

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

COMMUNITY FOUNDATION OF TAMPA BAY, INC.

June 30, 2017

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Community Foundation of Tampa Bay, Inc.

We have audited the accompanying financial statements of Community Foundation of Tampa Bay, Inc. (a nonprofit organization) (the "Foundation"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of Tampa Bay, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Community Foundation of Tampa Bay, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 7, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Bruce, Gardner & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida
November 13, 2017

Community Foundation of Tampa Bay, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2017
(With comparative total for 2016)

	Unrestricted	Temporarily Restricted	Total	
			2017	2016
ASSETS				
Cash and cash equivalents	\$ 1,373,917	\$ -	\$ 1,373,917	\$ 1,398,932
Investments (notes B and H)	209,117,080	-	209,117,080	170,487,076
Accrued investment income	44,343	-	44,343	69,776
Accounts receivable	-	-	-	11,303
Estates in process	-	6,715,853	6,715,853	1,189,333
Investments held in charitable remainder trusts	-	4,634,457	4,634,457	5,643,564
Beneficial interest in survivor trusts	-	1,923,411	1,923,411	2,221,586
Other assets	60,214	-	60,214	52,696
Property and equipment, net of accumulated depreciation (note C)	164,683	-	164,683	199,655
Total assets	\$ 210,760,237	\$ 13,273,721	\$ 224,033,958	\$ 181,273,921
LIABILITIES AND NET ASSETS				
Accounts payable and accrued expenses	\$ 252,034	\$ -	\$ 252,034	\$ 183,520
Other liabilities	214,201	-	214,201	-
Deferred rent obligation	3,582	-	3,582	14,794
Grants payable	787,831	-	787,831	688,278
Charitable gift annuity obligations	1,777,102	-	1,777,102	1,761,377
Liability under charitable remainder trusts	-	2,557,581	2,557,581	2,979,280
Liability for agency funds	32,009,019	-	32,009,019	26,126,482
Total liabilities	35,043,769	2,557,581	37,601,350	31,753,731
Net assets				
Unrestricted	175,716,468	-	175,716,468	143,444,987
Temporarily restricted	-	10,716,140	10,716,140	6,075,203
Total net assets	175,716,468	10,716,140	186,432,608	149,520,190
Total liabilities and net assets	\$ 210,760,237	\$ 13,273,721	\$ 224,033,958	\$ 181,273,921

The accompanying notes are an integral part of this statement.

Community Foundation of Tampa Bay, Inc.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2017
(With comparative total for 2016)

	Unrestricted	Temporarily Restricted	Total	
			2017	2016
Revenues, gains (losses) and other support				
Contributions and bequests	\$ 26,454,077	\$ 6,715,853	\$ 33,169,930	\$ 14,460,763
Less amounts received for agency funds	(3,557,910)	-	(3,557,910)	(520,794)
Investment return (note B)	18,402,763	555,949	18,958,712	(3,675,865)
Other income	324,934	-	324,934	262,858
	<u>41,623,864</u>	<u>7,271,802</u>	<u>48,895,666</u>	<u>10,526,962</u>
Net assets released from restrictions	<u>2,630,865</u>	<u>(2,630,865)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>44,254,729</u>	<u>4,640,937</u>	<u>48,895,666</u>	<u>10,526,962</u>
Expenses				
Program services				
Grants awarded	10,336,679	-	10,336,679	12,684,614
Less grants made for agency funds	(939,216)	-	(939,216)	(1,031,895)
Program management	937,124	-	937,124	847,275
Total program services	<u>10,334,587</u>	<u>-</u>	<u>10,334,587</u>	<u>12,499,994</u>
Management and general Development	1,065,325	-	1,065,325	984,235
	<u>583,336</u>	<u>-</u>	<u>583,336</u>	<u>569,701</u>
Total expenses	<u>11,983,248</u>	<u>-</u>	<u>11,983,248</u>	<u>14,053,930</u>
Change in net assets	32,271,481	4,640,937	36,912,418	(3,526,968)
Net assets at beginning of year	<u>143,444,987</u>	<u>6,075,203</u>	<u>149,520,190</u>	<u>153,047,158</u>
Net assets at end of year	<u>\$ 175,716,468</u>	<u>\$ 10,716,140</u>	<u>\$ 186,432,608</u>	<u>\$ 149,520,190</u>

The accompanying notes are an integral part of this statement.

