

PICKAWAY COUNTY COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014



Whited Seigneur Sams & Rabe, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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PICKAWAY COUNTY COMMUNITY FOUNDATION

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May 31, 2016

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Pickaway County Community Foundation

We have audited the accompanying financial statements of Pickaway County Community Foundation (a nonprofit corporation) (the Foundation), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 from material misstatement.

An audit includes 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 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 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 Pickaway County Community Foundation as of December 31, 2015 and 2014, and the change 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.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE CPAs, LLP

Whited Seigneur Sams & Rahe

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014**

CURRENT ASSETS	2015	2014
Cash and Cash Equivalents	\$ 13,558	\$ 25,083
Accounts Receivable	110	-
Beneficial Interest in Assets Held by Others	<u>8,390,068</u>	<u>8,640,864</u>
TOTAL CURRENT ASSETS	<u>8,403,736</u>	<u>8,665,947</u>
 PERMANENT & DEPRECIABLE ASSETS, NET	 <u>227,689</u>	 <u>235,396</u>
 TOTAL ASSETS	 <u>\$ 8,631,425</u>	 <u>\$ 8,901,343</u>
 LIABILITIES		
Accounts Payable	\$ 64	\$ 2,822
Agency Endowment Funds	<u>1,800,078</u>	<u>1,782,991</u>
TOTAL CURRENT LIABILITIES	1,800,142	1,785,813
 LONG TERM LIABILITIES		
 NET ASSETS		
Unrestricted		
Designated	555,961	593,532
Field of Interest	1,072,691	1,191,518
Scholarship	4,961,338	5,072,825
Operations	<u>241,293</u>	<u>257,655</u>
Total Unrestricted Net Assets	<u>6,831,283</u>	<u>7,115,530</u>
TOTAL NET ASSETS	<u>6,831,283</u>	<u>7,115,530</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,631,425</u>	<u>\$ 8,901,343</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Operating Grants	\$ 15,000	\$ -	\$ 15,000
Donor-Advised Grants	66,998	-	66,998
Project Grants	2,438	-	2,438
In-Kind Contributions	1,413	-	1,413
Fees	6,539	-	6,539
Miscellaneous	1,159	-	1,159
Change in Beneficial Interest	<u>(250,800)</u>	<u>-</u>	<u>(250,800)</u>
TOTAL SUPPORT AND REVENUE	(157,253)	-	(157,253)
 EXPENSES			
Grants	80,589	-	80,589
Professional Services	9,350	-	9,350
Operating Expenses	12,262	-	12,262
Depreciation	7,707	-	7,707
Contribution to Agency Endowments	<u>17,086</u>	<u>-</u>	<u>17,086</u>
TOTAL EXPENSES	<u>126,994</u>	<u>-</u>	<u>126,994</u>
CHANGE IN NET ASSETS	(284,247)	-	(284,247)
NET ASSETS, BEGINNING OF YEAR	<u>7,115,530</u>	<u>-</u>	<u>7,115,530</u>
NET ASSETS, END OF YEAR	<u><u>\$ 6,831,283</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,831,283</u></u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Operating Grants	\$ 23,578	\$ -	\$ 23,578
Donor-Advised Grants	94,100	-	94,100
Project Grants	23,416	-	23,416
In-Kind Contributions	1,265	-	1,265
Fees	5,453	-	5,453
Miscellaneous	3,511	-	3,511
Change in Beneficial Interest	715,548	-	715,548
Release of Restriction	21,261	(21,261)	-
TOTAL SUPPORT AND REVENUE	888,132	(21,261)	866,871
 EXPENSES			
Grants	105,314	-	105,314
Professional Services	10,000	-	10,000
Operating Expenses	16,177	-	16,177
Depreciation	6,699	-	6,699
Contribution to Agency Endowments	162,174	-	162,174
TOTAL EXPENSES	300,364	-	300,364
 CHANGE IN NET ASSETS	587,768	(21,261)	566,507
 NET ASSETS, BEGINNING OF YEAR	6,527,762	21,261	6,549,023
 NET ASSETS, END OF YEAR	\$ 7,115,530	\$ -	\$ 7,115,530

