

**REPORT OF**  
**COMMUNITY FOUNDATION OF CENTRAL MISSOURI**  
**DECEMBER 31, 2017 AND 2016**

## 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, 2017 and 2016, 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

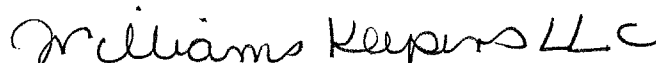
Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial 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.

### 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.



August 22, 2018

**COMMUNITY FOUNDATION OF CENTRAL MISSOURI**

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
Cash	\$ 716,889	\$ 594,203
Accounts receivable	-	5,000
Prepaid expenses	20,000	16,000
Total current assets	736,889	615,203
Investments		
Funds held for others:		
Donor advised funds	1,936,221	1,739,738
Designated funds	296,923	227,663
Field of interest funds	1,451,473	955,425
Organization and agency funds	2,335,006	1,489,456
Scholarship funds	593,984	360,027
Total funds held for others	6,613,607	4,772,309
Foundation investments	312,172	197,034
Total investments	6,925,779	4,969,343
Real estate held for resale	250,000	455,000
Total assets	\$ 7,912,668	\$ 6,039,546
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 20,128	\$ 28,490
Security deposits payable	2,000	2,000
Funds held for others	6,613,607	4,772,309
CoMoGives funds payable	698,531	548,551
Total liabilities	7,334,266	5,351,350
<b>NET ASSETS</b>		
Unrestricted		
Designated for:		
Real estate expenses	15,514	-
Undesignated	557,147	687,256
Total unrestricted	572,661	687,256
Temporarily restricted	5,741	940
Total net assets	578,402	688,196
Total liabilities and net assets	\$ 7,912,668	\$ 6,039,546

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

**COMMUNITY FOUNDATION OF CENTRAL MISSOURI**

**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2017 and 2016**

	2017	2016
<b>UNRESTRICTED NET ASSETS</b>		
<b>REVENUES AND OTHER SUPPORT</b>		
CoMoGives income	\$ 45,100	\$ 34,750
Consultation income	20,000	20,000
Contributions	18,060	483,802
Fee income	53,958	39,827
In-kind support - City of Columbia	80,000	80,000
Investment income	28,546	10,571
Rental income	24,000	-
Net assets released from restrictions	179	60
	<u>269,843</u>	<u>669,010</u>
<b>EXPENSES</b>		
Administrative fees	8,966	7,968
Advertising and marketing	253	2,960
CoMoGives expenses	22,151	24,633
CoMoGives grants	15,500	12,500
City of Columbia expense	1,964	-
Grants	10,450	6,750
Impairment loss on real estate held for sale	205,000	-
In-kind expense - City of Columbia	80,000	80,000
Insurance	5,960	2,376
Miscellaneous	1,188	804
Professional fees	12,265	12,795
Property taxes	3,531	-
Salaries	16,000	16,000
Travel	1,210	3,018
	<u>384,438</u>	<u>169,804</u>
Total expenses		
	<u>(114,595)</u>	<u>499,206</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Revenues and other support	4,980	1,000
Net assets released from restrictions	(179)	(60)
	<u>4,801</u>	<u>940</u>
Change in temporarily restricted net assets		
	<u>(109,794)</u>	<u>500,146</u>
Change in net assets		
Net assets, beginning of year	688,196	188,050
Net assets, end of year	<u>\$ 578,402</u>	<u>\$ 688,196</u>

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

**COMMUNITY FOUNDATION OF CENTRAL MISSOURI**

**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2017 and 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (109,794)	\$ 500,146
Reconciliation of change in net assets to net cash provided by operating activities:		
Contributed real estate held for resale	-	(455,000)
Net unrealized gain on investments	(379,345)	(117,491)
Realized gain on sales of investments	(69,807)	(12,892)
Impairment loss on real estate held for resale	205,000	-
Adjustments for (increases) decreases in assets and increases (decreases) in liabilities		
Accounts receivable	5,000	(5,000)
Prepaid expenses	(4,000)	(16,000)
Accounts payable	(8,364)	14,756
Security deposits payable	-	2,000
Funds held for others	1,841,300	1,592,727
Miscellaneous funds held	149,980	216,836
Net cash provided by operating activities	1,629,970	1,720,082
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	672,712	633,723
Purchases of investments	(2,179,996)	(2,155,683)
Net cash used by investing activities	(1,507,284)	(1,521,960)
Net change in cash	122,686	198,122
Cash at beginning of year	594,203	396,081
Cash at end of year	\$ 716,889	\$ 594,203

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.

*Basis of accounting:* The financial statements have been prepared on the accrual basis of accounting, whereby revenues are reported when earned and expenses are reported when incurred.

*Classes of net assets:* The classification of net assets into the categories of unrestricted, temporarily restricted and permanently restricted is based on the presence or absence of donor-imposed restrictions, stipulations that specify a use for a contribution that is more specific than broad limits resulting from the Foundation's basic mission and environment in which it operates. The Foundation had \$5,741 and \$940 of temporarily restricted net assets for unspent contributions received for the Boonville Community Fund and CoMoGives Community Granting Fund as of December 31, 2017 and 2016, respectively. As of December 31, 2017 and 2016, there were no permanently restricted net assets.

*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.

*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.

