Pinellas Community Foundation

Audited Financial Statements

December 31, 2024 and 2023

Pinellas Community Foundation

Contents

KELLY PARTNERS+FRS
ACCOUNTANTS

Independent Auditors' Report

To the Board of Governors
Pinellas Community Foundation

Opinion

We have audited the accompanying financial statements of Pinellas Community Foundation (the "Foundation"), a nonprofit organization, which comprise the statements of financial position as of December 31, 2024 and 2023 and the related statements of activities, functional expenses and cash flows for the years 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 the Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in conformity 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pinellas Community 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.

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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 Pinellas Community Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 Pinellas Community 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 Pinellas Community 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025 on our consideration of Pinellas Community Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pinellas Community Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pinellas Community Foundation's internal control over financial reporting and compliance.

Kelly Partners + FRS, LLC

St. Petersburg, Florida
December 3, 2025

Pinellas Community Foundation

Statements of Financial Position

December 31, 2024 and 2023

December 31,	2024	2023
ASSETS		
Assets		
Cash and cash equivalents	$ 6,541,387	$ 6,985,088
Contributions and grants receivable	3,089,905	1,287,766
Prepaid expenses	20,100	20,397
Advance payments	1,268,033	991,500
Deposits	14,006	23,493
Split-interest agreement assets	5,338,957	5,347,688
Donated art	15,490	15,490
Donated property held for sale	231,850	-
Right of use asset, net	110,228	165,187
Investments	33,361,880	31,468,137
Investments, with donor restrictions	104,565,851	94,474,284
Total assets	$ 154,557,687	$ 140,779,030
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 242,101	$ 214,780
Lease liability	113,850	168,154
Refundable advances	7,731,041	6,934,365
Total liabilities	8,086,992	7,317,299
Net Assets		
Without donor restrictions	34,345,668	32,485,076
With donor restrictions	112,125,027	100,976,655
Total net assets	146,470,695	133,461,731
Total liabilities and net assets	$ 154,557,687	$ 140,779,030

Pinellas Community Foundation
Statement of Activities and Changes in Net Assets
Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	2024 Total
Support and Revenue:			
Contributions and bequests	$ 102,468	$ 6,032,131	$ 6,134,599
Contributed nonfinancial assets	6,850	225,000	231,850
Grant revenue - American Rescue Plan Act	8,131,070	-	8,131,070
Income from investments	1,187,927	2,461,863	3,649,790
Net gain on investments, net of expenses	2,497,314	9,282,510	11,779,824
Other income	1,486	14,318	15,804
Change in value of split-interest agreements	-	231,268	231,268
	11,927,115	18,247,090	30,174,205
Net assets released from restriction	222,790	(222,790)	-
Total support and revenue	12,149,905	18,024,300	30,174,205
Expenses:			
Program	1,248,250	-	1,248,250
Management and general	393,603	-	393,603
Fundraising and development	315,732	-	315,732
Total expenses	1,957,585	-	1,957,585
Increase in assets before charitable disbursements and transfers	10,192,320	18,024,300	28,216,620
Charitable disbursements and transfers:			
Grant payments	(8,977,111)	(6,230,544)	(15,207,655)
Interfund transfers	555,510	(555,510)	-
Reclassification of funds	89,874	(89,874)	-
Change in net assets	1,860,593	11,148,372	13,008,965
Net assets, beginning of year	32,485,076	100,976,655	133,461,731
Net assets, end of year	$ 34,345,669	$ 112,125,027	$ 146,470,696

