community foundation

for a greater Richmond

Combined Financial Statements

December 31, 2017 and 2016

Keiter

Your Opportunity Advisors

4401 Dominion Boulevard
Glen Allen, Virginia 23060
Tel: 804.747.0000
www.keitercpa.com

THE COMMUNITY FOUNDATION
Serving Richmond and Central Virginia

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Keiter
Your Opportunity Advisors

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Governors of
The Community Foundation
Serving Richmond and Central Virginia

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of The Community Foundation *Serving Richmond and Central Virginia* (the "Foundation") and affiliated organizations, which comprise the combined statements of financial position as of December 31, 2017 and 2016, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the combined 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 combined financial statements.

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

Certified Public
Accountants & Consultants
4401 Dominion Boulevard
Glen Allen, VA 23060
T:804.747.0000 F:804.747.3632

www.keitercpa.com

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Foundation and affiliated organizations as of December 31, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the basic combined financial statements as a whole. The 2017 supplemental information on pages 28 through 29 is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic combined financial statements or to the basic combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplemental information is fairly stated in all material respects in relation to the basic combined financial statements taken as a whole.

Keiter

June 29, 2018
Glen Allen, Virginia

THE COMMUNITY FOUNDATION
Serving Richmond and Central Virginia

Combined Statements of Financial Position
December 31, 2017 and 2016

Assets	2017	2016
Cash and cash equivalents	$ 13,374,919	$ 11,074,032
Investments, at fair value	732,796,140	591,082,886
Pledges, notes and other receivables	36,275,048	30,581,335
Prepaid expenses	185,929	76,479
Real estate held for resale	-	680,000
Property and equipment, net	165,657	224,490
Cash surrender value of life insurance	40,623	37,541
Assets held in trust, at fair value	89,631,983	94,496,829
Total assets	$ 872,470,299	$ 728,253,592

Liabilities and Net Assets	2017	2016
Accrued expenses	$ 369,331	$ 369,205
Distributions payable	56,307,791	12,073,696
Liability under gift annuities	235,942	245,714
Liability under trust agreements	60,553,950	55,106,948
Funds held as agency endowments	5,891,168	4,838,807
Total liabilities	123,358,182	72,634,370
Net assets:		
Unrestricted	418,526,119	382,566,476
Temporarily restricted	125,404,151	78,814,807
Permanently restricted	205,181,847	194,237,939
Total net assets	749,112,117	655,619,222
Total liabilities and net assets	$ 872,470,299	$ 728,253,592

See accompanying notes to the combined financial statements.

THE COMMUNITY FOUNDATION
Serving Richmond and Central Virginia

Combined Statements of Activities
Year Ended December 31, 2017, with Summarized Financial Information for 2016

	2017				2016
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Support and revenue (losses):					
Contributions	$ 94,310,334	$ 20,284,769	$ 10,173,202	$ 124,768,305	$ 81,877,965
Net change in value of investment in The Richmond Fund, LP	28,795,304	28,619,529	-	57,414,833	17,958,555
Net realized and unrealized gain on investments	15,511,512	1,727,239	768,756	18,007,507	3,513,040
Net investment income	3,025,920	2,610,788	-	5,636,708	4,226,831
Contributions to charitable trusts (net of the liability)	-	101,720	-	101,720	87,776
Investment income from trusts	174,978	62,039	-	237,017	274,905
Program service and other miscellaneous revenue	384,197	82,858	1,950	469,005	446,087
Unrestricted support (losses)	1,734,535	(1,734,535)	-	-	-
Income tax refund, net	23,553	-	-	23,553	96,459
Total support and revenue	143,960,333	51,754,407	10,943,908	206,658,648	108,481,618
Net assets released from restriction	5,165,063	(5,165,063)	-	-	-
Expenditures:					
Grant and program distributions	(104,887,767)	-	-	(104,887,767)	(57,573,449)
Program and operating expenses	(6,377,200)	-	-	(6,377,200)	(5,795,690)
Other distributions	(1,900,786)	-	-	(1,900,786)	(1,792,084)
Total expenditures	(113,165,753)	-	-	(113,165,753)	(65,161,223)
Change in net assets	35,959,643	46,589,344	10,943,908	93,492,895	43,320,395
Net assets, beginning of year	382,566,476	78,814,807	194,237,939	655,619,222	612,298,827
Net assets, end of year	$ 418,526,119	$ 125,404,151	$ 205,181,847	$ 749,112,117	$ 655,619,222

See accompanying notes to the combined financial statements.

THE COMMUNITY FOUNDATION
Serving Richmond and Central Virginia

Combined Statement of Activities
Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue (losses):				
Contributions	$ 74,566,748	$ 875,821	$ 6,435,396	$ 81,877,965
Net change in value of investment in The Richmond Fund, LP	8,368,753	9,589,802	-	17,958,555
Net realized and unrealized gain (loss) on investments	4,076,602	(623,002)	59,440	3,513,040
Net investment income	2,183,199	2,043,632	-	4,226,831
Contributions to charitable trusts (net of the liability)	-	87,776	-	87,776
Investment income from trusts	210,267	64,638	-	274,905
Program service and other miscellaneous revenue	376,506	69,581	-	446,087
Unrestricted support (losses)	1,614,520	(1,614,520)	-	-
	96,459	-	-	96,459
Total support and revenue	91,493,054	10,493,728	6,494,836	108,481,618
Net assets released from restriction	9,552,763	(9,552,763)	-	-
Expenditures:				
Grant and program distributions	(57,573,449)	-	-	(57,573,449)
Program and operating expenses	(5,795,690)	-	-	(5,795,690)
Excise tax expense on trust investment income	-	-	-	-
Other distributions	(1,792,084)	-	-	(1,792,084)
Total expenditures	(65,161,223)	-	-	(65,161,223)
Change in net assets	35,884,594	940,965	6,494,836	43,320,395
Net assets, beginning of year	346,681,882	77,873,842	187,743,103	612,298,827
Net assets, end of year	$ 382,566,476	$ 78,814,807	$ 194,237,939	$ 655,619,222

See accompanying notes to the combined financial statements.

