

**ATHENS FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**September 30, 2016 and 2015**

ATHENS FOUNDATION, INC.

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To the Board of Directors  
Athens Foundation, Inc.

Independent Auditor's Report

**Report on the Financial Statements**

We have audited the accompanying financial statements of Athens Foundation, Inc. (the Foundation) which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities and changes in net assets 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 involves 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 for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Athens Foundation, Inc. as of September 30, 2016 and 2015, and the changes 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.

*John Gerlach & Company LLP*

Columbus, Ohio  
December 1, 2016

ATHENS FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

As of September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>ASSETS:</b>		
Current Assets:		
Cash and cash equivalents	\$ 70,153	\$ 85,163
Certificates of deposit	74,974	74,970
Prepaid expenses	-	843
Total Current Assets	<u>145,127</u>	<u>160,976</u>
Fixed Assets:		
Furniture, fixtures, and equipment	25,393	22,513
Leasehold improvements	2,320	2,320
Less: Accumulated depreciation	(17,725)	(14,326)
Total Fixed Assets	<u>9,988</u>	<u>10,507</u>
Investments:		
Investments (at market value)	6,248,285	5,452,283
Interest in limited partnership	25,000	-
Total Investments	<u>6,273,285</u>	<u>5,452,283</u>
<b>TOTAL ASSETS</b>	<u>\$ 6,428,400</u>	<u>\$ 5,623,766</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable	\$ 3,585	\$ -
Grants payable	2,000	14,750
Organization endowment funds held for others	97,357	91,035
Total Liabilities	<u>102,942</u>	<u>105,785</u>
Net Assets:		
Unrestricted	4,081,144	3,374,635
Temporarily restricted	1,822,938	1,721,970
Permanently restricted	421,376	421,376
Total Net Assets	<u>6,325,458</u>	<u>5,517,981</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 6,428,400</u>	<u>\$ 5,623,766</u>

See Notes to Financial Statements

ATHENS FOUNDATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended September 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, Gains and Other Support:				
Contributions and grants	\$ 966,977	\$ 38,072	\$ -	\$ 1,005,049
Interest and dividend income	55,257	33,058	-	88,315
Net unrealized and realized gains on investments	270,514	155,050	-	425,564
Other income	133,774	-	-	133,774
	<u>1,426,522</u>	<u>226,180</u>	<u>-</u>	<u>1,652,702</u>
Net assets released from restrictions	125,212	(125,212)	-	-
Total Revenue and Support	<u>1,551,734</u>	<u>100,968</u>	<u>-</u>	<u>1,652,702</u>
Expenses:				
Program:				
Grants and distributions	420,390	-	-	420,390
Support Services:				
Management and general	375,762	-	-	375,762
Promotional	8,519	-	-	8,519
Fundraising	40,554	-	-	40,554
Total Support Services	<u>424,835</u>	<u>-</u>	<u>-</u>	<u>424,835</u>
Total Expenses	<u>845,225</u>	<u>-</u>	<u>-</u>	<u>845,225</u>
Change in Net Assets	<u>706,509</u>	<u>100,968</u>	<u>-</u>	<u>807,477</u>
Net Assets at Beginning of Year	3,374,635	1,721,970	421,376	5,517,981
Net Assets at End of Year	<u>\$ 4,081,144</u>	<u>\$ 1,822,938</u>	<u>\$ 421,376</u>	<u>\$ 6,325,458</u>

See Notes to Financial Statements

## ATHENS FOUNDATION, INC.

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended September 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, Gains and Other Support:				
Contributions and grants	\$ 624,723	\$ 1,023,398	\$ -	\$ 1,648,121
Interest and dividend income	52,669	27,244	-	79,913
Net unrealized and realized gains on investments	(93,787)	(76,343)	-	(170,130)
Other income	115,988	-	-	115,988
	<u>699,593</u>	<u>974,299</u>	<u>-</u>	<u>1,673,892</u>
Net assets released from restrictions	114,709	(114,709)	-	-
Total Revenue and Support	<u>814,302</u>	<u>859,590</u>	<u>-</u>	<u>1,673,892</u>
Expenses:				
Program:				
Grants and distributions	<u>528,329</u>	<u>-</u>	<u>-</u>	<u>528,329</u>
Support Services:				
Management and general	343,930	-	-	343,930
Promotional	5,949	-	-	5,949
Fundraising	25,855	-	-	25,855
Total Support Services	<u>375,734</u>	<u>-</u>	<u>-</u>	<u>375,734</u>
Total Expenses	<u>904,063</u>	<u>-</u>	<u>-</u>	<u>904,063</u>
Change in Net Assets	<u>(89,761)</u>	<u>859,590</u>	<u>-</u>	<u>769,829</u>
Net Assets at Beginning of Year	3,464,396	862,380	421,376	4,748,152
Net Assets at End of Year	<u>\$ 3,374,635</u>	<u>\$ 1,721,970</u>	<u>\$ 421,376</u>	<u>\$ 5,517,981</u>

