

**THE GREATER TACOMA COMMUNITY FOUNDATION
FINANCE COMMITTEE MEETING**

March 6, 2024 at 8:30 a.m.

Location: **GTCF Board Room**

MEETING AGENDA

- I. 8:30 a.m. Review the November 29, 2024 Meeting Minutes,
Action: Vote to approve the November 29, 2024 meeting minutes
- II. 8:35 a.m. Review 12/31/23 quarterly financial reports:
 - Administrative Actual to Budget Variance report
 - Statement of Financial Position
 - Statement of Activities
 - Assets by Fund Sub-Type
 - New Funds Quarterly Report
- III. 9:00 a.m. GTCF Catalytic Business Model
 - Budget and revenue analysis
 - Diversified business model
 - Staffing plans
 - Projected risks and challenges
- IV. 9:35 a.m. Miscellaneous:
 - Whistleblower Policy
 - Vanguard performance returns Q4 2023
- V. 9:40 a.m. Executive Session
- VI. 9:45 a.m. Adjourn

Note: The next meeting is scheduled for May 29, 2024.

Greater Tacoma Community Foundation

Finance Committee Meeting

November 29, 2023

The Finance Committee met on November 29, 2023 via ZOOM conference call

Members Present: Bev Cox, Dwight Williams, Sheri Tonn, Brett Freshwaters, and Tim Tucci

Members Absent: Ahlmahz Negash, Ivan Harrell, Scott Limoli, and Jeanette Roatch

Board Present: Art Wang, Tono Sablan, Wayne Williams, Kitty-Ann van Doorninck, Christina Blocker, Lori Harnick, Christopher Algeo, and Priscilla Lisicich

Staff Present: Kathi Littmann, President & CEO, Mo Mousa, CFO, Stacey Guadnola, Director Philanthropic Engagement, Marinda Huber, Controller, Deana Hodges, Senior Accountant, Steve Saalfeld, Philanthropy Advisor, Anastacia Lamb, Office Manager, Seth Kirby, Chief Impact Officer, Megan Sukys, Chief Communications Officer, Kiera Ausenhus, Philanthropy Services Manager, and Dannielle Robertson, Philanthropy Services Coordinator

The meeting was called to order at 8:00 a.m.

Item I The committee voted unanimously to approve the minutes of the August 23, 2023 meeting.

Item II Marinda presented the 9/30/23 quarterly reports

Statements of Financial Position

Total Assets, excluding supporting organizations, increased from \$162.0 million at 12/31/22 to \$164.0 million at 09/30/23. The net increase of \$2.0 million was the net result of \$5.1 million in gifts received, \$133.6k in grants received, \$7.3 million in investment activity received, \$7.6 million in grants paid out, and other decreases totaling \$2.9 million. Other decreases include all administrative costs, changes in liabilities, investment fees and other expenses charged to funds.

Administrative Budget Variance Report

Net Operating Activity for the quarter ended 9/30/23 was less than amount budgeted by \$322.6k. The net favorable variance was due to:

- a) Net unfavorable variance of \$629.9k in Total Revenues was due primarily to:
 - Interfund Transfer from UR Pool – Unfavorable Variance, \$119.0k permanent and \$520.0k timing, only transferring enough to get us to six months cash on hand
 - Interfund Transfer from Catalyst Fund - Unfavorable Variance, \$31.0k permanent. Transfer not needed due to less than expected expenses. Carry over full balance of \$366.0k to 2024
 - Interest Income Other - \$7k favorable permanent variance due to higher dividends and interest in Low Risk Pool and Checking account.

- b) Favorable variance of \$307.3k in Net Total Expenses consisted primarily of:
 - Compensation - \$135.7k favorable permanent variance due to less headcount and delay in hiring Dir. Of Philanthropy
 - Accounting & Legal Fees - \$10.9 favorable timing variance due to no legal fees incurred to date, however the restructure of scholarships to educational access tools (EAT), we expect to incur \$20.0K in Q4.
 - Conference Expense - \$25.3k favorable permanent variance which consists of \$20k due primarily for conferences that did not happen for Family Philanthropy Conference, PNW annual Conference, National Council on Foundations conference, ComNet Conference, Crescendo, and 2164. Favorable timing variance of \$5.0k due to miscellaneous conference budgeted in the first 3 quarters to be attended in 4th quarter.
 - Copying and Printing - \$6.0k favorable permanent variance primarily due to the Giving Guide Magazine, Impact Card and Brochure done in house. Favorable timing variance \$7.4k primarily for PA Collateral, business cards, letterhead and envelope cost and stewardship
 - Events - \$28.2k favorable permanent variance due to Legacy stewardship Event and CAP Event savings and the cancellation of a learning session
 - Facilities - \$19.1k favorable permanent variance due to \$18K not spent on Tenant Improvements that were budgeted in 2023
 - Meetings - \$21.3 favorable permanent variance due to savings on board retreat, leadership retreat, staff retreat, staff events, committee meeting savings and other meeting savings
 - Philanthropic Partnerships - \$13.2k favorable permanent variance primarily due to not having the staff to go to events. Did not sponsor Leave 10 National and Philanthropy NorthWest.
 - Professional Fees - \$10k favorable timing variance primarily due to not hiring scholarship design consultant and retreat facilitators offset by unbudgeted Communication consultant

- Recruiting - \$13.4 favorable timing variance. Cost to date are for the Chief Philanthropic Officer, Philanthropy Coordinator and the Executive Admin. May have expenses in Q4 to recruit new Executive Admin.
- Staff Development - \$7.5k favorable permanent variance due to lower than expected staff training.

The 12/31/22 Operating Carry-Forward Balance of \$1.7M when combined with 2023 Net Operating Activity of (\$493.4k) and the Operating Reserve of \$159.5k represents 6.0 months of operating cash on hand (the target is 6 months).

New Funds Quarterly Report

3 non-permanent funds totaling \$95k were established during the third quarter of 2023.

Item III Reviewed and voted to recommend to the Board of Directors to approve the updated funding plan for adoption for Emergency Grantmaking.

Item IV Mo recommended to move the Administrative Operating Reserve investment from the short-term pool to the low-risk pool to maximize dividend yield.

It was suggested to give GTCF the discretion to change between pools without having to go to committee every year to request the change.

After further deliberation, the Committee voted and approved the change in wording in the Administration Operating Reserve Policy to “Short Term Pool OR Low Risk Pool” and recommended the change to the Board of Directors for their approval

Item V Mo recommended to increase the Equipment/Technology Reserve Policy from 25% to 35% and to use the same wording to the investing options “Short-Term Pool OR Low-Risk Pool” as used in the Administration Operating Reserve policy.

After further deliberation, the Committee voted and approved: a. the percentage increase in the Equipment/Technology Reserve Policy from 25% to 35%, and b. the change in wording in the investment options to “Short Term Pool OR Low Risk Pool” and recommended the changes to the Board of Directors for their approval

Item VI Reviewed 2023 Finance Committee meeting schedule to change start times from 8:00am to 8:30am to give ease of access to the building and to also change meetings to be in person. Some committee members asked to continue virtual meeting structure, i.e, Zoom. It was agreed that the meeting will be offered in person at GTCF office and virtual via zoom.

Item VII Megan Sukys presented the overview focus areas for 2024 via a PowerPoint presentation explaining how assets flow in and out of GTCF, how GTCF invests into the community, the Theory of Action, and a move forward work plan. Continuing the conversation, Seth discussed the 2024 impact highlights, Stacey discussed the 2024 asset highlights, with Kathi finishing the conversation by discussing the 2024 asset building highlights.

