

PICKAWAY COUNTY COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2019 and 2018



Whited Seigneur Sams & Rabe, LLP
CERTIFIED PUBLIC ACCOUNTANTS

213 South Paint Street, Chillicothe, Ohio 45601-3828
Phone: (740) 702-2600 • Fax: (740) 702-2610 • Audit Fax: (740) 702-2612
email@wssrcpa.com • <http://www.wssrcpa.com>

PICKAWAY COUNTY COMMUNITY FOUNDATION

TABLE OF CONTENTS

Financial	Page
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	3
Statement of Activities, Year Ended December 31, 2019.....	4
Statement of Activities, Year Ended December 31, 2018.....	5
Statements of Functional Expenses, Years Ended December 31, 2019 and 2018	6
Statements of Cash Flows.....	7
Notes to the Financial Statements	8



Jerry B. Whited, CPA
Donald R. Seigneur, CPA
John R. Sams, CPA

Barry L. Rahe, CPA
Kathleen M. Alderman, CPA
Nathan C. Baldwin, CPA

Jay D. Seigneur, CPA
Kathy J. Lambert, CPA
Katie E. Guba, CPA

August 27, 2020

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, 2019 and 2018, 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, 2019 and 2018, 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. 2014-09, *Revenue from Contracts with Customers* (Topic 606), ASU-2016-18, *Statement of Cash Flows- Restricted Cash* and ASU 2018-08 *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to that matter.

Respectfully submitted,



WHITED SEIGNEUR SAMS & RAHE CPAs, LLP

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 and 2018**

CURRENT ASSETS	2019	2018
Cash and Cash Equivalents	\$ 28,732	\$ 29,004
Investments	76,110	20,030
Prepays and Other Assets	-	2,501
TOTAL CURRENT ASSETS	<u>104,842</u>	<u>51,535</u>
 OTHER ASSETS		
Donor-Restricted Cash	1,482	22,671
Donor-Restricted Investments	1,055,669	30,093
Beneficial Interest in Assets Held by Others	13,363,821	11,817,508
	<u>14,420,972</u>	<u>11,870,272</u>
 PERMANENT & DEPRECIABLE ASSETS, NET	 <u>200,067</u>	 <u>204,175</u>
 TOTAL ASSETS	 <u>\$ 14,725,881</u>	 <u>\$ 12,125,982</u>
 LIABILITIES		
Accounts Payable	\$ 1,446	\$ 1,075
Payroll Liabilities	5,899	2,322
Fiscal Agent Liability	1,482	22,670
Agency Endowment Funds	3,170,903	3,021,162
TOTAL CURRENT LIABILITIES	<u>3,179,730</u>	<u>3,047,229</u>
 LONG TERM LIABILITIES		
 NET ASSETS		
Net Assets Without Donor Restrictions	\$ 296,074	\$ 229,643
Net Assets With Donor Restrictions:		
Undesignated	1,482	52,762
Designated	669,280	563,959
Field of Interest	3,387,330	2,141,510
Scholarship	7,191,985	6,090,879
Total Net Assets With Donor Restrictions	<u>11,250,077</u>	<u>8,849,110</u>
TOTAL NET ASSETS	<u>11,546,151</u>	<u>9,078,753</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,725,881</u>	<u>\$ 12,125,982</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Donor-Advised Grants and Contributions	\$ 181,101	\$ 1,033,411	\$ 1,214,512
Net Investment Income	1,079	11,263	12,342
Fees	40,373	-	40,373
Fundraisers	41,000	-	41,000
Miscellaneous	32,907	-	32,907
Change in Beneficial Interest	149,732	1,396,581	1,546,313
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>40,288</u>	<u>(40,288)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	486,480	2,400,967	2,887,447
 EXPENSES			
Program Services	258,966	-	258,966
Management and General	110,618	-	110,618
Fundraising	<u>50,465</u>	<u>-</u>	<u>50,465</u>
TOTAL EXPENSES	<u>420,049</u>	<u>-</u>	<u>420,049</u>
 CHANGE IN NET ASSETS	66,431	2,400,967	2,467,398
 NET ASSETS, BEGINNING OF YEAR	<u>229,643</u>	<u>8,849,110</u>	<u>9,078,753</u>
 NET ASSETS, END OF YEAR	<u>\$ 296,074</u>	<u>\$ 11,250,077</u>	<u>\$ 11,546,151</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Donor-Advised Grants and Contributions	\$ 297,328	\$ 22,001	\$ 319,329
Net Investment Income	30	(445)	(415)
Fees	33,496	-	33,496
Fundraisers	18,696	-	18,696
Miscellaneous	25	-	25
Change in Beneficial Interest	855,760	(51,795)	803,965
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	1,205,335	(30,239)	1,175,096
EXPENSES			
Program Services	1,074,516	-	1,074,516
Management and General	83,698	-	83,698
Fundraising	<u>22,350</u>	<u>-</u>	<u>22,350</u>
TOTAL EXPENSES	<u>1,180,564</u>	<u>-</u>	<u>1,180,564</u>
CHANGE IN NET ASSETS	24,771	(30,239)	(5,468)
NET ASSETS, BEGINNING OF YEAR	<u>204,872</u>	<u>8,879,349</u>	<u>9,084,221</u>
NET ASSETS, END OF YEAR	<u>\$ 229,643</u>	<u>\$ 8,849,110</u>	<u>\$ 9,078,753</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2019 and 2018**

