

PICKAWAY COUNTY COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015



Whited Seigneur Sams & Rabe, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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PICKAWAY COUNTY COMMUNITY FOUNDATION

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July 5, 2017

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, 2016 and 2015, 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, 2016 and 2015, 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, 2016 AND 2015**

| CURRENT ASSETS | <u>2016</u> | <u>2015</u> |
|--|--------------------------|-------------------------|
| Cash and Cash Equivalents | \$ 21,943 | \$ 13,558 |
| Investments | 497,117 | - |
| Accounts Receivable | - | 110 |
| Beneficial Interest in Assets Held by Others | 9,359,401 | 8,390,068 |
| TOTAL CURRENT ASSETS | <u>9,878,461</u> | <u>8,403,736</u> |
| PERMANENT & DEPRECIABLE ASSETS, NET | <u>219,982</u> | <u>227,689</u> |
| TOTAL ASSETS | <u>\$ 10,098,443</u> | <u>\$ 8,631,425</u> |
| LIABILITIES | | |
| Accounts Payable | \$ - | \$ 64 |
| Payroll Liabilities | 686 | - |
| Fiscal Agent Liability | 510,663 | - |
| Agency Endowment Funds | 1,904,431 | 1,800,078 |
| TOTAL CURRENT LIABILITIES | <u>2,415,780</u> | <u>1,800,142</u> |
| LONG TERM LIABILITIES | | |
| NET ASSETS | | |
| Unrestricted | | |
| Designated | 569,377 | 555,961 |
| Field of Interest | 1,559,728 | 1,072,691 |
| Scholarship | 5,325,865 | 4,961,338 |
| Operations | 227,693 | 241,293 |
| Total Unrestricted Net Assets | <u>7,682,663</u> | <u>6,831,283</u> |
| TOTAL NET ASSETS | <u>7,682,663</u> | <u>6,831,283</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 10,098,443</u> | <u>\$ 8,631,425</u> |

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

| | Unrestricted |
|--------------------------------------|---------------------|
| SUPPORT AND REVENUE | |
| Operating Grants | \$ 15,808 |
| Donor-Advised Grants | 95,535 |
| Project Grants | 50 |
| In-Kind Contributions | 349 |
| Fees | 6,069 |
| Miscellaneous | 1,849 |
| Change in Beneficial Interest | 969,333 |
| TOTAL SUPPORT AND REVENUE | 1,088,993 |
| EXPENSES | |
| Grants | 77,260 |
| Professional Services | 6,815 |
| Operating Expenses | 22,209 |
| Depreciation | 7,707 |
| Payroll and Related Expense | 19,269 |
| Contribution to Agency Endowments | 104,353 |
| TOTAL EXPENSES | 237,613 |
| CHANGE IN NET ASSETS | 851,380 |
| NET ASSETS, BEGINNING OF YEAR | 6,831,283 |
| NET ASSETS, END OF YEAR | \$ 7,682,663 |

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

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

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

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

| | 2016 | 2015 |
|--|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 851,380 | \$ (284,248) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Donated Investments | (497,117) | - |
| Depreciation & Amortization | 7,707 | 7,707 |
| Change in Operating Assets and Liabilities | | |
| (Increase) Decrease in Accounts Receivable | 110 | (110) |
| Increase (Decrease) in Agency Endowment Funds | 104,353 | 17,086 |
| Increase (Decrease) in Accounts Payable | (64) | (2,760) |
| Increase (Decrease) in Payroll Liability | 686 | - |
| Increase (Decrease) in Fiscal Agent Liability | 510,663 | - |
| Net Cash Provided (Used) by Operating Activities | 977,718 | (262,325) |
| Cash Flows From Investing Activities | | |
| Net (Increase)/Decrease in Beneficial Interest in Assets Held by Others | (969,333) | 250,800 |
| Net Cash Provided (Used) by Investing Activities | (969,333) | 250,800 |
| Net Increase/(Decrease) in Cash | 8,385 | (11,525) |
| Cash at Beginning of Year | 13,558 | 25,083 |
| Cash at End of Year | \$ 21,943 | \$ 13,558 |

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, 2016 and 2015.