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

Pinellas Community Foundation
Statement of Activities and Changes in Net Assets
Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	2023 Total
Support and Revenue:			
Contributions and bequests	$ 177,624	$ 4,201,023	$ 4,378,647
Grant revenue - American Rescue Plan Act	4,755,384	-	4,755,384
Income from investments	969,770	2,226,875	3,196,645
Net gain on investments, net of expenses	3,352,850	10,878,328	14,231,178
Other income	2,102	17,827	19,929
Change in value of split-interest agreements	-	539,784	539,784
	9,257,730	17,863,837	27,121,567
Net assets released from restriction	381,355	(381,355)	-
Total support and revenue	9,639,085	17,482,482	27,121,567
Expenses:			
Program	1,423,216	-	1,423,216
Management and general	301,271	-	301,271
Fundraising and development	253,046	-	253,046
Total expenses	1,977,533	-	1,977,533
Increase in assets before charitable disbursements and transfers	7,661,552	17,482,482	25,144,034
Charitable disbursements and transfers:			
Grant payments	(5,110,568)	(4,962,683)	(10,073,251)
Interfund transfers	458,659	(458,659)	-
Reclassification of funds	120,802	(120,802)	-
Change in net assets	3,130,445	11,940,338	15,070,783
Net assets, beginning of year	29,354,631	89,036,317	118,390,948
Net assets, end of year	$ 32,485,076	$ 100,976,655	$ 133,461,731

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

Pinellas Community Foundation

Statement of Functional Expenses

Year ended December 31, 2024

	Program Services	Management & General	Fundraising & Development	**2024 Total**
Salaries	$ 477,196	$ 208,231	$ 182,202	$ 867,629
Benefits	34,930	15,242	13,337	63,509
Payroll taxes	34,657	15,123	13,233	63,014
Total salaries and benefits	546,783	238,596	208,772	994,152
Conferences	7,818	538	6,834	15,190
Consulting	451,735	75,517	33,209	560,461
Insurance	36,453	3,194	2,794	42,441
Marketing	40,110	-	13,544	53,654
Printing and postage	3,457	1,213	3,610	8,280
Dues and subscriptions	752	723	1,417	2,892
Supplies	2,044	892	780	3,716
Telephone	4,519	1,972	1,725	8,216
Information technology	31,951	13,942	12,199	58,092
Accounting and legal	26,402	20,259	-	46,660
Lease expense	64,329	28,071	24,562	116,962
Other	31,898	8,686	6,285	46,869
Total expenses	**$ 1,248,250**	**$ 393,603**	**$ 315,732**	**$ 1,957,585**

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

Pinellas Community Foundation
Statement of Functional Expenses
Year ended December 31, 2023

	Program Services	Management & General	Fundraising & Development	**2023 Total**
Salaries	$ 576,497	$ 157,226	$ 139,757	$ 873,480
Benefits	42,620	11,624	10,332	64,576
Payroll taxes	41,124	11,216	9,970	62,310
Total salaries and benefits	660,241	180,066	160,059	1,000,366
Conferences	8,097	1,785	7,211	17,093
Consulting	558,299	63,373	9,424	631,096
Minor equipment	1,085	177	-	1,262
Insurance	38,942	2,163	2,163	43,269
Marketing	9,753	-	24,161	33,914
Printing and postage	5,124	701	15,903	21,728
Dues and subscriptions	316	469	593	1,377
Supplies	2,750	750	667	4,167
Telephone	5,700	1,555	1,382	8,637
Information technology	36,942	9,637	10,049	56,628
Accounting and legal	13,432	20,194	1,509	35,135
Lease expense	65,223	17,788	15,811	98,822
Other	17,312	2,613	4,114	24,039
Total expenses	**$ 1,423,216**	**$ 301,271**	**$ 253,046**	**$ 1,977,533**

Pinellas Community Foundation
Statements of Cash Flows
December 31, 2024 and 2023

December 31,	**2024**	2023
Cash flows from operating activities:		
Change in net assets	$ 13,008,964	$ 15,070,783
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Net unrealized (gain) loss on investments	(9,182,198)	(13,786,672)
Net realized (gain) loss on investments	(3,149,352)	(1,044,716)
Contributed nonfinancial assets	(231,850)	-
Amortization - right of use asset	54,959	50,683
Changes in operatng assets and liabilities:		
Split-interest agreements	8,731	(299,784)
Contributions and grants receivable	(1,802,139)	(930,673)
Advance payments	(276,533)	213
Prepaid expenses	297	(991,500)
Accounts payable and accrued expenses	27,321	119,468
Refundable advances	796,676	6,934,365
Lease liability	(54,304)	(49,239)
Net cash provided by (used in) operating activities	(799,428)	5,072,928
Cash flows from investing activities:		
Proceeds from sale of investments	16,417,663	26,000,574
Purchases of investments	(16,071,423)	(25,047,544)
Change in deposits	9,487	(18,467)
Net cash provided by investing activities	355,727	934,563
Net change in cash and cash equivalents	(443,701)	6,007,491
Cash and cash equivalents, beginning of year	6,985,088	977,597
Cash and cash equivalents, end of year	$ 6,541,387	$ 6,985,088