THE COMMUNITY FOUNDATION
Serving Richmond and Central Virginia

Combined Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	$ 93,492,895	$ 43,320,395
Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities:		
Depreciation	104,323	80,413
Net change in value of investment in The Richmond Fund, LP	(57,414,833)	(17,958,555)
Net realized and unrealized gain on investments	(18,007,507)	(3,513,040)
Sale (donation) of real estate held for resale	680,000	(680,000)
Donations permanently restricted for endowment	(10,173,202)	(6,435,396)
Changes in assets and liabilities:		
Pledges, notes and other receivables	(5,693,713)	(7,284,636)
Prepaid expenses	(109,450)	(25,909)
Cash surrender value of life insurance	(3,082)	(4,569)
Accrued expenses	126	(137,945)
Distributions payable	44,234,095	131,479
Net cash provided by operating activities	47,109,652	7,492,237
Cash flows from investing activities:		
Net purchases of investments	(66,290,914)	(3,492,392)
Purchase of property and equipment	(45,490)	(56,335)
Net cash used in investing activities	(66,336,404)	(3,548,727)
Cash flows from financing activities:		
Donations permanently restricted for endowment	10,173,202	6,435,396
Decrease (increase) in assets held in trust	4,864,846	(15,504,332)
Decrease in liability under gift annuities	(9,772)	(67,850)
Increase in liability under trust agreements	5,447,002	1,030,294
Increase in funds held as agency endowments	1,052,361	501,065
Net cash provided by (used in) financing activities	21,527,639	(7,605,427)
Net change in cash and cash equivalents	2,300,887	(3,661,917)
Cash and cash equivalents, beginning of year	11,074,032	14,735,949
Cash and cash equivalents, end of year	$ 13,374,919	$ 11,074,032

See accompanying notes to the combined financial statements.

1. Organization and Business:

The Community Foundation *Serving Richmond and Central Virginia* (the "Foundation") is a publicly-supported charity formed and existing exclusively to support charitable purposes primarily in, and for the benefit of, Richmond and Central Virginia. The Foundation is composed of two legal entities that operate as a single, consolidated organization: Greater Richmond Community Foundation, a charitable trust, and The Community Foundation, Inc., a charitable corporation. These entities share the same tax identification number and report their financial and program operations on a combined basis. The Foundation operates under the purpose and authority established by the Declaration of Trust, initially executed in 1968 and subsequently incorporated into the governing documents of the corporate entity which was established in 1993.

In 2013, Middle School Renaissance 2020, LLC ("MSR 2020") was formed to strengthen outcomes for Richmond Public School middle-school students and during 2015 began doing business as NextUp RVA. MSR 2020 takes a systems approach to program design and delivery and seeks to build a more comprehensive out-of-school time, division wide solution for Richmond Public School middle-school students. MSR 2020 operates as a single-member LLC of the Foundation. On December 18, 2017, MSR 2020's Board approved the recommendation that MSR 2020's assets and liabilities be transferred to NextUp RVA, Inc., a separate 501(c)3, and MSR 2020 wind up its affairs and dissolve. The Foundation's Board of Directors approved this recommendation. The full transition is in process and will be complete during 2018. This is an organizational structure change only and services previously provided by MSR 2020 are provided by NextUp RVA, Inc.

In 2016, The Community Foundation Real Estate I, LLC and The Community Foundation Real Estate II, LLC ("TCF Real Estate LLCs") were formed to accept real estate transactions of the Foundation. TCF Real Estate LLCs operate as single-member LLCs of the Foundation.

The accompanying combined financial statements include the resources and financial activities of the Foundation and seven affiliated entities. Six of these entities are organized as supporting organizations of the Foundation. Supporting organizations are 501(c)3 charities that are classified by the Internal Revenue Service ("IRS") as public charities because their governing documents describe their alignment of charitable purpose with one or more named publicly supported charities, and there is documented shared governance, financial relationships and operating activities that meet IRS tests. The six supporting organizations that are included in the annual audit and financial reporting process are the Annabella R. Jenkins Foundation ("Jenkins Foundation"), the R.E.B. Foundation, the Pauley Family Foundation, the Jane and Arthur Flippo Endowment Foundation, the Commonwealth Foundation for Cancer Research ("CFCR") and the Ann K. Kirby Foundation.

1. Organization and Business, Continued:

The Partnership for Nonprofit Excellence (the "Partnership") is a related publically supported entity. The Partnership was organized to support the charitable purposes of the Foundation, and all of the Partnership's Board of Directors were appointed by the Foundation. Effective August 1, 2016, three programs of Partnership for Nonprofit Excellence were transferred to the Foundation. HandsOn Greater Richmond remained as a program of the Partnership for Nonprofit Excellence through 2017. Effective December 31, 2017, the Partnership for Nonprofit Excellence was dissolved and all net assets of the Partnership were transferred to the Foundation. HandsOn Greater Richmond is now a program of the Foundation.

The programs conducted by all of these affiliated organizations are reflected in the accompanying combined financial statements. All significant intercompany transactions and accounts are eliminated.

2. Summary of Significant Accounting Policies:

Basis of Accounting: The Foundation and affiliated organizations prepare their financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP").

Cash and Cash Equivalents: The Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments: The Foundation and affiliates' investments are reported at fair value in the combined statements of financial position. The fair value of marketable equity and debt securities is determined using quoted market prices. Certain less marketable investments are generally carried at values determined by the respective investment managers using valuation approaches that can generally be classified as either; an income or earnings approach, a cost or asset approach, or a market approach. Fair value approximates carrying values. Investments are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the risks in the near term could materially affect amounts reported on the combined financial statements. Unrealized gains and losses are included in the combined statements of activities.

Property and Equipment and Depreciation: Property and equipment consists primarily of office furniture and equipment recorded at cost for purchased items and at fair value for contributed items. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Accumulated depreciation equaled $575,599 and $474,394 as of December 31, 2017 and 2016, respectively.

