

REPORT OF:
Columbia Center for Urban Agriculture
December 31, 2016 and 2015

Howe & Associates, PC
Columbia, Missouri

Columbia Center for Urban Agriculture

Financial Statements

December 31, 2016 and 2015

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HOWE & ASSOCIATES, PC
Certified Public Accountants
104 East Broadway
Columbia, MO 65203
(573) 874-1040 (573) 442-2323 fax

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Columbia Center for Urban Agriculture

We have audited the accompanying financial statements of Columbia Center for Urban Agriculture (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Columbia Center for Urban Agriculture as of December 31, 2016, and results of its changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

The 2015 financial statements were reviewed by us and our report thereon, dated June 8, 2016, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Howe & Associates P.C.

Howe & Associates, PC
Columbia, Missouri
June 15, 2017

Columbia Center for Urban Agriculture
STATEMENTS OF FINANCIAL POSITION
December 31, 2016 and 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	\$ 97,050	\$ 77,473
Investments (note 5)	28,998	17,072
Accounts Receivable	42,090	10,765
Prepaid Expenses	17,853	14,000
Security Deposits	1,935	880
Fixed Assets (net)	24,977	16,209
TOTAL ASSETS	\$ 212,903	\$ 136,399
LIABILITIES & NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 130	\$ 40
Credit Cards	1,253	1,175
Friends of the Farm (note 6)	5,000	-
MOYFC Fiscal Sponsorship (note 7)	2,424	777
TOTAL LIABILITIES	8,807	1,992
NET ASSETS		
Unrestricted	105,302	96,955
Board Designated for Investments	28,424	17,072
Temporarily Restricted	70,370	20,380
TOTAL NET ASSETS	204,096	134,407
TOTAL LIABILITIES & NET ASSETS	\$ 212,903	\$ 136,399

The accompanying notes are an integral part of these financial statements.

Columbia Center for Urban Agriculture
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2016 and 2015

	2016	2015
UNRESTRICTED NET ASSETS		
Revenue & Support		
Contributions, Gifts, and Grants	\$ 244,967	\$ 181,813
Program Service Revenue	77,013	47,997
Sales of Produce	15,418	14,774
Special Events Revenues	26,126	24,623
Membership Dues	9,465	8,181
Interest and Dividends	670	439
Realized and Unrealized Gain (Loss)	910	(450)
Miscellaneous Income	619	-
Total Revenue & Support	375,188	277,377
Net Assets Released from Restriction	20,380	99,043
Increase in Unrestricted Net Assets Before Expenses	395,568	376,420
Expenses		
Program Services	297,006	238,579
Management & General	48,535	55,566
Fundraising	30,328	25,387
Total Expenses	375,869	319,532
Change in Unrestricted Net Assets	19,699	56,888
TEMPORARILY RESTRICTED NET ASSETS		
Contributions, Gifts, and Grants	70,370	20,380
Net Assets Released from Restriction	(20,380)	(99,043)
Change in Temporarily Restricted Net Assets	49,990	(78,663)
CHANGE IN NET ASSETS	69,689	(21,775)
NET ASSETS AT BEGINNING OF YEAR	134,407	156,182
NET ASSETS AT END OF YEAR	\$ 204,096	\$ 134,407

The accompanying notes are an integral part of these financial statements.

Columbia Center for Urban Agriculture
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2016
(With Summarized Totals For the Year Ended December 31, 2015)

	Program Services	Management and General	Fundraising	Total	2015
Advertising	\$ 1,711	\$ -	\$ 571	\$ 2,282	\$ 3,087
Bad Debt	529	-	-	529	-
Bank Charges	-	434	-	434	298
Depreciation	6,059	673	-	6,732	5,300
Education & Program	37,654	-	-	37,654	44,899
Insurance	3,226	1,075	-	4,301	6,858
Investment Fees	-	250	-	250	188
Occupancy	16,890	3,378	2,252	22,520	13,652
Office Supplies	5,304	1,061	707	7,072	7,577
Other Expenses	-	1,576	-	1,576	1,254
Professional Fees	8,804	1,761	1,174	11,739	2,967
Salaries & Payroll Taxes	190,546	38,109	25,406	254,061	212,382
Special Events Expenses	17,059	-	-	17,059	12,247
Supplies & Tools	5,297	-	-	5,297	3,023
Vehicle Expense	3,927	218	218	4,363	5,800
TOTAL EXPENSES	\$ 297,006	\$ 48,535	\$ 30,328	\$ 375,869	\$ 319,532

The accompanying notes are an integral part of these financial statements.