Mo gave an overview of the administrative budget projection for the years 2024-2026 with a reminder that only the 2024 budget is to be recommended to move to the Board of Directors for approval while the other years are just a look forward.

After diligent review and discussion, the committee voted unanimously to recommend the 2024 Administrative Budget as presented to the Board of Directors for approval.

Item VII No Executive Session

Item IX Meeting adjourned at 9:50 am

Greater Tacoma Community Foundation
 Budget Variance Report - Consolidated Administrative Funds
 1/1 to 12/31/2023

| | BUDGET | | ACTUAL | VARIANCE | | | 2023 Forecast | Delta from Forecast (Under) |
|---|---------------------|---------------------|---------------------|----------------------------|-------------|----------|---------------------|-----------------------------------|
| | TOTAL YEAR | YEAR-TO- DATE | YEAR-TO- DATE | Favorable (Unfavorable) | % | | | |
| REVENUES: | | | | | | | | |
| Admin Fee Revenue | \$ 1,686,760 | \$ 1,686,760 | \$ 1,724,016 | \$ 37,256 | 2% | | \$ 1,721,760 | \$ 2,256 |
| Interfund transfer from Unrestricted Pool | 769,000 | 769,000 | 425,000 | (344,000) | | A | 650,000 | (225,000) |
| Interfund transfer from Catalyst Fund | 366,667 | 366,667 | | (366,667) | | B | - | - |
| Designated Payouts | 151,952 | 151,952 | 152,028 | 76 | 0% | | 152,028 | - |
| Interest Income - Other | 13,000 | 13,000 | 25,469 | 12,469 | 96% | C | 19,000 | 6,469 |
| Total Revenues | 2,987,379 | 2,987,379 | 2,326,513 | (660,866) | -24% | | 2,542,788 | (216,275) |
| EXPENSES: | | | | | | | | |
| Compensation ⁽¹⁾ | 2,322,218 | 2,322,218 | 2,160,427 | 161,791 | 7% | D | 2,160,218 | 209 |
| Accounting & Legal Fees | 74,025 | 74,025 | 62,640 | 11,385 | 15% | E | 114,025 | (51,385) |
| Conference Expense | 67,040 | 67,040 | 29,029 | 38,011 | 57% | F | 47,040 | (18,011) |
| Copying and Printing | 16,950 | 16,950 | 2,642 | 14,308 | 84% | G | 10,950 | (8,308) |
| Depreciation Expense | 11,022 | 11,022 | 12,211 | (1,189) | -11% | | 11,022 | 1,189 |
| Deposits to Reserve Funds | 12,500 | 12,500 | 12,500 | - | 0% | | 12,500 | - |
| Dues & Subscriptions | 21,245 | 21,245 | 29,296 | (8,051) | -38% | H | 18,745 | 10,551 |
| Equipment Purchase | 10,000 | 10,000 | 10,136 | (136) | -1% | | 10,000 | 136 |
| Events | 50,000 | 50,000 | 6,666 | 43,334 | 87% | I | 25,000 | (18,334) |
| Facilities | 175,770 | 175,770 | 156,978 | 18,792 | 11% | J | 157,770 | (792) |
| Information & Communications | 125,523 | 125,523 | 130,653 | (5,130) | -4% | | 125,523 | 5,130 |
| Insurance | 15,731 | 15,731 | 15,751 | (20) | 0% | | 15,731 | 20 |
| Interest, Bank Fees, Taxes & Licenses | 2,161 | 2,161 | 381 | 1,780 | 82% | | 2,161 | (1,780) |
| Meetings | 71,480 | 71,480 | 35,540 | 35,940 | 50% | K | 51,480 | (15,940) |
| Office & Other Expenses ⁽²⁾ | 11,300 | 11,300 | 15,492 | (4,192) | -37% | | 11,300 | 4,192 |
| Philanthropic Partnerships | 29,500 | 29,500 | 10,138 | 19,362 | 66% | L | 19,500 | (9,362) |
| Professional Fees | 76,480 | 76,480 | 67,475 | 9,005 | 12% | M | 76,480 | (9,005) |
| Recruiting | 50,000 | 50,000 | 37,277 | 12,723 | 25% | N | 50,000 | (12,723) |
| Staff Development | 17,000 | 17,000 | 5,847 | 11,154 | 66% | O | 12,000 | (6,154) |
| Travel | 3,600 | 3,600 | 2,300 | 1,300 | 36% | | 3,600 | (1,300) |
| Web site Costs | 12,225 | 12,225 | 8,250 | 3,975 | 33% | | 7,225 | 1,025 |
| Net Total Expenses | 3,175,770 | 3,175,770 | 2,811,629 | 364,141 | -5% | | 2,942,270 | (130,641) |
| NET OPERATING ACTIVITY | \$ (188,391) | \$ (188,391) | \$ (485,116) | \$ (296,725) | 158% | | \$ (399,482) | \$ (85,634) |

(1) Burden rate 30%

(2) Office & Other expenses include: Supplies, equipment rental/maintenance, posting & shipping...etc.

CALCULATION OF NUMBER OF MONTHS OPERATING CASH ON HAND:

| | BUDGET | 12/31/2023 | Forecast |
|--|--------------|--------------|--------------|
| Total 2022 Budget Operating Expenses | \$ 3,175,770 | \$ 2,811,629 | \$ 2,942,270 |
| Monthly Operating Expenses | \$ 264,648 | \$ 234,302 | \$ 245,189 |
| Operating Carry Forward Balance | \$ 1,428,305 | \$ 1,230,554 | \$ 1,316,188 |
| Administrative Operating Reserve Balance | \$ 154,395 | \$ 172,526 | \$ 166,979 |
| Total amount avail. for future admin ops | \$ 1,582,700 | \$ 1,403,081 | \$ 1,483,167 |
| Number of months operating cash on hand | 6.0 | 6.0 | 6.0 |

Greater Tacoma Community Foundation
 Budget Variance Report - Consolidated Administrative Funds- Unaudited
 1/1 to 12/31/2023

| | BUDGET | | ACTUAL | VARIANCE | |
|--|--------------|--------------|--------------|--------------|-------|
| | TOTAL YEAR | Year-to-date | Year-to-date | (Under) Over | % |
| OPERATING CARRY-FORWARD - 12/31/22 | \$ 1,616,696 | \$ 1,616,696 | \$ 1,715,670 | | |
| 2023 NET OPERATING ACTIVITY 12/31/23 | (188,391) | (188,391) | (485,116) | | |
| OPERATING CARRY-FORWARD ENDING BALANCE | \$ 1,428,305 | \$ 1,428,305 | \$ 1,230,554 | | |
| CAPITAL BUDGET: | | | | | |
| Furniture and Equipment Purchases | \$ 15,000 | \$ 10,000 | \$ 8,413 | \$ (1,587) | -16% |
| Capital Lease Payments | 3,684 | 1,842 | \$ - | \$ (1,842) | -100% |
| Total Capital Expenditures | \$ 18,684 | \$ 11,842 | \$ 8,413 | \$ (3,429) | -29% |

EXPLANATIONS OF SIGNIFICANT VARIANCES (\$5,000 or more and 10% or more):