2. Summary of Significant Accounting Policies, Continued:

Net Assets: Under the terms of the governing documents, the Board of Governors (the "Board") has the ability to modify any restrictions or condition on the distribution of funds for any specified charitable purposes or to specified organizations if, in the sole judgment of the Board of Governors, the restriction or condition has become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. As a result of the inability to distribute corpus unless certain restrictions or conditions have become unnecessary, incapable of fulfillment or inconsistent with the needs of the community, all contributions not classified as temporarily restricted or unrestricted are classified as permanently restricted net assets for financial reporting purposes. Unrestricted net assets include all gifts that impose no restrictions on the Foundation as to their use or purpose. Such funds are expended for charitable purposes as deemed appropriate by the Board. The principal of some unrestricted funds is treated by the Board as endowed funds.

Temporarily restricted net assets consist of irrevocable charitable trusts, lead trusts, restricted contributions receivable, and the remaining portion of donor-restricted endowment funds that are not classified as permanently restricted net assets. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities as net assets released from restrictions.

Permanently restricted net assets represent the fair value of the original gift as of the gift date and the original fair value of subsequent gifts to donor-restricted endowment funds.

Funds Held as Agency Endowments: The Foundation is a recipient organization that accepts contributions from organizations and agrees to use those assets on behalf of a specified beneficiary and recognizes the fair value of those assets as a liability to the specified beneficiary. The Foundation maintains variance power and legal ownership of agency endowment funds and as such, continues to report the funds as assets of the Foundation.

Revenue Recognition: The Foundation and affiliated organizations report contributions as support when they are received or pledged by the donor. The Foundation and affiliated organizations report restricted contributions as temporarily restricted support if they are restricted for use in a subsequent year or if they are restricted for specific purpose. When a donor restriction expires (i.e., when a stipulated time restriction ends or the purpose is met) temporarily restricted net assets are reclassified to unrestricted.

2. Summary of Significant Accounting Policies, Continued:

Non-Cash Contributions: Contributions of property are recorded by the Foundation and affiliated organizations at the fair value of the property at the date of gift as determined by appraisal, discounted as appropriate. Contributions of equity securities are recorded at the fair value of the stock at the date of gift based on quoted market values. When the gifted stock is sold, the Foundation and affiliated organizations recognize the expense of broker fees and commissions; however, if the stock is held for investment purposes, its carrying value is periodically adjusted for changes in market performance.

Concentrations of Credit Risk: Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and pledges and notes receivable. The Foundation and affiliated organizations place their cash and cash equivalents with financial institutions located in Richmond, Virginia. At times, these balances may exceed the FDIC insurance limits.

Receivables are from individuals, corporations and foundations located primarily in the Richmond metropolitan area. The Foundation and affiliated organizations believe their credit risk related to these receivables is limited due to the nature of their donors.

Income Taxes: In 1970, the Foundation received the original letter of tax exempt status from the IRS. In 1993, the Foundation filed a ruling request with the IRS related to the Foundation's new organization, as described in Note 1. In its letter dated September 1, 1994, the IRS ruled that the Foundation, as designed and operated, is a qualifying public charity as defined in Section 501(c)(3) of the Internal Revenue Code ("IRC"), and therefore, is exempt from federal and state income taxes. As a result of certain investments, the Foundation is subject to unrelated business income tax. Certain affiliated trusts pay excise taxes on their investment income. All supporting organizations included in the combined financial statements are designed and operated as qualifying public charities as defined in Section 501(c)(3).

Income Tax Uncertainties: The Foundation has adopted Financial Accounting Standards Board ("FASB") guidance related to accounting for uncertainty in income taxes, which clarifies the accounting for income taxes by prescribing the minimum recognition threshold that a tax position is required to meet before being recognized in the Foundation's combined financial statements. The interpretation also provides guidance on derecognition, classification, interest and penalties, disclosure and transition.

In accordance with the interpretation, the Foundation discloses the expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the facts of the Foundation's position and records unrecognized tax benefits or liabilities for known, or anticipated tax issues based on the Foundation's analysis of whether additional taxes would be due to the authority given their full knowledge of the tax position.

2. Summary of Significant Accounting Policies, Continued:

Income Tax Uncertainties, Continued: The Foundation has completed its assessment and determined that there were no tax positions which would require recognition under the interpretation. The Foundation is not currently under audit by any tax jurisdiction.

Use of Estimates in the Preparation of Combined Financial Statements: The preparation of combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of support and revenue and expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Guidance: In August 2016, the FASB issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit (Topic 958): *Presentation of Financial Statements of Not-for-Profit-Entities*. The significant changes related to presentation and disclosure will require the Foundation to: consolidate the classes of net assets into two classes (net assets with donor restriction and net assets without donor restriction), show underwater endowment balances within the net assets with donor restriction class, provide expenses by nature and function, and enhance disclosures relating to liquidity and availability of resources. The ASU is effective for years beginning after December 15, 2017 and the Foundation plans to adopt the ASU in 2018.

In 2016, the FASB issued ASU 2016-02, "Leases", which requires leases with terms more than 12 months to be recognized on the balance sheet of lessees. Lessees should record a right of use asset with a corresponding liability based on the net present value of rental payments. The previous categorization of obligations as operating and capital leases will no longer apply. The standard is effective for private organizations for fiscal years beginning after December 15, 2019 and early adoption is permitted. The Foundation has elected not to early adopt this ASU and intends to adopt it prior to the required transition date.

Subsequent Events: Management has evaluated subsequent events through June 29, 2018, the date the combined financial statements were available to be issued. As described in Note 12, the final gift to the Kirby Foundation was made in January 2018. Additionally, the Foundation entered into a new lease for office space on March 26, 2018. See Note 13 for more information. There were no other subsequent events to be reported in the accompanying combined financial statements.