See Notes to Financial Statements

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ATHENS FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 807,477	\$ 769,829
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized (gains) losses on investments	(425,564)	170,130
Depreciation	3,399	4,000
Changes in assets and liabilities:		
Increase (decrease) in prepaid expenses	843	(665)
Increase (decrease) in accounts payable	3,585	(589)
Increase in grants payable	(12,750)	14,750
Increase in organization endowment funds held for others	6,322	11,469
Net Cash Provided (Used) by Operating Activities	<u>383,312</u>	<u>968,924</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(2,880)	(5,939)
Purchase of investments	(1,649,427)	(2,245,402)
Proceeds from sale of investments	1,253,985	1,328,763
Net Cash Provided (Used) by Investing Activities	<u>(398,322)</u>	<u>(922,578)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(15,010)</u>	<u>46,346</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	85,163	38,817
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 70,153</u>	<u>\$ 85,163</u>

See Notes to Financial Statements



ATHENS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

**1. Nature of Activities and Organization**

Athens Foundation, Inc. (the Foundation) is a not-for-profit foundation organized in 1980 under the laws of the State of Ohio, as a charitable trust organization. The Foundation awards competitive grants and distributions through an application and review process. The focus of these awards is toward education, welfare enhancement, civic projects, and community betterment through grants to organizations in Athens, Ohio and the surrounding area.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The Foundation's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned, and expenses are recognized when they are incurred, whether or not cash is received or paid out at that time.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Classification of Net Assets**

These financial statements are prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. Accordingly, transactions and balances are classified into three categories of net assets.

Unrestricted net assets are neither temporarily nor permanently restricted by donor-imposed stipulations. Unrestricted net assets are maintained and distributed at the discretion of the Foundation's Board of Directors.

Temporarily restricted net assets consist of irrevocable charitable trusts, lead trusts, contributions restricted by donor-imposed stipulations which will either expire by passage of time or by action of the Foundation, and the remaining portion of donor-restricted endowment funds that are not classified as permanently restricted net assets. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets represent the fair value of the original gift as of the gift date and the original value of subsequent gifts to the donor-imposed restricted endowment funds which do not expire.

ATHENS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

**2. Summary of Significant Accounting Policies (Continued)**

**Trust Designations**

To facilitate the observance of the general intent of contributions and bequests, the Foundation maintains separate fund and/or investment accounts. The records of the Foundation's investments are maintained by the Edward Jones Investments office located in Athens, Ohio. Each account represents assets that are primarily subject to intentions of gift instruments requiring, in perpetuity, that the assets be used for a designated purpose.

**Income Tax Status**

The Foundation has received a determination letter from the Internal Revenue Service dated September 1, 1982, stating that the Foundation is exempt from Federal income taxes under IRC Section 501(c)(3). In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). However, income from certain activities not directly related to the Foundation's tax-exempt purpose would be subject to taxation as unrelated business income.

The Foundation has adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) relating to uncertain tax positions. The Foundation does not believe its financial statements include any uncertain tax positions. With few exceptions, the Foundation is no longer subject to U.S. federal or state and local tax examinations by tax authorities for years before 2012.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Foundation considers all cash accounts and all highly-liquid instruments purchased with an original maturity of three months or less, which are not held for long-term investment and are not subject to withdrawal restrictions or penalties, to be cash and cash equivalents.

**Investments**

The Foundation carries investments with readily determinable market values at their fair values in the statements of financial position. Investments in limited partnerships are recorded at the lower of cost or fair market value. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

**Fixed Assets**

Property and equipment are recorded at cost when purchased by the Foundation. They are depreciated on the straight-line method over the estimated useful lives of three to ten years.

Maintenance and repairs are expensed as incurred while major additions and improvements are capitalized. Gains or losses on dispositions of furniture and equipment are included in current operations as realized.

**Organization Endowment Funds Held for Others**

In accordance with the Transfer of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others Topic of the FASB ASC, if a not-for-profit organization established a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as organization endowment funds held for others. These funds are held as organizational endowments for the benefit of other not-for-profit entities.

