

REPORT OF
COMMUNITY FOUNDATION OF CENTRAL MISSOURI
DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, 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.

Williams Keepers LLC

August 16, 2021

COMMUNITY FOUNDATION OF CENTRAL MISSOURI

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

	2020	2019 (as restated)
ASSETS		
Cash	\$ 1,695,081	\$ 960,258
Prepaid expenses	40,425	45,700
Total current assets	<u>1,735,506</u>	<u>1,005,958</u>
Investments		
Funds held for others:		
Donor advised funds	4,073,335	2,936,080
Designated funds	1,034,322	931,100
Field of interest funds	1,908,393	1,574,495
Scholarship funds	<u>1,027,613</u>	<u>791,191</u>
Total funds held for others	8,043,663	6,232,866
Agency funds	2,280,108	2,205,863
Foundation investments	<u>765,541</u>	<u>639,362</u>
Total investments	<u>11,089,312</u>	<u>9,078,091</u>
Total assets	<u><u>\$ 12,824,818</u></u>	<u><u>\$ 10,084,049</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 17,785	\$ 16,995
Funds held for agencies	2,280,108	2,205,863
CoMoGives funds payable	<u>1,666,393</u>	<u>927,330</u>
Total liabilities	<u>3,964,286</u>	<u>3,150,188</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	<u>8,285,197</u>	<u>6,550,701</u>
Total without donor restrictions	8,285,197	6,550,701
With donor restrictions	<u>575,335</u>	<u>383,160</u>
Total net assets	<u>8,860,532</u>	<u>6,933,861</u>
Total liabilities and net assets	<u><u>\$ 12,824,818</u></u>	<u><u>\$ 10,084,049</u></u>

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

COMMUNITY FOUNDATION OF CENTRAL MISSOURI

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020	2019 (as restated)
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND OTHER SUPPORT		
CoMoGives income	\$ 48,730	\$ 59,429
Consultation income	20,000	20,000
Contributions	1,881,788	921,338
Fee income	87,694	77,032
In-kind support - City of Columbia	87,000	88,000
Investment return	763,823	857,029
Rental income	-	15,806
Net assets released from donor restrictions	311,799	422,816
Total revenues and other support	3,200,834	2,461,450
EXPENSES		
Administrative fees	84,380	70,852
Advertising and marketing	14,321	1,875
CoMoGives expenses	33,683	15,504
CoMoGives grants	17,000	17,000
Grants	1,171,164	1,508,525
In-kind expense - City of Columbia	87,000	88,000
Insurance	2,446	1,905
Loss on sale of property	-	81,450
Miscellaneous	2,391	3,139
Professional fees	14,672	14,730
Property taxes	-	2,277
Salaries	38,500	21,399
Travel	781	2,274
Total expenses	1,466,338	1,828,930
Change in net assets without donor restrictions	1,734,496	632,520
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	467,618	692,022
Investment return	36,356	10,071
Net assets released from donor restrictions	(311,799)	(422,816)
Change in net assets with donor restrictions	192,175	279,277
Change in net assets	1,926,671	911,797
Net assets, beginning of year (as restated)	6,933,861	6,022,064
Net assets, end of year	\$ 8,860,532	\$ 6,933,861

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

COMMUNITY FOUNDATION OF CENTRAL MISSOURI

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019 (as restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,926,671	\$ 911,797
Reconciliation of change in net assets to net cash provided by operating activities:		
Net unrealized gain on investments	(269,207)	(623,827)
Realized gain on sales of investments	(399,993)	(84,554)
Loss on sale of real estate	-	81,450
Adjustments for (increases) decreases in assets and increases (decreases) in liabilities:		
Prepaid expenses	5,275	(29,700)
Accounts payable	790	371
Security deposits payable	-	(2,000)
CoMoGives funds payable	739,063	144,035
Net cash provided by operating activities	2,002,599	397,572
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,119,809	1,605,031
Proceeds from sale of real estate	-	168,550
Purchases of investments	(2,387,585)	(2,027,873)
Net cash used by investing activities	(1,267,776)	(254,292)
Net change in cash	734,823	143,280
Cash, beginning of year	960,258	816,978
Cash, end of year	\$ 1,695,081	\$ 960,258

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.

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 that 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 \$575,335 and \$383,160 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, 2020 and 2019, respectively. As of December 31, 2020 and 2019, 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.

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.

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.

The Foundation intended to sell the property as soon as reasonably possible and did not intend to keep it long-term. As a result, no depreciation was recorded. The property was rented, and the Foundation received rent payments totaling \$15,806 during 2019.

During 2019, the Foundation sold the property for \$175,000. After fees and other miscellaneous expenses, the net loss on the sale was \$81,450 as reported 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 January. 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: \$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. 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, 2020 and 2019, 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 (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, 2020, have been evaluated through August 16, 2021, 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:

	2020	2019
Cash	\$ 28,688	\$ 32,928
Foundation investments	765,541	639,362
	<u>\$ 794,229</u>	<u>\$ 672,290</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 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:

