

REPORT OF
COMMUNITY FOUNDATION OF CENTRAL MISSOURI
DECEMBER 31, 2022 AND 2021

DRAFT 2

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Community Foundation of Central Missouri

We have reviewed the accompanying financial statements of the Community Foundation of Central Missouri (the Foundation), which comprise the statements of financial position as of December 31, 2022 and 2021, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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.

Accountants' Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with U.S. generally accepted accounting principles. We believe the results of our procedures provide a reasonable basis for our conclusion. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with U.S. generally accepted accounting principles.

Columbia, Missouri
September 14, 2023

COMMUNITY FOUNDATION OF CENTRAL MISSOURI

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 1,943,852	\$ 1,908,551
Accounts receivable	-	10,000
Prepaid expenses	33,426	42,446
Total current assets	<u>1,977,278</u>	<u>1,960,997</u>
Investments		
Funds held for others:		
Donor advised funds	4,882,333	4,808,641
Designated funds	1,101,334	1,316,814
Field of interest funds	2,355,355	2,476,791
Scholarship funds	1,180,742	1,329,137
Total funds held for others	9,519,764	9,931,383
Agency funds	2,434,155	2,605,038
Foundation investments	774,512	855,640
Total investments	<u>12,728,431</u>	<u>13,392,061</u>
Total assets	<u>\$ 14,705,709</u>	<u>\$ 15,353,058</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 18,526	\$ 18,000
Grants payable	-	27,200
Funds held for agencies	2,434,155	2,607,763
CoMoGives funds payable	1,877,630	1,859,660
Total liabilities	<u>4,330,311</u>	<u>4,512,623</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	9,512,688	10,111,448
Total without donor restrictions	9,512,688	10,111,448
With donor restrictions	862,710	728,987
Total net assets	<u>10,375,398</u>	<u>10,840,435</u>
Total liabilities and net assets	<u>\$ 14,705,709</u>	<u>\$ 15,353,058</u>

See independent accountants' review report and accompanying notes to financial statements.

COMMUNITY FOUNDATION OF CENTRAL MISSOURI

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2022 and 2021

	2022	2021
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND OTHER SUPPORT		
CoMoGives income	\$ 60,312	\$ 60,185
Consultation income	20,000	20,000
Contributions	3,072,413	2,154,355
Fee income	134,435	113,931
In-kind support - City of Columbia	87,000	87,000
Investment return	(1,684,021)	844,819
Net assets released from donor restrictions	230,533	395,990
Total revenues and other support	1,920,672	3,676,280
EXPENSES		
Administrative fees	130,294	109,071
Advertising and marketing	2,995	221
CoMoGives expenses	36,811	30,568
CoMoGives grants	19,000	18,000
Grants	2,165,548	1,715,729
In-kind expense - City of Columbia	87,000	87,000
Insurance	2,892	2,892
Miscellaneous	4,615	2,620
Professional fees	16,615	21,600
Salaries	53,588	40,425
Travel	74	1,235
Total expenses	2,519,432	2,029,361
Change in net assets without donor restrictions	(598,760)	1,646,919
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	372,271	549,676
Investment return	(8,015)	(34)
Net assets released from donor restrictions	(230,533)	(395,990)
Change in net assets with donor restrictions	133,723	153,652
Change in net assets	(465,037)	1,800,571
Net assets, beginning of year	10,840,435	9,039,864
Net assets, end of year	\$ 10,375,398	\$ 10,840,435

See independent accountants' review report and accompanying notes to financial statements.

COMMUNITY FOUNDATION OF CENTRAL MISSOURI

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (465,037)	\$ 1,800,571
Reconciliation of change in net assets to net cash provided by operating activities:		
Net unrealized gain on investments	1,929,564	(346,699)
Realized gain on sales of investments	(108,782)	(346,322)
Adjustments for (increases) decreases in assets and increases (decreases) in liabilities:		
Accounts receivable	10,000	(10,000)
Prepaid expenses	9,020	(2,021)
Accounts payable	526	215
Grants payable	(27,200)	27,200
Funds held for others	(2,725)	2,725
CoMoGives funds payable	17,970	193,267
Net cash provided by operating activities	1,363,336	1,318,936
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	14,138,064	1,465,117
Purchases of investments	(15,466,099)	(2,570,583)
Net cash used by investing activities	(1,328,035)	(1,105,466)
Net change in cash	35,301	213,470
Cash, beginning of year	1,908,551	1,695,081
Cash, end of year	\$ 1,943,852	\$ 1,908,551

See independent accountants' review report and accompanying notes to financial statements.