- A** Unfavorable Variance, \$344k only transferring enough to get to six months cash on hand.
- B** Unfavorable Variance, \$366k. Transfer not needed due to less than expected expenses. Carry over full balance of \$366k to 2024.
- C** Favorable variance due to higher dividends and interest in Low Risk Pool and Checking account.
- D** Favorable variance due to less headcount and delay in hiring Dir. Of Philanthropy
- E** Favorable variance due to only legal fees incurred for Education Access redesign and legal help desk. Didn't incur \$24k in miscellaneous legal fees budgeted for 2023
- F** Favorable variance due primarily for conferences that did not happen for Family Philanthropy Conference, PNW Annual Conference, National Council on Foundations Conference, ComNet Conference, Crescendo, and 2164.
- G** Favorable variance primarily due to Giving Guide Magazine, Impact Card and Brochure done in house. Lower cost for PA Collateral, business cards, letterhead and envelope cost and stewardship materials.
- H** Unfavorable variance due primarily to joining Council on Foundations (unbudgeted)
- I** Favorable variance due to Legacy stewardship Event and CAP Event savings and the cancellation of learning sessions
- J** Favorable variance due to not doing any Tenant Improvements in 2023
- K** Favorable variance due to savings on board retreat, leadership retreat, staff retreat, staff events, committee meeting savings, annual meeting and other meeting savings
- L** Favorable variance primarily due to less than expected staff going to events. Did not sponsor Leave 10 National or Philanthropy Northwest.
- M** Favorable variance primarily due to not hiring scholarship design consultant or retreat facilitators. But spending more for Communications.
- N** Favorable variance. Less than expected recruiting expenses for: Chief Philanthropic Officer, Philanthropy Coordinator, Philanthropy Advisor,
- O** Favorable variance due to lower than expected staff training.

**GREATER TACOMA COMMUNITY FOUNDATION
ADMINISTRATION AND ALL COMPONENT FUNDS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND DECEMBER 31, 2022**

| | 12/31/2023 | 12/31/2022 |
|---|-----------------------|-----------------------|
| ASSETS: | | |
| Cash | \$ 1,086,931 | \$ 952,088 |
| Non-Cash Gift Transfers in Progress | 751 | 13,931 |
| Gifts and Grants Receivable | 35,000 | 802,500 |
| Trust Receivable | 4,867,865 | 5,311,467 |
| Investments: | | |
| Endowment Pool | 119,238,191 | 105,784,565 |
| SRI Pool | 9,462,692 | 8,388,159 |
| Annuity Pool | 1,044,088 | 979,774 |
| Low Risk Pool | 26,113,153 | 26,245,074 |
| Short Term Pool | 5,552,400 | 5,780,154 |
| Individually Managed Funds | 7,264,059 | 5,533,677 |
| Charitable Remainder Unitrusts | 838,433 | 950,557 |
| Right of Use Asset | 1,420,230 | 1,559,033 |
| Property and Equipment, Net of Deprec. | 21,267 | 16,814 |
| Other Assets | 139,021 | 242,964 |
| TOTAL ASSETS | \$ 177,084,081 | \$ 162,560,757 |
| | | |
| LIABILITIES: | | |
| Accounts Payable | \$ 39,035 | \$ 14,484 |
| Payroll Related Liabilities | 29,989 | 17,140 |
| Accrued Retirement Benefits | 154,348 | 166,835 |
| Grants Payable | 214,137 | 232,400 |
| Unearned Revenue | - | 118,629 |
| CRUT Payments Payable | 325,286 | 391,333 |
| Annuity Payments Payable | 446,127 | 430,930 |
| Other Liabilities | 9,389 | 151,338 |
| Short Term Lease Payable | 125,335 | 119,029 |
| Long Term Lease Payable | 1,338,350 | 1,463,685 |
| TOTAL LIABILITIES | 2,681,997 | 3,105,803 |
| NET ASSETS | 174,402,084 | 159,454,954 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 177,084,081 | \$ 162,560,757 |

**GREATER TACOMA COMMUNITY FOUNDATION
ADMINISTRATION AND ALL COMPONENT FUNDS
STATEMENTS OF ACTIVITIES
January 1 to December 31, 2023 and 2022**

| | 2023 YTD (12 months) | 2022 YTD (12 months) |
|---------------------------------------|-------------------------|-------------------------|
| REVENUES: | | |
| Gifts | \$ 10,242,707 | \$ 28,314,877 |
| Grant Revenue | 133,629 | 2,630,078 |
| Realized Gains/(Losses) | 197,930 | 45,402 |
| Unrealized Gains/(Losses) | 14,018,927 | (26,364,956) |
| Interest and Dividends | 5,410,660 | 4,826,928 |
| Change in Value of Split interest | 248,578 | (251,352) |
| Other Revenue | 3,450 | 6,140 |
| TOTAL REVENUES | 30,255,881 | 9,207,116 |
| Expenses | | |
| Accounting & Legal Fees | 66,890 | 52,127 |
| Advertising | 85,324 | 60,729 |
| Community Events | 69,137 | 26,284 |
| Compensation | 2,222,263 | 2,381,135 |
| Conference Expense | 43,113 | 15,430 |
| Copying and Printing | 2,936 | 13,547 |
| Depreciation Expense | 12,211 | 13,791 |
| Dues & Subscriptions | 49,296 | 46,621 |
| Equipment and Furniture Purchase | 10,136 | 9,095 |
| Events | 23,892 | 17,879 |
| Facilities | 176,752 | 176,767 |
| Grants Expense | 11,690,255 | 8,374,277 |
| Information & Communications | 130,653 | 130,042 |
| Insurance | 15,751 | 15,472 |
| Interest, Bank Fees, Taxes & Licenses | 5,809 | 15,290 |
| Investment Management Fees | 184,444 | 177,392 |
| Meetings | 39,110 | 63,153 |
| Office & Other Expenses | 50,174 | 33,759 |
| Professional Fees | 413,127 | 238,909 |
| Staff Development | 5,847 | 1,512 |
| Travel | 2,372 | 662 |
| Web site Costs | 9,261 | 10,013 |
| TOTAL EXPENSES | 15,308,750 | 11,873,886 |
| NET OPERATING ACTIVITY | \$ 14,947,131 | \$ (2,666,770) |