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

1. Organization and Operations

The Pinellas Community Foundation, formerly Pinellas County Community Foundation, (the "Foundation") was established by a Trust Agreement dated January 1, 1969. The original trust agreement is recorded in O.R. Book 3588, Page 20 in the public records of Pinellas County. The purpose of the Foundation is to receive property from donors, to oversee the investment of donated funds by monitoring the work of the Foundation Trustees, and to distribute investment income (or investment principal when directed by donor) to recognized charities located in Pinellas County, Florida. If designated by a donor, charities located outside of Pinellas County may be beneficiaries of donated funds or income earned on those funds.

This financial information includes the activities of Pinellas CF Company, LLC ("Pinellas CF LLC"). The Foundation formed Pinellas CF LLC in 2018. Pinellas CF LLC is organized and operated exclusively for the benefit of Pinellas Community Foundation, its sole member. The purposes of Pinellas CF LLC shall include, but not be limited to, entering into contracts and leases for the benefit of the Member.

2. Significant Accounting Policies

Basis of Presentation

The Foundation follows the provisions of the Financial Accounting Standards Board Accounting Standards Codification. Accordingly, the financial statements are prepared on an accrual basis of accounting. The financial statements of the Foundation are the representation of management and include estimates of amounts and judgments it believes are reasonable under the circumstances.

Net assets

Accounting standards require the Foundation to distinguish between contributions that increase net assets without donor restrictions and net assets with donor restrictions. It also requires recognition of contributed services meeting certain criteria at fair value. These financial statements have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of assets, liabilities, and net assets into two self-balancing net asset groups as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Net Assets Without Donor Restrictions also include restricted contributions whose restrictions are met in the same year.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounting principles generally accepted in the United States of America 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 unrestricted net assets. In order for the Foundation to be classified as a single entity in accordance with the Code of Federal Regulations, specifically Treas. Reg. Section 1.170A-9(f)(11)(v)(B), the Foundation governing document must provide for powers of modification, more commonly known as variance power. Although the Pinellas Community Foundation Trust Agreement provides the Board of Governors broad authority to exercise its variance power, the Board of Directors generally exercises this authority when the stated purpose of a contribution becomes no longer applicable or incapable of fulfillment. Accordingly, the Foundation classifies a substantial portion of funds as net assets with donor restrictions and segregates for internal recordkeeping all funds that have donor or gift restrictions attached.

Liquidity

Assets are presented in the accompanying Statements of Financial Position according to their nearness of conversion to cash and liabilities according to their nearness to their maturity and resulting use of cash.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Foundation places its cash with high quality financial institutions. At times, cash may be in excess of FDIC insurance limits. The Foundation does not believe it is exposed to any significant credit risk on cash.

Contributions and Unconditional Promises

Contributions and unconditional promises to give are measured at their fair values and are reported as an increase in net assets when received. Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized.

Amounts restricted for future periods or restricted for specific purposes are reported as net assets with donor restrictions. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified to net assets without donor restrictions and reported as satisfactions of program restrictions and net assets released. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Investments

Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. 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 principal balances. Investment expenses are presented net of investment gains. For the years ended December 31, 2024 and 2023, investment expenses were $660,219 and $600,210, respectively.

Investments are in the custody of SEC-registered brokerage and investment firms which manage them in accordance with policies set by the Pinellas Community Foundation Trust Agreement, the Foundation's Board of Governors, or appropriate gift agreements. The Foundation's investments consist primarily of common stocks, mutual funds, corporate and United States government securities/bonds, alternative strategy funds and real estate funds. Assets included in investments are carried at fair value as described in Note 3.

Split-Interest agreements

The Foundation is named beneficiary of various lead and remainder trusts, the assets of which are held by outside trustees. Contribution revenue and the related assets' interest are recognized using the present value of assets expected to be received. Subsequent changes to the fair value of the assets are recognized as changes in the value of the Foundation's interest in the trusts in the accompanying Statements of Activities.