Columbia Center for Urban Agriculture
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2016 and 2015

	2016	2015
Cash Flow From Operating Activities:		
Change in Net Assets	\$ 69,689	\$ (21,775)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,732	5,300
Net Losses/(Gains) on Investments	(1,059)	485
Non-cash Contributions	(5,500)	-
(Increase)/Decrease in Receivables	(31,325)	983
(Increase)/Decrease in Prepaid Expenses	(3,853)	(6,000)
(Increase)/Decrease in Security Deposits	(1,055)	-
Increase/(Decrease) in Payables	168	245
Increase/(Decrease) in Friends of the Farm Funds	5,000	-
Increase/(Decrease) in MOYFC Funds	1,647	(5,630)
Total Adjustments	(29,245)	(4,617)
Net Cash Used/Provided by Operating Activities	40,444	(26,392)
Cash Flow from Investing Activities:		
Fixed Asset (Purchases)/Disposals	(10,000)	(12,000)
Purchase of Investments	(10,867)	(17,557)
Net Cash Used/Provided by Investing Activities	(20,867)	(29,557)
Net Increase/(Decrease) in Cash & Cash Equivalents	19,577	(55,949)
Operating Cash at the Beginning of the Year	77,473	133,422
Operating Cash at the End of the Year	\$ 97,050	\$ 77,473

The accompanying notes are an integral part of these financial statements.

Columbia Center for Urban Agriculture
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

1. Nature of Operations

The Columbia Center for Urban Agriculture (the Organization) was officially formed as a 501(c)(3) nonprofit organization in the Spring of 2009. The Organization works to enhance the community's health by connecting people to agriculture and the land through hands-on learning opportunities from seed to plate. The Organization's educational programming takes place at their 1.3 acre Urban Farm, at local schools, and in backyards with families across Columbia, Missouri. The Organization's programs teach cooking and gardening skills that improve access to good food.

2. Significant Accounting Policies

Basis of Accounting & Presentation

The financial statements of the Organization are prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles.

The financial statements are presented in accordance with the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification, FASB ASC 958. Accordingly, these statements present financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. The Organization's net assets and changes therein are classified and reported as follows:

Unrestricted - net assets that are not subject to donor-imposed restrictions, and therefore are expendable for operating purposes. Unrestricted net assets may be designated for specific purposes by the Board of Directors.

Temporarily Restricted - net assets subject to donor-imposed restrictions that will be satisfied either by the passage of time or until a certain event occurs. When the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction.

Permanently Restricted - net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, donors permit the use of all or part of investment earnings for operating or specific purposes. The Organization presently has no permanently restricted net assets.

Use of Estimates

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

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Columbia Center for Urban Agriculture
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

Investments

Investments are reported at fair market value in the statement of financial position. Note 5 provides further information about the fair market value of investments. Realized and unrealized gains and losses on investments are included on the statement of activities.

Fair Value Measurement

The fair value of financial assets is measured in accordance with FASB ASC 820, Fair Value Measurements. Fair value is required to be evaluated and adjusted according to the following valuation techniques:

Level 1 - Fair value is determined using quoted market prices in active markets for identical assets.

Level 2 - Fair value is determined using quoted market prices in active markets for similar assets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant inputs are observable in the market for substantially the full term of the assets.

Level 3 - Fair value is determined using inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset. The market for assets using level 3 measures is typically inactive.

Accounts Receivable

As of December 31, 2016 and 2015, all accounts receivables are considered fully collectible. No allowance for doubtful accounts has been recorded.