2020	Funds held for others	Agency funds	Foundation	Total
<i>By Type</i>				
Equity mutual funds	\$ 3,957,150	\$ 1,096,417	\$ 278,861	\$ 5,332,428
Fixed income mutual funds	2,723,362	792,360	337,923	3,853,645
Money market funds	1,346,309	386,971	148,757	1,882,037
Alternative mutual funds	16,843	4,359	-	21,202
Total investments	<u>\$ 8,043,663</u>	<u>\$ 2,280,108</u>	<u>\$ 765,541</u>	<u>\$ 11,089,312</u>
<i>By Investment Pool</i>				
Equity pool	\$ 3,333,103	\$ 934,893	\$ 278,861	\$ 4,546,857
Fixed income pool	2,404,034	709,707	337,923	3,451,664
Money market pool	1,267,740	366,636	148,757	1,783,133
Other	1,038,786	268,872	-	1,307,658
Total investments	<u>\$ 8,043,663</u>	<u>\$ 2,280,108</u>	<u>\$ 765,541</u>	<u>\$ 11,089,312</u>
2019	Funds held for others	Agency funds	Foundation	Total
<i>By Type</i>				
Equity mutual funds	\$ 2,969,382	\$ 1,052,050	\$ 308,212	\$ 4,329,644
Fixed income mutual funds	2,130,221	769,261	266,365	3,165,847
Money market funds	1,111,575	377,591	64,785	1,553,951
Alternative mutual funds	10,320	3,313	-	13,633
Common stock	11,367	3,649	-	15,016
Total investments	<u>\$ 6,232,866</u>	<u>\$ 2,205,863</u>	<u>\$ 639,362</u>	<u>\$ 9,078,091</u>
<i>By Investment Pool</i>				
Equity pool	\$ 2,720,853	\$ 972,276	\$ 308,212	\$ 4,001,341
Fixed income pool	1,967,346	716,981	266,365	2,950,692
Money market pool	1,098,303	373,330	64,785	1,536,418
Other	446,365	143,275	-	589,640
Total investments	<u>\$ 6,232,866</u>	<u>\$ 2,205,863</u>	<u>\$ 639,362</u>	<u>\$ 9,078,091</u>

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

2020	Funds held for others	Agency funds	Foundation	Total
Net realized gain on sales of investments	\$ 365,715	\$ 121,854	\$ 34,278	\$ 521,847
Net unrealized gain resulting from change in fair value of investments	248,024	55,894	21,183	325,101
Dividends and interest	118,842	41,181	12,137	172,160
Less agency funds	-	(218,929)	-	(218,929)
Total investment return	<u>\$ 732,581</u>	<u>\$ -</u>	<u>\$ 67,598</u>	<u>\$ 800,179</u>
2019	Funds held for others	Agency funds	Foundation	Total
Net realized gain on sales of investments	\$ 77,142	\$ 31,097	\$ 7,412	\$ 115,651
Net unrealized gain resulting from change in fair value of investments	572,856	204,971	50,971	828,798
Dividends and interest	146,649	52,465	12,070	211,184
Less agency funds	-	(288,533)	-	(288,533)
Total investment return	<u>\$ 796,647</u>	<u>\$ -</u>	<u>\$ 70,453</u>	<u>\$ 867,100</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:

2020				
Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Equity mutual funds	\$ 5,332,428	\$ 5,332,428	\$ -	\$ -
Fixed income mutual funds	3,853,645	3,853,645	-	-
Money market funds	1,882,037	1,882,037	-	-
Alternative mutual funds	21,202	21,202	-	-
Total investments	<u>\$ 11,089,312</u>	<u>\$ 11,089,312</u>	<u>\$ -</u>	<u>\$ -</u>

2019				
Description	Total	Level 1	Level 2	Level 3
Measured at fair value:				
Equity mutual funds	\$ 4,329,644	\$ 4,329,644	\$ -	\$ -
Fixed income mutual funds	3,165,847	3,165,847	-	-
Money market funds	1,553,951	1,553,951	-	-
Common stock	15,016	15,016	-	-
Alternative mutual funds	13,633	13,633	-	-
Total investments	<u>\$ 9,078,091</u>	<u>\$ 9,078,091</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>2020</u>	<u>2019</u>
Additions		
Contributions	\$ 55,720	\$ 157,240
Interest and dividends	41,181	52,465
Net unrealized and realized gains	177,748	236,068
Total additions	<u>274,649</u>	<u>445,773</u>
Deductions		
Administrative fees	20,004	19,975
Distributions - grants	180,400	69,035
Total deductions	<u>200,404</u>	<u>89,010</u>
Change in balance	74,245	356,763
Balance in agency funds, beginning of year	<u>2,205,863</u>	<u>1,849,100</u>
Balance in agency funds, end of year	<u>\$ 2,280,108</u>	<u>\$ 2,205,863</u>

6. PRIOR PERIOD ADJUSTMENTS

During 2020, the Foundation performed a review of investment funds. As a result of this review, the Foundation identified certain accounts that were previously reported with an offsetting liability that should have been reported as net assets. Accordingly, the following adjustments were made to the originally reported amounts as of and for the year ended December 31, 2019:

	<u>As originally reported</u>	<u>Prior period adjustments</u>	<u>As restated</u>
Investments			
Funds held for others	\$ 8,438,729	\$ (2,205,863)	\$ 6,232,866
Agency funds	-	2,205,863	2,205,863
Funds held for agencies payable	8,438,729	(6,232,866)	2,205,863
Net assets without donor restrictions			
Net assets, January 1, 2019	626,184	5,291,997	5,918,181
CoMoGives income	57,073	2,356	59,429
Contributions	14,873	906,465	921,338
Investment return	70,453	786,576	857,029
Net assets released from donor restrictions	2,508	420,308	422,816
Administrative fees	11,242	59,610	70,852
Grants	15,500	1,493,025	1,508,525
Net assets, December 31, 2019	695,634	5,855,067	6,550,701

	<u>As originally reported</u>	<u>Prior period adjustments</u>	<u>As restated</u>
Net assets with donor restrictions			
Net assets, January 1, 2019	5,513	98,370	103,883
Contributions	2,356	689,666	692,022
Investment return	-	10,071	10,071
Net assets released from donor restrictions	(2,508)	(420,308)	(422,816)
Net assets, December 31, 2019	5,361	377,799	383,160

7. SUBSEQUENT EVENT

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. No property has been received as of the report date.