

PICKAWAY COUNTY COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2018 and 2017



Whited Seigneur Sams & Rabe, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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PICKAWAY COUNTY COMMUNITY FOUNDATION

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September 19, 2019

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, 2018 and 2017, 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 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 Pickaway County Community Foundation as of December 31, 2018 and 2017, 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.

Emphasis of Matter

As described in Note 1 of the financial statements, the Foundation implemented Financial Accounting Standards Board (FASB) Accounting Standards Update No. 2016-14, Not-for-Profit (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE CPAs, LLP

Whited Seigneur Sams & Rahe

PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 and 2017

CURRENT ASSETS	2018	2017
Cash and Cash Equivalents	\$ 51,675	\$ 57,832
Investments	50,123	-
Prepays and Other Assets	2,500	-
Beneficial Interest in Assets Held by Others	11,817,509	11,013,544
TOTAL CURRENT ASSETS	<u>11,921,807</u>	<u>11,071,376</u>
 PERMANENT & DEPRECIABLE ASSETS, NET	 <u>204,175</u>	 <u>212,275</u>
 TOTAL ASSETS	 <u>\$ 12,125,982</u>	 <u>\$ 11,283,651</u>
 LIABILITIES		
Accounts Payable	\$ 1,075	\$ -
Payroll Liabilities	2,322	2,835
Fiscal Agent Liability	22,670	31,192
Agency Endowment Funds	3,021,162	2,165,403
TOTAL CURRENT LIABILITIES	<u>3,047,229</u>	<u>2,199,430</u>
 LONG TERM LIABILITIES		
 NET ASSETS		
Net Assets Without Donor Restrictions		
Designated	563,959	625,682
Field of Interest	2,141,510	1,720,818
Scholarship	6,090,879	6,501,641
Operations	282,405	236,080
Total Net Assets Without Donor Restrictions	<u>9,078,753</u>	<u>9,084,221</u>
TOTAL NET ASSETS	<u>9,078,753</u>	<u>9,084,221</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,125,982</u>	<u>\$ 11,283,651</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2018 and 2017**

	2018	2017
SUPPORT AND REVENUE		
Operating Grants	\$ -	\$ 18,750
Donor-Advised Grants	319,229	89,846
In-Kind Contributions	-	17,167
Fees	33,421	14,399
Fundraisers	18,796	25,630
Miscellaneous	(315)	50
Change in Beneficial Interest	803,965	1,654,143
 TOTAL SUPPORT AND REVENUE	 1,175,096	 1,819,985
 EXPENSES		
Program Services	1,082,205	312,943
Management and General	75,383	90,399
Fundraising	22,977	15,085
 TOTAL EXPENSES	 1,180,564	 418,427
 CHANGE IN NET ASSETS	 (5,468)	 1,401,558
 NET ASSETS, BEGINNING OF YEAR	 9,084,221	 7,682,663
 NET ASSETS, END OF YEAR	 \$ 9,078,753	 \$ 9,084,221

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2018 and 2017**

	2018			
	Program Services	Management and General	Fundraising	Total
Grants	\$ 193,470	\$ -	\$ -	\$ 193,470
Advertising	15,382	-	1,709	17,091
Salaries and benefits	7,917	30,969	7,917	46,802
Occupancy	-	7,509	-	7,509
Professional services	9,677	11,736	4,500	25,913
Printing	-	3,034	-	3,034
Insurance	-	3,460	-	3,460
Supplies	-	2,760	3,315	6,075
Travel	-	1,975	-	1,975
Endowment Contributions	855,759	-	-	855,759
Depreciation	-	8,100	-	8,100
Other	-	5,840	5,536	11,376
	<u>\$ 1,082,205</u>	<u>\$ 75,383</u>	<u>\$ 22,977</u>	<u>\$ 1,180,564</u>

