

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://CLAconnect.com)

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**TABLE OF CONTENTS**  
**YEAR ENDED JUNE 30, 2025**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>	<b>3</b>
<b>CONSOLIDATED STATEMENT OF ACTIVITIES</b>	<b>4</b>
<b>CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES</b>	<b>5</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>6</b>
<b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>7</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Gulf Coast Community Foundation, Inc.  
Venice, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Gulf Coast Community Foundation, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Gulf Coast Community Foundation, Inc. as of June 30, 2025, 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Gulf Coast Community Foundation, Inc. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Gulf Coast Community Foundation, Inc.'s ability to continue as a going concern for one year after the date the consolidated 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 consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Gulf Coast Community Foundation, Inc.'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gulf Coast Community Foundation, Inc.'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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Naples, Florida  
December 18, 2025

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2025**

**ASSETS**

Cash and Cash Equivalents	\$ 30,649,695
Certificates of Deposit	1,021,298
Investments	498,274,954
Charitable Remainder Trusts	2,056,113
Other Assets	170,988
Property and Equipment, Net	2,626,389
Operating Lease Right-of-Use Asset	<u>521,962</u>
Total Assets	<u><u>\$ 535,321,399</u></u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 540,945
Grants, Initiatives and Scholarships Payable	1,471,138
Annuity Liability	3,969,842
Funds Held for the Benefit of Others	25,080,911
Note Payable	1,487,231
Operating Lease Liability	<u>521,962</u>
Total Liabilities	<u>33,072,029</u>

**NET ASSETS**

Without Donor Restrictions	489,541,671
With Donor Restrictions	<u>12,707,699</u>
Total Net Assets	<u>502,249,370</u>

Total Liabilities and Net Assets	<u><u>\$ 535,321,399</u></u>
----------------------------------	------------------------------

*See accompanying Notes to Consolidated Financial Statements.*

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT, AND GAINS</b>			
Contributions	\$ 38,233,814	\$ 4,589,743	\$ 42,823,557
In-Kind Contributions	-	2,365,000	2,365,000
Net Investment Return	55,545,843	1,242,030	56,787,873
Change in Value of Split-Interest Agreements	-	(322,651)	(322,651)
Other Revenue	150,517	-	150,517
Net Assets Released from Restrictions	7,002,586	(7,002,586)	-
Total Revenue, Support, and Gains	100,932,760	871,536	101,804,296
<b>EXPENSES</b>			
Program Services Expenses:			
Grants and Scholarships	47,314,484	-	47,314,484
Other Program Services	2,250,292	-	2,250,292
Total Program Services Expenses	49,564,776	-	49,564,776
Supporting Services Expenses:			
Management and General	1,966,458	-	1,966,458
Fundraising and Development	1,754,181	-	1,754,181
Total Supporting Services Expenses	3,720,639	-	3,720,639
Total Expenses	53,285,415	-	53,285,415
<b>CHANGE IN NET ASSETS</b>	47,647,345	871,536	48,518,881
Net Assets - Beginning of Year	441,894,326	11,836,163	453,730,489
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 489,541,671</u>	<u>\$ 12,707,699</u>	<u>\$ 502,249,370</u>

See accompanying Notes to Consolidated Financial Statements.

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2025**

	Program Services				Fundraising and Development	
	Grants and Scholarships	Other Program Services	Total Program Services	Management and General		Total
Grants, Scholarships, and Initiatives	\$ 47,314,484	\$ 377,341	\$ 47,691,825	\$ -	\$ -	\$ 47,691,825
Salaries and Wages	-	1,353,854	1,353,854	1,403,026	1,307,960	4,064,840
Purchased Services	-	148,433	148,433	160,777	37,101	346,311
Occupancy	-	93,596	93,596	45,531	92,106	231,233
Information Technology	-	75,079	75,079	77,807	72,534	225,420
Office Expenses	-	12,485	12,485	65,577	22,787	100,849
Professional Development	-	25,749	25,749	26,683	24,876	77,308
Other	-	80,293	80,293	100,563	116,184	297,040
Depreciation	-	83,462	83,462	86,494	80,633	250,589
Total Expenses by Function	<u>\$ 47,314,484</u>	<u>\$ 2,250,292</u>	<u>\$ 49,564,776</u>	<u>\$ 1,966,458</u>	<u>\$ 1,754,181</u>	<u>\$ 53,285,415</u>

See accompanying Notes to Consolidated Financial Statements.