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (284,248)	\$ 566,507
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	7,707	6,699
Change in Operating Assets and Liabilities		
Increase (Decrease) in Agency Endowment Funds	17,086	162,174
Increase (Decrease) in Accounts Payable	(2,758)	426
Increase (Decrease) in Accrued Property Taxes	-	(2,593)
Net Cash Provided (Used) by Operating Activities	(262,212)	733,213
 Cash Flows From Investing Activities		
Purchase of Furniture, Fixtures, & Equipment	-	(25,355)
Net (Increase)/Decrease in Beneficial Interest in Assets Held by Others	250,800	(715,548)
Net Cash Provided (Used) by Investing Activities	250,800	(715,548)
 Net Increase/(Decrease) in Cash	(11,525)	(5,503)
 Cash at Beginning of Year	25,083	30,586
 Cash at End of Year	\$ 13,558	\$ 25,083

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS**

1. FOUNDATION DESCRIPTION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- **Foundation Description**

The Pickaway County Community Foundation (the Foundation) was created on January 8, 2001, as a not-for-profit corporation. The Foundation was formed to serve as a vehicle through which individuals, families, corporations and community organizations can make current and planned gifts for the general benefit of the community or for specific purposes within the scope of the Foundation's purpose.

- **Basis of Presentation**

The Foundation 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.

- **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

- **Cash Equivalents**

The Foundation considers all highly liquid cash instruments purchased with an original maturity of three months or less to be cash equivalents. The Foundation held no cash equivalents as of December 31, 2015 and 2014.

- **Unrestricted Net Assets**

Unrestricted net assets are not subject to donor imposed, passage of time or specific event restrictions.

- **Temporarily Restricted Net Assets**

Temporarily restricted net assets are subject to donor imposed stipulations that may or will be met, either by the activities of the Foundation or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Foundation has no temporarily restricted net assets as of December 31, 2015 and 2014.

- **Permanently Restricted Net Assets**

Permanently restricted net assets are subject to donor-imposed restrictions that they be maintained permanently by the Foundation. Generally, the donors of such assets permit the Foundation to use all or part of the income earned on the assets. The Foundation has no permanently restricted net assets as of December 31, 2015 and 2014.

**PICKAWAY COUNTY COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS**

1. FOUNDATION DESCRIPTION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Property and Equipment**

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are recorded at estimated fair market value at date of donation or at cost if purchased. Depreciation is computed on the straight-line method and is based on expected useful lives. The following useful lives are used in determining depreciation:

Building.....	40 Years
Building Improvements.....	15 Years
Furniture & Equipment.....	5 – 7 Years
Computers.....	3 Years

On May 15, 2013, the Foundation purchased property using funds donated for the purpose of opening the Founders Center for Philanthropy. According to the agreement between the donor and the Foundation, the property cannot be sold for a period of five years. The following schedule presents a breakdown of depreciable assets at December 31, 2015 and 2014:

	2015	2014
Building	\$ 164,351	\$ 164,351
Building Improvements	16,622	16,622
Furniture & Equipment	12,450	12,450
Total Cost of Depreciable Assets	193,423	193,423
Less: Accumulated Depreciation	(16,405)	(8,698)
Net Depreciable Assets	177,018	184,725
Land	50,671	50,671
Net Permanent and Depreciable Assets	\$ 227,689	\$ 235,396

- **Public Support, Revenue and Expense**

The Foundation reports gifts of cash and other assets as restricted contributions when they are received with donor stipulations that limit the use of the donated assets. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

- **Grants**

Grants are recorded as expenses when they are approved by the Board of Directors for payment.

- **Donated Materials and Services**

Donated materials are recorded as contributions in the accompanying financial statements at their estimated fair values at date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

**PICKAWAY COUNTY COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS**

1. FOUNDATION DESCRIPTION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Federal Income Tax**

The Foundation is a nonprofit organization exempt under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is required. All required filings are up-to-date and are generally subject to IRS review within three years from the date of filing.