	2017			
	Program Services	Management and General	Fundraising	Total
Grants	\$ 45,443	\$ -	\$ -	\$ 45,443
Advertising	438	-	49	487
Salaries and benefits	6,090	21,715	6,090	33,894
Occupancy	-	6,314	-	6,314
Professional services	-	35,323	3,910	39,233
Printing	-	3,057	173	3,230
Insurance	-	2,535	-	2,535
Supplies	-	823	1,465	2,288
Travel	-	1,146	-	1,146
Endowment Contributions	260,972	-	-	260,972
Depreciation	-	7,707	-	7,707
Other	-	11,779	3,399	15,178
	<u>\$ 312,943</u>	<u>\$ 90,399</u>	<u>\$ 15,085</u>	<u>\$ 418,427</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 and 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (5,468)	\$ 1,401,558
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	8,100	7,707
Change in Operating Assets and Liabilities		
(Increase) Decrease in Prepaids and Other Assets	(2,500)	-
Increase (Decrease) in Agency Endowment Funds	855,759	260,972
Increase (Decrease) in Accounts Payable	1,075	-
Increase (Decrease) in Payroll Liability	(513)	2,149
Increase (Decrease) in Fiscal Agent Liability	(8,522)	(479,471)
Net Cash Provided (Used) by Operating Activities	847,931	1,192,915
Cash Flows From Investing Activities		
Purchase of Investments	(50,123)	497,117
Net (Increase)/Decrease in Beneficial Interest in Assets Held by	(803,965)	(1,654,143)
Net Cash Provided (Used) by Investing Activities	(854,088)	(1,157,026)
Net Increase/(Decrease) in Cash	(6,157)	35,889
Cash at Beginning of Year	57,832	21,943
Cash at End of Year	\$ 51,675	\$ 57,832

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

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

1. 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 two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

- **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, 2018 and 2017.

- **Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

- **Net Assets without donor restrictions**

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.

- **Net Assets with donor restrictions:**

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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

1. 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, 2018 and 2017:

	2018	2017
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	(39,919)	(31,819)
Net Depreciable Assets	153,504	161,604
Land	50,671	50,671
Net Permanent and Depreciable Assets	\$ 204,175	\$ 212,275

- **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 net assets without donor restrictions 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 net assets with donor restrictions, 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. 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). Though it is subject to tax on income unrelated to its exempt purpose, no provision for income taxes is required. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income. 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, 2018, and 2017, there were no impairment losses recognized for long-lived assets.

- **Functional Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services, fundraising services, and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses are allocated included the following:

Expense	Method of Allocation
Advertising	90% to program and 10% to fundraising
Salaries and benefits	Director's Pay: 50% to management, 25% to program, 25% to fundraisi

Excluding the portion of the Executive Director’s pay noted above, the remaining fundraising expenses were allocated by individual item. The remaining expenses were allocated by account to program, management, or fundraising activities on the statements of functional expenses.

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

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

- **Adoption of New Accounting Principle**

The Financial Accounting Standards Board (FASB) has adopted the following standard update that was effective for the year ending December 31, 2018.

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented the pronouncement and adjusted the presentation of these statements accordingly. There was no change in the beginning net assets as a result of implementing this pronouncement.

2. AVAILABILITY AND LIQUIDITY

The following represents the Foundation’s financial assets available for operations at December 31, 2018 and 2017:

Financial assets at year end:	2018	2017
Cash and cash equivalents	\$ 51,674	\$ 57,832
Investments	50,123	-
Total financial assets	101,797	57,832
Financial assets available to meet general expenditures over the next twelve months	\$ 101,797	\$ 57,832

Donations to operations are kept in the local checking account for easier access to operate. If the balance of the account exceeds \$30,000; the additional funds will be deposited into to their investment portfolio.

3. INVESTMENTS

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments reported at their fair value in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the dividend date.

4. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

4. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the University has the ability to access.

Level 2: inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used December 31, 2018 and 2017.

Long-term investments: Valued by reference to quoted market prices and other relevant information generated by market transactions.