**GULF COAST COMMUNITY FOUNDATION, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEARS ENDED JUNE 30, 2025**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 48,518,882
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided (Used) by Operating Activities:	
Depreciation	250,589
Amortization of Right-of-Use Asset	67,240
Realized and Unrealized (Gain) Loss on Investments	(51,055,659)
Donated Securities	(19,526,133)
Donated Property	(2,365,000)
Accrued Interest	(21,298)
Changes in Operating Assets and Liabilities:	
Other Assets	(7,794)
Investments Held in Charitable Remainder Trusts	(86,575)
Accounts Payable and Accrued Expenses	154,282
Grants, Initiatives and Scholarships Payable	(590,532)
Annuity Liability	(286,696)
Funds Held for the Benefit of Others	3,136,388
Operating Lease Liability	(67,240)
Net Cash Provided (Used) by Operating Activities	<u>(21,879,546)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Redemptions of certificates of deposit	1,837,476
Purchases of Investments	(62,447,470)
Proceeds from Sales of Investments	84,063,778
Proceeds from Sale of Donated Property	2,365,000
Purchases of Property and Equipment	(182,288)
Net Cash Provided (Used) by Investing Activities	<u>25,636,496</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal Payments on Note Payable	(73,009)
Net Cash Provided (Used) by Financing Activities	<u>(73,009)</u>

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

3,683,941

Cash and Cash Equivalents - Beginning of Year

26,965,754

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 30,649,695

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash Paid During the Year for:

Interest

\$ 49,831

*See accompanying Notes to Consolidated Financial Statements.*



**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Together with our donors, Gulf Coast Community Foundation, Inc. (Gulf Coast) and its supporting organizations, The Venice Endowment, Inc. and Gulf Coast Strategic Investments, Inc, transform our region through bold and proactive philanthropy. Gulf Coast is a public charity that was created in 1995 with proceeds from the sale of The Venice Hospital. Since then, the foundation has grown to include more than 850 generous donor partnerships and invested more than \$612 million in grants and initiatives in the areas of health and human services, civic and economic development, education, arts and culture, and the environment.

**Donors**

At Gulf Coast, our mission begins “together with our donors.” Their gifts help power the actions we take every day to transform our region. Our Gulf Coast family of donors includes individuals, families, corporations, organizations, and other foundations.

Gulf Coast works in thoughtful coordination with donors and their legal, financial, and tax advisors to create custom philanthropic action plans and steward their gifts to meet their wishes. Whether it’s a donor advised fund to support their favorite charities or a planned estate gift that will create a permanent charitable endowment in their name, Gulf Coast listens to what each donor envisions for their giving and then helps turn their vision into reality.

Gulf Coast also offers donors intelligence on emerging community issues and assistance from our professional staff in identifying charitable projects most compatible with their interests. By engaging donors in Gulf Coast’s regional initiatives, the foundation can help them have a much greater philanthropic impact in the community than they might have had on their own.

**Community Leadership**

In our role as a regional leader, Gulf Coast identifies priority issues through quantitative and qualitative research, then creates and funds catalytic community initiatives that target those priorities. These initiatives typically involve cross-sector collaboration and aim to leverage additional philanthropic funding from within and beyond our region.

Priority issues identified through this research include affordable housing, water quality and access to green spaces, and mental health. Gulf Coast also provides support in the areas of arts and culture, civic and economic development, disaster recovery, education, environment, and health and human services.