The Greater Tacoma Community Foundation
Assets by Fund Sub-Type
As of 12/31/2023

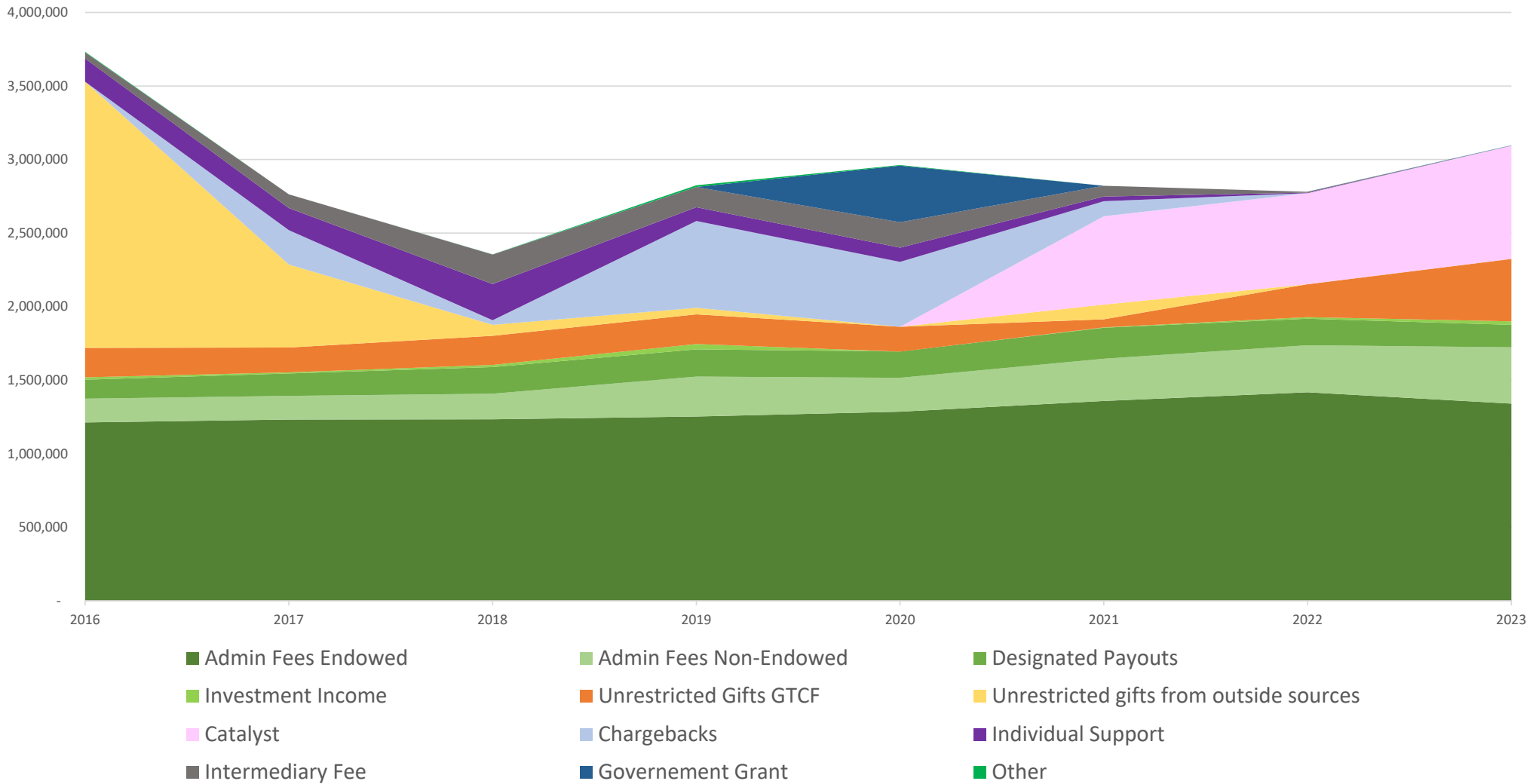
| | Total Assets | # of funds | Percent of Total | Average Fund Balance | New Funds | Gifts | Grants | # of Grants | Admin Fee | % of Total Fees | YTD percent charged |
|--------------------------------|-----------------------|------------|------------------|----------------------|-----------|----------------------|----------------------|--------------|---------------------|-----------------|---------------------|
| ENDOWED FUNDS: | | | | | | | | | | | |
| Agency | \$ 10,823,242 | 75 | 6.1% | \$ 144,310 | | \$ 50,150 | \$ 320,500 | 64 | \$ 75,748 | 4.4% | 0.700% |
| Designated | 38,318,619 | 100 | 21.6% | 383,186 | | 75,416 | 960,036 | 149 | 495,606 | 28.7% | 1.293% |
| Donor Advised | 16,138,994 | 32 | 9.1% | 504,344 | | 797,263 | 428,424 | 142 | 137,438 | 8.0% | 0.852% |
| Field of Interest | 17,734,044 | 16 | 10.0% | 1,108,378 | 1 | 902,910 | 584,356 | 35 | 324,395 | 18.8% | 1.829% |
| Other Community Foundations | 1,567,227 | 13 | 0.9% | 120,556 | 1 | 32,654 | 61,100 | 12 | 13,082 | 0.8% | 0.835% |
| Scholarships | 8,535,899 | 80 | 4.8% | 106,699 | | 49,045 | 178,900 | 80 | 37,741 | 2.2% | 0.442% |
| Unrestricted | 14,332,664 | 38 | 8.1% | 377,175 | | - | - | - | 256,835 | 14.9% | 1.792% |
| Total Endowed Funds | 107,450,689 | 354 | 60.7% | 303,533 | 2 | 1,907,436 | 2,533,317 | 482 | 1,340,846 | 77.8% | 1.248% |
| NON-ENDOWED FUNDS: | | | | | | | | | | | |
| Agency | \$ 8,724,834 | 26 | 4.9% | \$ 335,571 | 3 | \$ 1,082,000 | \$ 1,279,479 | 14 | \$ 50,290 | 2.9% | 0.576% |
| Community Leadership | 3,592,923 | 11 | 2.0% | 326,629 | | - | - | - | - | 0.0% | 0.000% |
| CRUTs and CGAs | 1,902,700 | 29 | 1.1% | 65,610 | 1 | 50,000 | 34,786 | 1 | 4,413 | 0.3% | 0.232% |
| Designated | 15,834,500 | 34 | 8.9% | 465,721 | 8 | 1,403,387 | 2,855,871 | 31 | 42,774 | 2.5% | 0.270% |
| Donor Advised | 33,859,549 | 79 | 19.1% | 428,602 | 2 | 4,630,304 | 4,450,680 | 392 | 265,133 | 15.4% | 0.783% |
| Field of Interest | 448,301 | 19 | 0.3% | 23,595 | | 51 | 201,400 | 7 | 1,785 | 0.1% | 0.398% |
| Other Community Foundations | 2,000,119 | 24 | 1.1% | 83,338 | 4 | 965,809 | 139,012 | 34 | 9,494 | 0.6% | 0.475% |
| Scholarships | 1,085,906 | 18 | 0.6% | 60,328 | | 49,545 | 114,315 | 57 | 9,280 | 0.5% | 0.855% |
| Unrestricted | 2,184,561 | 4 | 1.2% | 546,140 | | 154,175 | 81,395 | 4 | - | 0.0% | 0.000% |
| Total Non-Endowed Funds | 69,633,393 | 244 | 39.3% | 285,383 | 18 | 8,335,271 | 9,156,938 | 540 | 383,170 | 22.2% | 0.550% |
| Grand Total All Funds | \$ 177,084,081 | 598 | 100.0% | \$ 296,127 | 20 | \$ 10,242,707 | \$ 11,690,255 | 1,022 | \$ 1,724,016 | 100.0% | 0.974% |