	2019			
	Program Services	Management and General	Fundraising	Total
Grants	\$ 95,113	\$ -	\$ -	\$ 95,113
Advertising	2,808	-	312	3,120
Salaries and benefits	11,304	63,972	11,304	86,580
Occupancy	-	7,081	-	7,081
Travel and Meetings	-	2,396	-	2,396
Professional services	-	8,156	18,935	27,091
Printing and Mailing	-	9,996	-	9,996
Insurance	-	1,854	-	1,854
Dues, Subscriptions and Licenses	-	6,010	-	6,010
Supplies	-	2,245	19,286	21,531
Endowment Contributions	149,741	-	-	149,741
Depreciation	-	4,109	-	4,109
Other	-	4,799	628	5,427
	\$ 258,966	\$ 110,618	\$ 50,465	\$ 420,049

	2018			
	Program Services	Management and General	Fundraising	Total
Grants	\$ 196,083	\$ -	\$ -	\$ 196,083
Advertising	15,382	-	1,709	17,091
Salaries and benefits	7,292	29,720	7,291	44,303
Travel and Meetings	-	1,975	-	1,975
Occupancy	-	7,510	-	7,510
Professional services	-	11,736	4,500	16,236
Printing	-	3,927	-	3,927
Insurance	-	3,460	-	3,460
Dues, Subscriptions and Licenses	-	2,310	-	2,310
Supplies	-	2,760	3,315	6,075
Endowment Contributions	855,759	-	-	855,759
Depreciation	-	8,100	-	8,100
Other	-	12,200	5,535	17,735
	\$ 1,074,516	\$ 83,698	\$ 22,350	\$ 1,180,564