Advance Payments

Advance payments represent funds that PCF has provided to grantees in accordance with their grant agreements. These amounts are classified as assets on PCF's financial statements, as they are subject to return if the grantees do not expend the funds in accordance with the terms of their grant agreements. Upon receipt of expenditure reports from grantees and verification of expenses by PCF, the distributions are reclassified as grant expenses on the financial statements, reducing the advance payments asset balance.

The following table reflects the advance payment total asset amount as of December 31, 2024 and 2023:

	2024	2023
City of Clearwater ARPA-related grant pool	$ 103,648	$ 107,291
Pinellas ARPA Nonprofit Capital Project Fund	781,210	662,602
St Pete ARPA Sub-Recipient Coord Social Services	383,175	221,607
Total	$ 1,268,033	$ 991,500

Refundable Advances

Refundable advances represent funds provided to PCF by local governments for the purpose of creating grant pools. These funds are classified as a liability on PCF's financial statements, as they are subject to repayment if not expended in accordance with the terms of the grant contracts between PCF and local governments. As PCF reports verified grant expenses to each local government, the refundable advance liability amount is reduced. When a local government makes a payment to replenish a grant pool, the refundable advance liability amount is increased. Any remaining funds not expensed by December 31, 2026, will be returned to the local governments.

The following table reflects the refundable advance liability amount as of December 31, 2024 and 2023:

	2024	2023
City of Clearwater ARPA-related grant pool	$ 624,258	$ 430,692
Pinellas ARPA Nonprofit Capital Project Fund	4,750,000	4,750,000
St Pete ARPA Sub-Recipient Coord Social Services	2,356,783	1,753,673
Total	$ 7,731,041	$ 6,934,365

Charitable disbursements and grants

Charitable disbursements from income earned on the funds with donor restrictions are paid out regularly as the income is earned. Charitable disbursements from income earned on the funds without donor restrictions and bequests are paid out partially in the year of receipt with the balance paid out in the following year. Grants are not accrued at the fiscal year end because grants are disbursed in the same year a written commitment is made to provide such grant funding.

Foundation administrative fees

In accordance with the Pinellas Community Foundation Trust Agreement, the Foundation assesses an annual administrative fee which is set by the Board of Governors. This administrative fee for 2024 and 2023 was 0.55% of the fair market value of assets under management. The administrative fee covers a portion of the costs incurred for the management of the Foundation. Administrative fees amounted to $724,429 and $615,476 for the years ended December 31, 2024 and 2023, respectively. The fees are paid out of the ordinary income and principal of investments to the Foundation's operating funds and are used to support the management of the Foundation.

Functional expense allocations

Expenses which apply to more than one functional category have been allocated among program, management and general, and fundraising and development based on the time spent on these functions by specific employees as estimated by management. Indirect expenses such as facilities costs are allocated based on square footage used by functional departments. Other indirect expenses are allocated based on the salaries in the various functional categories. All other costs are charged directly to the appropriate functional category.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash equivalents and investments. The Foundation has cash deposits which at times may exceed the FDIC insurance limit. Deposit accounts are maintained with what management believes to be a quality financial institution.

Income Tax Status

The tax-exempt status of the Foundation was recognized in 1971 and to the best information available, retroactive to its creation in 1969. The Foundation has maintained this tax-exempt status from the ruling in 1971 to the present date. The Foundation qualifies as a tax-exempt Foundation under Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation follows the income tax standard for uncertain tax positions. The Foundation periodically assesses whether it has incurred income tax expense or related interest or penalties in accordance with accounting for uncertain tax positions. No such amounts were recognized for the year ending December 31, 2024. Management is not aware of any activities that would jeopardize the Foundation's tax-exempt status. Should the Foundation's tax returns be challenged in the future, the Foundation's tax years of 2021 and thereafter are open for potential examination by the IRS.

3. Fair Value Measurements

The Foundation's investments are reported at fair value in accordance with accounting principles generally accepted in the United States of America, which define fair value, establish a framework for measuring fair value, and require disclosures about fair value measurements.

