

COMMUNITY SERVICES LEAGUE
INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

COMMUNITY SERVICES LEAGUE

December 31, 2016 and 2015

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EMERICK & COMPANY, P.C.

David Emerick
Rick Hann

CERTIFIED PUBLIC ACCOUNTANTS, AUDITING & TAX PROFESSIONALS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Services League
Independence, Missouri

We have audited the accompanying financial statements of Community Services League, (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits 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 of 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 the 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 Community Services League as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emerick + Company, P.C.

Kansas City, Missouri
August 22, 2017

**COMMUNITY SERVICES LEAGUE
STATEMENTS OF FINANCIAL POSITION**

	December 31,	
	2016	2015
Assets:		
Cash and cash equivalents	\$ 524,063	\$ 384,264
Cash and cash equivalents, restricted for Capital Campaign	62,365	107,744
Cash and cash equivalents, restricted for Centennial and Hwy 24 Campaign	465,098	24,400
Total Cash	1,051,526	516,408
Investments, unrestricted	11,776	10,856
Investments, restricted	14,274	13,421
Inventory	37,004	40,584
Pledges receivable, unconditional, Capital Campaign	-	25,705
Contracts and accounts receivable	212,339	195,357
Prepaid expenses	34,218	36,545
Total Current Assets	1,361,137	838,877
Land	475,177	475,177
Buildings and improvements	2,827,655	2,774,773
Computers and software	105,008	87,889
Vehicles	50,002	50,002
Office furniture and equipment	133,646	133,646
Total Fixed Assets	3,591,488	3,521,487
Less accumulated depreciation	(695,474)	(581,325)
Net Fixed Assets	2,896,014	2,940,163
Total Noncurrent Assets	2,896,014	2,940,163
Total Assets	\$ 4,257,151	\$ 3,779,040
Liabilities:		
Accounts payable	\$ 88,281	\$ 64,678
Accrued expenses	34,288	27,286
Unearned income	17,472	43,794
Mortgage loan payable - current maturities	152,849	53,820
Total Current Liabilities	292,890	189,578
Mortgage loan payable	1,375,434	1,530,216
Total Long-Term Liabilities	1,375,434	1,530,216
Total Liabilities	1,668,324	1,719,794
Net Assets:		
Unrestricted	1,832,915	1,725,558
Temporarily restricted	755,912	333,688
Total Net Assets	2,588,827	2,059,246
Total Liabilities and Net Assets	\$ 4,257,151	\$ 3,779,040

See Notes to Financial Statements

**COMMUNITY SERVICES LEAGUE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support:			
Contributions:			
Direct assistance programs	\$ 790,423	\$ -	\$ 790,423
Other contributions	343,973	-	343,973
In-kind, including donated space of \$12,600	1,460,307	-	1,460,307
Grants	332,561	74,016	406,577
United way	84,628	108,000	192,628
Government contracts	417,711	14,238	431,949
Total Support	<u>3,429,603</u>	<u>196,254</u>	<u>3,625,857</u>
Revenue:			
Special events	394,982	-	394,982
Recycling	57,176	-	57,176
Other income	18,536	-	18,536
Interest and dividend income	1,605	-	1,605
Total Revenue	<u>472,299</u>	<u>-</u>	<u>472,299</u>
Total Support and Revenue	<u>3,901,902</u>	<u>196,254</u>	<u>4,098,156</u>
Net Assets Released From Restrictions			
Program expenditures	180,291	(180,291)	-
	<u>180,291</u>	<u>(180,291)</u>	<u>-</u>
Total Support, Revenue, and Net Assets Released From Restrictions	<u>4,082,193</u>	<u>15,963</u>	<u>4,098,156</u>
Operating Expenses:			
Program services:			
Income support	1,950,488	-	1,950,488
Housing counseling	931,378	-	931,378
Employment services	316,243	-	316,243
Financial coaching	160,119	-	160,119
Total Program Services	<u>3,358,228</u>	<u>-</u>	<u>3,358,228</u>
Supporting services:			
Management and general	153,766	-	153,766
Fundraising	623,522	-	623,522
Total Supporting Services	<u>777,288</u>	<u>-</u>	<u>777,288</u>
Total Operating Expenses	<u>4,135,516</u>	<u>-</u>	<u>4,135,516</u>
Change in Net Assets from Operations	(53,323)	15,963	(37,360)
Other Changes in Net Assets:			
Investment gain	2,328	-	2,328
Net Assets Released From Restrictions			
Capital campaign - Noland Road building	58,805	(58,805)	-
Capital campaign - 24 Highway building	99,547	465,066	564,613
Change in Net Assets for Year	107,357	422,224	529,581
Net Assets, Beginning of Year	<u>1,725,558</u>	<u>333,688</u>	<u>2,059,246</u>
Net Assets, End of Year	<u>\$ 1,832,915</u>	<u>\$ 755,912</u>	<u>\$ 2,588,827</u>