Community Foundation of Tampa Bay, Inc.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2017
(With comparative total for 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	<u>\$36,912,418</u>	<u>\$ (3,526,968)</u>
Adjustments		
Amortization and depreciation	58,900	53,566
Net realized and unrealized (gain) loss	(18,277,805)	12,090,785
Change in value of split-interest agreements	(387,387)	331,299
Contributions received for long-term investment	(10,844,655)	(2,232,221)
Non-cash gifts received	(5,020,841)	(6,492,779)
Proceeds from sale of contributed securities	5,077,824	6,315,447
Changes in operating assets and liabilities		
Accrued investment income	25,433	(3,978)
Accounts receivable	11,303	(10,295)
Other assets	(7,518)	(17,143)
Other liabilities	214,201	-
Accounts payable and accrued expenses	68,514	(16,122)
Deferred rent obligation	(11,212)	(7,056)
Grants payable	99,553	(153,884)
Liability for agency funds	<u>5,882,537</u>	<u>(1,140,964)</u>
Total adjustments	<u>(23,111,153)</u>	<u>8,716,655</u>
Net cash provided by operating activities	<u>13,801,265</u>	<u>5,189,687</u>
Cash flows from investing activities		
Purchases of furnishings and equipment	(24,189)	(82,490)
Purchase of investments	(83,840,346)	(65,260,754)
Sales of investments	65,173,652	58,453,987
Collection of residual interest in survivor trusts	<u>134,942</u>	<u>88,452</u>
Net cash used by investing activities	<u>(18,555,941)</u>	<u>(6,800,805)</u>
Cash flows from financing activities		
Proceeds from issuance of charitable gift annuities	279,357	150,000
Payments to annuitants	(729,882)	(796,562)
Collections of estates	<u>5,180,186</u>	<u>2,760,264</u>
Net cash provided by financing activities	<u>4,729,661</u>	<u>2,113,702</u>
Net (decrease) increase in cash and cash equivalents	(25,015)	502,584
Cash and cash equivalents at beginning of year	<u>1,398,932</u>	<u>896,348</u>
Cash and cash equivalents at end of year	<u>\$ 1,373,917</u>	<u>\$ 1,398,932</u>

The accompanying notes are an integral part of this statement.

Community Foundation of Tampa Bay, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2017
(With comparative total for 2016)

	Program Services	Management and General	Development	Total	
				2017	2016
Grants awarded	\$ 10,336,679	\$ -	\$ -	\$ 10,336,679	\$ 12,684,614
Less grants made for agency funds	(939,216)	-	-	(939,216)	(1,031,895)
	<u>9,397,463</u>	<u>-</u>	<u>-</u>	<u>9,397,463</u>	<u>11,652,719</u>
Salaries	434,422	586,813	395,550	1,416,785	1,191,593
Payroll taxes	29,173	39,504	26,628	95,305	77,949
Employee benefits	<u>57,757</u>	<u>78,210</u>	<u>52,718</u>	<u>188,685</u>	<u>144,815</u>
Total salaries and related expenses	521,352	704,527	474,896	1,700,775	1,414,357
Banking fees	77	4,216	7,208	11,501	41,416
Brochures, newsletters, annual reports	-	-	-	-	5,662
Conferences	71,250	21,319	-	92,569	95,153
Dues and subscriptions	11,669	23,672	310	35,651	33,772
Employee search	6,818	20,454	6,818	34,090	9,983
Insurance	1,195	17,060	1,091	19,346	18,666
Marketing and public relations	57,575	88,967	2,498	149,040	179,305
Meetings	16,928	7,481	9,870	34,279	54,809
Miscellaneous	386	10,225	5,612	16,223	20,517
Office expense	13,371	8,647	6,271	28,289	36,008
Postage	2,748	2,060	2,060	6,868	6,438
Professional fees	128,048	42,488	-	170,536	207,347
Rent	43,236	46,078	29,565	118,879	117,334
Information technology	37,041	40,977	17,267	95,285	95,130
Travel	4,008	4,324	5,222	13,554	11,748
Depreciation	<u>21,422</u>	<u>22,830</u>	<u>14,648</u>	<u>58,900</u>	<u>53,566</u>
Total expenses	<u>\$ 10,334,587</u>	<u>\$ 1,065,325</u>	<u>\$ 583,336</u>	<u>\$ 11,983,248</u>	<u>\$ 14,053,930</u>

The accompanying notes are an integral part of this statement.