Fair value of assets measured on a recurring basis December 31, 2018 and 2017 are as follows:

Description	2018 Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Long-term investments			
Money Market Funds	\$ 20,107	\$ 20,107	\$ -
Exchange Traded Funds	27,976	27,976	-
Mutual Funds	2,040	2,040	-
Beneficial Interest in Assets Held by Others	11,817,509	-	11,817,509

Description	2017 Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Long-term investments			
Money Market Funds	\$ -	\$ -	\$ -
Exchange Traded Funds	-	-	-
Mutual Funds	-	-	-
Beneficial Interest in Assets Held by Others	11,013,544	-	11,013,544

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

5. 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, 2018 and 2017 were \$64,436 and \$76,458, 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.

Beneficial interest in assets held by others is comprised of the following funds, valued at fair market value at December 31, 2018 and 2017:

	2018	2017
Pickaway County Community Foundation Fund	\$ 13,067	\$ 32,923
Starkey Fund for Youth of Pickaway County	26,798	32,209
Library Fund for Pickaway County	75,569	87,440
Bowser-Dunlap Family	18,268	19,591
Warren Sneed & Wally Yamarick Engineering Scholarship at OSU	58,360	62,932
Fund for Tomorrow	94,992	68,863
M Louise Southward	19,612	21,252
Yamarick Family	39,731	41,007
Gladys Schaal Memorial Scholarship	308,934	340,432
Edwin & Patricia Taylor Scholarship	37,397	40,071
Mary Virginia Hannan	50,989	53,096
United Way Legacy	91,476	85,207
Pickaway County Historical Society Clark-May House	39,844	43,061
Pickaway County Agriculture Foundation	29,013	32,609
Pickaway County Historical Society Life Membership	78,817	83,008
William Ammer Memorial Education Trust	3,408,591	3,627,823
Karen Matesky Grigg Memorial Scholarship	11,513	12,378
Lanman-Massie Scholarship	43,570	45,310
Fund for the Arts	33,067	35,737
The Welcome Center	5,426	5,360
Mary Hamman May Art Goes to School	2,553	2,710
Brown Memorial Home Endowment	19,748	21,498
Youth Grantmaking Council	72,956	75,774
Youth Grantmaking Council Matching	98,999	101,988
Westfall Educaton Foundation	54,989	58,492
Mike Harrison Park	60,959	64,634
Teays Valley Education Foundation	19,879	20,481

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

5. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (CONTINUED)

	2018	2017
Pickaway Progress	\$ 5,734	\$ 5,971
Boundless Playground	214,091	253,756
Circleville City Schools Foundation	19,652	19,272
Ohio Christian University Pickaway Scholarship	42,802	46,153
Chris Gary Memorial	122,275	148,372
Nelson Jones Scholarship	23,153	23,517
Westfall Elementary Field of Dreams	25,112	26,085
Logan Elm Education Foundation	15,441	14,265
ArtsAround	12,663	12,744
Marcus Brown Trust Fund	23,333	24,340
Circleville Academic Booster Club Scholarship	7,159	7,974
US Bank Directors Fund	12,753	15,840
Pickaway Senior Citizens Fund	25,800	22,120
Eric Clark Memorial	9,270	11,102
Wil-Deer Community Fund	8,407	8,720
Renick Scholarship Endowment	1,625,425	1,738,395
PCN Agriculture Strategic Direction Fund	65,247	71,946
PCN Education Strategic Direction Fund	33,889	35,516
PCN Leadership Strategic Direction Fund	84,162	100,273
Community Investment Fund YMCA	15,166	15,840
Noecker Memorial Scholarship	29,796	30,840
Ashville Alumni Scholarship	13,531	14,010
Charlotte R. Schmidlapp Endowment of the Berger Health Foundaton	17,224	18,747
Sharpe Endowment for Nursing Education	116,342	126,701
John Dunlap Fund	14,747	15,313
Savings Bank	-	4,649
Pickaway H.E.L.P.S.	18,416	18,855
Unrestricted Fund of the Berger Health Foundation	362,662	376,593
Ellen North Dunlap Fellowship	42,767	48,081
Ashville Kiwanis Howard Hosler	14,406	14,868
Aleris Fund	76,036	78,949
Ruth Neff D.A.R.E. Fund	44,702	48,005
Circleville HS Alumni Association	49,703	53,170
New Hope Christian Academy Endowment	13,513	13,994
Whitehead-Hinkle Trust of TV Education Foundation	350,472	108,489
Community Health Endow Fund of Berger Health Foundation	48,403	50,079
Founders Center Endowment Fund	13,671	14,157
Lehnhart Fund of the TV Education Foundation	13,610	14,094
Louise & Jack Warner Farmland Preservation Fund	-	16,417
Mary Ruth Tolbert Trust Fund	462,219	517,653
Stoecklein/McNemar Giving Fund	462,530	474,561
Kids Cancer Fund	81,366	70,722
Sunrise Rotary Community Project Fund	26,710	59,261
Community Health Fund of Berger Health Foundation	68,244	80,391