Additionally, Gulf Coast funds a variety of grants to support the work of nonprofit organizations in the region. Our grant programs include Catalytic Grants, which fund collaborative projects and programs that target regional priorities in measurable ways; Community Grants, which fund smaller projects at regional nonprofit organizations that can have significant impact in the community including work designed to raise funds and awareness of their mission; and Empowering Arts Grants, which provide unrestricted funding to cornerstone arts and cultural organizations in the region to help them meet their artistic missions.

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Consolidated Financial Statements**

Gulf Coast has two supporting organizations: The Venice Endowment, Inc. and Gulf Coast Strategic Investments, Inc. The consolidated financial statements and notes are representations of Gulf Coast's management, who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the consolidated financial statements. Within the accompanying consolidated financial statements, all significant inter-company transactions and accounts have been eliminated.

**Basis of Accounting**

Gulf Coast prepares its consolidated financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Revenue Recognition**

Gulf Coast recognizes contributions when a written commitment from a donor is received. Typically, Gulf Coast does not solicit pledges for contributions. Gulf Coast occasionally receives grant revenue from other nonprofit organizations. This grant revenue is recorded as a contribution when the revenue is awarded on an unconditional basis.

**Cash and Cash Equivalents**

Gulf Coast considers all short-term, highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents include money market funds, which are readily convertible to cash, and are stated at cost which approximates fair value.

**Certificates of Deposit**

Gulf Coast invests a portion of endowed fund reserves into the Certificate of Deposit Account Registry Service (CDARS). CDARS allow investors to keep their money insured by staying below the Federal Deposit Insurance Corporation insurance limit of \$250,000 per depositor, per bank.

**Investments**

Investments are stated at fair value, which represents the value on the date of donation or cost on the date of purchase plus reinvested earnings and appreciation or depreciation. Increases and decreases in fair value are recognized in the period in which they occur and the carrying values of the investments are adjusted to reflect these market fluctuations. Gains or losses on securities sold are computed on a specific-identification basis.

Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the consolidated statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Property and equipment have been recorded at historical cost or fair value on the date of the donation. Gulf Coast capitalizes property and equipment purchases which exceed \$2,500 that significantly add to the productivity or extend the useful lives of property and equipment. Other expenditures for maintenance and repairs are charged to operations in the year the costs are incurred.

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

Building and improvements	7 to 39 years
Equipment	3 to 20 years

**Leases**

Gulf Coast determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the consolidated statement of financial position.

ROU assets represent Gulf Coast's right to use an underlying asset for the lease term and lease liabilities represent Gulf Coast's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of Gulf Coast's leases do not provide an implicit rate, a risk-free rate is utilized based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU assets also include any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that Gulf Coast will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Gulf Coast has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

Gulf Coast's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Gulf Coast has elected not to separate nonlease components from lease components and instead accounts for each separate lease and nonlease component as one single lease component.

**Grants, Initiatives, Scholarships Payable and Expense**

Unconditional grant and scholarship expenses are recognized when the award is approved and communicated to recipients, and expenses for board-approved initiatives are recognized when the expense is incurred. Payables are recorded for those expenses which have been recognized but not yet paid. At June 30, 2025, Grants, Initiatives and Scholarships Payable included \$1,425,642 in grants pledged by donors for payment in future periods, \$25,000 in grants payable from donor advised funds, and \$20,496 in expenses for board-approved initiatives.

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Funds Held for the Benefit of Others**

Gulf Coast accounts for funds held for the benefit of others in accordance with the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 958, *Not-for-Profit Entities* (FASB ASC 958). FASB ASC 958 establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investments of those assets or both to another entity that is specified by the donor. FASB ASC 958 specifically requires that if a nonprofit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such asset as a liability. Gulf Coast refers to such funds as funds held for the benefit of others in the accompanying consolidated statement of financial position. Gulf Coast maintains variance power and legal ownership of certain funds held for the benefit of others and as such, continues to report the funds as assets of Gulf Coast. However, a liability has been established for the fair value of the funds.

**Net Asset Classification**

Gulf Coast reports information regarding its financial position and activities according to the following net asset classifications:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Gulf Coast. These net assets may be used at the discretion of Gulf Coast's management.

*Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Gulf Coast or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires or is satisfied, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

**Estimates and Assumptions**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Variance Power**

Accounting principles generally accepted in the United States of America and FASB ASC 958 provide that if the governing body of an organization has the unilateral power to redirect the use of donor contributions to another beneficiary, such contributions must be classified as net assets without donor restrictions.

The Board of Directors of Gulf Coast has the ability known as variance power; however, the Board would generally intend to exercise this authority only if the stated purpose of a contribution becomes no longer applicable and incapable of fulfillment. Accordingly, Gulf Coast's consolidated financial statements classify the majority of funds, including the corpus of certain donor advised funds, as net assets without donor restrictions, but segregate for internal management and record keeping the portion that is held as donor advised from the funds that are currently available for grants administration.

FASB ASC 958 provides guidance for the classification of donor-restricted endowment funds that are subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The subtopic also provides for enhanced disclosures about endowment funds (both donor-restricted endowment funds and Board-designated endowment funds). Gulf Coast has determined its net assets do not meet the definition of an endowment under UPMIFA. However, Gulf Coast manages funds established by donors as endowed funds in accordance with terms set forth in the individual agreements.

**Split Interest Agreements**

Gulf Coast has been named remainderman in several irrevocable charitable remainder trusts and gift annuities. Gulf Coast's beneficial interest in the trusts' assets is measured at the present value of the estimated future distributions expected to be received. Conversely, Gulf Coast's estimated annuity liability related to gift annuities is measured at the present value of the estimated future payments to be made. The present value of payments are calculated using applicable tax discount rates at the consolidated statement of financial position dates and annuity payout rates ranging from 4.2% to 9.2%, to be received by the designated beneficiaries over the terms of the trusts and annuities.

There were no contributions of gift annuities and charitable remainder trusts included as such on the consolidated statement of activities for the year ended June 30, 2025. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as change in value of split interest agreements in the consolidated statement of activities. The amounts of related assets and liabilities are based on estimated maturity of the agreements. Actual results could differ from those estimates.

Charitable remainder trusts and charitable gift annuities are classified as with donor restrictions. Once the beneficial interest is passed to Gulf Coast, the remaining assets are released for use as without donor restrictions. Distributions of the annuities are paid from income first, then as a release of principal, if necessary.

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Tax Status**

Gulf Coast Community Foundation, Inc. and its supporting organizations have been recognized by the Internal Revenue Service as tax-exempt organizations described in Section 501(c)(3) of the Internal Revenue Code. Income earned in furtherance of Gulf Coast's tax-exempt purpose is exempt from federal and state income taxes. Therefore, no provision for income taxes has been made.

**Financial Instruments Not Measured at Fair Value**

Gulf Coast has certain financial instruments that 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 financial liabilities include: cash and cash equivalents, other assets, accounts payable and accrued expenses, grants, grant initiatives and scholarships payable.

**Functional Allocation of Expenses**

The costs of providing program and supporting services have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the program and supporting services that benefited based upon function of activity and time spent by employees.

**Subsequent Events**

Management evaluated all activity of Gulf Coast through December 18, 2025, the date the consolidated financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements or notes.

**NOTE 2 INVESTMENTS**

Investments are comprised of the following at June 30, 2025:

Growth	\$ 321,717,954
Fixed Income	74,651,833
Diversifiers	23,436,002
Private Equity	42,076,196
Hedge Funds	36,392,969
Total	<u><u>\$ 498,274,954</u></u>

The investment values above include a net accumulated unrealized gain (loss) of \$71,654,092 as of June 30, 2025. For the year ended June 30, 2025, realized and unrealized gains of \$15,342,082 and \$35,713,577, respectively, have been recognized in the consolidated statement of activities.

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 2 INVESTMENTS (CONTINUED)**

Gulf Coast utilizes derivative overlays in the investment portfolio to maintain market exposure during portfolio transitions and to rebalance the total portfolio market exposure to remain within the total portfolio asset allocation guidelines. Fixed income futures are used to invest any margin balance that is not being used for equity transition purposes to minimize cash drag. As of June 30, 2025, investments included equity futures and fixed income futures of \$13,758,250 and 3,114,195, respectively.