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Description of the Organization

Community Foundation of Tampa Bay, Inc. (the "Foundation") is a not-for-profit corporation created on November 27, 1989. The Foundation is a tax-exempt, publicly-supported charitable organization, formed and existing exclusively to support charitable purposes primarily for the benefit of the Tampa Bay community, including but not limited to Hillsborough, Pinellas, Pasco, Hernando and Citrus counties of Florida.

2. Basis of Accounting

The Foundation follows the provisions of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") and the standards of financial reporting for not-for-profit organizations as described in the American Institute of Certified Public Accountants' *Industry Guide for Not-for-Profit Organizations*. 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.

FASB ASC 958-605 requires the Foundation to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. 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:

- Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met by either actions of the Foundation and/or the passage of time.
- Unrestricted Net Assets - Net assets that are not temporarily restricted as described above.

Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are designated as support for future periods. Temporarily restricted net assets are reclassified to unrestricted net assets when the restriction expires and are reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. Accordingly, the financial statements classify all net assets as unrestricted, except those that involve a time restriction and are classified as temporarily restricted.

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Liquidity

Assets and liabilities are presented in the accompanying statement of financial position according to their nearness of conversion to cash and, their maturity and resulting use of cash, respectively.

4. Cash Equivalents

The Foundation considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents included in investments are not available for use in operations and are not considered cash for the purpose of presenting cash flows. The Foundation maintains its cash accounts at two financial institutions. At times throughout the year, the Foundation's cash and cash equivalents balances may exceed amounts insured by the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation.

5. Investments

Investments, other than real estate, are stated at fair value. Real estate is stated at the lower of net realizable value or appraised value at the date of donation.

6. Estates in Process

The Foundation recognizes a receivable and revenue for its interest in estates in process based on the estimated realizable value expected to be received. The Foundation records estates in process when the court declares the related will valid.

7. Investments Held in Charitable Remainder Trusts and Charitable Trust Obligation

The Foundation holds assets as trustee of various charitable trusts for which annuity or unitrust payments are paid to beneficiaries of the trust. Assets, contribution revenue and an obligation for the present value of the expected payments to beneficiaries are recorded when the assets are received. Subsequent changes in the fair value of the assets and liabilities are recognized as changes in the value of split-interest agreements, a component of investment return in the accompanying statement of activities.

8. Beneficial Interest in Survivor Trusts

The Foundation is named beneficiary of various lead and remainder trusts, the assets of which are held by trustees other than the Foundation. 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 split-interest agreements, a component of investment return in the accompanying statement of activities.

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives, five to ten years, of the respective tangible and software assets. Leasehold improvements are depreciated over the sixty-four month term of the lease. The Foundation capitalizes asset acquisitions exceeding \$500.

10. Charitable Gift Annuity Obligations

The Foundation has entered into various charitable gift annuity agreements with its donors and is obligated to make payments to the annuitants for the remainder of their lives. The contributed funds immediately become part of the general assets of the Foundation. A separate "reserve" investment account is maintained in an amount not less than 110% of the present value of future benefits.

Assets received are recorded at fair value on the date of the funding of the annuity, and a liability is recorded equal to the present value of the estimated future obligations based on mortality rates derived from ordinary life annuity tables. The difference between the fair value of assets contributed and obligations recorded is recognized as contribution revenue. Subsequent changes to the fair value of the liabilities are recognized as changes in the value of split-interest agreements, a component of investment return in the accompanying statement of activities.

11. Liability for Agency Funds

The Foundation follows the provisions of FASB ASC 958-605, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. This accounting standard establishes standards for transactions in which a donor makes a contribution to the Foundation which accepts and agrees to use those assets for the benefit of the donor. It also establishes standards for transactions in which a donor makes a transfer to benefit a third-party charitable organization having a fund at the Foundation but for which the donor does not explicitly grant the Foundation variance power over the gift.