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

5. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (CONTINUED)

	<u>2018</u>	<u>2017</u>
Sutton Family Fund	\$ 607,999	\$ 35,700
Leist Family Fund	161,247	161,805
Pickaway County Historical and Genealogical Library Fund	11,415	11,774
Ralph and Thommie Allured Fund	2,180	16,993
Haven House of Pickaway County	15,908	15,970
Pickaway Addiction Action Coalition	84,598	98,442
Adena Legacy Foundation	9,626	9,654
Floyd E and Mary Younkin Scholarship	523,974	556,654
Williamsport United Methodist Church Legacy Fund	79,647	36,434
Pickaway Agriculture and Event Center	719,897	44,631
Emily Nelson Memorial Fund of the Westfall Education Foundation	23,137	20,801
Cliff Bowser Fund	16,945	18,000
Imagination Library	13,215	-
Total Beneficial Interest in Assets Held by Others	<u>\$ 11,817,509</u>	<u>\$ 11,013,544</u>

The change in the beneficial interest in assets held by others for the years ended December 31, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Contributions	\$ 1,892,151	\$ 825,148
Investment Income	275,521	250,829
Realized/Unrealized Gains	(1,045,958)	885,637
Capital Gains	324,503	171,845
Grants	(558,491)	(402,805)
Administrative Fees	(83,761)	(76,511)
Change in beneficial interest	<u>\$ 803,965</u>	<u>\$ 1,654,143</u>

6. FISCAL AGENT LIABILITY

At December 31, 2018 and 2017, the Foundation had \$22,670 and \$31,192 of contributions in cash that had not yet been forwarded to the Community Foundations, Inc., respectively.

7. 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.

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

7. 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.

8. SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 19, 2019, the date the financial statements were available to be issued.

9. NEW ACCOUNTING STANDARDS

The Financial Accounting Standards Board (FASB) has adopted the following standards updates that will be effective in coming years. The Foundation has not early implemented these changes.

Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, will require that lessees record nearly all leases on the balance sheet. Lessors will see some changes too, largely made to align with the revised lessee model and the FASB's new revenue recognition guidance. This Update will be effective for most not-for-profits for fiscal years beginning after December 15, 2019.

Accounting Standards Update 2014-09, *Revenue from Contracts with Customers*, will eliminate the transaction- and industry-specific revenue recognition guidance under current U.S. GAAP and replace it with a principle-based approach for determining revenue recognition. This Update will be effective for most not-for-profits for fiscal years beginning after December 15, 2018.

Accounting Standards Update 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, require that a statement of cash flows explain the change in during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts on the statement of cash flows. The amendments in this Update do not provide a definition of restricted cash or restricted cash equivalents. The amendment will be effective for fiscal years beginning after December 15, 2018.