COMMUNITY FOUNDATION OF CENTRAL MISSOURI

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of entity: The Community Foundation of Central Missouri (the Foundation) is a charitable organization established for the general purpose of soliciting and receiving gifts, donations and bequests of money and property to be used to expand philanthropy, support nonprofits, and engage in key community issues throughout Central Missouri. The Foundation also acts as an agent and investment manager for various funds that have been donated to or accumulated by organizations associated with the Foundation in Central Missouri.

The Foundation is the sole member of the Community Foundation of Central Missouri Real Estate LLC, which was formed in March 2021 to receive real property contributed to the Foundation. As of the date of this report, the entity has not received any real property contributed to the Foundation and as such, it is not consolidated into the Foundation's the financial statements.

Basis of accounting: The financial statements have been prepared on the accrual basis of accounting.

Classes of net assets: The Foundation reports information regarding its financial position and activities according to two classes of net assets:

Without donor restrictions: Net assets available for use in general operations and not subject to donor- (or certain grantor-) restrictions.

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

The Foundation had \$862,710 and \$728,987 of net assets with donor restrictions for unspent contributions received for the Boone County Nature School, Columbia African American Heritage Trail, and Friends of the Farm – Build this Town funds as of December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, there were no donor restricted net assets required to be maintained in perpetuity.

Use of estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Cash and cash equivalents: For purposes of the Statements of Cash Flows, the Foundation considers demand deposits and short-term investments with original maturities of three months or less to be cash and cash equivalents. The Foundation maintains cash balances at established financial institutions which are fully insured by the Federal Deposit Insurance Corporation (FDIC). Depending on the level of insurance in effect, these account balances may occasionally exceed the FDIC insurance limit.

Accounts receivable: The accounts receivable balance consists of a CoMoGives sponsorship that was not collected prior to December 31, 2021. The Foundation considers the balance fully collectable, and as such, no allowance for doubtful accounts was accrued as of December 31, 2021. The Foundation did not have any accounts receivable balances as of December 31, 2022.

Investments: Investments in equity securities with readily determinable market values and all investments in debt securities are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value of investment pools represents the estimated market value of the underlying securities and is generally obtained from the Foundation's investment custodians and managers, who obtain quoted market prices and dealer quotes. Realized and unrealized gains and losses are reported in the Statements of Activities. Investments which have been donated to the Foundation are recorded at estimated fair value at the date of the gift.

Investments are exposed to various risks, such as interest rates, market, and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in their values, it is at least reasonably possible that changes in risks in the near term would materially affect the investment balances reported in the financial statements.

Investment return reported in the Statements of Activities includes annual realized and unrealized gains and losses (changes in fair value), dividend income, interest income and other investment income, net of investment fees.

Agency funds: The Foundation acts as a fiscal agent for other organizations that wish to establish a fund at the Foundation with its own resources and have specified itself as the beneficiary of that fund. The Foundation refers to such funds as agency funds and accounts for the transfer of such assets as a liability. For financial reporting purposes, contributions to and distributions from agency funds are netted with the gross activity in the Statements of Activities.

CoMoGives: CoMoGives is a special web-based fund-raising campaign operated by the Foundation each December to facilitate year-end giving to a cross-section of nonprofit organizations. The Foundation distributes a guide listing nonprofit organizations, and donors can select multiple agencies for donations with one credit card payment. The Foundation collects all donations and subsequently disburses funds received for other entities in February. Amounts due to other entities are recorded as CoMoGives funds payable.

The Foundation also receives contributions revenue through the CoMoGives campaign and CoMoGives income from fees nonprofit organizations pay to participate in the campaign. The Foundation sends invitation letters to participate in the campaign to nonprofit organizations in the first half of the year and payment is due in June before the campaign begins in December. CoMoGives income is reported at the amount that reflects the consideration in which the Foundation expects to be entitled in exchange for providing participation in the campaign. Revenue is recognized as the performance obligation is satisfied, which is ratably over the CoMoGives campaign in December.

Consultation income: The Foundation provides consultation services to the City of Boonville. The set fee is due quarterly, and revenue is recognized as the performance obligation is satisfied, which is ratably over the duration of the year, which begins annually on January 1.