The Foundation maintains variance power and legal ownership of agency funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with FASB ASC 958-605, a liability has been established for the value of the funds, which is generally equivalent to the present value of future payments expected to be made to the not-for-profit organizations.

At June 30, 2017, the Foundation was the owner of 231 agency funds with a combined fair value of \$32,009,019 which is presented as a liability in the Foundation's statement of financial position. Financial activity related to these funds is excluded from the Foundation's statement of activities.

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The following summarizes activity in such funds during the year ended June 30, 2017:

Agency fund balances, June 30, 2016	\$ 26,126,482
Contributions and bequests	3,557,910
Net investment return	3,442,776
Grants	(939,216)
Support of Foundation services	(178,852)
Other expenses	<u>(81)</u>
Agency fund balances, June 30, 2017	<u>\$ 32,009,019</u>

12. Administrative Fees

The Foundation charges component funds an administrative fee for managing and administering the fund during the year. The fees are calculated monthly and are based on the fund's balances. Administrative fees transferred from component funds to support the operations of the Foundation were \$1,802,010 for the year ended June 30, 2017. The fees are eliminated in the accompanying financial statements.

13. Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is a not-for-profit Florida corporation and therefore is not subject to state income taxes. Management is not aware of any activities that would jeopardize the Foundation's tax exempt status. The Foundation is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years after June 30, 2013 remain subject to examination by taxing authorities.

14. Donated Goods and Services

The value of donated goods and services is recorded at the fair market value of the related donation at the time of receipt.

15. Concentrations of Credit Risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of cash and money market accounts.

16. Use of Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

17. Functional Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program services and supporting services benefited.

NOTE B - INVESTMENTS

The Foundation's marketable securities were held in trust by various banks and investment brokerage firms at June 30, 2017. The components of investment return for the year ended June 30, 2017 are as follows:

Investment income	
Interest	\$ 237,964
Dividends	3,437,006
Change in value of split interest agreements	389,000
Change in value of partnership interests	34,561
Net realized gain	3,413,109
Net unrealized gain	11,970,179
Investment fees	<u>(523,107)</u>
	<u><u>\$18,958,712</u></u>

NOTE C - FURNITURE, FIXTURES AND EQUIPMENT

Furniture, fixtures and equipment at June 30, 2017 are summarized as follows:

	Cost	Accumulated Depreciation	Total
Equipment	\$ 135,305	\$ 74,724	\$ 60,581
Computer software	188,826	86,319	102,507
Leasehold improvement	<u>22,259</u>	<u>20,664</u>	<u>1,595</u>
	<u><u>\$ 346,390</u></u>	<u><u>\$ 181,707</u></u>	<u><u>\$ 164,683</u></u>

NOTE D - RELATED PARTY TRANSACTIONS

The Foundation received approximately \$47,000 of operating contributions and approximately \$548,000 of contributions to donor advised funds from trustees or trustee-related companies during the year ended June 30, 2017. The Foundation maintains funds at certain financial institutions where Trustees of the Foundation are employed.

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE E - PROFIT SHARING PLAN

The Foundation sponsors a salary reduction profit sharing plan under the provisions of Section 401(k) of the Internal Revenue Code. The plan covers all full-time employees who have completed three months of service and attained the age of twenty-one. The Foundation may make a discretionary contribution which is allocated to those eligible participants who are employed at the plan's calendar year end. The Foundation provided discretionary contributions of approximately \$67,000 for the fiscal year ended June 30, 2017.

NOTE F - COMMITMENTS

The Foundation leases equipment and conducts its operations in a leased facility that is classified as an operating lease. The following is a schedule of approximate minimum lease payments under these operating leases:

<u>Year ending June 30,</u>	
2018	<u>\$ 31,000</u>

Rent expense for the Foundation was \$118,879 for the year ended June 30, 2017.

NOTE G - MAJOR CONTRIBUTORS

Five donors contributed approximately \$19.7 million, which provided 59% of the Foundation's contribution and bequest income during the year ended June 30, 2017.