- **Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

- **Reclassifications**

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

- **Impairment of Long-Lived Assets**

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. As of December 31, 2015 and 2014, there were no impairment losses recognized for long-lived assets.

2. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In order to minimize administrative costs, the Foundation has entered into a memorandum of understanding with Community Foundations, Inc., an affiliate of the Columbus Foundation. The Board of Trustees and staff of Community Foundations, Inc. will oversee the management of the funds that hold the Foundation's investments. They will also provide the Foundation with all necessary records, perform necessary administrative procedures and coordinate an independent audit of the funds they hold. Fees for these services are 0.5% of the market value of the assets plus any fees charged by the investment agent. Fees for the years ending December 31, 2015 and 2014 were \$67,460 and \$63,284, respectively. These fees are netted with the change in beneficial interest in assets held by others. Community Foundations, Inc. holds variance power and final authority over distribution decisions and is not legally bound to comply with a donor's suggestions.

At some future date, should the Foundation wish to administer its assets independently from Community Foundations, Inc., the total assets of the funds opened by the Foundation may be requested to be distributed to be held as component funds subject to the Articles of Incorporation and Code of Regulations, upon the approval of the Board of Trustees of Community Foundations, Inc.

**PICKAWAY COUNTY COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS**

2. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (continued)

Beneficial interest in assets held by others is comprised of the following funds, valued at fair market value at December 31, 2015 and 2014:

	2015	2014
Pickaway County Community Foundation Fund	\$ 51,553	\$ 61,687
Starkey Fund for Youth of Pickaway County	28,960	31,126
Library Fund for Pickaway County	71,414	71,309
Bowser-Dunlap Family Fund	26,114	29,505
Warren Sneed & Wally Yamarick Engineering Scholarship at OSU	49,376	47,985
Fund for Tomorrow	99,197	63,283
M Louise Southward Fund	17,952	18,706
Yamarick Family Fund	35,013	36,440
Gladys Schaal Memorial Scholarship	285,284	292,449
Circleville Eagles Fund	2,193	2,210
Edwin & Patricia Taylor Scholarship Fund	34,030	36,312
Mary Virginia Hannan Fund	42,917	43,315
United Way Legacy Fund	67,975	67,727
Pickaway County Historical Society Clark-May House Fund	36,911	38,404
Pickaway County Ag Foundation Fund	28,012	29,449
Pickaway County Historical Society Life Membership Fund	71,722	73,085
William Ammer Memorial Education Trust Fund	3,012,398	3,054,203
Karen Matesky Grigg Memorial Scholarship Fund	11,922	12,915
Lanman-Massie Scholarship Fund	42,224	42,335
Circleville Junior Women's Pumpkins of Pickaway Fund for the Arts	28,800	29,148
The Welcome Center Fund	6,353	6,379
Mary Hamman May Art Goes to School Fund	2,429	3,993
Brown Memorial Home Endowment Fund	16,876	17,254
Youth Grantmaking Council Fund	64,004	64,499
Youth Grantmaking Council Matching Fund	87,131	89,190
Westfall Education Foundation Fund	50,647	51,449
Thorndike Barnhart Memorial Scholarship Fund	-	10,015
Mike Harrison Park Fund	70,750	73,657
Pickaway County Ohio Erie Canal Fund	19,088	19,022
Teays Valley Education Foundation Fund	17,074	17,072
Pickaway Progress Fund	17,975	21,059
Boundless Playground Fund	247,202	253,874
Circleville City Schools Foundation Fund	16,903	16,870
Ohio Christian University Pickaway Scholarship Fund	37,068	34,030
Chris Gary Memorial Fund	145,682	154,815
Nelson E. Jones Scholarship Fund	20,212	21,963
Westfall Elementary Field of Dreams Fund	21,795	21,883
Logan Elm Education Foundation Fund	14,263	14,307
ArtsAround Fund	11,835	11,822
Marcus Brown Trust Fund	19,732	19,924
Circleville Academic Booster Scholarship Fund	7,469	8,063
US Bank Directors Fund	19,179	25,355
Pickaway Senior Citizens Fund	14,053	14,267
Eric Clark Memorial Fund	12,185	13,348
Wil-Deer Community Fund	7,143	7,199
Renick Scholarship Endowment Fund	1,461,355	1,512,555
PCN Agriculture Strategic Direction Fund	50,323	35,134
PCN Education Strategic Direction Fund	26,399	37,214
PCN Leadership Strategic Direction Fund	70,928	77,629
Community Investment Fund YMCA	13,011	13,806