*Real estate held for resale:* The Foundation received a contribution of land and building in December 2016 at an appraised value of \$455,000 as an unrestricted gift. The donors also transferred the related security deposits of \$2,000. During 2017, the Foundation listed the property at a selling price of \$250,000, and the carrying value of the asset was reduced accordingly. As a result, an impairment loss of \$205,000 is reported in the accompanying Statements of Activities.

The Foundation intends to sell the real estate as soon as reasonably possible and does not intend to keep it long-term. As a result, no depreciation is being recorded.

The property is currently rented, and the Foundation received rent payments totaling \$24,000 during 2017.

*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 as agency accounts under “funds held for others” in the accompanying Statements of Financial Position.

*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 January. Amounts due to other entities are recorded as CoMoGives payable. The Foundation also received contributions through the CoMoGives campaign, which it records as revenue.

*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: \$250 minimum fee, 1.00% on the first \$500,000, 0.60% on the next \$500,000, 0.30% on the next \$2 million, 0.10% on the next \$4 million, and a flat 0.25% on funds \$7 million and above.

*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, 2017 and 2016, the City of Columbia donated personnel services to the Foundation, and the value of the donated services is reflected in the financial statements.

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

*Subsequent events:* Events that have occurred subsequent to December 31, 2017, have been evaluated through August 22, 2018, which represents the date the Foundation’s financial statements were approved by management and, therefore, were available to be issued.

## 2. 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 accompanying Statements of Financial Position as “funds held for others”. The Foundation uses the Greater Kansas City Community Foundation for investment advisory services. Additionally, there are funds invested at the donor’s option with other financial institutions.

Investments consist of the following as of December 31, 2017 and 2016:

	2017	Funds held		
		for others	Foundation	Total
	<i>By Type</i>			
Equity mutual funds		\$ 2,958,450	\$ 157,727	\$ 3,116,177
Fixed income mutual funds		2,376,899	147,873	2,524,772
Money market funds		1,278,258	6,572	1,284,830
Total investments		<u>\$ 6,613,607</u>	<u>\$ 312,172</u>	<u>\$ 6,925,779</u>
	<i>By Investment Pool</i>			
Equity pool		\$ 2,661,232	\$ 157,727	\$ 2,818,959
Fixed income pool		2,192,102	147,873	2,339,975
Other		496,972	-	496,972
Money market pool		1,263,301	6,572	1,269,873
Total investments		<u>\$ 6,613,607</u>	<u>\$ 312,172</u>	<u>\$ 6,925,779</u>
	2016			
	<i>By Type</i>			
Equity mutual funds		\$ 2,098,758	\$ 97,351	\$ 2,196,109
Fixed income mutual funds		1,783,456	95,215	1,878,671
Money market funds		890,095	4,468	894,563
Total investments		<u>\$ 4,772,309</u>	<u>\$ 197,034</u>	<u>\$ 4,969,343</u>
	<i>By Investment Pool</i>			
Equity pool		\$ 1,806,757	\$ 97,351	\$ 1,904,108
Fixed income pool		1,643,373	95,215	1,738,588
Other		440,609	-	440,609
Money market pool		881,570	4,468	886,038
Total investments		<u>\$ 4,772,309</u>	<u>\$ 197,034</u>	<u>\$ 4,969,343</u>



The investment income for the years ended December 31, 2017 and 2016, consists of:

	2017		2016	
	Funds held for others	Foundation	Funds held for others	Foundation
Net realized gain on sales of investments	\$ 66,323	\$ 3,484	\$ 11,705	\$ 1,187
Net unrealized gain resulting from change in fair value of investments	359,982	19,363	111,869	5,622
Dividends and interest	102,054	5,699	71,482	3,762
Less amount for funds held for others	(528,359)	-	(195,056)	-
Total investment income	\$ -	\$ 28,546	\$ -	\$ 10,571

### 3. 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, 2017 and 2016, aggregated by the level in the fair value hierarchy within which those measurements fall, are as follows:

2017				
Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Equity mutual funds	\$ 3,116,177	\$ 3,116,177	\$ -	\$ -
Fixed income mutual funds	2,524,772	2,524,772	-	-
Money market funds	1,284,830	1,284,830	-	-
Total investments	<u>\$ 6,925,779</u>	<u>\$ 6,925,779</u>	<u>\$ -</u>	<u>\$ -</u>

2016				
Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Equity mutual funds	\$ 2,196,109	\$ 2,196,109	\$ -	\$ -
Fixed income mutual funds	1,878,671	1,878,671	-	-
Money market funds	894,563	894,563	-	-
Total investments	<u>\$ 4,969,343</u>	<u>\$ 4,969,343</u>	<u>\$ -</u>	<u>\$ -</u>

Level 1 classifications above consist of equity mutual funds, fixed income mutual funds, and money market 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.

#### 4. TRANSACTIONS IN FUNDS HELD FOR OTHERS

Transactions in funds held for others as of December 31, 2017 and 2016, are summarized as follows:

	2017	2016
Additions		
Contributions	\$ 1,981,213	\$ 2,019,621
Interest and dividends	102,054	71,482
Net unrealized and realized gains	426,305	123,574
Total additions	<u>2,509,572</u>	<u>2,214,677</u>
Deductions		
Administrative fees	56,354	42,986
Distributions - grants	611,920	578,962
Total deductions	<u>668,274</u>	<u>621,948</u>
Change in balance	1,841,298	1,592,729
Balance in funds held for others, beginning of year	<u>4,772,309</u>	<u>3,179,580</u>
Balance in funds held for others, end of year	<u>\$ 6,613,607</u>	<u>\$ 4,772,309</u>