ATHENS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

**2. Summary of Significant Accounting Policies (Continued)**

**Organization Endowment Funds Held for Others (Continued)**

The Foundation maintains legal ownership of these funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with FASB ASC topic identified above, a liability has been established for the fair value of the funds.

**Contributions and Grants Received**

Contributions and grants received by the Foundation are reported at their fair values on the date of such gifts.

**Revenues**

Revenues received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

**Grant Distributions**

Grants made by the Foundation are recorded in the financial statements at the time the grants are approved by the Board of Directors of the Foundation. Payments are made when requested by the grantee.

**Advertising**

It is the policy of the Foundation to expense advertising costs as incurred. The cost of advertising for the years ended September 30, 2016 and 2015, was \$741 and \$1,131, respectively.

**Risks and Uncertainties**

The Foundation invests in various instruments, including fixed income products and publicly-traded stocks that, in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near-term and that such changes could materially affect the investments reported in the statement of financial position and the unrealized and realized gains and losses in the statements of activities.

**3. Investments**

Investments are stated at fair value in the financial statements. The following is an analysis of the Foundation's investments as of September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Money market funds	\$ 165,139	\$ 41,190
Common Stock	34,560	18,755
Mutual funds	5,595,254	4,959,339
Bonds	453,332	432,999
Total	<u>\$ 6,248,285</u>	<u>\$ 5,452,283</u>

## ATHENS FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2016

**4. Assets and Liabilities – Fair Value Information**

In accordance with the Fair Value Measurements and Disclosures Topic of the FASB ASC, all financial instruments that are being measured and reported on a fair value basis must be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Assets and liabilities measured at fair value on a recurring basis at September 30, 2016 and 2015 were as follows:

Description	2016			
	Total	Level 1	Level 2	Level 3
Investments:				
Money market funds	\$ 165,139	\$ 165,139	\$ -	\$ -
Common Stock	34,560	34,560	-	-
Mutual funds:				
Aggressive income	73,755	73,755	-	-
Cash and equivalents	89,204	89,204	-	-
Growth	701,573	701,573	-	-
Growth and income	3,024,403	3,024,403	-	-
Income	1,367,547	1,367,547	-	-
Exchange-traded funds	338,772	338,772	-	-
Total mutual funds	5,595,254	5,595,254	-	-
Bonds:				
Asset and mortgage backed securities	18,403	-	18,403	-
Corporate bonds	65,418	-	65,418	-
U.S. Government and agency securities	224,559	172,532	52,027	-
Taxable municipal bonds	144,952	-	144,952	-
Total bonds	453,332	172,532	280,800	-
Total	\$ 6,248,285	\$ 5,967,485	\$ 280,800	\$ -

## ATHENS FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2016

**4. Assets and Liabilities – Fair Value Information (Continued)**

Description	2015			
	Total	Level 1	Level 2	Level 3
Investments:				
Money market funds	\$ 41,190	\$ 41,190	\$ -	\$ -
Common Stock	18,755	18,755	-	-
Mutual funds:				
Aggressive income	87,981	87,981	-	-
Cash and equivalents	87,739	87,739	-	-
Growth	912,045	912,045	-	-
Growth and income	2,503,314	2,503,314	-	-
Income	1,115,344	1,115,344	-	-
Exchange-traded funds	252,916	252,916	-	-
Total mutual funds	4,959,339	4,959,339	-	-
Bonds:				
Asset and mortgage backed securities	18,190	-	18,190	-
Corporate bonds	60,323	-	60,323	-
U.S. Government and agency securities	216,759	164,114	52,645	-
Taxable municipal bonds	137,727	-	137,727	-
Total bonds	432,999	164,114	268,885	-
Total	\$ 5,452,283	\$ 5,183,398	\$ 268,885	\$ -

**5. Endowment Funds**

Professional standards contained in the Not-for-Profit Entities – Presentation of Financial Statements Topic of the FASB ASC provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), including guidance pertaining to disclosures about an organization's endowed funds (both donor restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA.

## ATHENS FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2016

**5. Endowment Funds (Continued)**

The State of Ohio adopted UPMIFA effective June 1, 2009. The Foundation's financial statements for the years ended September 30, 2016 and 2015 were prepared in accordance with UPMIFA and ASC Topic 958. The Foundation is governed subject to the Declaration of Trust and most contributions are subject to the terms of the Declaration of Trust. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation.

Under the terms of the governing documents, the Board of Directors has the ability to distribute as much of the corpus of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine.