**GREATER TACOMA COMMUNITY FOUNDATION
NEW FUNDS QUARTERLY REPORT
10/1/2023 - 12/31/2023**

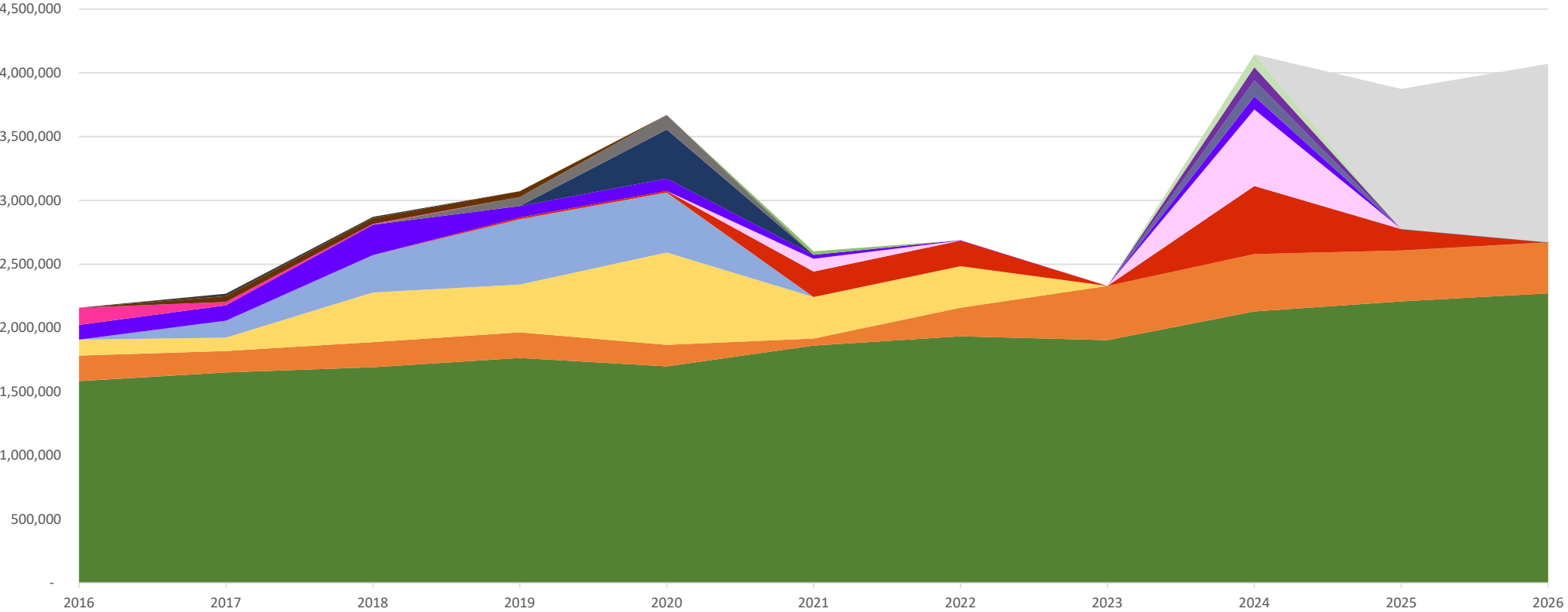
| DESCRIPTION / FUND NAME | Establishing Gift Amount | PURPOSE |
|---|-------------------------------------|---|
| FIELD OF INTEREST ENDOWED | | |
| Georgiana Miller Endowed Fund | \$ 901,384 | To provide viewing for the public of wildlife with an emphasis on birds and waterfowl. |
| DESIGNATED NON-PERMANENT | | |
| Wayne Williams Lifting Lives Designated Funds | \$ 2,000 | Education Access |
| DESIGNATED FOR PURPOSE NON-PERMANENT: | | |
| Lantinx Unidos of the South Sound | \$ 23,334 | Established in 2016, Lantinx Unidos of the South Sound's mission is to facilitate the engagement of South Sound Latinos in the broader community. |
| University Place Parks & Recreation Foundation Fund | \$ 100,000 | A capital campaign for a destination playground that is designed and accessible for everyone. |
| OTHER COMMUNITY FOUNDATIONS NON-PERMANENT: | | |
| D&D Cohn | \$ 655,342 | Jefferson Community Foundation Fund |
| Pod (Fish) Fund | \$ 20,000 | Jefferson Community Foundation Fund |
| CHARITABLE GIFT ANNUITIES | | |
| Charles R. Myrick Charitable Gift Annuity #5 | \$ 50,000 | Gift annuity that will go into Forever Green Tails Endowment Fund |

Total New Funds \$ 1,752,060

2016-2023 Total Revenue by Type



2016-2026 Administrative Budget Revenue Actual by Sources



- Organic Revenue
- GTCF UR
- Satterberg
- Wallace
- Gates
- Group Health/Inatai
- Annual Appeal Gifts
- PPP Loan Forgiveness
- Census
- Sponsorships
- Philanthropy Northwest
- Seattle Foundation (from DAFS)
- Individual Donors
- Bamford
- Raikes
- Russell
- TO RAISE

HOW HAS GTCF PAID FOR ITS WORK?



Over the past eight years, unrestricted, multi-year investments from Satterberg, Gates, and Inatai made it possible for GTCF to leverage steadily growing organic revenue and internal unrestricted funds to catalyze greater equitable impact across many emerging and potential community efforts.

The Wallace initiative and the intermediary role GTCF played for the Department of Commerce to deliver Census funding were the other key revenue sources for catalytic impact.

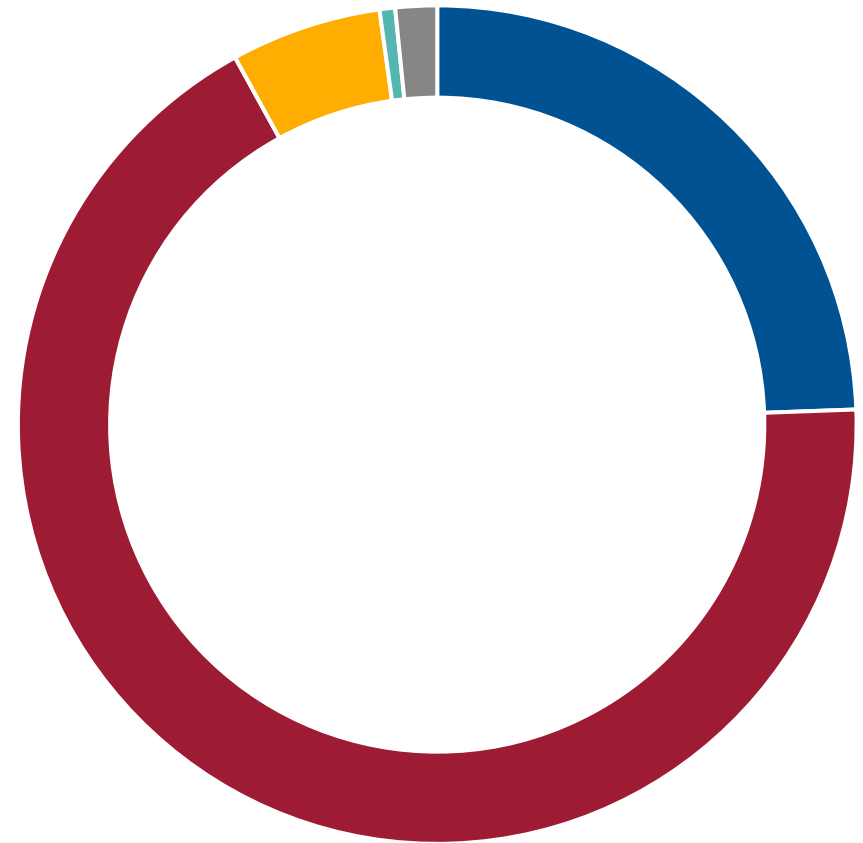
HOW IS GTCF PLANNING TO KEEP PAYING FOR ITS WORK?