See Notes to Financial Statements

**COMMUNITY SERVICES LEAGUE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

	Unrestricted	Temporarily Restricted	Total
Support:			
Contributions:			
Direct assistance programs	\$ 768,442	\$ -	\$ 768,442
Centennial Campaign contributions	65,000	-	65,000
Other contributions	327,634	-	327,634
In-kind, including donated space of \$12,600	890,781	-	890,781
Grants	201,804	85,994	287,798
United way	68,060	108,000	176,060
Government contracts	85,608	24,517	110,125
Total Support	2,407,329	218,511	2,625,840
Revenue:			
Special events	245,703	-	245,703
Rental income	4,760	-	4,760
Recycling	33,685	-	33,685
Other income	2,603	-	2,603
Interest and dividend income	1,603	-	1,603
Total Revenue	288,354	-	288,354
Total Support and Revenue	2,695,683	218,511	2,914,194
Net Assets Released From Restrictions			
Program expenditures	368,355	(368,355)	-
	368,355	(368,355)	-
Total Support, Revenue, and Net Assets Released From Restrictions	3,064,038	(149,844)	2,914,194
Operating Expenses:			
Program services:			
Income support	1,328,983	-	1,328,983
Housing counseling	691,399	-	691,399
Employment services	407,690	-	407,690
Financial coaching	21,697	-	21,697
Total Program Services	2,449,769	-	2,449,769
Supporting services:			
Management and general	162,552	-	162,552
Fundraising	348,741	-	348,741
Total Supporting Services	511,293	-	511,293
Total Operating Expenses	2,961,061	-	2,961,061
Change in Net Assets from Operations	102,977	(149,844)	(46,868)
Other Changes in Net Assets:			
Investment loss, net	(2,735)	-	(2,735)
Net Assets Released From Restrictions			
Capital campaign - Noland Road building	74,507	(74,507)	-
Change in Net Assets for Year	174,748	(224,351)	(49,603)
Net Assets, Beginning of Year	1,550,810	558,039	2,108,849
Net Assets, End of Year	\$ 1,725,558	\$ 333,688	\$ 2,059,246

