

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

COMMUNITY FOUNDATION OF TAMPA BAY, INC.

June 30, 2016

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**RIVERO, GORDIMER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS**

Member
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

Herman V. Lazzara Stephen G. Douglas
Marc D. Sasser Michael E. Helton
Sam A. Lazzara Christopher F. Terrigino
Kevin R. Bass James K. O'Connor
Jonathan E. Stein
Cesar J. Rivero, of Counsel
Richard B. Gordimer, of Counsel

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. (the "Foundation"), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and changes in net assets, 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.

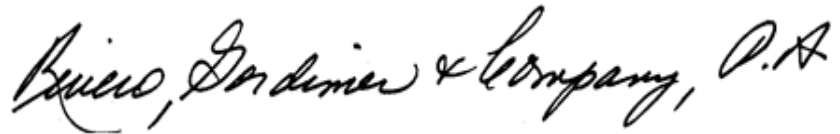
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2016, 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 2015 financial statements, and our report dated November 2, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Bruce, Gardner & Company, P.A.".

Tampa, Florida
November 7, 2016

Community Foundation of Tampa Bay, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2016
(With comparative total for 2015)

	Unrestricted	Temporarily Restricted	Total	
			2016	2015
ASSETS				
Cash and cash equivalents	\$ 1,398,932	\$ -	\$ 1,398,932	\$ 896,348
Investments (notes B and H)	170,487,076	-	170,487,076	175,016,302
Accrued interest income	69,776	-	69,776	65,798
Accounts receivable	11,303	-	11,303	1,008
Estates in process	-	1,189,333	1,189,333	1,808,310
Investments held in charitable remainder trusts	-	5,643,564	5,643,564	6,492,413
Beneficial interest in survivor trusts	-	2,221,586	2,221,586	2,235,684
Other assets	52,696	-	52,696	35,553
Property and equipment, net of accumulated depreciation (note C)	199,655	-	199,655	170,783
Total assets	<u>\$ 172,219,438</u>	<u>\$ 9,054,483</u>	<u>\$ 181,273,921</u>	<u>\$ 186,722,199</u>
LIABILITIES AND NET ASSETS				
Accounts payable and accrued expenses	\$ 183,520	\$ -	\$ 183,520	\$ 199,642
Deferred rent obligation	14,794	-	14,794	21,850
Grants payable	688,278	-	688,278	842,162
Charitable gift annuity obligations	1,761,377	-	1,761,377	1,867,642
Liability under charitable remainder trusts	-	2,979,280	2,979,280	3,476,299
Liability for agency funds	26,126,482	-	26,126,482	27,267,446
Total liabilities	<u>28,774,451</u>	<u>2,979,280</u>	<u>31,753,731</u>	<u>33,675,041</u>
Net assets				
Unrestricted	143,444,987	-	143,444,987	145,987,050
Temporarily restricted	-	6,075,203	6,075,203	7,060,108
Total net assets	<u>143,444,987</u>	<u>6,075,203</u>	<u>149,520,190</u>	<u>153,047,158</u>
Total liabilities and net assets	<u>\$ 172,219,438</u>	<u>\$ 9,054,483</u>	<u>\$ 181,273,921</u>	<u>\$ 186,722,199</u>

The accompanying notes are an integral part of this statement.

Community Foundation of Tampa Bay, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2016
(With comparative total for 2015)