Activating relationships with funders and agencies to raise awareness of the value of GTCF's flexible delivery of funding using community foundations' unique philanthropic tools AND GTCF's deep, trusted relationships IN PIERCE COUNTY

Assets by investment as of December 31, 2023

| Investments | Assets \$133,105,243 |
|--|----------------------|
| Global Equity | \$80,446,272 |
| Vanguard Total Stock Market Index Fund Institutional Shares | \$30,374,402 |
| Vanguard Windsor Fund Admiral Shares | \$9,707,598 |
| Vanguard PRIMECAP Fund Admiral Shares | \$9,972,675 |
| Vanguard Total International Stock Index Fund Institutional Shares | \$18,696,321 |
| Vanguard International Growth Admiral Shares | \$5,623,501 |
| Vanguard International Value Investor Shares | \$6,071,775 |
| Private Equity | \$4,515,395 |
| FEGPOF | \$1,501,731 |
| FEGPOF II | \$3,013,664 |
| Global Fixed Income | \$30,739,274 |
| Vanguard Total Bond Market Index Fund Institutional Shares | \$9,985,233 |
| Vanguard Total International Bond Index Fund | \$4,932,989 |
| Vanguard Core Bond Fund Admiral Shares | \$3,586,301 |
| Vanguard Long-Term Investment Grade Fund Admiral Shares | \$2,154,767 |
| Vanguard Intermediate-Term Investment Grade Fund Admiral Shares | \$4,752,484 |
| Vanguard Short-Term Investment Grade Fund Admiral Shares | \$3,132,588 |
| FEGPOF | \$750,866 |
| FEGPOF II | \$1,444,047 |
| Real Estate | \$7,314,586 |
| Vanguard Real Estate Index Fund Institutional Shares | \$4,171,790 |
| Vanguard Global ex-U.S. Real Estate Index Admiral Shares | \$2,032,675 |
| FEGPOF | \$607,844 |
| FEGPOF II | \$502,277 |
| Natural Resources | \$2,033,588 |
| FEGPOF | \$715,110 |
| FEGPOF II | \$1,318,478 |
| Cash | \$0.00 |
| Vanguard Federal Money Market Fund | \$0.00 |
| Impact Investing | \$792,070 |
| Forterra | \$292,070 |
| Craft 3 Loans | \$500,000 |
| Individual Managed Funds | \$7,264,059 |
| RBC | \$7,264,059 |

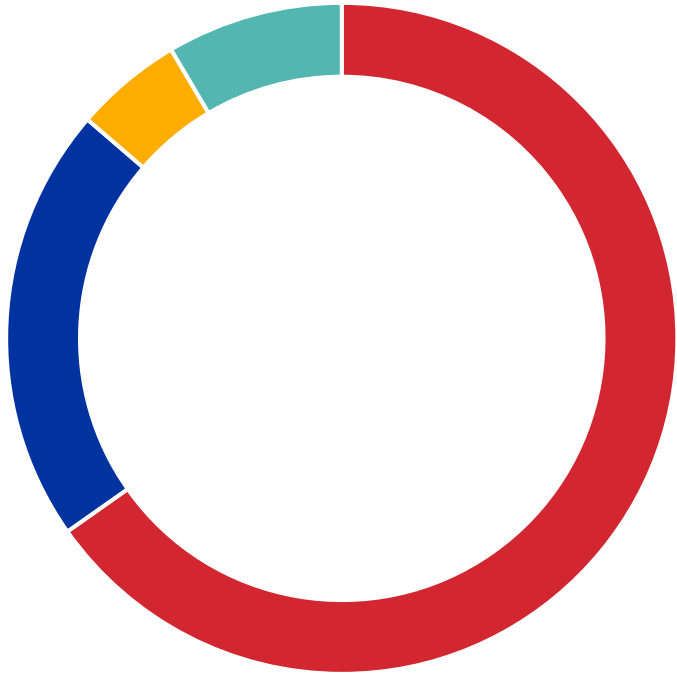


| | Assets (%) |
|-----------------------|------------|
| ● Global Equity | 67.5% |
| ● Global Fixed Income | 24.5% |
| ● Real Estate | 5.8% |
| ● Natural Resources | 1.6% |
| ● Cash | 0.0% |
| ● Impact Investing | 0.6% |

• You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

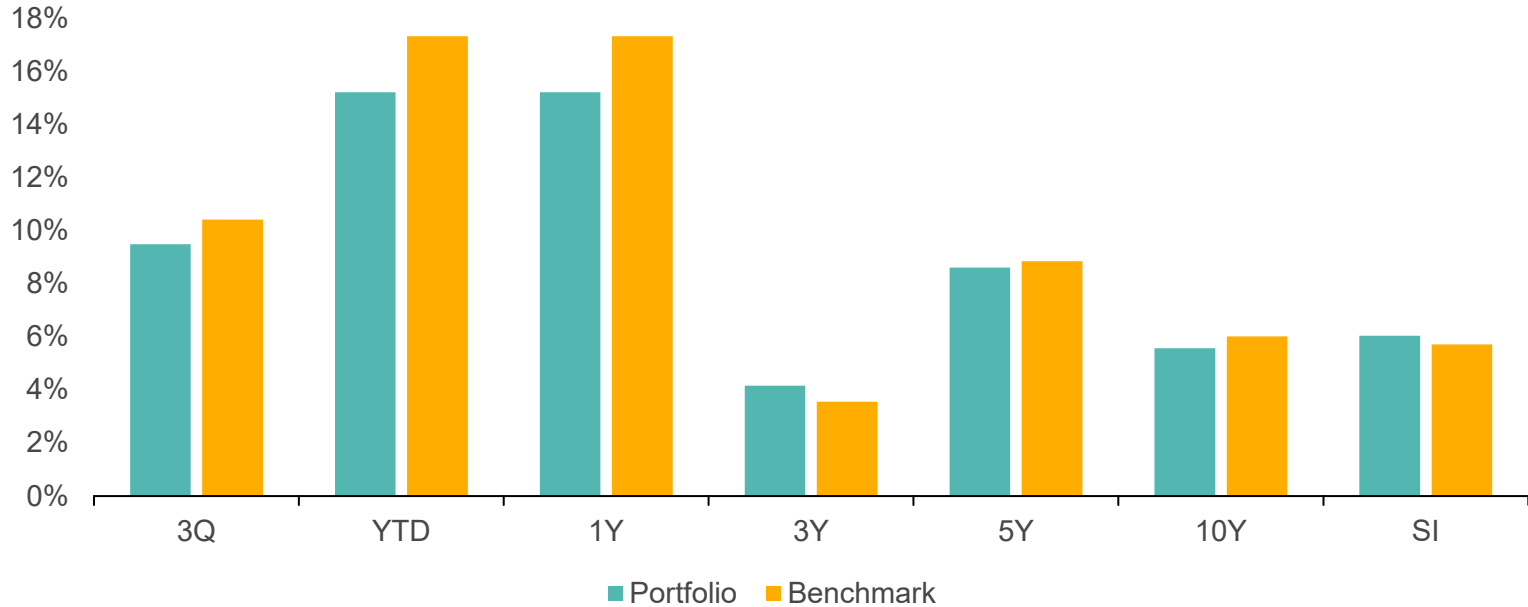
Greater Tacoma Community Foundation – Long-Term Pool Portfolio

Portfolio composition



| | |
|-----------------|-------|
| Public Equity | 65.2% |
| Fixed Income | 21.1% |
| Real Estate | 5.2% |
| Private Capital | 8.5% |