3. Investments:

As of December 31, 2017 and 2016, the cost of investments and their fair values were as follows:

	2017		2016	
	At Cost	At Fair Value	At Cost	At Fair Value
Unrestricted	$ 263,498,365	$ 425,156,375	$ 282,779,816	$ 421,366,229
Temporarily restricted	68,817,442	111,869,005	38,159,796	55,256,586
Permanently restricted	120,430,524	195,770,760	79,045,291	114,460,071
	$ 452,746,331	$ 732,796,140	$ 399,984,903	$ 591,082,886

As of December 31, 2017 and 2016, the costs of investments and their related fair values by major investment type were as follows:

	2017		2016	
	Cost	Market	Cost	Market
Cash equivalents	$ 19,853,597	$ 19,854,192	$ 13,551,196	$ 13,551,196
Equity securities	88,575,570	118,715,587	62,405,645	91,351,425
Alternatives:				
Marketable	6,393,038	8,344,105	6,583,838	8,269,368
Non-marketable	45,461,619	91,483,525	32,581,717	48,526,999
The Richmond Fund, LP	292,462,507	494,398,731	284,862,507	429,383,898
	$ 452,746,331	$ 732,796,140	$ 399,984,903	$ 591,082,886

The Foundation had unfunded commitments to alternative investments totaling $2,489,036 as of December 31, 2017.

The Foundation invests its assets to achieve a long-term rate of return that exceeds its payout rate, plus the rate of inflation. Volatility is minimized by investing globally in diverse, non-correlating classes of assets. Due in part to the University of Richmond's (the "University") performance record in accomplishing these objectives with its own endowment, in 2008, the Foundation and certain of its affiliated organizations entered into an investment partnership with the University called The Richmond Fund, LP (the "Richmond Fund").

3. Investments, Continued:

The general partner of the Richmond Fund is the Richmond Fund Management Company, LLC, a subsidiary of Spider Management Company, LLC ("SMC"), the investment company for the University's endowment. A rate of return agreement is used to equalize the quarterly rate of return of the University's pooled endowment managed by SMC and the Richmond Fund's rate of return. There are no contribution commitments for the Foundation and withdrawals can be made each calendar quarter with a minimum of 60 days advance notice.

As of December 31, 2017 and 2016, the ownership interests and summarized activity of the Foundation and its affiliated organizations in the Richmond Fund for the years then ended are as follows:

	The Community Foundation	Jenkins Foundation	R.E.B. Foundation	Total
Ownership percentage of The Richmond Fund, LP at December 31, 2017	19.6%	2.2%	1.6%	23.4%
Balance, January 1, 2016	$ 351,014,982	$ 42,165,499	$ 18,744,862	$ 411,925,343
Additions	2,000,000	-	-	2,000,000
Distributions	-	(2,200,000)	(300,000)	(2,500,000)
Investment income	15,383,290	1,762,281	812,984	17,958,555
Balance, December 31, 2016	368,398,272	41,727,780	19,257,846	429,383,898
Additions	-	-	12,000,000	12,000,000
Distributions	(3,000,000)	(1,150,000)	(250,000)	(4,400,000)
Investment income	48,859,022	5,522,243	3,033,568	57,414,833
Balance, December 31, 2017	$ 414,257,294	$ 46,100,023	$ 34,041,414	$ 494,398,731

Net change in value of investment in The Richmond Fund, LP, net realized and unrealized gain (loss) on investments, and net investment income (loss) included in the accompanying combined statements of activities, in total, is shown net of investment expenses of $3,930,430 for 2017 and $3,154,905 for 2016.

4. Pledges, Notes, and Other Receivables:

Pledges, notes and other receivables consist of the following assets at December 31, 2017 and 2016:

	2017		2016	
	Current	Long-term	Current	Long-term
Pledges receivable	$ 20,616,079	$ 2,258,148	$ 13,420,426	$ 3,291,459
Receivable from charitable trusts	437,230	5,291,201	430,642	5,957,188
Other receivables	501,607	7,170,783	201,002	7,280,618
	$ 21,554,916	$ 14,720,132	$ 14,052,070	$ 16,529,265

The Foundation used a rate of 2.6% and 1.8% at December 31, 2017 and 2016, respectively, to discount to present value its pledges receivable.

Included in long-term other receivables, the Foundation has a note receivable with a principal balance of $6,368,075 as of December 31, 2017 and 2016. Accrued interest totaled $802,709 and $784,407 as of December 31, 2017 and 2016, respectively. The note was issued in November 2009 by CFCR and bears interest at an annual rate of seven percent. The note is secured by real estate. The note is due on demand but is not expected to be called or collected within the next year.

In 2016, CFCR made pledges totaling $127,000,000 to provide funding to cancer research institutions. These pledges are conditional upon those institutions raising matching funds. Through December 31, 2017, matching funds of $77,930,786 had been raised from these cancer research institutions, and the corresponding grant expense has been recognized in the combined statements of activities. The balance remaining on these pledges was $88,000,000 and $112,000,000 at December 31, 2017 and 2016, respectively. Grants payable related to these pledges of $42,800,000 has been recorded at December 31, 2017 on the combined statements of financial position. To fund these pledges, CFCR was the recipient of a pledge totaling $78,000,000 (the “Contingent Pledge”). The Contingent Pledge was directed solely to fund the pledges made by CFCR and as the CFCR pledges are contingent upon grantee fundraising, no amount was recorded as of December 31, 2016. During 2017, gifts totaling $75,384,032 were received by CFCR to partially fulfill the pledge. The balance remaining on the Contingent Pledge was $2,615,968 and $78,000,000 at December 31, 2017 and 2016, respectively.

5. Cash Surrender Value of Life Insurance:

Cash surrender value of life insurance is carried at its stated value which approximates its fair value.

The Foundation is the beneficiary under four life insurance policies as of December 31, 2017 and 2016. At December 31, 2017 and 2016, the face amount of these policies totaled $10,200,000. During 2017 and 2016, the Foundation received no proceeds from life insurance.

6. Distributions Payable:

Distributions payable, recorded at pledged amounts, consist of the following at December 31, 2017:

2018	$ 28,754,485
2019	18,096,414
2020	8,483,827
2021	780,350
2022	74,392
Thereafter	118,323
Total	$ 56,307,791

The Foundation used a rate of 2.6% and 1.8% at December 31, 2017 and 2016, respectively, to discount to present value its distributions payable.