SEE ACCOMPANYING NOTES AND AUDITOR'S REPORT

**PICKAWAY COUNTY COMMUNITY FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 and 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,467,398	\$ (5,468)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation & Amortization	4,108	8,100
Unrealized (Gain)/Loss on Investments	(9,344)	633
Change in Operating Assets and Liabilities		
(Increase) Decrease in Prepays and Other Assets	2,501	(2,500)
Increase (Decrease) in Agency Endowment Funds	149,741	855,759
Increase (Decrease) in Accounts Payable	371	1,075
Increase (Decrease) in Payroll Liability	3,577	(513)
Increase (Decrease) in Fiscal Agent Liability	(21,188)	(8,522)
Net Cash Provided (Used) by Operating Activities	2,597,164	848,564
Cash Flows From Investing Activities		
Purchase of Investments	(1,137,600)	(50,756)
Sale of Investments	65,288	-
Net (Increase)/Decrease in Beneficial Interest in Assets Held by Others	(1,546,313)	(803,965)
Net Cash Provided (Used) by Investing Activities	(2,618,625)	(854,721)
Net Increase/(Decrease) in Cash, Cash Equivalents, and Restricted Cash	(21,461)	(6,157)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	51,675	57,832
Cssh. Cash Equivalents, and Restricted Cash at End of Year	\$ 30,214	\$ 51,675

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, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash and highly liquid financial instruments restricted by donors for long-term purposes are excluded from this definition.

Pursuant to ASU 2016-18, restricted cash balances are presented separately from cash and cash equivalents on the Statement of Financial Position, but are properly included with cash, cash equivalents, and restricted cash on the Statement of Cash Flows.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported on the Statement of Financial Position as of December 31, 2019 and 2018 that sum to the total of the same such amounts shown on the Statement of Cash Flows:

	2019	2018
Cash and Cash Equivalents	\$ 28,732	\$ 29,004
Donor-Restricted Cash	1,482	22,671
Cash, Cash Equivalents, and Restricted Cash Total	\$ 30,214	\$ 51,675

- **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.

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

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

- **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.

- **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, 2019 and 2018:

	2019	2018
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	(44,027)	(39,919)
Net Depreciable Assets	149,396	153,504
Land	50,671	50,671
Net Permanent and Depreciable Assets	\$ 200,067	\$ 204,175

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

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

- **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.

- **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, 2019, and 2018, there were no impairment losses recognized for long-lived assets.

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

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

- **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 fundraising

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.

- **Change in Accounting Principle**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). ASU 2014-09 outlines a single, comprehensive model for companies to use in accounting for revenue arising from contracts with customers. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. The Foundation's revenue is mainly derived from their investment portfolio, which is not impacted by this ASU. Adopting this new accounting principle had no effect on the financial statements.

In June 2018, FASB issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard clarifies and improves current guidance about whether a transfer of assets is a contribution or an exchange transaction. The standard clarifies how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The standard also requires that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Adopting this new accounting principle had no effect on the financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The adoption of ASU 2016-18 for the year ended December 31, 2019 required a restatement of cash and cash equivalent for December 31, 2018 and 2017. Amounts generally described as restricted cash and restricted cash equivalents have been included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.

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

2. AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets available for operations at December 31, 2019 and 2018:

Financial assets at year end:	2019	2018
Cash and cash equivalents	\$ 30,214	\$ 51,675
Investments	1,131,779	50,123
Total financial assets	1,161,993	101,798
Less:		
Donor directed investment funds	(1,055,669)	(30,093)
Financial assets available to meet general expenditures over the next twelve months	\$ 106,324	\$ 71,705

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 are 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. The following is the composition of the Foundation's investment portfolio:

	2019	2018
PCCF Unrestricted	\$ 76,110	\$ 20,030
Friends of the Pickaway Parks and Trails	11,670	10,000
Southward Family Fund	22,136	20,093
Pickaway County Community Health Improvement Fund	6,478	-
Ashville Foundation Fund	10,589	-
Pickaway County Bar Association Fund	3,141	-
Parkinson's Fund of Pickaway County	20,763	-
Ted Lewis Park	13,279	-
Leist Family Fund	178,671	-
Well Being Fund	750,316	-
Rainbow Fund of the Well Being Foundation	38,626	-
	\$ 1,131,779	\$ 50,123

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

3. INVESTMENTS (CONTINUED)

	2019	2018
Money Market Funds	\$ 51,476	\$ 20,107
Exchange Traded Funds	124,707	27,976
Mutual Funds	955,596	2,040
	\$ 1,131,779	\$ 50,123

Investment Income is summarized as follows:

	2019	2018
Interest and Dividends	\$ 3,621	\$ 250
Unrealized/Realized Gains or (Losses)	9,344	(633)
Investment Management Fees	(623)	(31)
Net Investment Income	\$ 12,342	\$ (414)

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:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation 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, 2019 and 2018.