**NOTE 3 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30, 2025:

Land and Improvements	\$ 341,205
Buildings and Improvements	3,906,443
Furniture and Equipment	393,616
Software and Website	87,850
Projects in Progress	22,805
Total	<u>4,751,919</u>
Less: Accumulated Depreciation and Amortization	<u>(2,125,530)</u>
Property and Equipment, Net	<u><u>\$ 2,626,389</u></u>

**NOTE 4 NOTE PAYABLE**

Gulf Coast has a note payable with a financial institution where borrowings are uncollateralized and bear interest at 2.89%. Monthly principal and interest payments of \$9,921 are required with the remaining unpaid principal and accrued interest due and payable on January 11, 2031. As of June 30, 2025, the outstanding balance on the note payable totaled \$1,487,231.

Principal due on the note payable for each of the five years following June 30, 2025 and thereafter are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 77,162
2027	79,421
2028	81,747
2029	84,141
2030	86,605
Thereafter	<u>1,078,155</u>
Total	<u><u>\$ 1,487,231</u></u>

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 5 FUNDS HELD FOR THE BENEFIT OF OTHERS**

Gulf Coast maintains funds held for the benefit of others as a component part of its investment funds. These funds are pooled and managed in the same manner as all other investments held by Gulf Coast. The following is a summary of the activity for the year ended June 30, 2025:

Funds Held for the Benefit of Others - Beginning of Year	\$ 21,944,523
Contributions	2,835,114
Investment Income	276,633
Realized and Unrealized Gain on Investments	2,764,654
Grant payments	(2,516,598)
Investment management and administrative fees	(223,415)
Funds Held for the Benefit of Others - End of Year	<u>\$ 25,080,911</u>

**NOTE 6 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

Gulf Coast maintains funds held for the benefit of others as a component part of its Gulf Coast values certain assets in accordance with FASB ASC 820 which provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

FASB ASC 820 requires Gulf Coast to present fair value measurements separately for each class of assets and liabilities held as of June 30, 2025. The following table presents information about the classes of assets and liabilities that are measured at fair value on a recurring basis, and indicates the fair value hierarchy of the valuation techniques used to determine fair value.

The three levels for measuring fair value are based on the reliability of inputs and are as follows:

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

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

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



**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 6 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)**

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

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

**Annuity Liability** – The fair value of these liabilities are estimated by discounting future cash flows using actuarial rates from mortality tables.

The following table sets forth by level, within the fair value hierarchy, Gulf Coast's assets and liabilities at fair value as of June 30, 2025:

		Fair Value Measurements at Report Date Using			
	Total	Level 1	Level 2	Level 3	NAV
ASSETS					
Growth:					
U.S. Public Equity	\$ 169,713,497	\$ 143,523,983	\$ -	\$ -	\$ 26,189,514
International Developed	124,610,440	35,812,295	-	-	88,798,145
International Emerging	26,660,160	12,846,816	-	-	13,813,344
Commodities	228,376	228,376	-	-	-
Real Estate	505,481	505,481	-	-	-
	321,717,954	192,916,951	-	-	128,801,003
Fixed Income	74,651,833	67,227,740	-	-	7,424,093
Diversifiers	23,436,002	1,065,243	-	-	22,370,759
Private Equity	42,076,196	-	-	-	42,076,196
Hedge Funds	36,392,969	175,918	-	-	36,217,051
Total Investments	\$ 498,274,954	\$ 261,385,852	\$ -	\$ -	\$ 236,889,102
Charitable Remainder Trusts	\$ 2,056,113	\$ 1,535,211	\$ -	\$ -	\$ 520,902
Total Assets	\$ 500,331,067	\$ 262,921,063	\$ -	\$ -	\$ 237,410,004
LIABILITIES					
Annuity Liability	\$ 3,969,842	\$ -	\$ -	\$ 3,969,842	\$ -

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended June 30, 2025:

