

REPORT OF
COMMUNITY FOUNDATION OF CENTRAL MISSOURI
DECEMBER 31, 2016 AND 2015

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, 2016 and 2015, 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 issued 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.

Williams Keepers LLC

July 26, 2017

COMMUNITY FOUNDATION OF CENTRAL MISSOURI

STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

	2016	2015
ASSETS		
Cash	\$ 594,203	\$ 396,081
Accounts receivable	5,000	-
Prepaid expenses	16,000	-
Total current assets	615,203	396,081
Investments		
Funds held for others:		
Donor advised funds	1,739,738	668,669
Designated funds	227,663	175,094
Field of interest funds	955,425	766,345
Organization and agency funds	1,489,456	1,228,960
Scholarship funds	360,027	340,512
Total funds held for others	4,772,309	3,179,580
Foundation investments	197,034	137,420
Total investments	4,969,343	3,317,000
Real estate held for resale	455,000	-
Total assets	\$ 6,039,546	\$ 3,713,081
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 28,492	\$ 13,736
Security deposits payable	2,000	-
Funds held for others	4,772,307	3,179,580
CoMoGives funds payable	548,551	331,715
Total liabilities	5,351,350	3,525,031
NET ASSETS		
Unrestricted	687,256	188,050
Temporarily restricted	940	-
Total net assets	688,196	188,050
Total liabilities and net assets	\$ 6,039,546	\$ 3,713,081

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

COMMUNITY FOUNDATION OF CENTRAL MISSOURI

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2016 and 2015

	2016	2015
UNRESTRICTED NET ASSETS		
REVENUES AND OTHER SUPPORT		
CoMoGives income	\$ 34,750	\$ 36,375
Consultation income	20,000	20,000
Contributions	483,802	26,074
Fee income	39,827	35,348
In-kind support - City of Columbia	80,000	82,999
Investment income (loss)	10,571	(677)
Net assets released from restrictions	60	-
Total revenues and other support	669,010	200,119
EXPENSES		
Administrative fees	7,968	7,500
Advertising and marketing	2,960	7,097
CoMoGives expenses	24,633	13,822
CoMoGives grants	12,500	11,000
Grants	6,750	6,000
In-kind expense - City of Columbia	80,000	82,999
Insurance	2,376	1,373
Miscellaneous	804	313
Professional fees	12,795	9,155
Salaries	16,000	6,000
Travel	3,018	2,303
Total expenses	169,804	147,562
Change in unrestricted net assets	499,206	52,557
TEMPORARILY RESTRICTED NET ASSETS		
Revenues and other support	1,000	-
Net assets released from restrictions	(60)	-
Change in temporarily restricted net assets	940	-
Change in net assets	500,146	52,557
Net assets, beginning of year	188,050	135,493
Net assets, end of year	\$ 688,196	\$ 188,050

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

COMMUNITY FOUNDATION OF CENTRAL MISSOURI

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 500,146	\$ 52,557
Reconciliation of change in net assets to net cash provided by operating activities:		
Contributed real estate held for resale	(455,000)	-
Net unrealized (gain) loss on investments	(117,491)	93,385
Realized (gain) on sales of investments	(12,892)	(24,677)
Adjustments for (increases) decreases in assets and increases (decreases) in liabilities		
Accounts receivable	(5,000)	-
Prepaid expenses	(16,000)	-
Accounts payable	14,756	5,065
Security deposits payable	2,000	-
Funds held for others	1,592,727	(177,118)
Miscellaneous funds held	216,836	77,388
Net cash provided by operating activities	1,720,082	26,600
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	633,723	634,749
Purchases of investments	(2,155,683)	(562,870)
Net cash used by investing activities	(1,521,960)	71,879
Net change in cash	198,122	98,479
Cash at beginning of year	396,081	297,602
Cash at end of year	\$ 594,203	\$ 396,081

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. As of December 31, 2016, there was \$940 of temporarily restricted net assets for unspent contributions received for the Boonville Community Fund. There were no temporarily restricted net assets as of December 31, 2015. As of December 31, 2016 and 2015, 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 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 property is currently rented, and the donors also transferred the related security deposits of \$2,000. 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 Foundation will receive rent payments starting in 2017 until it is sold.

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, 2016 and 2015, 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, 2016, have been evaluated through July 26, 2017, 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, 2016 and 2015:

2016		Funds held		
		for others	Foundation	Total
<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>
2015		Funds held		
		for others	Foundation	Total
<i>By Type</i>				
Equity mutual funds		\$ 1,476,262	\$ 67,042	\$ 1,543,304
Fixed income mutual funds		1,271,518	68,144	1,339,662
Money market funds		431,800	2,234	434,034
Total investments		<u>\$ 3,179,580</u>	<u>\$ 137,420</u>	<u>\$ 3,317,000</u>
<i>By Investment Pool</i>				
Equity pool		\$ 1,164,219	\$ 67,042	\$ 1,231,261
Fixed income pool		1,056,433	68,144	1,124,577
Other		551,558	-	551,558
Money market pool		407,370	2,234	409,604
Total investments		<u>\$ 3,179,580</u>	<u>\$ 137,420</u>	<u>\$ 3,317,000</u>

The investment income (loss) for the years ended December 31, 2016 and 2015, consists of:

2016	Funds held for others	Foundation	Total
Net realized gain on sales of investments	\$ 11,705	\$ 1,187	\$ 12,892
Net unrealized gain resulting from change in fair value of investments	111,869	5,622	117,491
Dividends and interest	71,482	3,762	75,244
Less amount for funds held for others	<u>(195,056)</u>	<u>-</u>	<u>(195,056)</u>
Total investment income	<u>\$ -</u>	<u>\$ 10,571</u>	<u>\$ 10,571</u>
2015	Funds held for others	Foundation	Total
Net realized gain on sales of investments	\$ 24,291	\$ 386	\$ 24,677
Net unrealized loss resulting from change in fair value of investments	(89,682)	(3,703)	(93,385)
Dividends and interest	64,324	2,640	66,964
Plus amount for funds held for others	<u>1,067</u>	<u>-</u>	<u>1,067</u>
Total investment (loss)	<u>\$ -</u>	<u>\$ (677)</u>	<u>\$ (677)</u>

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, 2016 and 2015, aggregated by the level in the fair value hierarchy within which those measurements fall, are as follows:

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>
2015				
Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Equity mutual funds	\$ 1,543,304	\$ 1,543,304	\$ -	\$ -
Fixed income mutual funds	1,339,662	1,339,662	-	-
Money market funds	434,034	434,034	-	-
Total investments	<u>\$ 3,317,000</u>	<u>\$ 3,317,000</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, 2016 and 2015, are summarized as follows:

	<u>2016</u>	<u>2015</u>
Additions		
Contributions	\$ 2,019,621	\$ 450,585
Interest and dividends	71,482	64,324
Net unrealized and realized gains (losses)	123,574	(65,391)
Total additions	<u>2,214,677</u>	<u>449,518</u>
Deductions		
Administrative fees	42,986	39,721
Distributions - grants	578,962	586,915
Total deductions	<u>621,948</u>	<u>626,636</u>
Change in balance	1,592,729	(177,118)
Balance in funds held for others, beginning of year	<u>3,179,580</u>	<u>3,356,698</u>
Balance in funds held for others, end of year	<u>\$ 4,772,309</u>	<u>\$ 3,179,580</u>

5. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2015, the Foundation paid professional fees totaling \$6,355 to a company which was owned by a member of the Foundation's Board of Directors.