Contributions received: Contributions to the Foundation are recognized as revenues when received. Contributions to the Foundation that require the Foundation to expend or invest the funds on behalf of an organization associated with the Foundation in Central Missouri are reported as contributions revenue. Funds received by the Foundation directly from such organizations for investment purposes are reported "funds held for others" in the Statements of Financial Position.

Fee income: The Foundation receives administrative fees on funds held by the Foundation to support their mission-based operations. The fees are charged to the fund monthly based on the average fair market value of assets. The fee schedule is as follows: \$350 minimum fee, 1.15% on the first \$500,000, 0.85% on the next \$500,000, 0.60% on the next \$5 million, 0.30% on funds \$6 million and above. Revenue is recognized as the performance obligation is satisfied, which is ratably over the duration of the year, which begins annually on January 1.

Donated services: Donated services are reported if they create a nonfinancial asset or would typically need to be purchased by the Foundation if the services had not been provided by the contribution, require specialized skills, and are provided by individuals of those skills. If donated services meet the definition, they are recorded at fair value of the services received. During the years ended December 31, 2022 and 2021, the City of Columbia donated personnel services to the Foundation, and the value of the donated services is reflected in the financial statements based on current rates. The donated services are used in the Foundation’s sole program, do not have donor-imposed restrictions, and are not monetized.

Income taxes: The Foundation is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes pursuant to Section 501(a) of the Code.

Functional allocation of expenses: The costs of providing program activities has been summarized by natural classification in the Statements of Activities. Accordingly, all expenses are considered to be for the Foundation’s single program of soliciting and receiving gifts to be used to expand philanthropy, support nonprofits, and engage in key community issues throughout Central Missouri.

Subsequent events: Events that have occurred subsequent to December 31, 2022, have been evaluated through **September 14, 2023**, which represents the date the Foundation’s financial statements were approved by management and, therefore, were available to be issued.

2. LIQUIDITY AND AVAILABILITY

The Foundation manages its liquidity in order to operate within a prudent range of financial stability and maintain adequate liquidity to fund near-term operations.

The Foundation’s financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, include the following:

	<u>2022</u>	<u>2021</u>
Cash	\$ 64,387	\$ 34,434
Foundation investments	774,512	855,640
	<u>\$ 838,899</u>	<u>\$ 890,074</u>

3. INVESTMENTS

The Foundation maintains separate investment pools which vary in risk and income characteristics. At their choosing, organizations associated with the Foundation in Central Missouri place funds with the Foundation for investment purposes. These funds are reported in the Statements of Financial Position as “funds held for others.” The Foundation used the Greater Kansas City Community Foundation for investment advisory services until September 2022, at which time the Foundation switched to Community Foundation of Northwest Missouri for investment advisory services. Additionally, there are funds invested at the donor’s option with other financial institutions. Due to the transition from Greater Kansas City Community Foundation to Community Foundation of Northwest Missouri near year end, the funds were not transferred into pools until after year end.

Investments consist of the following as of December 31:

2022	Funds held for others	Agency funds	Foundation	Total
<i>By Type</i>				
Equity mutual funds	\$ 588,441	\$ 139,141	\$ -	\$ 727,582
Fixed income mutual funds	315,434	74,587	-	390,021
Money market funds	8,615,454	2,220,324	774,512	11,610,290
Alternative mutual funds	435	103	-	538
Common stock	-	-	-	-
Total investments	<u>\$ 9,519,764</u>	<u>\$ 2,434,155</u>	<u>\$ 774,512</u>	<u>\$ 12,728,431</u>
<i>By Investment Pool</i>				
Other	<u>\$ 9,519,764</u>	<u>\$ 2,434,155</u>	<u>\$ 774,512</u>	<u>\$ 12,728,431</u>
Total investments	<u>\$ 9,519,764</u>	<u>\$ 2,434,155</u>	<u>\$ 774,512</u>	<u>\$ 12,728,431</u>
2021	Funds held for others	Agency funds	Foundation	Total
<i>By Type</i>				
Equity mutual funds	\$ 4,793,880	\$ 1,268,232	\$ 457,653	\$ 6,519,765
Fixed income mutual funds	3,459,626	913,874	324,573	4,698,073
Money market funds	1,598,206	403,692	73,414	2,075,312
Alternative mutual funds	27,725	6,696	-	34,421
Total investments	<u>\$ 9,931,383</u>	<u>\$ 2,605,038</u>	<u>\$ 855,640</u>	<u>\$ 13,392,061</u>
<i>By Investment Pool</i>				
Equity pool	\$ 4,076,789	\$ 1,095,056	\$ 457,653	\$ 5,629,498
Fixed income pool	3,117,168	831,172	324,573	4,272,913
Money market pool	1,556,549	393,632	73,414	2,023,595
Other	1,180,876	285,179	-	1,466,055
Total investments	<u>\$ 9,931,383</u>	<u>\$ 2,605,038</u>	<u>\$ 855,640</u>	<u>\$ 13,392,061</u>