See Notes to Financial Statements

**COMMUNITY SERVICES LEAGUE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016**

	Program Services				Supporting Services			Total Expenses	
	Income Support	Housing Counseling	Employment Services	Financial Coaching	Total	Management and General	Fundraising		Total
Salaries and wages	\$ 89,386	\$ 182,467	\$ 177,942	\$ 91,327	\$ 541,122	\$ 72,935	\$ 171,464	\$ 244,399	\$ 785,521
Payroll taxes	7,481	15,270	14,891	7,643	45,285	6,104	14,347	20,451	65,736
Employee benefits and expense	9,276	22,707	22,586	12,149	66,718	8,311	22,168	30,479	97,197
Total Personnel Costs	106,143	220,444	215,419	111,119	542,006	87,350	207,979	295,329	948,454
Direct assistance	348,679	612,883	5,350	-	966,912	-	-	-	966,912
In-kind assistance	1,447,707	-	-	-	1,447,707	-	-	-	1,447,707
Special events expense	-	-	-	-	-	-	161,546	161,546	161,546
Development expense	-	-	-	-	-	-	43,820	43,820	43,820
Occupancy	12,253	25,013	24,393	12,519	74,178	9,998	23,506	33,504	107,682
Technology support	10,926	22,304	21,751	11,164	66,145	8,915	20,959	29,874	96,019
Mortgage interest	7,120	14,534	14,174	7,274	43,102	5,810	13,658	19,468	62,570
Office expense	4,688	9,569	9,332	4,789	28,378	3,838	8,992	12,830	41,208
Bad debt expense	-	-	-	-	-	16,240	-	16,240	16,240
Professional fees	-	-	-	-	-	11,030	118,178	129,208	129,208
Total before depreciation	1,937,516	904,747	290,419	146,865	3,279,547	143,181	598,638	741,819	4,021,366
Depreciation	12,972	26,631	25,824	13,254	78,681	10,585	24,884	35,469	114,150
Total Expenses	\$ 1,950,488	\$ 931,378	\$ 316,243	\$ 160,119	\$ 3,358,228	\$ 153,766	\$ 623,522	\$ 777,288	\$ 4,135,516

See Notes to Financial Statements

**COMMUNITY SERVICES LEAGUE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015**

	Program Services				Supporting Services			Total Expenses	
	Income Support	Housing Counseling	Employment Services	Financial Coaching	Total	Management and General	Fundraising		Total
Salaries and wages	\$ 89,938	\$ 119,917	\$ 221,845	\$ 11,992	\$ 443,692	\$ 71,950	\$ 83,942	\$ 155,892	\$ 599,584
Payroll taxes	8,023	\$ 10,698	19,791	1,070	39,582	6,419	7,488	13,907	53,489
Employee benefits and expense	7,553	10,070	18,630	1,007	37,260	6,042	7,049	13,091	50,351
Total Personnel Costs	105,514	140,685	260,266	14,069	520,534	84,411	98,479	182,890	703,424
Direct assistance	287,707	474,432	6,302	-	768,441	-	-	-	768,441
In-kind assistance	878,181	-	-	-	878,181	-	-	-	878,181
Special events expense	-	-	-	-	-	-	60,693	60,693	60,693
Development expense	-	-	-	-	-	-	29,673	29,673	29,673
Occupancy	14,365	19,154	35,435	1,915	70,869	11,492	13,408	24,900	95,769
Technology support	10,148	13,531	25,033	1,353	50,064	8,119	9,472	17,591	67,655
Mortgage interest	9,455	12,606	23,322	1,261	46,644	7,564	8,825	16,389	63,033
Office expense	6,495	8,660	16,020	866	32,041	5,196	6,062	11,258	43,299
Bad debt expense	-	-	-	-	-	21,820	-	21,820	21,820
Professional fees	370	-	-	-	370	10,551	106,497	117,048	117,418
Total before depreciation	1,312,235	669,068	366,378	19,464	2,367,145	149,153	333,109	482,262	2,849,407
Depreciation	16,748	22,331	41,312	2,233	82,624	13,399	15,632	29,031	111,654
Total Expenses	\$ 1,328,983	\$ 691,399	\$ 407,690	\$ 21,697	\$ 2,449,769	\$ 162,552	\$ 348,741	\$ 511,293	\$ 2,961,061

See Notes to Financial Statements

**COMMUNITY SERVICES LEAGUE
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,**

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ 529,581	\$ (49,603)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	114,150	111,654
Write off of uncollectible pledges	16,240	21,820
Collections on Capital Campaign -24 Highway building	(564,691)	-
Changes in unearned income	(51,121)	34,310
(Increase) decrease in contracts and accounts receivable	8,723	(49,603)
Increase (decrease) in accounts payables	30,390	30,094
(Increase) decrease inventory and prepaid expense	5,907	(19,252)
Increase (decrease) in accrued expenses	7,002	5,925
Net cash provided by operating activities	96,181	85,345
Cash flows from investing activities:		
Net (purchases) dispositions of land, property, and equipment	(70,001)	(332,905)
Net cash used by investing activities	(70,001)	(332,905)
Cash flows from financing activities:		
Collections on Capital Campaign - Noland Road building	-	33,232
Collections on Capital Campaign -24 Highway building	564,691	-
Net (payments) borrowings on mortgage payable	(55,753)	219,613
Net cash provided (used) by financing activities	508,938	252,845
Increase in Cash	535,118	5,285
Cash and Cash Equivalents, Beginning of Year	516,408	511,123
Cash and Cash Equivalents, End of Year	\$ 1,051,526	\$ 516,408
Supplemental disclosure:		
Interest paid during the year	\$ 62,570	\$ 63,033