NOTE H - FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

- Level 1 valuations, where 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, where 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

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE H - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

- Level 3 valuations, where 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 following table presents financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Cash and cash equivalents	\$ 3,459,831	\$ -	\$ -	\$ 3,459,831
Publicly traded equity				
Mutual funds and exchange traded funds	121,045,346	-	-	121,045,346
Separately managed accounts	12,400,267	-	-	12,400,267
Debt securities				
Mutual funds and exchange traded funds	37,319,768	-	-	37,319,768
Separately managed accounts	-	2,446,726	-	2,446,726
Mixed allocation mutual funds	4,129,171	-	-	4,129,171
Private equity funds	-	-	3,525,266	3,525,266
Limited partnerships	-	-	1,551,106	1,551,106
Alternative investments				
Hedge funds-of-funds	-	23,143,410	-	23,143,410
Commodity funds	15,199	-	-	15,199
Land	-	-	5,000	5,000
Mineral rights	-	-	63,000	63,000
Cash surrender value of life insurance policies	-	-	12,990	12,990
Total investments	178,369,582	25,590,136	5,157,362	209,117,080
Trusts				
Cash and cash equivalents	19,906	-	-	19,906
Publicly traded equity				
Mutual funds and exchange traded funds	3,709,362	-	-	3,709,362
Debt securities				
Mutual funds and exchange traded funds	905,189	-	-	905,189
Total charitable remainder trusts	4,634,457	-	-	4,634,457
Beneficial interest in trusts	-	-	1,923,411	1,923,411
Total assets	\$ 183,004,039	\$ 25,590,136	\$ 7,080,773	\$ 215,674,948
Liabilities				
Charitable gift annuity obligations	\$ -	\$ -	\$ 1,777,102	\$ 1,777,102
Charitable trust obligations	-	-	2,557,581	2,557,581
Total liabilities	\$ -	\$ -	\$ 4,334,683	\$ 4,334,683

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE H - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

Assets and liabilities in all levels could result in volatile and material price fluctuations. Realized and unrealized gains and losses on Level 3 assets represent only a portion of the risk to market fluctuations in the balance sheet.

The following table illustrates a rollforward for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2017:

Assets	Limited Partnership	Private Equity	Mineral Rights	Land	Cash Value Life Insurance	Beneficial Interest in Trusts	Total
Beginning balance at June 30, 2016	\$ 2,227,523	\$ 1,641,497	\$ 63,000	\$ 5,000	\$ 12,987	\$ 2,221,586	\$ 6,171,593
Purchases	1,350,375	1,505,000	-	-	-	-	2,855,375
Proceeds from the sale of investments	(2,061,353)	-	-	-	-	-	(2,061,353)
Collection of interest in lead trusts	-	-	-	-	-	(134,942)	(134,942)
Total gains or losses, realized and unrealized included in change in net assets	34,561	378,769	-	-	3	(163,233)	250,100
Ending balance at June 30, 2017	<u>\$ 1,551,106</u>	<u>\$ 3,525,266</u>	<u>\$ 63,000</u>	<u>\$ 5,000</u>	<u>\$ 12,990</u>	<u>\$ 1,923,411</u>	<u>\$ 7,080,773</u>
Liabilities	Charitable Gift Annuities	Charitable Trusts	Total				
Beginning balance at June 30, 2016	\$ 1,761,377	\$ 2,979,280	\$ 4,740,657				
Payments to annuitants	(294,245)	(435,636)	(729,881)				
Obligations terminated due to death of annuitant	(23,784)	(360,874)	(384,658)				
Additions from proceeds received for new annuities	141,408	-	141,408				
Year end change in value of split-interest agreement	192,346	374,811	567,157				
Ending balance at June 30, 2017	<u>\$ 1,777,102</u>	<u>\$ 2,557,581</u>	<u>\$ 4,334,683</u>				

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE H - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The following information is provided for investments in certain entities not having a readily determinable fair value that calculate net asset value per share or its equivalent. This is provided to enable users to understand the nature and risk of the Foundation's investments by major category and whether the investments are probable of being sold at amounts different from net asset value per share or ownership interest in partners' capital.