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

4. FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2019 and 2018 are as follows:

2019	2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Description	Fair Value	(Level 1)	(Level 2)
Long-term investments			
Money Market Funds	\$ 51,476	\$ 51,476	\$ -
Exchange Traded Funds	124,707	124,707	-
Mutual Funds	955,596	955,596	-
Beneficial Interest in Assets Held by Others	13,363,821	-	13,363,821
Total:	<u>\$ 14,495,600</u>	<u>\$ 1,131,779</u>	<u>\$ 13,363,821</u>
2018			
Description	Fair Value	(Level 1)	(Level 2)
Long-term investments			
Money Market Funds	\$ 20,107.00	\$ 20,107.00	\$ -
Exchange Traded Funds	27,976.00	27,976.00	-
Mutual Funds	2,040.00	2,040.00	-
Beneficial Interest in Assets Held by Others	11,817,508	-	11,817,508
Total:	<u>\$ 11,867,631</u>	<u>\$ 50,123</u>	<u>\$ 11,817,508</u>

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, 2019 and 2018 were \$88,427 and \$83,761, 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**

5. 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, 2019 and 2018:

	2019	2018
Pickaway County Community Foundation Fund	\$ 24,613	\$ 13,067
Starkey Fund for Youth of Pickaway County	31,242	26,798
Library Fund for Pickaway County	88,700	75,569
Bowser-Dunlap Family	30,927	18,268
Warren Sneed/Wally Yamarick Engineering Scholarship at OSU	76,413	58,360
Fund for Tomorrow	67,116	94,992
M Louise Southward	23,011	19,612
Yamarick Family	68,016	39,731
Gladys Schaal Memorial Scholarship	354,973	308,934
Edwin & Patricia Taylor Scholarship	44,231	37,397
Mary Virginia Hannan	60,539	50,989
United Way Legacy	109,922	91,476
Pickaway County Historical Society Clark-May House	46,748	39,844
Pickaway County Agriculture Foundation	31,353	29,013
Pickaway County Historical Society Life Membership	91,519	78,817
William Ammer Memorial Education Trust	4,095,314	3,408,591
Karen Matesky Grigg Memorial Scholarship	11,913	11,513
Lanman-Massie Scholarship	49,763	43,570
Circleville Junior Women's Pumpkins	39,038	33,067
The Welcome Center	-	5,426
Mary Hamman May Art Goes to School	3,030	2,553
Brown Memorial Home Endowment	24,400	19,748
Youth Grantmaking Council	84,419	72,956
Youth Grantmaking Council Matching	105,863	98,999
Westfall Education Foundation	63,691	54,989
Mike Harrison Park	71,038	60,959
Teays Valley Education Foundation	23,316	19,879
Pickaway Progress	6,591	5,734
Boundless Playground	221,305	214,091
Circleville City Schools Foundation	24,088	19,652
Ohio Christian University Pickaway Scholarship	50,150	42,802
Chris Gary Memorial	135,248	122,275
Nelson Jones Scholarship	25,395	23,153
Westfall Elementary Field of Dreams	29,300	25,112
Logan Elm Education Foundation	16,147	15,441
ArtsAround	13,635	12,663
Marcus Brown Trust Fund	27,894	23,333
Circleville Academic Booster Club Scholarship	7,840	7,159
US Bank Directors Fund	14,975	12,753
Pickaway Senior Citizens Fund	31,397	25,800
Eric Clark Memorial	-	9,270
Wil-Deer Community Fund	9,887	8,407