	Unrestricted	Temporarily Restricted	Total	
			2016	2015
Revenues, gains (losses) and other support				
Contributions and bequests	\$ 13,271,430	\$ 1,189,333	\$ 14,460,763	\$ 14,669,117
Less amounts received for agency funds	(520,794)	-	(520,794)	(467,056)
Investment return (note B)	(3,570,225)	(105,640)	(3,675,865)	(779,529)
Other income	262,858	-	262,858	199,836
	<u>9,443,269</u>	<u>1,083,693</u>	<u>10,526,962</u>	<u>13,622,368</u>
Net assets released from restrictions	<u>2,068,598</u>	<u>(2,068,598)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>11,511,867</u>	<u>(984,905)</u>	<u>10,526,962</u>	<u>13,622,368</u>
Expenses				
Program services				
Grants awarded	12,684,614	-	12,684,614	12,058,240
Less grants made for agency funds	(1,031,895)	-	(1,031,895)	(1,056,490)
Program management	847,275	-	847,275	763,995
Total program services	<u>12,499,994</u>	<u>-</u>	<u>12,499,994</u>	<u>11,765,745</u>
Management and general	984,235	-	984,235	801,433
Development	569,701	-	569,701	551,276
	<u>14,053,930</u>	<u>-</u>	<u>14,053,930</u>	<u>13,118,454</u>
Change in net assets	(2,542,063)	(984,905)	(3,526,968)	503,914
Net assets at beginning of year	<u>145,987,050</u>	<u>7,060,108</u>	<u>153,047,158</u>	<u>152,543,244</u>
Net assets at end of year	<u>\$ 143,444,987</u>	<u>\$ 6,075,203</u>	<u>\$ 149,520,190</u>	<u>\$ 153,047,158</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, 2016
(With comparative total for 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ (3,526,968)	\$ 503,914
Adjustments		
Amortization and depreciation	53,566	33,644
Net realized and unrealized loss	12,090,785	7,719,110
Change in value of split-interest agreements	331,299	(147,331)
Contributions received for long-term investment	(2,232,221)	(2,091,316)
Non-cash gifts received	(6,492,779)	(4,822,036)
Proceeds from sale of contributed securities	6,315,447	3,323,001
Changes in operating assets and liabilities		
Accrued interest income	(3,978)	(37,562)
Accounts receivable	(10,295)	16
Other assets	(17,143)	64
Accounts payable and accrued expenses	(16,122)	50,400
Deferred rent obligation	(7,056)	(2,901)
Grants payable	(153,884)	(37,705)
Liability for agency funds	(1,140,964)	(1,135,803)
Total adjustments	<u>8,716,655</u>	<u>2,851,581</u>
Net cash provided by operating activities	<u>5,189,687</u>	<u>3,355,495</u>
Cash flows from investing activities		
Purchases of furnishings and equipment	(82,490)	(100,896)
Collection of notes receivable	-	28,000
Purchase of investments	(65,260,754)	(39,453,091)
Sales of investments	58,453,987	35,597,883
Collection of residual interest in survivor trusts	<u>88,452</u>	<u>637,940</u>
Net cash used by investing activities	<u>(6,800,805)</u>	<u>(3,290,164)</u>
Cash flows from financing activities		
Proceeds from issuance of charitable gift annuities	150,000	50,000
Payments to annuitants	(796,562)	(853,256)
Collections of estates	<u>2,760,264</u>	<u>711,234</u>
Net cash provided (used) by financing activities	<u>2,113,702</u>	<u>(92,022)</u>
Net increase (decrease) in cash and cash equivalents	502,584	(26,691)
Cash and cash equivalents at beginning of year	<u>896,348</u>	<u>923,039</u>
Cash and cash equivalents at end of year	<u>\$ 1,398,932</u>	<u>\$ 896,348</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, 2016
(With comparative total for 2015)

	Program Services	Management and General		Development		Total	
						2016	2015
Grants awarded	\$ 12,684,614	\$ -	\$ -	\$ -	\$ 12,684,614	\$ 12,058,240	
Less grants made for agency funds	(1,031,895)	-	-	-	(1,031,895)	(1,056,490)	
	<u>11,652,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,652,719</u>	<u>11,001,750</u>	
Salaries	304,337	523,698	363,558		1,191,593	1,139,940	
Payroll taxes	20,703	32,583	24,663		77,949	77,757	
Employee benefits	38,463	60,532	45,820		144,815	137,844	
	<u>363,503</u>	<u>616,813</u>	<u>434,041</u>		<u>1,414,357</u>	<u>1,355,541</u>	
Total salaries and related expenses							
Banking fees	32,657	8,759	-		41,416	61,861	
Brochures, newsletters, annual reports	2,832	-	2,830		5,662	2,886	
Conferences	73,715	21,438	-		95,153	71,526	
Dues and subscriptions	12,101	21,671	-		33,772	30,431	
Employee search	1,997	5,989	1,997		9,983	20,621	
Insurance	926	16,637	1,103		18,666	17,187	
Marketing and public relations	83,426	75,437	20,442		179,305	69,382	
Meetings	2,920	31,091	20,798		54,809	25,247	
Miscellaneous	466	11,708	8,343		20,517	25,988	
Office expense	12,046	13,304	10,658		36,008	37,782	
Postage	2,576	1,931	1,931		6,438	7,004	
Professional fees	170,192	32,062	5,093		207,347	164,849	
Rent	37,148	45,584	34,602		117,334	114,130	
Information technology	30,870	57,811	6,449		95,130	67,821	
Travel	2,941	3,190	5,617		11,748	10,804	
Depreciation	16,959	20,810	15,797		53,566	33,644	
	<u>\$ 12,499,994</u>	<u>\$ 984,235</u>	<u>\$ 569,701</u>		<u>\$ 14,053,930</u>	<u>\$ 13,118,454</u>	
Total expenses							

The accompanying notes are an integral part of this statement.

