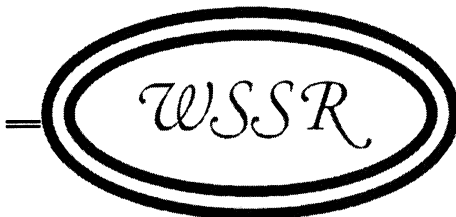


PICKAWAY COUNTY COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016



Whited Seigneur Sams & Rabe, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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PICKAWAY COUNTY COMMUNITY FOUNDATION

TABLE OF CONTENTS

Financial	Page
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities, Years Ended December 31, 2017 and 2016	4
Statements of Cash Flows	5
Notes to the Financial Statements.....	6



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June 26, 2018

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, 2017 and 2016, 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, 2017 and 2016, 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, 2017 AND 2016**

CURRENT ASSETS	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents	\$ 57,832	\$ 21,943
Investments	-	497,117
Beneficial Interest in Assets Held by Others	<u>11,013,544</u>	<u>9,359,401</u>
TOTAL CURRENT ASSETS	<u>11,071,376</u>	<u>9,878,461</u>
 PERMANENT & DEPRECIABLE ASSETS, NET	 <u>212,275</u>	 <u>219,982</u>
 TOTAL ASSETS	 <u>\$ 11,283,651</u>	 <u>\$ 10,098,443</u>
 LIABILITIES		
Payroll Liabilities	\$ 2,835	\$ 686
Fiscal Agent Liability	31,192	510,663
Agency Endowment Funds	<u>2,165,403</u>	<u>1,904,431</u>
TOTAL CURRENT LIABILITIES	2,199,430	2,415,780
 LONG TERM LIABILITIES		
 NET ASSETS		
Unrestricted		
Designated	625,682	572,022
Field of Interest	1,720,818	1,557,083
Scholarship	6,501,641	5,325,865
Operations	<u>236,080</u>	<u>227,693</u>
Total Unrestricted Net Assets	<u>9,084,221</u>	<u>7,682,663</u>
TOTAL NET ASSETS	<u>9,084,221</u>	<u>7,682,663</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,283,651</u>	<u>\$ 10,098,443</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
SUPPORT AND REVENUE		
Operating Grants	\$ 18,750	\$ 15,808
Donor-Advised Grants	89,846	95,535
Project grants	-	50
In-Kind Contributions	17,167	349
Fees	14,399	6,069
Fundraisers	25,630	-
Miscellaneous	50	1,849
Change in Beneficial Interest	<u>1,654,143</u>	<u>969,333</u>
TOTAL SUPPORT AND REVENUE	1,819,985	1,088,993
 EXPENSES		
Grants	32,913	77,260
Professional Services	34,728	6,815
Operating Expenses	48,210	22,209
Depreciation	7,707	7,707
Payroll and Related Expense	33,897	19,269
Contribution to Agency Endowments	<u>260,972</u>	<u>104,353</u>
TOTAL EXPENSES	<u>418,427</u>	<u>237,613</u>
 CHANGE IN NET ASSETS	1,401,558	851,380
 NET ASSETS, BEGINNING OF YEAR	<u>7,682,663</u>	<u>6,831,283</u>
 NET ASSETS, END OF YEAR	<u>\$ 9,084,221</u>	<u>\$ 7,682,663</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,401,558	\$ 851,380
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
Increase (Decrease) in Agency Endowment Funds	260,972	104,353
Increase (Decrease) in Accounts Payable	-	(64)
Increase (Decrease) in Payroll Liability	2,149	686
Increase (Decrease) in Fiscal Agent Liability	(479,471)	510,663
Net Cash Provided (Used) by Operating Activities	1,192,915	977,718
 Cash Flows From Investing Activities		
Sale of Investments	497,117	-
Net (Increase)/Decrease in Beneficial Interest in Assets Held by Others	(1,654,143)	(969,333)
Net Cash Provided (Used) by Investing Activities	(1,157,026)	(969,333)
 Net Increase/(Decrease) in Cash	35,889	8,385
 Cash at Beginning of Year	21,943	13,558
 Cash at End of Year	\$ 57,832	\$ 21,943

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, 2017 and 2016.

- **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, 2017 and 2016.

**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, 2017 and 2016.

- **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, 2017 and 2016:

	2017	2016
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	(31,819)	(24,112)
Net Depreciable Assets	161,604	169,311
Land	50,671	50,671
Net Permanent and Depreciable Assets	\$ 212,275	\$ 219,982

- **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, 2017 and 2016, 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, 2017 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, 2017 or 2016.

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

(Continued)

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

3. FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value of assets measured on a recurring basis December 31, 2017 and 2016 are as follows:

Description	2017 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				
Beneficial Interest in Assets Held by Others	11,013,544	-	11,013,544	-

Description	2016 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	-

In 2017, the Foundation sold donated stock and reinvested in funds held by others resulting in a transfer from a Level 1 to a Level 2. There were no transfers in and out of Level 1, 2, or 3 during the period ending December 31, 2016.