Long Term Pool Performance

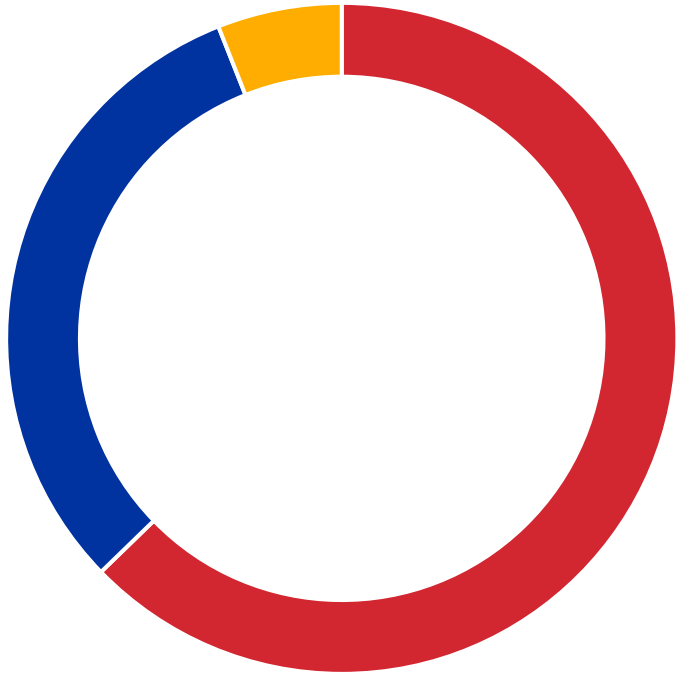


| | 4 th QTR | 1 YEAR | 3 YEARS | 5 YEARS | 10 YEARS | INCEPTION (12/31/1999) |
|--------------------|---------------------|--------|---------|---------|----------|------------------------|
| Portfolio* | 9.5% | 15.2% | 4.2% | 8.6% | 5.6% | 6.0% |
| Benchmark** | 10.4% | 17.3% | 3.6% | 8.8% | 6.0% | 5.7% |

Notes:
 Data as-of December 31, 2023.
 *Returns are net of investment management fee
 **Time weighted benchmark. Benchmark history available upon request.
 Sources: Vanguard

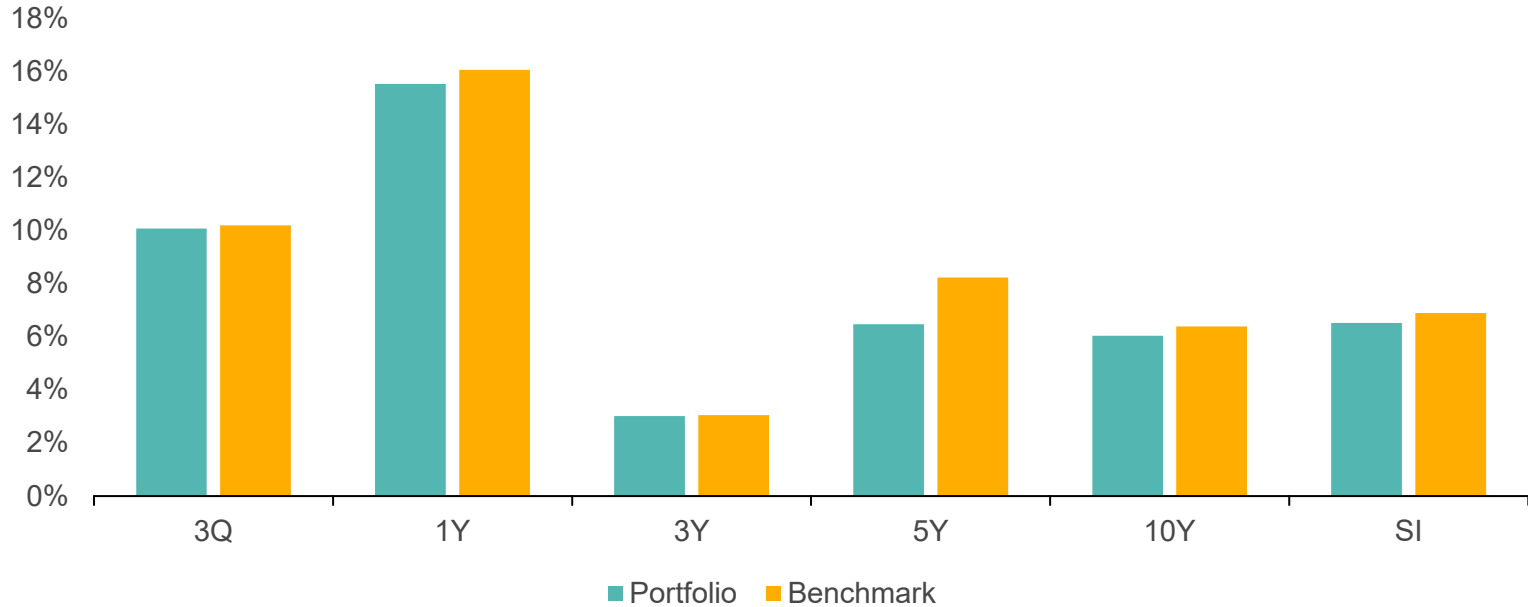
Greater Tacoma Community Foundation – Annuity Pool Portfolio

Portfolio composition



| | |
|--------------|-------|
| Equity | 62.7% |
| Fixed Income | 31.3% |
| Real Estate | 6.0% |

Annuity Pool Performance



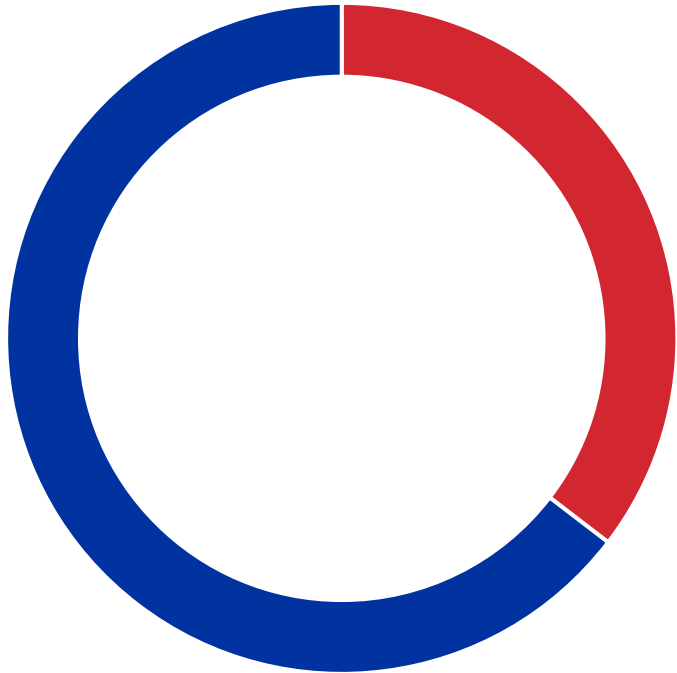
| | 4 th QTR | 1 YEAR | 3 YEARS | 5 YEARS | 10 YEARS | INCEPTION (6/30/2002) |
|--------------------|---------------------|--------|---------|---------|----------|-----------------------|
| Portfolio* | 10.1% | 15.5% | 3.0% | 6.5% | 6.0% | 6.5% |
| Benchmark** | 10.2% | 16.1% | 3.0% | 8.2% | 6.4% | 6.9% |

Notes:
 Data as-of December 31, 2023.
 *Returns are net of investment management fee
 **Time weighted benchmark. Benchmark history available upon request.
 Sources: Vanguard