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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, 2016

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, 2016

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, 2016, the Foundation was the owner of 112 agency funds with a combined fair value of \$26,126,482 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, 2016

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, 2016:

Agency fund balances, June 30, 2015	\$ 27,267,446
Contributions and bequests	520,794
Net investment return	(471,634)
Grants	(1,031,895)
Support of Foundation services	(158,200)
Other expenses	<u>(29)</u>
Agency fund balances, June 30, 2016	<u>\$ 26,126,482</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 \$1,610,421 for the year ended June 30, 2016. 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, 2012 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, 2016

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.

18. Reclassifications

Certain amounts from the June 30, 2015 financial statements have been reclassified to conform to the June 30, 2016 presentation.

NOTE B - INVESTMENTS

The Foundation's marketable securities were held in trust by various banks and investment brokerage firms at June 30, 2016. The components of investment return for the year ended June 30, 2016 are as follows:

Investment income	\$ 306,836
Interest	7,029,875
Dividends	(236,706)
Change in value of split interest agreements	25,351
Change in value of partnership interests	(1,796,942)
Net realized loss	(8,546,294)
Net unrealized loss	<u>(457,985)</u>
Investment fees	<u>\$ (3,675,865)</u>

NOTE C - FURNITURE, FIXTURES AND EQUIPMENT

Furniture, fixtures and equipment at June 30, 2016 are summarized as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Total</u>
Equipment	\$ 141,685	\$ 74,618	\$ 67,067
Computer software	174,956	50,342	124,614
Leasehold improvement	<u>22,259</u>	<u>14,285</u>	<u>7,974</u>
	<u>\$ 338,900</u>	<u>\$ 139,245</u>	<u>\$ 199,655</u>

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE D - RELATED PARTY TRANSACTIONS

The Foundation received approximately \$24,000 of operating contributions and approximately \$205,000 of contributions to donor advised funds from trustees or trustee-related companies during the year ended June 30, 2016. The Foundation maintains funds at certain financial institutions where Trustees of the Foundation are employed.

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 \$57,000 for the fiscal year ended June 30, 2016.

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>	
2017	\$ 124,000
2018	<u>31,000</u>
	<u>\$ 155,000</u>

Rent expense for the Foundation was \$117,334 for the year ended June 30, 2016.

NOTE G - MAJOR CONTRIBUTORS

Three donors contributed approximately \$4.5 million, which provided 31% of the Foundation's contribution and bequest income during the year ended June 30, 2016.

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),

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE H - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

- 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
- 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, 2016:

	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Cash and cash equivalents	\$ 3,364,463	\$ -	\$ -	\$ 3,364,463
Publicly traded equity				
Mutual funds and exchange traded funds	96,217,684	-	-	96,217,684
Separately managed accounts	13,524,087	-	-	13,524,087
Debt securities				
Mutual funds and exchange traded funds	27,733,432	-	-	27,733,432
Separately managed accounts	-	8,669,477	-	8,669,477
Mixed allocation mutual funds	238,810	-	-	238,810
Private equity funds	-	-	1,641,497	1,641,497
Limited partnerships	-	-	2,227,523	2,227,523
Alternative investments				
Hedge funds-of-funds	-	16,711,000	-	16,711,000
Commodity funds	78,116	-	-	78,116
Land	-	-	5,000	5,000
Mineral Rights	-	-	63,000	63,000
Cash surrender value of life insurance policies	-	-	12,987	12,987
Total Investments	141,156,592	25,380,477	3,950,007	170,487,076
Trusts				
Cash and cash equivalents	18,818	-	-	18,818
Publicly traded equity				
Mutual funds and exchange traded funds	4,386,978	-	-	4,386,978
Debt securities				
Mutual funds and exchange traded funds	1,237,768	-	-	1,237,768
Total charitable remainder trusts	5,643,564	-	-	5,643,564
Beneficial interest in trusts	-	-	2,221,586	2,221,586
Total assets	\$ 146,800,156	\$ 25,380,477	\$ 6,171,593	\$ 178,352,226
Liabilities				
Charitable gift annuity obligations	\$ -	\$ -	\$ 1,761,377	\$ 1,761,377
Charitable trust obligations	-	-	2,979,280	2,979,280
Total liabilities	\$ -	\$ -	\$ 4,740,657	\$ 4,740,657