In accordance with these accounting principles, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard also established a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Accounting principles establish a three-tier hierarchy to classify fair value measurements for disclosure purposes. Investment valuations are classified as follows:

- Level 1 valuations, for which the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the counter markets with sufficient volume),

- Level 2 valuations, for which the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and

- Level 3 valuations, for which the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on company-specific data. These unobservable assumptions reflect the Foundation’s own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

The assets held in split-interest agreements are valued based on quoted market prices of the underlying investments, net of the present value of expected cash outflows using estimated life expectancies of the income beneficiaries and appropriate discount rates. Split interest agreements are classified as Level 2 in the fair value hierarchy.

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 and liabilities.

The fair value of financial instruments is reported using the input guidance and valuation techniques described above. The fair value levels and amounts as of December 31, 2024 and 2023 are presented in the following tables:

	Assets Reported at Fair Value as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	$ 9,203,343	$ –	$ –	$ 9,203,343
Equity securities:				
Mutual funds and EFTs	85,681,198	–	–	85,681,198
Domestic equities	7,911,653	–	–	7,911,653
Debt securities:				
Mutual funds and EFTs	6,322,369	–	–	6,322,369
Corporate and US Bonds	–	21,402,404	–	21,402,404
Other:				
Real estate funds	124,030	–	–	124,030
Alternative strategy funds	6,156,804	–	–	6,156,804
Mineral rights	–	–	40	40
Real estate	–	–	1,125,890	1,125,890
	115,399,397	21,402,404	1,125,930	137,927,731
Split-interest assets	–	5,338,957	–	5,338,957
Total	$115,399,397	$26,741,361	$1,125,930	$143,266,688

	Assets Reported at Fair Value as of December 31, 2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	$ 7,003,909	$ –	$ –	$ 7,003,909
Equity securities:				
Mutual funds and EFTs	77,943,805	–	–	77,943,805
Domestic equities	6,587,452	–	–	6,587,452
Debt securities:				
Mutual funds and EFTs	6,921,044	–	–	6,921,044
Corporate and US bonds	–	22,082,003	–	22,082,003
Other:				
Real estate funds	262,235	–	–	262,235
Alternative strategy funds	4,077,190	–	–	4,077,190
Mineral rights	–	–	3,197	3,197
Real estate	–	–	1,061,586	1,061,586
	102,795,635	22,082,003	1,064,783	125,942,421
Split-interest assets	–	5,347,688	–	5,347,688
Total	$102,795,635	$27,429,691	$1,064,783	$131,290,109

Level 3 investments include mineral rights and real estate. Real estate values are reviewed no less than annually using a variety of qualitative factors. Valuation inputs include cost, external data such as tax assessments, and periodic appraisals depending on the nature of the investment. During 2024 and 2023, there were no purchases or transfers of Level 3 assets.

4. Endowment and Invested Charitable Funds

The Foundation's investment pool includes endowed funds and invested charitable funds. Endowed funds are established for a variety of donor-restricted purposes and, in the case of true endowments, must be held in perpetuity. Invested charitable funds include donor-advised, designated, and other charitable funds that are invested alongside the endowment for long-term growth but are available for appropriation of both principal and income in accordance with donor agreements and Foundation policies.

As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowed funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Governors 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 donor-restricted endowed funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The value of assets in excess of original gifts in donor-restricted endowed funds are classified as net assets with donor restrictions until appropriated for expenditure by the Foundation.

Return Objectives and Risk Parameters

Investment and spending policies for endowed funds and invested charitable funds are governed by the Pinellas Community Foundation Trust Agreement, the Statement of Investment Position adopted by the Board of Governors, and/or gift agreements provided to the Foundation. The Statement of Investment Position affirms the Foundation's commitment to prudent diversification of its portfolio and defines the roles of the Investment Oversight Committee, Investment Consultant, and Trustees in managing the investment process.

The Foundation's investment philosophy is based on total return, including both capital appreciation (realized and unrealized) and current yield (interest and dividends). Strategic asset allocation targets are: 50% U.S. equities, 20% international equities, and 30% fixed income, with allowable ranges to provide flexibility; alternatives are permitted up to 30%. Risk is defined as the probability of not meeting the investment objectives, and diversification is emphasized to mitigate the impact of any single market downturn.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Through December 31, 2020, most funds of the Foundation were governed by restrictions to appropriate only the prior year's net income (i.e., interest and dividends, excluding realized and unrealized gains, net of certain fees).