- **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.

- **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, 2016 and 2015.

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

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

- **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, 2016 and 2015.

- **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, 2016 and 2015:

| | 2016 | 2015 |
|--------------------------------------|------------|------------|
| 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 | (24,112) | (16,405) |
| Net Depreciable Assets | 169,311 | 177,018 |
| Land | 50,671 | 50,671 |
| Net Permanent and Depreciable Assets | \$ 219,982 | \$ 227,689 |

- **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.

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

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

- **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.

- **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, 2016 and 2015, there were no impairment losses recognized for long-lived assets.

2. INVESTMENTS

At December 31, 2016 the Foundation had investments at Edward Jones totaling a value of \$497,117. The investments were pending the sale of stock that was later forwarded to the Columbus Community Foundation. At December 31, 2015 no investments were held by the Foundation.

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

3. 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:

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, 2016.

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, 2016 are as follows:

| Description | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|--------------|---|---|--|
| Long-term investments | | | | |
| Exchange Traded Funds | \$ 497,117 | \$ 497,117 | \$ - | \$ - |
| Beneficial Interest in Assets Held by Others | \$ 9,359,401 | \$ - | \$ 9,359,401 | \$ - |

There were no transfers in and out of Level 1, 2, or 3 during the period ending December 31, 2016.

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

4. 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, 2016 and 2015 were \$67,620 and \$67,033, 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.

(Continued)

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

4. 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, 2016 and 2015:

| | 2016 | 2015 |
|--|-----------|-----------|
| Pickaway County Community Foundation Fund | \$ 44,506 | \$ 51,553 |
| Starkey Fund for Youth of Pickaway County | 29,453 | 28,960 |
| Library Fund for Pickaway County | 77,997 | 71,414 |
| Bowser-Dunlap Family | 35,846 | 26,114 |
| Scholarship at Ohio Christian University | 55,198 | 49,376 |
| Fund for Tomorrow | 81,568 | 99,198 |
| M Louise Southward | 19,331 | 17,952 |
| Yamarick Family | 37,240 | 35,014 |
| Gladys Schaal Memorial Scholarship | 303,060 | 285,284 |
| Circleville Eagles | - | 2,191 |
| Edwin & Patricia Taylor Scholarship | 37,267 | 34,030 |
| Mary Virginia Hannan | 46,890 | 42,918 |
| United Way Legacy | 72,697 | 67,975 |
| Pickaway County Historical Society Clark-May House | 39,167 | 36,912 |
| Pickaway County Ag Foundation | 30,498 | 28,012 |
| Pickaway County Historical Society Life Membership | 75,830 | 71,723 |
| William Ammer Memorial Education Trust | 3,243,557 | 3,012,398 |
| Karen Matesky Grigg Memorial Scholarship | 11,777 | 11,923 |
| Lanman-Massie Scholarship | 42,558 | 42,224 |
| Fund for the Arts | 31,036 | 28,800 |
| The Welcome Center | 6,345 | 6,353 |
| Mary Hamman May Art Goes to School | 2,645 | 2,430 |
| Brown Memorial Home Endowment | 18,519 | 16,876 |
| Youth Grantmaking Council | 69,051 | 64,004 |
| Youth Grantmaking Council Matching | 94,172 | 87,131 |
| Westfall Education Foundation | 53,662 | 50,647 |
| Mike Harrison Park | 68,667 | 70,750 |
| Pickaway County Ohio Erie Canal | - | 19,088 |
| Teays Valley Education Foundation | 18,473 | 17,075 |
| Pickaway Progress | 14,379 | 17,975 |
| Boundless Playground | 249,601 | 247,202 |
| Circleville City Schools Foundation | 17,303 | 16,903 |
| Ohio Christian University Pickaway Scholarship | 41,428 | 37,068 |
| Chris Gary Memorial | 154,738 | 145,682 |
| Nelson Jones Scholarship | 22,180 | 20,212 |
| Westfall Elementary Field of Dreams | 23,581 | 21,795 |
| Logan Elm Education Foundation | 14,223 | 14,243 |
| ArtsAround | 12,210 | 11,835 |
| Marcus Brown Trust Fund | 21,582 | 19,732 |
| Circleville Academic Booster Club Scholarship | 7,481 | 7,469 |
| US Bank Directors Fund | 19,889 | 19,179 |
| Pickaway Senior Citizens Fund | 15,735 | 14,053 |
| Eric Clark Memorial | 10,797 | 12,186 |
| Wil-Deer Community Fund | 7,655 | 7,143 |
| Renick Scholarship Endowment | 1,561,358 | 1,461,355 |
| PCN Agriculture Strategic Direction Fund | 53,380 | 50,323 |
| PCN Education Strategic Direction Fund | 32,018 | 26,799 |
| PCN Leadership Strategic Direction Fund | 77,843 | 70,528 |
| Community Investment Fund YMCA | 13,885 | 13,011 |