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

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, 2016:

Assets	Limited	Hedge Funds-	Private	Mineral	Land	Cash Value	Beneficial	Total
	Partnership	of-Funds	Equity	Rights		Life	Interest	
						Insurance	in Trusts	
Beginning balance at June 30, 2015	\$ 2,274,497	\$ 8,958,615	\$ 825,000	\$ 63,000	\$ 5,000	\$ 34,718	\$ 2,235,684	\$ 14,396,514
Reclassification to Level 2		(8,958,615)						(8,958,615)
Purchases	675	-	690,000	-	-	-	-	690,675
Proceeds from the sale of investments	(73,000)	-	-	-	-	(31,973)	-	(104,973)
Collection of interest in lead trusts	-	-	-	-	-	-	(88,452)	(88,452)
Total gains or losses, realized and unrealized included in change in net assets	25,351	-	126,497	-	-	10,242	74,354	236,444
Ending balance at June 30, 2016	<u>\$ 2,227,523</u>	<u>\$ -</u>	<u>\$ 1,641,497</u>	<u>\$ 63,000</u>	<u>\$ 5,000</u>	<u>\$ 12,987</u>	<u>\$ 2,221,586</u>	<u>\$ 6,171,593</u>

Liabilities	Charitable	Charitable	Total
	Gift	Trusts	
	Annuities		
Beginning balance at June 30, 2015	\$ 1,867,642	\$ 3,476,299	\$ 5,343,941
Payments to annuitants	(306,639)	(489,923)	(796,562)
Obligations terminated due to death of annuitant	(66,720)	(18,204)	(84,924)
Additions from proceeds received for new annuities	59,066	-	59,066
Year end change in value of split-interest agreement	208,028	11,108	219,136
Ending balance at June 30, 2016	<u>\$ 1,761,377</u>	<u>\$ 2,979,280</u>	<u>\$ 4,740,657</u>

The Foundation classified certain hedge fund-of-funds that calculate net asset value per share as a Level 3 fair value measurement at June 30, 2015. Based on new information on the nature of the valuation of the underlying assets of the funds-of-funds, these investments have been reclassified as Level 2 fair value measurement, resulting in a transfer out of Level 3 of \$8,958,615.

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

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.)	\$ 2,057,353	\$ -	July 2016	N/A
Land development (b.)	29,570	-	N/A	N/A
Other (c.)	140,600	-	N/A	N/A
Hedge funds of funds (d.)				
Diversified	5,604,028	-	Monthly	90 days
Long/short trading strategies	5,473,431	-	Quarterly	45 days
Multi-strategy	5,633,541	-	Quarterly	95 days
Private equity (e.)	<u>1,641,497</u>	<u>6,485,000</u>	N/A	
	<u>\$20,580,020</u>	<u>\$ 6,485,000</u>		

(a.) The partnership focuses on small and medium-sized value investments, principally of corporate stock. The partnership was terminated June 30, 2016, with the limited partners receiving liquidating distributions during July 2016. The June 30, 2016 fair value is the amount of the liquidating distributions.

(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.

(d.) This class includes Level 2 assets invested in hedge fund-of-funds. The June 30, 2016 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.

Community Foundation of Tampa Bay, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE H - FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

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, 2016, 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	\$ 8,669,477	Market comparables	Third-party pricing information without adjustment	N/A
Beneficial interest in remainder trusts	\$ 2,221,586	Discounted cash flows	Discount rate Expected rate of return	0.7% - 2.3% (1.7%) 4.1% - 6.3% (5.9%)
<u>Liabilities</u>				
Charitable gift annuity obligations	\$ 1,761,377	Discounted cash flows	Discount rate	1.2% - 8.0% (3.9%)
Charitable trust obligations	\$ 2,979,280	Discounted cash flows	Discount rate Expected rate of return	3.2% - 8.0% (7.4%) 4.9% - 5.2% (5.1%)

NOTE I - SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions occurring subsequent to June 30, 2016 as of November 7, 2016 which is the date the financial statements were available to be issued.