See Notes to Financial Statements

COMMUNITY SERVICES LEAGUE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Community Services League is a non-profit organization established in 1916 by former First Lady Bess Wallace Truman and other women, and provides basic human needs (food, clothing, and shelter), comprehensive employment counseling and training, housing services, and financial coaching to clients in Eastern Jackson County. Community Services League's mission is to assist communities in reaching their potential by providing immediate relief to people in need, assessing their situations, and providing solutions that lead to economic stability.

Basis of Accounting

The Organization maintains an accrual basis accounting system in which revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Organization, under generally accepted accounting principles, is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are those that are not subject to any donor-imposed stipulations. Temporarily restricted net assets are those subject to donor-imposed restrictions as to their use or to future periods. Temporarily restricted contributions that are received and expended in the same period are classified as unrestricted. Permanently restricted net assets are subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the organization. Generally, the donors permit the organization to use all or part of the income earned for either general or donor-specified purposes.

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 in the financial statements. Estimates and assumptions may also affect the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses. Actual results could differ.

Fixed Assets

Equipment and furniture are recorded at cost and depreciated over the estimated useful life of the assets. The Organization has a \$500 capitalization policy. Depreciation is computed using straight-line method over the estimated useful life ranging from 5 to 40 years. Donations of property and equipment are recorded as contributions at their estimated fair value.

COMMUNITY SERVICES LEAGUE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status and Positions

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has qualified for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Management has reviewed all sources of revenue and believes that none of the Organization's activities is subject to tax on unrelated income.

As a tax-exempt organization the Organization is required to file a Form 990, *Return for Organization Exempt from Income Tax*, each year with the Internal Revenue Service which assesses its continuing status as a tax-exempt organization. Management believes the Organization's operations have been conducted in accordance with its tax-exempt status, that the Organization has adequately addressed all tax positions and that there are no unrecorded tax liabilities. Three years are open to audit by the IRS. No interest or penalties for tax are recorded in the financial statements.

Contracts and Accounts Receivable

Receivables are carried at their estimated collectible amounts. These amounts are all considered collectible since the majority of the balance is from governmental contracts and are contractually due within one year. Accordingly, no allowance for doubtful accounts has been recorded in the statements.

The Organization is the recipient of a multiyear grant from United Way. The amount of the grant for the succeeding year is recorded as a receivable and shown as temporarily restricted income.

Pledges Receivable

Unconditional promises to give, if any, that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows.

At December 31, 2016, the Organization did not have any pledges receivable. In prior years, the pledges related to the Capital Campaign for the 404 Noland Road building. Any remaining balances were written off in 2016.

Functional Allocation of Expenses

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

In 2016, the names of the programs were changed to reflect their expanded services. The 2015 statement of activities and functional expenses were revised to be consistent with 2016.

COMMUNITY SERVICES LEAGUE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventories are valued at estimated average cost, not in excess of market, and consist of food items for distribution.

Subsequent Events

Subsequent events have been evaluated through August 22, 2017, which is the date the financial statements were available to be issued.

Fundraising

In 2016 and 2015, Community Services League spent \$623,522 and \$348,741 on fundraising related expenses, respectively. With these amounts the Organization was able to raise \$4,662,769 in 2016 and \$2,914,194 in 2015. A total of 13% and 12% of revenues were spent on fundraising activities in 2016 and 2015, respectively.

NOTE 2: DONATED SPACE

The Organization operates in seven locations donated by outside organizations. In-kind donated rent is included as in-kind contributions and direct assistance expenses each year. The leases are on a month to month basis.