7. Charitable Trusts:

The Foundation is the named trustee under numerous charitable unitrust agreements ("Unitrusts"). Under the trust agreements, the Unitrusts pay an annual benefit to the trust beneficiaries throughout their lives based on a percentage of the fair value of the trust assets as defined by the trust agreement. The fair value of the assets of the Unitrusts is included on the combined statements of financial position as assets held in trust. Temporarily restricted contribution income is recognized to the extent that the fair value of the trust assets exceeds the present value of the future payments to the trust beneficiaries.

The present value of the future payments to the trust beneficiaries is based on life span, actuarial factors derived from IRS Publication 1458, and a discount rate of 2.6% and 1.8% as of December 31, 2017 and 2016, respectively, per IRC Section 7520(a).

7. Charitable Trusts, Continued:

The Foundation is the named trustee and beneficiary of three charitable lead trusts. Under the trust agreements, the lead trusts pay an annual benefit for a specified term based on a percentage of the fair value of the trust assets. The fair value of the assets of the lead trusts is included on the combined statements of financial position as assets held in trust. A liability for the present value of the future payout at termination is included on the combined statements of financial position as a liability under trust agreements.

The Foundation has been named beneficiary of numerous charitable trusts that the Foundation does not serve as trustee. For 2017 and 2016, the changes in value of these split interest agreements were ($96,228) and ($112,403), respectively. These amounts are included on the combined statements of activities as a component of net realized and unrealized gain on investments.

8. Line of Credit:

The Foundation has available a revolving line of credit with a bank providing for maximum borrowings of $5,000,000 through September 30, 2018. Interest on funds advanced is payable monthly at the one-month LIBOR rate plus 1.75% (3.31% and 2.52% at December 31, 2017 and 2016, respectively). There were no borrowings on the line of credit for the years ended December 31, 2017 and 2016.

9. Temporarily Restricted Net Assets:

Temporarily restricted net assets at year-end were available for the following purposes:

	2017	2016
Donor advised funds	$ 24,351,754	$ 21,425,264
Beneficial interest in trusts	20,814,827	16,274,733
Program specific funds	80,237,570	41,114,810
	$ 125,404,151	$ 78,814,807

10. Endowment Funds:

The Foundation's endowment consists of approximately 460 permanently endowed named funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Governors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

10. Endowment Funds, Continued:

The Board of Governors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Endowment Investing and Spending Policies: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Governors, the endowment funds are invested in a manner that is intended to produce stated investment results while assuming a moderate level of investment risk. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective return through diversification of asset classes. The current long-term return objective is to earn 5% per year, plus the rate of inflation. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater value on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

10. Endowment Funds, Continued:

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds for grantmaking and administration. The current spending policy is to distribute an amount up to 5% of a moving twelve-quarter average, unless a different amount is stated in the fund agreement. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

Funds with Deficits: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were ($21,065) as of December 31, 2017 and ($692,565) as of December 31, 2016.

Endowment net asset composition by type of fund was as follows as of December 31, 2017 and 2016:

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (21,065)	$ 84,057,778	$ 199,567,227	$ 283,603,940
Board-designated funds	232,423,088	-	-	232,423,088
Total funds	$ 232,402,023	$ 84,057,778	$ 199,567,227	$ 516,027,028

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (692,565)	$ 46,205,487	$ 188,625,141	$ 234,138,063
Board-designated funds	210,445,518	-	-	210,445,518
Total funds	$ 209,752,953	$ 46,205,487	$ 188,625,141	$ 444,583,581

10. Endowment Funds, Continued:

Changes in endowment net assets were as follows for the years ended December 31, 2017 and 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, January 1, 2016	$175,522,112	$ 41,963,270	$182,182,746	$ 399,668,128
Reclassification of fund balances	543,105	1,227,426	6,999	1,777,530
Investment gain	5,049,909	9,495,341	-	14,545,250
New gifts	35,062,918	-	6,435,396	41,498,314
Appropriation of endowment assets for expenditure	(6,425,091)	(6,480,550)	-	(12,905,641)
Net assets, December 31, 2016	209,752,953	46,205,487	188,625,141	444,583,581
Reclassification of fund balances	(2,994,370)	2,994,370		-
Investment gain	35,437,246	28,358,827	51,727	63,847,800
New gifts	473,901	17,964,827	10,890,359	29,329,087
Appropriation of endowment assets for expenditure	(10,267,707)	(11,465,733)	-	(21,733,440)
Net assets, December 31, 2017	$232,402,023	$ 84,057,778	$199,567,227	$ 516,027,028

11. Fair Value Measurements:

FASB guidance establishes a framework for measuring fair value, clarifies the definition of fair value within that framework and expands disclosure requirements regarding the use of fair value measurements. The guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal and most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The guidance establishes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

11. Fair Value Measurements, Continued:

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the market in which the assets or liabilities are traded and the reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy are defined as follows:

Level 1 – Unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date.

Level 2 – Other observable inputs available at the measurement date, other than quoted prices included in Level 1, either directly or indirectly, including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

In May 2015, the FASB issued ASU No. 2015-07, "Disclosure for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)", which eliminates the requirement to categorize investments in the fair value hierarchy if their fair value is measured using net asset value ("NAV") per share as a practical expedient. The amendments in this ASU are effective for fiscal years beginning after December 15, 2016. The Foundation adopted this ASU in 2017 and the adoption is reflected in the fair value hierarchy table below where investments that are valued using NAV per share as a practical expedient are excluded from categorization in the fair value hierarchy.