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, 2017 and 2016 were \$76,458 and \$67,620, 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, 2017 and 2016:

	2017	2016
Pickaway County Community Foundation Fund	\$ 32,923	\$ 44,507
Starkey Fund for Youth of Pickaway County	32,209	29,453
Library Fund for Pickaway County	87,440	77,997
Bowser-Dunlap Family	19,591	35,846
Warren Sneed & Wally Yamarick Engineering Scholarship at OSU	62,932	55,198
Fund for Tomorrow	68,863	81,568
M Louise Southward	21,252	19,331
Yamarick Family	41,007	37,240
Gladys Schaal Memorial Scholarship	340,432	303,060
Edwin & Patricia Taylor Scholarship	40,071	37,267
Mary Virginia Hannan	53,096	46,890
United Way Legacy	85,207	72,697
Pickaway County Historical Society Clark-May House	43,061	39,167
Pickaway County Ag Foundation	32,609	30,498
Pickaway County Historical Society Life Membership	83,008	75,830
William Ammer Memorial Education Trust	3,627,823	3,243,557
Karen Matesky Grigg Memorial Scholarship	12,378	11,777
Lanman-Massie Scholarship	45,310	42,558
Fund for the Arts	35,737	31,036
The Welcome Center	5,360	6,345
Mary Hamman May Art Goes to School	2,710	2,645
Brown Memorial Home Endowment	21,498	18,519
Youth Grantmaking Council	75,774	69,051
Youth Grantmaking Council Matching	101,988	94,172
Westfall Education Foundation	58,492	53,662
Mike Harrison Park	64,634	68,667
Teays Valley Education Foundation	20,481	18,473
Pickaway Progress	5,971	14,379
Boundless Playground	253,756	249,601
Circleville City Schools Foundation	19,272	17,303
Ohio Christian University Pickaway Scholarship	46,153	41,428
Chris Gary Memorial	148,372	154,738
Nelson Jones Scholarship	23,517	22,180
Westfall Elementary Field of Dreams	26,085	23,581
Logan Elm Education Foundation	14,265	14,223
ArtsAround	12,744	12,210
Marcus Brown Trust Fund	24,340	21,582
Circleville Academic Booster Club Scholarship	7,974	7,481
US Bank Directors Fund	15,840	19,889
Pickaway Senior Citizens Fund	22,120	15,735
Eric Clark Memorial	11,102	10,797
Wil-Deer Community Fund	8,720	7,655
Renick Scholarship Endowment	1,738,395	1,561,358
PCN Agriculture Strategic Direction Fund	71,946	53,380
PCN Education Strategic Direction Fund	35,516	32,018
PCN Leadership Strategic Direction Fund	100,273	77,843
Community Investment Fund YMCA	15,840	13,885

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

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

	2017	2016
Noecker Memorial Scholarship	\$ 30,840	\$ 27,541
Ashville Alumni Scholar	14,010	12,507
Schmidlapp Endowment, Charlotte	18,747	17,385
Sharpe Endowment for Nursing Ed	126,701	117,294
John Dunlap Fund	15,313	13,854
Savings Bank	4,649	4,192
Pickaway H.E.L.P.S.	18,855	15,099
Unrestricted Fund of the Berger	376,593	332,020
Ellen North Dunlap Fellowship	48,081	45,640
Ashville Kiwanis Howard Hosler	14,868	13,128
Aleris Fund	78,949	69,255
Ruth Neff D.A.R.E. Fund	48,005	41,670
Circleville HS Alumni Assoc	53,170	47,623
New Hope Christian Academy Endowment	13,994	12,499
Whitehead-Hinkle Trust of TV Educ Fund	108,489	96,925
Community Health Endow Fund of Berger Hlth Found	50,079	42,598
Founders Center Endowment Fund	14,157	12,647
Lehnhart Fund of the TV Educ Foundation	14,094	12,591
Louise & Jack Warner Farmland Preservation Fund	16,417	13,628
Mary Ruth Tolbert Trust Fund	517,653	473,640
Stoecklein/McNemar Giving Fund	474,561	448,855
Kids Cancer Fund	70,722	61,890
Sunrise Rotary Community Project Fund	59,261	23,085
Community Health Fund of Berger Hlth Found	80,391	71,293
Sutton Family Fund	35,700	52,716
Leist Family Fund	161,805	148,470
Pickaway County Historical and Genealogical Library Fund	11,774	10,127
Ralph and Thommie Allured Fund	16,993	10,000
Haven House of Pickaway County	15,970	13,008
Pickaway Addiction Action Colition	98,442	69,933
Adena Legacy Foundation	9,654	10,010
Floyd E and Mary Younkin Scholarship	556,654	-
Williamsport United Methodist Church Legacy Fund	36,434	-
Pickaway Agriculture and Event Center	44,631	-
Emily Nelson Memorial Fund of the Westfall Education Foundation	20,801	-
Cliff Bowser Fund	18,000	-
Total Beneficial Interest in Assets Held by Others	\$ 11,013,544	\$ 9,359,401

(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, 2017 and 2016 is as follows:

	2017	2016
Contributions	\$ 825,148	\$ 622,424
Investment Income	250,829	208,990
Realized/Unrealized Gains	885,637	414,244
Capital Gains	171,845	93,666
Grants	(402,805)	(302,371)
Administrative Fees	(76,511)	(67,620)
Change in beneficial interest	\$ 1,654,143	\$ 969,333

5. FISCAL AGENT LIABILITY

At December 31, 2017 and 2016, the Foundation had \$31,192 and \$510,663 of contributions in cash that had not yet been forwarded to the Community Foundations, Inc., respectively.

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 June 26, 2018, the date the financial statements were available to be issued.