In November 2020, the Board of Governors adopted a new Statement of Investment Position which implemented a total return spending policy. Under this policy, the funds available for distribution in a given year are based on a 12-quarter rolling average of market values multiplied by a Board-approved spending rate between 3% and 5%, with a current target of 4.25%. This approach is designed to support charitable purposes while preserving the long-term, inflation-adjusted value of the corpus.

The modification of written spending restrictions requires the exercise of variance power as described in Article II, Section 8 of the PCF Trust Agreement. Variance power permits the Board of Governors, by a two-thirds vote, to modify donor restrictions if they become impractical, impossible, or inconsistent with the Foundation's mission to serve the charitable needs of Pinellas County. The Board exercises this authority sparingly and in consultation with donors (if living), charitable beneficiaries, trustees, and advisors, or with judicial or administrative oversight, if appropriate.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowed funds may fall below the level that the donor intended. As of December 31, 2024 and 2023, no funds had such a deficiency. In accordance with GAAP, accumulated losses on funds with deficiencies are included with that fund in net assets with donor restrictions. The Foundation's policy is to allow continued spending from endowed funds in the event that the fair value of the fund has fallen below the original level required by the donor.

As of December 31, 2024 and 2023, activity within the endowment and invested charitable funds consisted of the following:

	Without donor restrictions	With donor restrictions	**Total**
Endowment and invested charitable funds:			
January 01, 2024	$31,468,137	$ 94,474,284	**$125,942,421**
Endowment investment return:			
Investment income	867,855	2,470,941	**3,338,796**
Realized gains	1,266,524	1,882,828	**3,149,352**
Unrealized gains	1,374,703	7,807,495	**9,182,198**
Total endowment investment return	3,509,082	12,161,264	**15,670,346**
Additions to endowment funds	65,445	3,409,948	**3,475,393**
Investment management fees	(148,707)	(511,512)	**(660,219)**
Administrative fees	(168,098)	(556,332)	**(724,430)**
Appropriation – endowment expenditures	(1,363,979)	(4,411,801)	**(5,775,780)**
Total endowment activity	(1,615,339)	(2,069,697)	**(3,685,036)**
December 31, 2024	$33,361,880	$104,565,851	**$137,927,731**

	Without donor restrictions	With donor restrictions	**Total**
Endowment and invested charitable funds:			
January 01, 2023	$29,107,253	$82,956,810	**$112,064,063**
Endowment investment return:			
Investment income	783,876	2,226,875	**3,010,751**
Realized gains	145,873	898,843	**1,044,716**
Unrealized gains	3,347,433	10,439,239	**13,786,672**
Total endowment investment return	4,277,182	13,564,957	**17,842,139**
Additions to endowment funds	46,028	2,110,385	**2,156,413**
Investment management fees	(140,456)	(459,754)	**(600,210)**
Administrative fees	(156,817)	(458,659)	**(615,476)**
Appropriation – endowment expenditures	(1,662,045)	(4,209,081)	**(5,871,126)**
Net transfers in (out) of endowment	(3,008)	969,626	**966,618**
Total endowment activity	(1,916,298)	(2,047,483)	**(3,963,781)**
December 31, 2023	$31,468,137	$94,474,284	**$125,942,421**

5. Split-Interest Agreements

The Foundation is a beneficiary of certain charitable lead trusts and charitable remainder trusts, which are known as split-interest agreements. A portion of these trusts is to be paid to the Foundation at specified times in the future or upon the death of certain other beneficiaries. The Foundation is not the trustee for these trust agreements, nor does it have any control over the related trust assets.

Receivables from split-interest agreements represent the estimated net present value of the Foundation's interest in various irrevocable trusts held by third-parties. The net present value of these receivables is determined using estimated investment returns consistent with the composition of the asset portfolios, the periodic payouts of the trusts to the trust's beneficiaries while living, life expectancies from the Social Security Administration tables, and a discount rate of 6 percent. Actual results could differ from those estimates.