11. Fair Value Measurements, Continued:

Assets and liabilities measured at fair value on a recurring basis at December 31, 2017 include the following:

	Fair Value Using			Investments valued at NAV as practical expedient	Assets/ liabilities at Fair Value
	Level 1	Level 2	Level 3		
Assets:					
Investments:					
Cash equivalents	$ 19,854,192	$ -	$ -	$ -	$ 19,854,192
Equity securities	118,715,587	-	-	-	118,715,587
Marketable alternatives	-	8,344,105	-	-	8,344,105
Non-Marketable alternatives	-	-	76,801,371	14,682,154	91,483,525
The Richmond Fund, LP	-	-	-	494,398,731	494,398,731
Total investments	138,569,779	8,344,105	76,801,371	509,080,885	732,796,140
Pledges, notes and other receivables	21,554,916	14,720,132	-	-	36,275,048
Cash surrender value of life insurance	-	40,623	-	-	40,623
Assets held in trusts	78,868,171	10,763,812	-	-	89,631,983
Total	$238,992,866	$ 33,868,672	$ 76,801,371	$509,080,885	$ 858,743,794
Liabilities:					
Distributions payable	$ -	$ 56,307,791	$ -	$ -	$ 56,307,791
Liability under gift annuities	-	235,942	-	-	235,942
Liability under trust agreements	-	60,553,950	-	-	60,553,950
Funds held as agency endowments	-	5,891,168	-	-	5,891,168
Total	$ -	$122,988,851	$ -	$ -	$ 122,988,851

11. Fair Value Measurements, Continued:

Assets and liabilities measured at fair value on a recurring basis at December 31, 2016 include the following:

	Fair Value Using			Investments valued at NAV as practical expedient	Assets/ liabilities at Fair Value
	Level 1	Level 2	Level 3		
Assets:					
Investments:					
Cash equivalents	$ 13,551,196	$ -	$ -	$ -	$ 13,551,196
Equity securities	91,351,425	-	-	-	91,351,425
Marketable alternatives	-	8,269,368	-	-	8,269,368
Non-Marketable alternatives	-	-	42,170,577	6,356,422	48,526,999
The Richmond Fund, LP	-	-	-	429,383,898	429,383,898
Total investments	104,902,621	8,269,368	42,170,577	435,740,320	591,082,886
Pledges, notes and other receivables	11,255,055	19,326,280	-	-	30,581,335
Real estate held for resale	-	680,000	-	-	680,000
Cash surrender value of life insurance	-	37,541	-	-	37,541
Assets held in trusts	71,421,086	23,075,743	-	-	94,496,829
Total	$187,578,762	$ 51,388,932	$ 42,170,577	$435,740,320	$ 716,878,591
Liabilities:					
Distributions payable	$ -	$ 12,073,696	$ -	$ -	$ 12,073,696
Liability under gift annuities	-	245,714	-	-	245,714
Liability under trust agreements	-	55,106,948	-	-	55,106,948
Funds held as agency endowments	-	4,838,807	-	-	4,838,807
Total	$ -	$ 72,265,165	$ -	$ -	$ 72,265,165

11. Fair Value Measurements, Continued:

The following table provides a reconciliation between the beginning and ending balances of assets measured at fair value on a recurring basis in the table above that used significant unobservable inputs (Level 3):

	Investments in Non-Marketable Alternatives	Beneficial Interest in Trusts
Balance at January 1, 2016	$ 42,775,758	$ 73,534
Distributions	(1,900,170)	(73,534)
Net change in value of investments	1,294,989	-
Balance at December 31, 2016	42,170,577	-
Purchases	52,902,500	-
Distributions	(14,518,782)	-
Net change in value of investments	(3,752,924)	-
Balance at December 31, 2017	$ 76,801,371	$ -

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

The investments in alternatives are valued by general partners of the funds based on several criteria established in the fund agreement. All exchange traded securities are measured at the listed price at a specified time. Financial instruments that are tied to an underlying exchange traded security are valued at the listed price provided that the general partner determines that the price accurately reflects fair value. All other assets and liabilities of the fund are valued based on a calculation of fair value based on supporting information by the general partner using valuation approaches that can be classified as either; an income or earnings approach, a cost or asset approach, or a market approach. Certain investments are valued using NAV as a practical expedient. These approaches focus on either discounting future earnings or equity payouts, valuing the underlying assets and liabilities under a hypothetical sale transaction which may involve the use of independent appraisers, or by identifying and selecting publicly traded securities with similar investment characteristics.

The investment in the Richmond Fund is valued by the general partner based on several criteria established in the Richmond Fund agreement. The Richmond Fund operates as a fund of funds and as such the general partner reviews the fair values of each underlying fund based on available information. The Richmond Fund undergoes semi-annual independent audits, and the Foundation values its investment in the Richmond Fund using NAV as a practical expedient.

11. Fair Value Measurements, Continued:

In 2015, the Foundation received a gift of private company stock valued at $6,440,000. The Foundation values its investment based on an independent, third party valuation of the stock performed on an annual basis. The valuation utilized the income approach in 2017 and 2016.

The Foundation has investments in certain real estate parcels through the Jane and Arthur Flippo Endowment Foundation and the Commonwealth Foundation for Cancer Research. The Foundation values the real estate using the market approach, through tax assessments or available comparable sales information.

The beneficial interest in trusts are managed investments and are valued by general partners of the investment funds based on several criteria established in the fund agreement. All exchange traded securities are measured at the listed price at a specified time. Financial instruments that are tied to an underlying exchange traded security are valued at the listed price provided that the general partner determines that the price accurately reflects fair value. All other assets and liabilities of the fund are valued based on a calculation of fair value based on supporting information by the general partners.

12. Supporting Organizations and Other Affiliated Entities:

In 2002, the Commonwealth Foundation for Cancer Research was organized as a tax-exempt organization as defined by Section 501(c)(3) of the IRC, and became a supporting organization of The Community Foundation, Inc. Due to changes in federal regulations, which were issued December 2012, the Commonwealth Foundation for Cancer Research elected to re-organize as a Type I supporting organization effective January 1, 2014. Beginning in 2014, the net assets and results of operations of the Commonwealth Foundation for Cancer Research are included in the combined financial statements. The net assets and result of operations are reflected in the combined financial statements for 2017 and 2018.