	Annuity Liability
Beginning Balance	\$ 4,256,538
New Agreements	-
Distributions	(609,347)
Change in Value	322,651
Ending Balance	<u>\$ 3,969,842</u>

Instrument	Fair Value	Valuation Technique	Unobservable Inputs
Annuity Liability	\$ 3,969,842	Estimated Payout Percentages; Life Expectancies; IRS Remainder Factors	Life Expectancies

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 6 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)**

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

Gulf Coast's investments in investment partnerships and companies, private equity and hedge funds are not actively traded and are valued at NAV by the general partner/managing member based on such factors as the underlying partnerships' net assets, liquidity, the nature of the portfolio, and market conditions. Because of the inherent uncertainty of valuations, those estimated values may differ from the values that would have been used had a ready market for the partnerships and hedge fund existed. Gulf Coast believes that the carrying amounts of its investments in investment partnerships and companies, private equity and hedge funds are reasonable estimates of fair value as of June 30, 2025.

The fair values of the funds listed below have been estimated based on net asset value per share (or its equivalent) as reported by the investee. Fair value of the investment partnerships and companies, hedge funds and private equity funds is estimated based upon the net asset value per share (or its equivalent) as reported by the investee, however, private equity funds are not redeemable and represent partnership interests. While Gulf Coast does receive distributions from these funds, it cannot determine or estimate the period of time over which the underlying investment may be liquidated by the investees.

	Fair value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Growth	\$ 128,801,003	\$ -	Daily, Monthly	None, 30 Days
Fixed Income	7,424,093	-	Daily, Monthly	None, 30 Days
Diversifiers	22,370,759	-	Monthly-Annually	30-90 Days
Private Equity	42,076,196	26,652,564	N/A	N/A
Hedge Funds	36,217,051	-	Monthly-Triennially	30-90 Days
Charitable Remainder Trusts	520,902	-	N/A	N/A
Total	<u>\$ 237,410,004</u>	<u>\$ 26,652,564</u>		

**Hedge Funds** – The objective of the funds is to maximize risk-adjusted returns and achieve low correlation to the equity markets by investing in a diversified group of pooled investment vehicles. The fund may invest in investment vehicles domiciled both within and outside the United States. At a minimum, redemptions can be made in increments of \$10,000, provided that the greater of \$50,000 or 20% of the initial investment remains in the fund.

**Private Equity Funds** – The private equity funds are not redeemable by request and represent partnership interests. While Gulf Coast does receive distributions from these funds, it cannot determine or estimate the period of time over which the underlying investment may be liquidated by the investees.

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 7 BOARD-DESIGNATED NET ASSETS**

Gulf Coast's Board has chosen to designate net assets without donor restrictions for the following purposes as of June 30, 2025:

Designated:	
Initiative Funds	\$ 2,630,951
Operating and Grant Reserve Fund	7,659,434
Capital Expenditures Reserve Fund	532,770
Funds Subject to Variance Power	<u>276,173,533</u>
Total Designated Net Assets	286,996,688
Undesignated	<u>202,544,983</u>
Total Net Assets Without Donor Restrictions	<u><u>\$ 489,541,671</u></u>

**NOTE 8 DONOR-RESTRICTED NET ASSETS**

Donor-restricted net assets are restricted for the following purposes as of June 30, 2025:

	2025
Subject to Expenditure for Specified Purpose:	
Funds Designating Specific Organizations or Projects	\$ 8,032,406
Subject to the Passage of Time:	
Charitable Remainder Trusts and Gift Annuity Agreements	4,482,838
Subject to be Held in Perpetuity with Appropriations for:	
Health and Human Services	<u>192,455</u>
 Total	 <u><u>\$ 12,707,699</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Purposes for which donor-restricted net assets were accomplished during the year ended June 30, 2025:

Charitable Remainder Trusts and Gift Annuity Agreements	\$ 430,759
Funds Designating Specific Organizations or Projects	<u>6,571,827</u>
Total	<u><u>\$ 7,002,586</u></u>

**NOTE 9 EMPLOYEE RETIREMENT PLAN**

Gulf Coast has a voluntary retirement program available for eligible employees under Section 401(k) of the Internal Revenue Code. Employees may make contributions upon completion of 90 days of service and attaining age 21. The total amount deferred in any calendar year may not exceed the threshold set by the Internal Revenue Service.