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible) or Event	Redemption Notice Period
Limited partnerships				
Private equity investment partnership (a.)	\$ 1,380,900	\$ -	Annual during December	Prior to December 1
Land development (b.)	29,606	-	N/A	N/A
Other (c.)	140,600	-	N/A	N/A
Hedge fund-of-funds (d.)				
Diversified	6,985,533	-	Monthly	90 days
Long/short trading strategies	7,693,334	-	Quarterly	45 days
Multi-strategy	7,469,835	-	Quarterly	95 days
Private equity (e.)	<u>3,525,266</u>	<u>4,980,000</u>	N/A	
	<u>\$27,225,074</u>	<u>\$ 4,980,000</u>		

- (a.) The partnership focuses on small and medium-sized value investments, principally of corporate stock. The value of this investment class is based on the Foundation's pro-rata partnership interest and the estimated fair value of the partnership as provided by the general partner. Approximately 84% of the partnership's assets are valued based on quoted prices in active markets for identical assets. Approximately 16% of the partnership's assets are valued by the general partner based on significant unobservable inputs, including, without limitation, type of security, pending mergers or acquisitions, and current and projected financial condition.
- (b.) Fair value of the land development partnership is based on the partner's capital account, at cost, and without any attempt to adjust to the fair value of the underlying undeveloped land.
- (c.) Fair value of the investments partnership is based on the partner's capital account at the date of the gift of the partnership interest, and without any attempt to adjust to the fair value of the underlying assets.

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE H - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

(d.) This class includes Level 2 assets invested in hedge fund-of-funds. The June 30, 2017 fair value is based on the net asset value of the fund-of-funds as reported by the respective hedge fund-of-funds' administrator. Management believes it could have redeemed its investment at the net asset value per share at the statement of financial position date. Each fund-of-funds invests in a number of single-strategy and/or multi-strategy hedge funds, and is susceptible to market price risk arising from uncertainties about future values of those underlying hedge funds' investments. The hedge fund-of-funds' manager makes investment decisions regarding each hedge fund after an extensive assessment of each underlying fund, its strategy and the overall quality of the fund manager.

Hedge fund strategies used by hedge fund-of-funds included but are not limited to: long-short term equity, market neutral equity, event driven, global macro, relative value, quantitative, activist, distressed, fixed income, credit and global trading.

(e.) This class includes investments in both global and domestic private equity funds. The Foundation's investments in these funds can never be redeemed with the funds. Instead, the nature of the investment in this class is that distributions are received through the liquidation of the underlying assets of the fund. It is believed that the life-cycle of the funds is 10 to 12 years. A secondary market exists for the funds. The fair value of the investment in this class has been estimated using the net asset value per share of the investment.

The following table summarizes at June 30, 2017, the valuation techniques and significant unobservable inputs used for Level 2 and Level 3 assets not having a readily determinable fair value that do not calculate net asset value per share or its equivalent and for Level 3 liabilities.

Investment type	Fair value	Valuation technique(s)	Unobservable input	Range of inputs (Weighted Average)
Fixed income - direct holdings	\$ 2,446,726	Market comparables	Third-party pricing information without adjustment	N/A
Beneficial interest in remainder trusts	\$ 1,923,411	Discounted cash flows	Discount rate	1.4% - 2.8% (2.3%)
			Expected rate of return	3.6% - 5.8% (5.5%)
<u>Liabilities</u>				
Charitable gift annuity obligations	\$ 1,777,102	Discounted cash flows	Discount rate	1.2% - 8.0% (3.7%)
Charitable trust obligations	\$ 2,557,581	Discounted cash flows	Discount rate	3.6% - 8.0% (7.3%)
			Expected rate of return	4.5% - 4.8% (4.7%)

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2017

NOTE I - SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions occurring subsequent to June 30, 2017 as of November 13, 2017 which is the date the financial statements were available to be issued.

Subsequent to June 30, 2017, the Foundation executed two leases for new office space for a seventy-eight month period beginning October 1, 2017 and continuing through March 31, 2024. Minimum rent payments for the period, aggregating \$1,082,807, are scheduled as follows:

<u>Fiscal years ending June 30,</u>	<u>Minimum lease obligation</u>
2018	\$ 99,000
2019	86,666
2020	175,215
2021	182,217
2022	189,525
2023	197,117
2024	<u>153,067</u>
	<u>\$ 1,082,807</u>