On December 6, 2006, the Partnership for Nonprofit Excellence (the “Partnership”) was organized exclusively to support the charitable purposes of the Foundation, and 100% of the Partnership’s Board of Directors is appointed by the Foundation. The Partnership applied for recognition as a tax-exempt public charity as defined by Sections 170 (b)(1)(A)(vi), 501(c)(3), and 509(a)1 of the IRC and was approved with an effective date of December 6, 2006. Effective August 1, 2016, three programs of the Partnership were transferred to The Community Foundation. HandsOn Greater Richmond remained as a program of the Partnership for Nonprofit Excellence through 2017. Effective December 31, 2017, the Partnership for Nonprofit Excellence was dissolved and all net assets of the Partnership were transferred to the Foundation. HandsOn Greater Richmond is now a program of the Foundation. The net assets and result of operations are reflected in the combined financial statements.

12. Supporting Organizations and Other Affiliated Entities, Continued:

In 1988, the R.E.B. Foundation became a supporting organization of the Foundation. The R.E.B. Foundation is a tax-exempt organization as defined by Section 501(c)(3) of the IRC. The R.E.B. Foundation assists in supporting the educational purposes of the Foundation. In August 2013, the R.E.B. Foundation elected to re-organize as a Type I supporting organization. The R.E.B. Foundation's net assets and results of operations are reflected in the combined financial statements.

In August 1995, the Annabella R. Jenkins Foundation ("Jenkins Foundation") became a supporting organization of the Foundation. The Jenkins Foundation assists in supporting the charitable purposes of the Foundation, with an emphasis on health and medically related charitable purposes. In August 2013, the Jenkins Foundation elected to re-organize as a Type I supporting organization. The Jenkins Foundation's net assets and results of operations are reflected in the combined financial statements.

In June 2011, the Pauley Family Foundation became a Type I supporting organization of the Foundation and its net assets and results of operations are reflected in the combined financial statements.

In June 2013, the Jane and Arthur Flippo Endowment Foundation became a Type I supporting organization of the Foundation and its net assets and results of operations are reflected in the combined financial statements.

In December 2014, the Ann K. Kirby Foundation became a Type I supporting organization of the Foundation. The Ann K. Kirby Foundation was gifted $37.5 million and the final payment was received in January 2018. As contributions are received, the net assets and results of operations are reflected in the combined financial statements.

13. Leases:

The Foundation leases office space and equipment under operating leases. Equipment leases expire at various dates through 2020. The agreement on the office lease required monthly rent payments through March 2018 and the related expense was recognized on a straight-line basis over the life of the lease. Effective April 1, 2018, the Foundation is continuing rental on a month to month basis.

The Foundation entered into a new lease for office space on March 26, 2018. The initial term of this lease will commence on the date upon which the landlord substantially completes renovations to the space, as defined in the lease, which is estimated to be December 1, 2018. Rent payments will commence 150 days after the lease commencement date. The lease will continue for 124 months following the rent commencement date. Future rent payments related to this lease are included in the schedule below.

13. Leases, Continued:

Future minimum payments under operating lease obligations consisted of the following at December 31, 2017:

2018	$	408,457
2019		237,303
2020		327,101
2021		331,150
2022		339,038
Thereafter		2,320,369
Total	$	3,963,418

Total operating lease expense was $319,345 for 2017 and $307,393 for 2016.

14. Retirement Plans:

Employees are eligible to participate in a 403(b) thrift plan on the first day of the month following employment. Employees are eligible for the 403(b) thrift plan employer matching contribution after 12 months of service, a minimum of 1,000 hours of service, and attaining age 21. Under the terms of the plan, employees are entitled to contribute a portion of their total compensation, within limitations established by the IRC. At the discretion of the Board of Governors, the Foundation may make a matching contribution defined as the lesser of 100% of an employee's contributions or 4.5% of an employee's total annual compensation. Matching contributions amounted to $103,533 for 2017 and $104,239 for 2016.

Eligible employees are vested in a defined benefit plan through United Way of Greater Richmond & Petersburg for employees meeting the eligibility requirements of age 21 and completing one year of service with a minimum of 1,000 hours worked. The plan pays retirees a fixed amount that is based on the number of years of service and compensation history. Pension plan expense was $87,064 for 2017 and $82,281 for 2016. Effective December 31, 2008, the plan sponsor, United Way of Greater Richmond & Petersburg, decided to freeze all future benefit accruals for those who are active participants. The pension plan was also frozen to new participants as of that date. Based on actuarial assumptions, current interest rates, market conditions, requirements of the Pension Protection Act, and other factors, the Foundation is likely to be required to make future contributions to the Plan.

In December 2014, the Foundation established a 401(a) discretionary contribution plan. Contributions to the plan totaled $20,000 in 2017 and 2016. Participation in the plan is limited to persons whose payroll is reported on the Foundation's EIN. Eligibility further conforms to the eligibility criteria for the 403(b) thrift plan employer matching contributions.

15. Indemnifications:

As permitted under their articles of incorporation, the Foundation and affiliated organizations have certain obligations to indemnify their current and former officers and directors for certain events or occurrences while the officer or director is, or was serving, at the Foundation’s and affiliated organizations’ request in such capacities. The maximum liability under these obligations is limited by the Code of Virginia. The Foundation’s and affiliated organizations’ insurance policies serve to limit their exposure. The Foundation and affiliated organizations believe that the estimated fair value of these indemnification obligations is minimal.