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 9 EMPLOYEE RETIREMENT PLAN (CONTINUED)**

Employer safe harbor matching contributions are 100% of deferrals up to 3% of compensation and then 50% of deferrals on 3% to 5% of compensation. Employer contributions may be made to eligible employees under the plan's profit sharing provision; however, these contributions are not required and will be determined each year by management. Further details of the plan are disclosed in the plan document. Estimated retirement plan contributions of \$211,994 for the year ended June 30, 2025 were recorded.

**NOTE 10 OPERATING LEASE COMMITMENTS**

Gulf Coast has entered into an operating lease agreement for office space expiring February 29, 2032. The agreement includes an option to extend the lease for two additional terms of five years. In addition, the lease calls for annual increases of 2%.

As of June 30, 2025, the weighted average remaining lease term of this agreement was 6.67 years. The weighted average discount rate is 1.75%. The total operating lease cost under this agreement was \$77,017 for the year ended June 30, 2025.

Future minimum lease payments under the non-cancellable operating lease as of June 30, 2025 are as follows:

<u>Year Ending June 30.</u>	<u>Operating Lease</u>
2026	\$ 78,567
2027	80,133
2028	81,733
2029	83,350
2030	85,017
Thereafter	145,283
Total Lease Payments	554,083
Less: Interest	(32,121)
Present Value of Lease Liabilities	<u>\$ 521,962</u>

**NOTE 11 RELATED PARTY TRANSACTIONS**

Certain Board members and employees make contributions or have donor funds held by Gulf Coast. Board members and employees of Gulf Coast may serve on other not-for-profit organization boards that periodically receive grant money from Gulf Coast. Gulf Coast requires all board members and employees to complete signed conflict of interest forms annually and adhere to the requirements of the Conflict of Interest Policy.

**GULF COAST COMMUNITY FOUNDATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**NOTE 12 CONCENTRATIONS OF CREDIT AND ECONOMIC RISK**

Financial instruments, which potentially subject Gulf Coast to concentrations of credit risk, consist principally of cash and cash equivalents and investments. Gulf Coast places its cash and cash equivalents with high credit quality financial institutions. During the year, Gulf Coast may have deposits with financial institutions which exceed FDIC insurance limits. As of June 30, 2025, deposits in excess of FDIC insurance limits is \$17,480,306.

Gulf Coast's investments are primarily invested in time deposits with high credit quality financial institutions, U.S. Treasury bonds and notes, government-backed mortgage securities, common stocks, venture capital funds, real estate and high credit quality corporate notes.

The investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is at least reasonably possible that these factors will result in changes in the value of Gulf Coast's investments, which could materially affect amounts reported in the consolidated financial statements.

**NOTE 13 LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

Gulf Coast's financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, endowments and Board-designated net assets. Because the Board has variance power, the Board-designated net assets may be drawn upon at the discretion of the governing board, but this is not the intention of the Board. Gulf Coast has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. Gulf Coast's financial assets available for general use expenditures within one year, consist of the following at June 30, 2025:

Financial Assets:	
Cash and Cash Equivalents	\$ 30,649,695
Certificates of Deposit	1,021,298
Investments and Charitable Remainder Trusts	<u>500,331,067</u>
Total Financial Assets	532,002,060
Less Amounts Unavailable for General Expenditures	
Within One Year:	
Donor Advised, Scholarship and Supporting	
Organization Funds	190,032,478
Charitable Gift Annuities and Charitable Remainder	
Trust Assets	8,502,680
Agency Funds	25,080,911
Donor-Restricted for Time or Purpose	8,032,406
Donor-Restricted in Perpetuity	192,455
Board-Designated Net Assets	<u>286,996,688</u>
Total	<u>518,837,618</u>
Total Financial Assets Available for General	
Expenditure Within One Year	<u>\$ 13,164,442</u>



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.