The investment return for the years ended December 31, consists of:

2022	Funds held for others	Agency funds	Foundation	Total
Net realized gain on sales of investments	\$ 99,058	\$ 23,814	\$ 9,724	\$ 132,596
Net unrealized gain resulting from change in fair value of investments	(1,750,265)	(514,028)	(179,299)	(2,443,592)
Dividends and interest	117,991	34,232	10,755	162,978
Less agency funds	-	455,982	-	455,982
Total investment return	<u>\$ (1,533,216)</u>	<u>\$ -</u>	<u>\$ (158,820)</u>	<u>\$ (1,692,036)</u>

2021	Funds held for others	Agency funds	Foundation	Total
Net realized gain on sales of investments	\$ 317,548	\$ 78,487	\$ 28,774	\$ 424,809
Net unrealized gain resulting from change in fair value of investments	328,032	72,667	18,667	419,366
Dividends and interest	138,782	37,348	12,982	189,112
Less agency funds	-	(188,502)	-	(188,502)
Total investment return	<u>\$ 784,362</u>	<u>\$ -</u>	<u>\$ 60,423</u>	<u>\$ 844,785</u>

4. FAIR VALUE MEASUREMENTS

For assets and liabilities required to be reported at fair value, U.S. generally accepted accounting principles prescribes a framework for measuring fair value and financial statement disclosures about fair value measurements. A fair value hierarchy has been established that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value hierarchy as prescribed by U.S. generally accepted accounting principles is as follows:

- Level 1 Valuation is based upon quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access.
- Level 2 Valuation is based upon quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.
- Level 3 Valuation is generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on the entity's own assumptions, because there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The Foundation's assets and liabilities measured at fair value on a recurring basis as of December 31, aggregated by the level in the fair value hierarchy within which those measurements fall, are as follows:

2022				
Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Equity mutual funds	\$ 727,582	\$ 727,582	\$ -	\$ -
Fixed income mutual funds	390,021	390,021	-	-
Money market funds	11,610,290	11,610,290	-	-
Alternative mutual funds	538	538	-	-
Total investments	<u>\$ 12,728,431</u>	<u>\$ 12,728,431</u>	<u>\$ -</u>	<u>\$ -</u>
2021				
Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Equity mutual funds	\$ 6,519,765	\$ 6,519,765	\$ -	\$ -
Fixed income mutual funds	4,698,073	4,698,073	-	-
Money market funds	2,075,312	2,075,312	-	-
Alternative mutual funds	34,421	34,421	-	-
Total investments	<u>\$ 13,392,061</u>	<u>\$ 13,392,061</u>	<u>\$ -</u>	<u>\$ -</u>

Level 1 classifications above consist of equity mutual funds, fixed income mutual funds, money market funds, common stock, and alternative mutual funds that are valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

No investments are classified as Level 2 or Level 3 above.

5. TRANSACTIONS IN AGENCY FUNDS

Transactions in agency funds as of December 31, are summarized as follows:

	<u>2022</u>	<u>2021</u>
Additions		
Contributions	\$ 525,425	\$ 342,354
Interest and dividends	34,232	37,348
Net unrealized and realized gains	(490,214)	151,154
Total additions	<u>69,443</u>	<u>530,856</u>
Deductions		
Administrative fees	27,962	23,869
Distributions - grants	215,089	-
Total deductions	<u>243,051</u>	<u>23,869</u>
Change in balance	(173,608)	506,987
Balance in agency funds, beginning of year	<u>2,607,763</u>	<u>2,100,776</u>
Balance in agency funds, end of year	<u><u>\$ 2,434,155</u></u>	<u><u>\$ 2,607,763</u></u>

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