**PICKAWAY COUNTY COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS**

2. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (continued)

	2015	2014
Helen Baker Noecker Memorial Scholarship of the Teays Valley Educational Foundation	\$ 25,261	\$ 23,965
Ashville Alumni Scholarship Fund of the Teays Valley Educational Foundation	11,469	11,443
Charlotte R. Schmidlapp Endowment of the Berger Health Foundation	17,171	18,151
Gary & Connie Sharpe Endowment for Nursing Education of the Berger Health Foundation	115,782	122,347
John & Susie Dunlap Fund	12,841	12,895
The Way Skate Park Ministry Fund	-	11,406
Neff/DARE Fund	39,407	47,024
Savings Bank	3,874	7,368
Pickaway H.E.L.P.S.	14,065	16,287
Unrestricted Fund of the Berger Health Foundation	312,122	314,543
Ellen North Dunlap Fellowship	44,477	46,882
Ashville Kiwanis Howard Hosler Scholarship Fund	12,259	12,517
Aleris Fund	62,725	62,978
Circleville High School Alumni Association	21,199	21,552.00
New Hope Fund	11,471	11,441.00
Whitehead-Hinkle Trust Fund	88,926	88,723.00
Community Health Fund	54,530	56,832.00
Founder's Center Endowment Fund	11,609	11,580.00
Lenhart Fund	11,558	11,526.00
Warner Farmland Preservation Fund	12,233	11,992.00
Mary Tolbert Estate	466,082	499,982.00
Stoecklein/McNemar Giving Fund	166,343	170,298.00
Kids Cancer Fund	44,883	31,027.00
Sunrise Rotary Community Project Fund	22,485	7,839.00
Community Health Fund of Berger Health Foundation	56,408	49,781.00
Sutton Family Fund	44,488	112,919.00
Pickaway County Community Foundation Fund	51,553	61,687
Starkey Fund for Youth of Pickaway County	28,960	31,126
Library Fund for Pickaway County	71,414	71,309
Bowser-Dunlap Family Fund	26,114	29,505
Warren Sneed & Wally Yamarick Engineering Scholarship at OSU	49,376	47,985
Fund for Tomorrow	99,197	63,283
M Louise Southward Fund	17,952	18,706
Yamarick Family Fund	35,013	36,440
Leist Family Fund	93,368	98,326.00
Total Beneficial Interest in Assets Held by Others	\$ 8,392,082	\$ 8,642,878

**PICKAWAY COUNTY COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS**

2. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (continued)

The change in the beneficial interest in assets held by others for the years ended December 31, 2015 and 2014 is as follows:

	2015	2014
Contributions	\$ 165,516	\$ 443,090
Investment Income	202,019	191,935
Realized/Unrealized Gains	(357,035)	244,505
Capital Gains	158,659	150,151
Grants	(353,426)	(336,524)
Net Transfers	500	85,675
Administrative Fees	(67,033)	(63,284)
Change in beneficial interest	\$ (250,800)	\$ 715,548

3. NONCOMPLIANCE WITH GRANTOR RESTRICTIONS

Grants are subject to review from the grantor. Such reviews could result in claims against the Foundation for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such reviews since the amounts, if any, cannot be determined at this date.

4. SPLIT-INTEREST AGREEMENT

During 2013, the Foundation received a planned gift of a \$100,000 life insurance policy. The Foundation is the owner and beneficiary of the policy upon the death of the insured. The Foundation makes quarterly premium payments of \$175 which are reimbursed by the insured. Under the terms of the bequest, yearly distributions are to be evenly divided between the Foundation and Teays Valley Educational Foundation to be used towards operations. The Foundation can choose to cash out the policy at any time.

5. SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through May 31, 2016, the date the financial statements were available to be issued.