NOTE 3: CAPITAL CAMPAIGNS

In 2014, Community Services League had a pre-campaign assessment conducted by a third party to determine its capacity to raise significant funds as part of the Organization's 100th anniversary in 2016. This assessment stated that the Organization could likely raise \$10,000,000 over a multi-year campaign for programmatic support, capital and equipment needs, debt retirement and endowment. In 2015, Community Services League launched a five year Centennial Campaign to raise these funds. A small amount of money was raised in 2015, with the bulk of the donations expected in 2016 to 2020. In 2015, the Organization acquired a new building located on 24 Highway. In 2016, \$564,613 was raised and designated for this new location as part of this ongoing campaign.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all checking and savings accounts, including those for the Capital Campaign, at area commercial banks. The balances, on occasion, exceed the FDIC insurance limits. Management's estimate is the possibility of loss is remote.

COMMUNITY SERVICES LEAGUE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE 5: CONTRIBUTED SERVICES

The Organization receives a substantial amount of services donated by individual volunteers performing a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. During the years ended December 31, 2016 and 2015, approximately 27,100 hours were contributed by volunteers each year and are valued at the rate established by the Independent Sector of \$20.25 per hour for a value of \$549,180 for each of the years. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under generally accepted accounting principles.

NOTE 6: IN-KIND CONTRIBUTIONS

In-kind contributions are recorded as revenues at the time of distribution to the clients of the Organization. The items distributed consist principally of food, clothing and household items. An equal amount is recorded as expense at the time revenue is recorded so there is no effect on net assets. For the years ended 2016 and 2015, in-kind revenue and expense as shown in the Statement of Activities was \$1,460,307 and \$890,781, respectively, which includes donated space. The increase is due to a change in the costing of food items from \$1 to \$2 to accurately reflect industry standards.

NOTE 7: MORTGAGE LOAN PAYABLE

On January 27, 2017, the Organization received a modification of its original loan for \$1,624,550 obtained on June 15, 2015 to finance the renovation of the central office and to purchase another building in 2015. Interest is 3.95% until July 2018 when it is increased to 4.25%. Monthly payments of principal and interest are \$9,050 with \$1,220,297 due December 2020. Future maturities, including a \$100,000 payment on principal in 2017, are as follows:

2017	\$ 152,849
2018	52,454
2019	52,626
2020	<u>1,270,354</u>
Total	<u>\$1,528,283</u>

NOTE 8: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2016</u>	<u>2015</u>
Building Improvements	\$ 527,432	\$ 121,172
Specific Programs	<u>228,480</u>	<u>212,516</u>
	<u>\$ 755,912</u>	<u>\$ 333,688</u>

COMMUNITY SERVICES LEAGUE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE 9: INVESTMENTS

The Organization has transferred assets to the Truman Heartland Community Foundation and Eastland Community Foundation which, in turn, maintains various funds on behalf of the Organization and has agreed to make future distributions to the Organization consistent with its mission. These funds are shown at fair value and are considered available-for-sale.

	<u>2016</u>	<u>2015</u>
Unrestricted:		
Emergency Assistance Funds	\$ 2,984	\$ 2,400
Non-Endowment Funds	2,995	2,816
Eastland Community Foundation	<u>5,797</u>	<u>5,640</u>
	<u>\$11,776</u>	<u>\$10,856</u>
Board Restricted:		
Endowment Fund	<u>\$14,274</u>	<u>\$13,421</u>

NOTE 10: FAIR VALUE MEASUREMENTS

The Organization has adopted the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*, pertaining to the valuation of certain assets and liabilities for the years ended December 31, 2016 and 2015. These provisions define fair value, establish a consistent framework for measuring fair value and expand the related disclosure requirements. They establish a fair value hierarchy that prioritizes the inputs used to measure fair value. An asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to fair value measurement. The hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The values shown in Note 9 are those reported by the Foundations. These are considered Level 2, based on the criteria above, since the values reported are determined by the underlying investments of the funds which are publicly traded securities or short-term interest bearing cash accounts.