On an annual basis, the Foundation revalues the receivables based on changes in the value of the trusts' assets as well as the assumptions above. Revaluation adjustments are reported in the Statements of Activities as changes in the value of beneficial interest in trusts. These receivables are classified as net assets with donor restrictions until the future cash flows are received.

6. Liquidity and Funds Available

The following table reflects the Foundation's financial assets as of December 31, 2024 and 2023, excluding amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Trust assets with donor restrictions, donor-restricted endowments and assets held for others are considered unavailable for general expenditures.

	2024	2023
Financial assets		
Cash and cash equivalents	$ 851,380	$ 712,806
Contributions and grants receivable	10,153	7,976
Investments	33,361,880	31,468,137
Financial assets available to meet cash needs for general expenditures within one year	$ 34,223,413	$ 32,188,919

Cash flow to support the overall management of the Foundation is derived primarily from administrative fees assessed to assets under management, which includes investments with donor restrictions and without donor restrictions. For 2024 and 2023, this administrative fee was 0.55% of the fair market value of assets under management and amounted to $724,429 and $615,476, respectively. The fees are used to support the overall management of the Foundation.

7. Leases

The Foundation leases office space under a noncancellable operating lease agreement that commenced January 1, 2021 and expires October 31, 2026. Lease payments escalate annually in accordance with the terms of the agreement. Lease expense for operating leases is recognized on a straight-line basis over the lease term. The Foundation elected the package of practical expedients permitted under ASC 842 and, accordingly, did not reassess lease classification or initial direct costs upon adoption.

Lease expense
Operating lease cost recognized on a straight-line basis was:

- $63,939 for the year ended December 31, 2024
- $62,883 for the year ended December 31, 2023

Variable lease costs, which primarily include common area maintenance and other non-lease components, were:

- $26,903 for the year ended December 31, 2024
- $8,263 for the year ended December 31, 2023

Right-of-Use Asset and Lease Liability
Operating lease right-of-use ("ROU") assets and related lease liabilities were as follows:

	2024	2023
Operating lease ROU asset	$ 110,228	$ 165,187
Operating lease liability – current portion	$ 55,579	$ 54,304
Operating lease liability – long-term portion	58,271	113,850
Total operating lease liability	$ 113,850	$ 168,154

Weighted-Average Lease Metrics (ASC 842 Required Disclosures)
Weighted-average remaining lease term:
1.8 years at December 31, 2024
2.8 years at December 31, 2023

Weighted-average discount rate:
6.25% for both 2024 and 2023

Future Minimum Lease Payments
Future undiscounted lease payments under the operating lease as of December 31, 2024 are:

Year ending December 31,	
2025	$65,180
2026	$55,664
Total lease payments	$120,844

8. Commitments and contingencies

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about the leasing arrangements.

The Foundation adopted Topic 842 on January 1, 2022 using a modified retrospective approach with a cumulative-effect adjustment to net assets as of the beginning of 2022; prior period financial statements were not adjusted. The Foundation applied the standards to leases that had not expired as of January 1, 2022.

Right of Use (ROU) asset represents the right to use an underlying asset for the lease term and lease liability represents the obligation to make lease payments arising from the lease. This asset and liability are recognized at the commencement date of the lease based on their present value. The Foundation uses its incremental borrowing rate based on the information available at commencement date in determining present value. This weighted average discount rate is 6.25%. The ROU assets obtained in exchange for lease liabilities amounted to $225,256.

The Company leases office space under operating leases through October 2026. Under the terms of this lease, the tenant is generally responsible for repairs and maintenance costs. Lease expense under the operating lease for the years ended December 31, 2024 and 2023 was $63,939. Future minimum lease payments required as of December 31, 2024 are as follows: 2025 - $65,180 and 2026 - $55,664.

This lease was executed by Pinellas CF Company, LLC, an entity formed by the Foundation in 2018. The Foundation is the sole member of Pinellas CF Company, LLC.

In the ordinary course of conducting its business, the Foundation may be subjected to loss contingencies arising from general business matters or lawsuits. Management believes that the outcome of such matters, if any, will not have a material impact on the Foundation's financial statements or results of future operations.

9. Subsequent Events

Subsequent events have been evaluated by management through December 3, 2025, which is the date the financial statements were available to be issued.