,879	-	9,879
Other	16	28,706	-	28,722
Total Expenses	154,806	2,837,061	(304,796)	2,687,071
CHANGE IN NET ASSETS	\$ (797,174)	\$ (3,049,870)	\$ -	\$ (3,847,044)

See Accompanying Notes and Independent Auditor's Report

**PLACER COMMUNITY FOUNDATION
SCHEDULE OF GRANTS & SCHOLARSHIPS AWARDED
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Agency:</u>	<u>Amount</u>
U.S. Charitable Gift Trust	\$ 680,000
Auburn Chamber of Commerce Foundation	261,492
Placer County SPCA	65,200
Fosters & Paws	32,000
Lighthouse Counseling and Family Resource Center	30,000
Gold Country Wildlife Rescue, Inc.	26,100
Placer Independent Resource Services, Inc. (PIRS)	25,000
Boys & Girls Club of Placer County	23,200
Center for Nonprofit Leadership of the Sierra	20,000
Impact Foundry	20,000
Auburn Symphony	19,966
Auburn Interfaith Food Closet Inc	17,200
Native Alliance of the Sierra Nevada Foothills	16,000
Horses Honor	15,000
Youth Development Network	15,000
Placer Food Bank	12,518
Girl Scouts Heart of Central California	12,000
Sierra Grace Fellowship	12,000
Seniors First	11,625
Lincoln Emmaus Church Community	11,000
Parrish Barker Memorial Foundation	11,000
American Red Cross	10,000
Leaps and Bounds Rabbit Rescue	10,000
Placer Land Trust	10,000
Blue Line Arts	9,200
PRIDE Industries	9,126
Child Advocates of Placer County - CASA	9,000
Auburn State Theatre Incorporated	8,700
Latino Leadership Council	8,500
Cal Poly Foundation	8,400
Gigi's Playhouse Sacramento	7,800
Sierra College Foundation	7,549
County of Placer-HHS	7,500
Girls on the Run	7,500
St. Vincent de Paul Society of Roseville Area Conference Inc	7,350
Sierra College	7,250
Ride to Walk, Inc.	7,000
Kitten Central of Placer County Inc	6,641
FieldHaven Feline Center	6,200
Animal Spay and Neuter Clinic	6,000
Crisis Intervention Services dba Sierra Community House	6,000
Placer Family Housing dba Acres of Hope	6,000
HEART	5,730
ReDirect Nuevo Camino	5,500
The Gathering Inn	5,100
4Ever Yours Rescue Inc	5,000
Art League of Lincoln	5,000
Assistance League of Greater Placer	5,000
Folsom Police Canine Officers Association	5,000

See Accompanying Notes and Independent Auditor's Report

**PLACER COMMUNITY FOUNDATION
SCHEDULE OF GRANTS & SCHOLARSHIPS AWARDED-CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Agency:</u>	<u>Amount</u>
Georgetown Volunteer Fire Department	5,000
Keaton's Child Cancer Alliance	5,000
Kimie's Kritters Pet Rescue	5,000
Legal Services of Northern California	5,000
Salvation Army of Roseville	5,000
Save Mills College Coalition	5,000
Doctors without Borders USA Inc.	4,500
First Congregational Church of Auburn	4,500
In His Wakes, Inc.	4,500
Senior L.I.F.E. Center of Loomis	4,500
AAUW, Auburn CA Branch	4,300
Auburn Education Foundation	4,000
Healing Pastures Inc	4,000
Liberty Learning Academy, Inc.	4,000
Sight Word Busters	4,000
Stand Up Placer Inc	4,000
Friends of the Roseville Public Library	3,958
Friends of Auburn Library	3,600
Forgotten Soldier Program (The)	3,500
Golden Sierra Life Skills, Inc.	3,000
National Resource Defense Council, Inc.	3,000
P.E.O. Foundation	3,000
Placer County Office of Education	3,000
Placer High FFA - Ag Boosters	3,000
SYDA Foundation	3,000
Supporting the Taylor House	2,900
Salvation Army of Auburn	2,600
Anti-Defamation League	2,500
Friends of Unwanted Rabbits - FUR	2,500
Literacy Support Council of Placer County	2,500
Operation Surf	2,500
Salt Lake Community College	2,500
Sutter Valley Medical Foundation	2,500
Twiana Armstrong-Bryant	2,500
Valley Recovery Resource	2,500
Capital Public Radio	2,220
American Civil Liberties Union Foundation, Inc.	2,000
American Indian College Fund	2,000
Catholic Relief Services	2,000
Chapa-De Indian Health Program, Inc.	2,000
Del Oro High School	2,000
Emerson College	2,000
Franciscan University of Steubenville	2,000
Hearts Landing Ranch	2,000
Humane Society of the Sierra Foothills Inc	2,000
New York University	2,000
Planned Parenthood Federation of America, Inc.	2,000
Sacramento Loaves and Fishes	2,000
Star 6 Foundation	2,000

See Accompanying Notes and Independent Auditor's Report

**PLACER COMMUNITY FOUNDATION
SCHEDULE OF GRANTS & SCHOLARSHIPS AWARDED-CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Agency:</u>	<u>Amount</u>
Sutter Auburn Faith Hospital Foundation	2,000
University of California Santa Barbara	2,000
Wilderness Society (The)	2,000
Yosemite Conservancy	2,000
KVIE Inc	1,800
UC Berkeley-UC Regents	1,750
UCLA Regents	1,583
KidsFirst Child Abuse Prevention Council of Placer County	1,500
LemonAid Fund	1,500
NAMI Placer County	1,500
Placer People of Faith Together	1,500
Single Mom Strong Inc	1,500
World Central Kitchen, Inc.	1,500
Pioneer United Methodist Church	1,300
The Hillmen Foundation	1,300
Foresthil Community Development Council	1,297
City of Roseville-Sports Center	1,273
What Would Jesus Do, Inc.	1,100
Smaller Grants at \$1,000 or less (62 entities)	39,141
	<u>\$ 1,760,969</u>