Income Taxes

The Organization is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Donated services

No donated services were received in the reporting period. However, the Organization reports amounts in the financial statements for voluntary donations of services when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation and the amounts involved can be objectively measured.

Advertising

The Organization expenses marketing and advertising costs as they are incurred. For the years ended December 31, 2016 and 2015, advertising costs were \$2,282 and \$3,087, respectively.

Functional Allocation of Expenses

The costs of providing the various programs, fundraising and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and fundraising activities benefited.

Columbia Center for Urban Agriculture
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

Subsequent Events

Subsequent events have been evaluated through June 15, 2017, which is the date the financial statements were available to be issued.

3. Fixed Assets

The Organization records fixed assets at cost if purchased and at fair market value if received by donation. Depreciation is computed by using the straight-line method over useful lives of five to seven years.

	2016	2015
Vehicles	\$ 22,000	\$ 16,500
Computers	8,027	8,027
Equipment	12,760	2,760
Less: Accumulated Depreciation	(17,810)	(11,078)
	\$ 24,977	\$ 16,209

Depreciation expense for the years ended December 31, 2016 and 2015 was \$6,732 and \$5,300, respectively.

4. Restrictions of Net Assets

Temporarily restricted net assets are available for:

	2016	2015
Opportunity Gardens	\$ -	\$ 20,380
Outdoor Learning	29,920	-
Veterans Campus	25,000	-
Planting for Pantry	14,700	-
Website	750	-
	\$ 70,370	\$ 20,380

Columbia Center for Urban Agriculture
 NOTES TO THE FINANCIAL STATEMENTS
 For the Years Ended December 31, 2016 and 2015

5. Investments and Fair Value Measurements

The Organization has investments with Community Foundation of Central Missouri, which acts as the administrator of charitable assets for a wide variety of regional nonprofit organizations. The following is a summary of investments held at fair value:

Asset	Fair Value		
	12/31/2016	Level 1	Level 2
Investments	\$ 28,998	\$ 10,891	\$ 18,107

Asset	Fair Value		
	12/31/2015	Level 1	Level 2
Investments	\$ 17,072	\$ 5	\$ 17,067

6. Friends of the Farm

The Organization has joined with Sustainable Farms and Communities and the Columbia Farmer's Market as Friends of the Farm. Friends of the Farm is a collaborative partnership whose main focus is to raise funds for the Agriculture Park. This partnership allows the participating organizations to centralize fundraising and expenses related to the Agriculture Park. Funds are held by the Community Foundation of Central Missouri.

The Agriculture Park will include demonstration gardens, food production plots, and covered structures that will house the Columbia Farmer's Market and on-site educational activities. Fundraising began in late 2016 and is expected to continue for several years. In 2016, the Organization raised \$79,000 on behalf of Friends of the Farm. In total, Friends of the Farm raised \$673,887 in 2016.

The Organization incurs expenses for and is reimbursed by the Community Foundation's Friends of the Farm Fund. As of December 31, 2016, \$7,112 in unreimbursed expenses have been incurred by the Organization on behalf of Friends of the Farm and is included in accounts receivable.

The Organization also accepts donations on behalf of Friends of the Farm. These donations are recorded as a payable to Friends of the Farm. As of December 31, 2016, the amount due to Friends of the Farm was \$5,000.

7. MOYFC Fiscal Sponsorship

The Organization acts as agent of the funds generated and expenses paid on behalf of MOYFC workshops. The Organization receives an 8% fee from the proceeds to cover administrative costs. The Organization does not receive any benefit or disadvantage, other than the 8% fee, from holding these funds nor does it have any control over them. In accordance with FASB ASC 958-605-25, the Organization records these funds as both an asset and a liability.

Columbia Center for Urban Agriculture
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2016 and 2015

8. Operating Leases

The Organization entered into a two-year operating lease agreement for office space in Columbia, Missouri in February 2016 with monthly payments of \$1,850. Lease payments for the years ended December 31, 2016 and 2015 were \$20,885 and \$9,540, respectively.