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

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

	2019	2018
Renick Scholarship Endowment	\$ 1,815,633	\$ 1,625,425
PCN Agriculture Strategic Direction Fund	67,914	65,247
PCN Education Strategic Direction Fund	44,587	33,889
PCN Leadership Strategic Direction Fund	98,266	84,162
Community Investment Fund YMCA	17,731	15,166
Noecker Memorial Scholarship	39,464	29,796
Ashville Alumni Scholarship	16,098	13,531
Schmidlapp Endowment of the Berger Health Foundation	-	17,224
Sharpe Endowment for Nursing Education	4	116,342
John Dunlap Fund	22,198	14,747
Pickaway H.E.L.P.S.	21,448	18,416
Bidwell Family Fund	747,704	362,662
Ellen North Dunlap Fellowship	47,892	42,767
Ashville Kiwanis Howard Hosler	16,766	14,406
Aleris Fund	92,460	76,036
Ruth Neff D.A.R.E. Fund	56,997	44,702
Circleville HS Alumni Association	84,119	49,703
New Hope Christian Academy Endowment	16,061	13,513
Whitehead-Hinkle Trust of TV Education Foundation	416,900	350,472
Community Health Endow Fund of Berger Health Foundation	56,018	48,403
Founders Center Endowment Fund	16,244	13,671
Lehnhart Fund of the TV Education Foundation	16,183	13,610
Mary Ruth Tolbert Trust Fund	528,476	462,219
Stoecklein/McNemar Giving Fund	498,819	462,530
Kids Cancer Fund	102,049	81,366
Sunrise Rotary Community Project Fund	26,872	26,710
Community Health Fund of Berger Health Foundation	79,200	68,244
Sutton Family Fund	691,525	607,999
Leist Family Fund	3	161,247
Pickaway County Historical and Genealogical Library Fund	13,434	11,415
Ralph and Thommie Allured Fund	5,508	2,180
Haven House of Pickaway County	20,226	15,908
Pickaway Addiction Action Coalition	190,450	84,598
Adena Legacy Foundation	9,988	9,626
Floyd E and Mary Younkin Scholarship	625,705	523,974
Williamsport United Methodist Church Legacy Fund	122,075	79,647
Pickaway Agriculture and Event Center	307,551	719,897
Emily Nelson Memorial Fund of the Westfall Education Foundation	33,340	23,137
Cliff Bowser Fund	-	16,944
Imagination Library	28,298	13,215
Teays Valley Jay Brinker Memorial Fund	34,655	-
Total Beneficial Interest in Assets Held by Others	<u>\$ 13,363,821</u>	<u>\$ 11,817,508</u>

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

5. 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, 2019 and 2018 is as follows:

	2019	2018
Contributions	\$ 1,540,729	\$ 1,892,151
Investment Income	302,552	275,521
Realized/Unrealized Gains	1,659,433	(1,045,958)
Capital Gains	163,818	324,503
Grants	(2,031,792)	(558,491)
Administrative Fees	(88,427)	(83,761)
Change in beneficial interest	\$ 1,546,313	\$ 803,965

5. FISCAL AGENT LIABILITY

At December 31, 2019 and 2018, the Foundation had \$1,482 and \$22,670 respectively, 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.

8. 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.

9. SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through August 27, 2020, the date the financial statements were available to be issued. The following event was identified:

Coronavirus Pandemic:

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, Governor Mike DeWine issued a stay-at-home order for the state of Ohio effective March 23, 2020 along with a mask mandate effective July 30, 2020. As a result, economic uncertainties have arisen which are likely to negatively impact investment fair market value and investment income. Other financial impact could occur though such potential impact is unknown at this time.

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

10. NEW ACCOUNTING STANDARDS

The Financial Accounting Standards Board (FASB) has adopted the following accounting standard update (ASU) that will be effective in the coming years. The Foundation has not early implemented this change.

- 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 the Foundation's year ending December 31, 2021.