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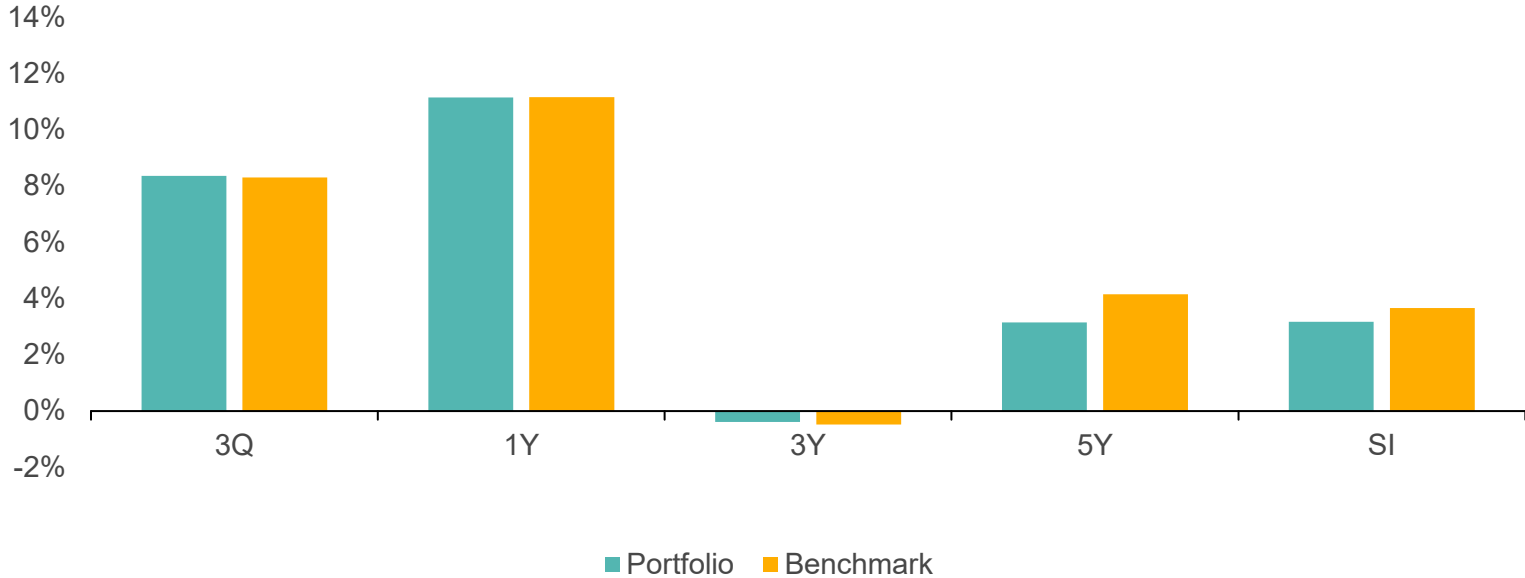
Greater Tacoma Community Foundation – Short-Term Pool Portfolio

Portfolio composition



■ Equity 35.4%
■ Fixed Income 64.6%

Short-Term Pool Performance



| | 4 th QTR | 1 YEAR | 3 YEARS | 5 YEARS | INCEPTION (12/31/2010) |
|--------------------|---------------------|--------|---------|---------|------------------------|
| Portfolio* | 8.4% | 11.1% | -0.4% | 3.1% | 3.2% |
| Benchmark** | 8.3% | 11.2% | -0.5% | 4.1% | 3.7% |

Notes:
 Data as-of December 31, 2023.
 *Returns are net of investment management fee
 **Time weighted benchmark. Benchmark history available upon request.
 Sources: Vanguard

4th Quarter Overview

Economic Outlook

The U.S. economy grew faster than expected in Q3 2023 at an annualized rate of 5.2%, revised higher from the previously reported 4.9%. This pace of growth was the fastest in nearly two years. Current market expectations include an increase in annual, real GDP of around 2% amid diminishing excess savings, slowing gains in wages, and moderation in consumer demand. With the resumption of repayments on loans for higher education as well as the slight increase in delinquency rates in subprime auto and credit card debt, there are signs of certain groups of consumers feeling the effects of tighter financial conditions. On the positive side, we continue to see healthy household balance sheets with low unemployment and steady wage growth, facilitated by a strong labor market.

In the final quarter of 2023, U.S. employers added a total of 565,000 jobs, surpassing the preliminary forecast of 510,000. The Government and Health care sectors were the top two contributors, accounting for just over two-thirds of the recorded additions to the job market. The unemployment rate increased to 3.9% in October, up from September's 3.6%, before retreating to 3.7% at year end. Considering our modestly bullish view of December's labor market report, along with other recent data points, Vanguard is decreasing our probability of recession in 2024 from 60% to 50%, however our forecast for a soft landing scenario has remained steady at 20%.

Inflation, as measured by the Consumer Price Index (CPI), decelerated year-over-year to 3.4% in December, down from the 3rd quarter's 3.7%. Services inflation continues to drive headline CPI while the prices of goods declined during the last twelve months. Real wages rose by 0.8% in 2023, reversing the trend of declining inflation-adjusted pay in 2021 and 2022, and posting better gains than prior to the onset of the pandemic.

Fixed Income – Bonds are back!

Like equities, U.S. and International fixed income markets saw a strong rebound in the fourth quarter and for the year as well. International fixed income¹² outperformed the U.S. bond market with a 6.4% fourth quarter return and 8.7% for the year, while the U.S. fixed income market¹³ returned 6.7% in the fourth quarter and 5.6% during the past 12 months.

Central banks held rates steady in the fourth quarter and signaled rate cuts may be ahead. As a result, rates dropped across the curve, most notably at the 2 and 3-year maturities, declining 80 basis points since September 30, 2023. The long end of the curve saw declines as well, dropping to levels similar to those at year-end 2022. As a result, long-term Treasuries¹⁴ led the maturity spectrum with at 12.7% return, compared to a 6% return for intermediate-term Treasuries¹⁵, and a 3.2% return for short-term Treasuries¹⁶.

Financial markets have priced in earlier and more significant European Central Bank (ECB) rate cuts, moving forward their expectations of the timing of the first rate cut, amid downside surprises to both inflation and growth. Over the quarter, 10-year rates fell globally; Canada (-93bps), United Kingdom (-87bps), Germany (-81bps), Australia (-53bps), Japan (-15bps), China (-11bps). Unhedged international bonds (+9.8%)¹⁷ outperformed U.S. bonds (+6.7%)¹³ for the quarter, mostly due to the weakening of the US dollar.

Equities – AI Boom, cooling inflation, and expectations for rate cuts drive market gains

While the equity markets saw a spike in volatility and declines early in the quarter, they bounced back from a dismal 2022 performance and finished strongly positive for the quarter and the year. For the fourth quarter, U.S. equities¹ returned 12.1% and International equities² returned 9.77%, which contributed to annual returns of 26% and 15.8%, respectively. Most of the annual return for U.S. equities was driven by the exceptionally robust 46.9% return of large cap growth stocks³. However, in the fourth quarter, dynamics shifted as small-cap⁴ equities outperformed mid-cap⁵ and large-cap equities⁶ with a 13.4% return, compared to 12.3% for mid-cap, and 11.9% for large-cap. Growth stocks⁷ continued their dominance over value stocks⁸ in the fourth quarter with a 14.1% return compared to a 9.8% return for value stocks, which supported 2023 returns of 41.2% and 11.7%, respectively.

Real Estate, Information Technology, Financials, and Industrials were the best performing sectors in the US market, all with double-digit gains for the quarter. Energy⁹ was the worst performing US market sector with the only negative return, dropping -6.7% for the quarter.

International equity performance was driven by developed markets¹⁰, which returned 10.8% for the quarter and 18% for the year. Comparatively, emerging markets¹¹ returned 6.8% for the fourth quarter and 9.5% in 2023.