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

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

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Noecker Memorial Scholarship | \$ 27,541 | \$ 25,261 |
| Asheville Alumni Scholar | 12,507 | 11,469 |
| Schmidlapp Endowment, Charlotte | 17,385 | 17,171 |
| Sharpe Endowment for Nursing Ed | 117,294 | 115,782 |
| John Dunlap Fund | 13,854 | 12,841 |
| Savings Bank | 4,192 | 3,874 |
| Pickaway H.E.L.P.S. | 15,099 | 14,065 |
| Unrestricted Fund of the Berger | 332,020 | 312,122 |
| Ellen North Dunlap Fellowship | 45,640 | 44,477 |
| Ashville Kiwanis Howard Hosler | 13,128 | 12,259 |
| Aleris Fund | 69,255 | 62,726 |
| Ruth Neff D.A.R.E. Fund | 41,670 | 39,408 |
| Circleville HS Alumni Assoc | 47,623 | 21,199 |
| New Hope Christian Academy Endowment | 12,499 | 11,472 |
| Whitehead-Hinkle Trust of TV Educ Found | 96,925 | 88,927 |
| Community Health Endow Fund of Berger Hlth Found | 42,598 | 54,530 |
| Founders Center Endowment Fund | 12,647 | 11,609 |
| Lehnhart Fund of the TV Educ Foundation | 12,591 | 11,558 |
| Louise & Jack Warner Farmland Preservation Fund | 13,628 | 12,233 |
| Mary Ruth Tolbert Trust Fund | 473,640 | 466,083 |
| Stoecklein/McNemar Giving Fund | 448,855 | 166,343 |
| Kids Cancer Fund | 61,890 | 44,883 |
| Sunrise Rotary Community Project Fund | 23,085 | 22,485 |
| Community Health Fund of Berger Hlth Found | 71,293 | 56,409 |
| Sutton Family Fund | 52,716 | 44,488 |
| Leist Family Fund | 148,470 | 93,372 |
| Pickaway County Historical and Genealogical Library Fund | 10,127 | - |
| Ralph and Thommie Allured Fund | 10,000 | - |
| Haven House of Pickaway County | 13,008 | - |
| Pickaway Addiction Action Colition | 69,933 | - |
| Adena Legacy Foundation | 10,010 | - |
| Total Beneficial Interest in Assets Held by Others | \$ 9,359,401 | \$ 8,390,068 |

(Continued)

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

4. 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, 2016 and 2015 is as follows:

| | 2016 | 2015 |
|-------------------------------|------------|--------------|
| Contributions | \$ 622,424 | \$ 165,516 |
| Investment Income | 208,990 | 202,019 |
| Realized/Unrealized Gains | 414,244 | (357,035) |
| Capital Gains | 93,666 | 158,659 |
| Grants | (302,371) | (353,426) |
| Net Transfers | - | 500 |
| Administrative Fees | (67,620) | (67,033) |
| Change in beneficial interest | \$ 969,333 | \$ (250,800) |

5. FISCAL AGENT LIABILITY

At December 31, 2016, the Foundation had \$510,663 of contributions in cash and stocks that had not yet been forwarded to the Community Foundations, Inc.

6. 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.

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 July 7, 2017, the date the financial statements were available to be issued.