Endowment Net Asset Composition by Type of Fund:

	2016			
	Unrestricted	Temporarily	Permanently	Total
	Net Assets	Restricted	Restricted	
Donor Advised Funds	\$ 231,216	\$ 973,713	\$ -	\$ 1,204,929
Donor Designated Funds	11,623	217,879	407,487	636,989
Field of Interest Funds	-	631,346	13,889	645,235
Unrestricted Endowment Funds	3,363,447	-	-	3,363,447
Total funds	<u>\$ 3,606,286</u>	<u>\$ 1,822,938</u>	<u>\$ 421,376</u>	<u>\$ 5,850,600</u>
	2015			
	Unrestricted	Temporarily	Permanently	
	Net Assets	Restricted	Restricted	Total
Donor Advised Funds	\$ 182,018	\$ 943,942	\$ -	\$ 1,125,960
Donor Designated Funds	10,870	199,836	407,487	618,193
Field of Interest Funds	-	578,192	13,889	592,081
Unrestricted Endowment Funds	2,847,557	-	-	2,847,557
Total funds	<u>\$ 3,040,445</u>	<u>\$ 1,721,970</u>	<u>\$ 421,376</u>	<u>\$ 5,183,791</u>

## ATHENS FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2016

**5. Endowment Funds (Continued)**Changes in Endowment Net Assets:

	2016			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ <u>3,040,445</u>	\$ <u>1,721,970</u>	\$ <u>421,376</u>	\$ <u>5,183,791</u>
Investment return:				
Dividends and interest	50,310	33,058	-	83,368
Net realized and unrealized gains	246,764	155,050	-	401,814
Total investment return	<u>297,074</u>	<u>188,108</u>	<u>-</u>	<u>485,182</u>
Contributions	561,241	38,072	-	599,313
Appropriation of endowment assets for expenditure	(292,474)	(125,212)	-	(417,686)
Endowment net assets, end of year	\$ <u><u>3,606,286</u></u>	\$ <u><u>1,822,938</u></u>	\$ <u><u>421,376</u></u>	\$ <u><u>5,850,600</u></u>
	2015			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ <u>3,180,013</u>	\$ <u>862,380</u>	\$ <u>421,376</u>	\$ <u>4,463,769</u>
Investment return:				
Dividends and interest	45,582	27,244	-	72,826
Net realized and unrealized losses	(84,303)	(76,343)	-	(160,646)
Total investment return	<u>(38,721)</u>	<u>(49,099)</u>	<u>-</u>	<u>(87,820)</u>
Contributions	190,123	1,023,398	-	1,213,521
Appropriation of endowment assets for expenditure	(290,970)	(114,709)	-	(405,679)
Endowment net assets, end of year	\$ <u><u>3,040,445</u></u>	\$ <u><u>1,721,970</u></u>	\$ <u><u>421,376</u></u>	\$ <u><u>5,183,791</u></u>

ATHENS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

**5. Endowment Funds (Continued)**

In addition to endowment net assets, the Foundation also manages other non-endowment funds. The following table summarizes all Foundation net assets as of September 30, 2016 and 2015:

	2016	2015
Endowment Funds	\$ 5,850,600	\$ 5,183,791
Non-Endowment Funds	474,858	334,190
Total Net Assets	<u>\$ 6,325,458</u>	<u>\$ 5,517,981</u>

Endowment Investment and Spending Policies

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for programs supported by the endowment while seeking to maintain the purchasing power of the endowment assets. The Foundation's investment and spending policies work together to achieve this objective.

The Foundation's investment objectives are: to maintain the purchasing power of its funds by preserving the real (after inflation) value of its assets; to provide the maximum flow of funds for grant making and operating expenses; and to ensure that an average net return is provided that at least matches or exceeds widely used comparison indices as they pertain to each asset allocation class.

To satisfy its investment objectives over long periods of time, the Foundation relies on a total return strategy in which investment returns are obtained through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk parameters.

The Foundation's Investments Policy outlines its standard of care for its investment managers that is: when holding, investing, reinvesting, and otherwise managing funds of the Foundation, all investment managers shall exercise the judgment and care under the circumstances then prevailing, which person of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. In particular, the Foundation's investment managers shall consider the long and short-term needs of the Foundation in carrying out its charitable purposes, its present and anticipated financial requirements as have been communicated to them by Foundation representatives, expected total return on Foundation investments, price level trends, and general economic conditions. Diversification by asset class, investment style, and investment managers, is employed to avoid undue risk concentration and enhance total return.