SUPPLEMENTAL INFORMATION

THE COMMUNITY FOUNDATION
Serving Richmond and Central Virginia

Combining Statement of Financial Position
December 31, 2017

	The Community Foundation	REB Foundation	Jenkins Foundation	Pauley Family Foundation	Flippo Foundation	Commonwealth Foundation for Cancer Research	Ann K. Kirby Foundation	Total	Combining Entries	Combined Total
Assets										
Cash and cash equivalents	$ 8,189,547	$ 819,909	$ 1,573,777	$ 79,004	$ 24,444	$ 1,728,293	$ 959,945	$ 13,374,919	$ -	$ 13,374,919
Investments, at fair value	442,970,141	34,047,392	46,100,021	101,741,609	8,344,105	80,176,764	19,416,108	732,796,140	-	732,796,140
Pledges, notes and other receivables	10,875,827	-	-	-	-	7,472,144	18,000,000	36,347,971	(72,923)	36,275,048
Prepaid expenses	183,429	-	2,500	-	-	-	-	185,929	-	185,929
Property and equipment, net	165,657	-	-	-	-	-	-	165,657	-	165,657
Cash surrender value of life insurance	40,623	-	-	-	-	-	-	40,623	-	40,623
Assets held in trust, at fair value	81,494,918	2,995,486	5,141,579	-	-	-	-	89,631,983	-	89,631,983
Total assets	$ 543,920,142	$ 37,862,787	$ 52,817,877	$ 101,820,613	$ 8,368,549	$ 89,377,201	$ 38,376,053	$ 872,543,222	$ (72,923)	$ 872,470,299
Liabilities and Net Assets										
Liabilities:										
Accrued expenses	$ 369,225	$ 106	$ -	$ -	$ 20,423	$ -	$ -	$ 389,754	$ (20,423)	$ 369,331
Distributions payable	6,659,032	-	925,558	5,189,568	-	41,743,775	1,842,358	56,360,291	(52,500)	56,307,791
Liability under gift annuities	123,988	-	111,954	-	-	-	-	235,942	-	235,942
Liability under trust agreements	60,553,950	-	-	-	-	-	-	60,553,950	-	60,553,950
Funds held as agency endowments	5,891,168	-	-	-	-	-	-	5,891,168	-	5,891,168
Total liabilities	73,597,363	106	1,037,512	5,189,568	20,423	41,743,775	1,842,358	123,431,105	(72,923)	123,358,182
Net assets:										
Unrestricted	173,757,297	34,867,195	46,227,479	96,631,045	8,348,126	40,161,282	18,533,695	418,526,119	-	418,526,119
Temporarily restricted	96,525,214	2,995,486	411,307	-	-	7,472,144	18,000,000	125,404,151	-	125,404,151
Permanently restricted	200,040,268	-	5,141,579	-	-	-	-	205,181,847	-	205,181,847
Total net assets	470,322,779	37,862,681	51,780,365	96,631,045	8,348,126	47,633,426	36,533,695	749,112,117	-	749,112,117
Total liabilities and net assets	$ 543,920,142	$ 37,862,787	$ 52,817,877	$ 101,820,613	$ 8,368,549	$ 89,377,201	$ 38,376,053	$ 872,543,222	$ (72,923)	$ 872,470,299

See Report of Independent Accountants.

THE COMMUNITY FOUNDATION
Serving Richmond and Central Virginia

Combining Statement of Activities
Year Ended December 31, 2017

	The Community Foundation	Partnership for Nonprofit Excellence	REB Foundation	Jenkins Foundation	Pauley Family Foundation	Flippo Foundation	Commonwealth Foundation for Cancer Research	Ann K. Kirby Foundation	Total	Combining Entries	Combined Total
Support and revenue (losses):											
Contributions	$ 31,836,972	$ 614,765	$ 1,116	$ 493,405	$ -	$ -	$ 75,384,032	$ 18,000,000	$ 126,330,290	$ (1,561,985)	$ 124,768,305
Net change in value of investment in The Richmond Fund, LP	48,853,031	-	3,039,561	5,522,241	-	-	-	-	57,414,833	-	57,414,833
Net realized and unrealized gain (loss) on investments	(1,538,618)	-	296,562	658,089	16,929,450	214,393	(670,867)	2,118,498	18,007,507	-	18,007,507
Net investment income	2,635,800	246	1,765	(2,024)	2,334,358	-	665,987	576	5,636,708	-	5,636,708
Contributions to charitable trusts (net of the liability)	101,720	-	-	-	-	-	-	-	101,720	-	101,720
Investment income from trusts	62,039	-	-	174,978	-	-	-	-	237,017	-	237,017
Misc & other program revenue	218,222	94,783	-	-	-	-	156,000	-	469,005	-	469,005
Unrestricted support	53,323	-	(22,589)	(203,193)	(260,662)	(41,132)	(47,000)	(59,074)	(580,327)	580,327	-
Income tax refund, net	(7,566)	-	-	13,000	-	18,119	-	-	23,553	-	23,553
Total support and revenue (losses)	82,214,923	709,794	3,316,415	6,656,496	19,003,146	191,380	75,488,152	20,060,000	207,640,306	(981,658)	206,658,648
Expenses:											
Grant and program distributions	(30,594,266)	-	(869,060)	(2,014,016)	(4,009,152)	(500)	(65,743,775)	(2,542,358)	(105,773,127)	885,360	(104,887,767)
Program and operating expenses	(5,413,186)	(324,272)	(19,672)	(28,315)	(19,232)	(131,642)	(536,749)	(206)	(6,473,274)	96,074	(6,377,200)
Other distributions	(1,377,188)	(504,547)	(4,890)	(14,385)	-	-	-	-	(1,901,010)	224	(1,900,786)
Total expenditures	(37,384,640)	(828,819)	(893,622)	(2,056,716)	(4,028,384)	(132,142)	(66,280,524)	(2,542,564)	(114,147,411)	981,658	(113,165,753)
Change in net assets before transfers	44,830,283	(119,025)	2,422,793	4,599,780	14,974,762	59,238	9,207,628	17,517,436	93,492,895	-	93,492,895
Net assets transferred to (from) an affiliated organization	668,908	(668,908)	-	-		-	-	-	-	-	-
Change in net assets	45,499,191	(787,933)	2,422,793	4,599,780	14,974,762	59,238	9,207,628	17,517,436	93,492,895	-	93,492,895
Net assets, beginning of year	424,823,588	787,933	35,439,888	47,180,585	81,656,283	8,288,888	38,425,798	19,016,259	655,619,222	-	655,619,222
Net assets, end of year	$ 470,322,779	$ -	$ 37,862,681	$ 51,780,365	$ 96,631,045	$ 8,348,126	$ 47,633,426	$ 36,533,695	$ 749,112,117	$ -	$ 749,112,117

See Report of Independent Accountants.