The Foundation's Spending Policy is based on a twelve (12) quarter rolling average of the market value of the endowment (excluding donor advised funds which are determined by individual contracts). The payout is 5%, 3.5% of which is allocated to programs and 1.5% to administrative fees. This calculation takes into account preservation of principal as well as administrative fees.



## ATHENS FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2016

**6. Restrictions on Net Assets**

The restrictions on the Foundation net assets as of September 30, 2016 and 2015 are summarized below:

Temporarily restricted net assets consist of the following:

	<u>2016</u>	<u>2015</u>
Women's Fund	\$ 222,762	\$ 202,018
SEPAN Fund	41,413	40,164
R. Craig Copeland Fund	325,656	315,542
Rebecca Dale Fund	102,402	99,267
Athens Jaycees Senior Fund	973,713	943,941
The Dean and Alvi McWilliams Fund	10,632	9,941
Bobbie Britton Fund	9,681	6,532
Howard M. Walton Fund	115,477	104,564
The Ann Fox Education Fund	21,202	-
Temporarily Restricted Net Assets Available for Grants and Donor-Designated Charitable Purposes	<u>\$ 1,822,938</u>	<u>\$ 1,721,969</u>

Permanently restricted net assets consist of the following:

Bobbie Britton Fund	\$ 17,884	\$ 17,884
Howard M. Walton Fund	403,492	403,492
Permanently Restricted Net Assets to Be Held in Perpetuity in which the Revenues Derived are Available for Designated Charitable Purposes	<u>\$ 421,376</u>	<u>\$ 421,376</u>

**7. Other Income**

The Foundation's other income consists of the following for the years ended September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Administrative and Program Service Fees	\$ 76,975	\$ 81,713
Fund Raising Event	35,954	18,605
Program Service Fees	17,625	11,000
Workshops and Conferences	2,744	2,855
Refunds or Reimbursements	476	1,715
Miscellaneous Income	-	100
Total Other Income	<u>\$ 133,774</u>	<u>\$ 115,988</u>

## ATHENS FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

September 30, 2016

**8. Support Services Expense**

The Foundation's support services expense consists of the following for the years ended September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Management and General Expense		
Personnel Expense	\$ 158,458	\$ 117,975
Administrative Fees	76,975	81,744
Office Expense	32,324	34,123
Occupancy Expense	26,017	20,918
Travel	24,360	23,624
Professional Fees	16,868	15,000
Equipment and Rentals	14,981	25,466
Meeting Expense	5,126	4,390
Telephone	4,644	4,733
Dues and Subscriptions	4,641	4,654
Insurance Expense	3,449	2,883
Depreciation Expense	3,399	4,000
Supplies	2,642	3,001
Postage	1,878	1,419
Total Management and General Expense	<u>375,762</u>	<u>343,930</u>
Promotional Expense		
Printing Expense	7,778	4,818
Advertising and Web Design	741	1,131
Total Promotional Expense	<u>8,519</u>	<u>5,949</u>
Fundraising Expense		
Fundraising Expense	40,554	25,855
Total Fundraising Expense	<u>40,554</u>	<u>25,855</u>
Total Support Services Expense	<u>\$ 424,835</u>	<u>\$ 375,734</u>

**9. Employee Benefit Plan**

The Foundation adopted a Savings Incentive Match Plan for Employees (SIMPLE) retirement plan. This plan allows employees who have earned at least \$5,000 in compensation from the Foundation in the current or previous calendar year to make a voluntary salary deferral into a SIMPLE IRA. The Foundation makes a matching contribution equal to the employee's contribution up to 3% of the employee's gross compensation for the year. The Foundation's retirement expense was \$3,278 and \$3,188, respectively, for the years ended September 30, 2016 and 2015.

ATHENS FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

**10. Lease Commitments**

The Foundation leases office space under an operating lease which expires on July 31, 2018. The landlord does not charge the Foundation rent for leasing the space. An estimate of the fair market value of rent for this space is recorded as an in-kind contribution from the landlord and as occupancy expense under management and general expense on the statement of activities and changes in net assets.

Rental expense under the operating lease for the years ended September 30, 2016 and 2015, was \$14,260 and \$14,000, respectively.

**11. Concentration of Risk**

Contributions and bequests are received primarily from businesses and individuals in the Athens area and surrounding region. The Foundation has a diversified contribution base.

**12. Reclassifications**

Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation.

**13. Subsequent Events**

Subsequent events have been evaluated through December 1, 2016, which is the date the financial statements were available to be issued.