

CLEARFIELD COUNTY CHARITABLE FOUNDATION
CLEARFIELD, PENNSYLVANIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH ACCOMPANYING INDEPENDENT AUDITOR'S REPORT)

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Young, Oakes, Brown & Company, P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Clearfield County Charitable Foundation
PO Box 171
Clearfield, PA 16830

We have audited the accompanying financial statements of the Clearfield County Charitable Foundation (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - cash basis as of December 31, 2015, and the related statement of support, revenue, and expenses - cash basis for the year 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 the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 audit. We conducted our audit 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 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 assets, liabilities, and net assets of the Clearfield County Charitable Foundation as of December 31, 2015, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenses on page 7 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Young, Decker, Brown & Company, P.C.

**CLEARFIELD COUNTY CHARITABLE FOUNDATION
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
CASH BASIS
DECEMBER 31, 2015**

<u>ASSETS</u>	
Mutual Funds (Cost)	\$2,416,260
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TOTAL ASSETS	\$2,416,260
	<hr/> <hr/>
<u>LIABILITIES AND NET ASSETS</u>	
<u>Net Assets</u>	
Unrestricted	\$1,012,486
Temporarily Restricted	470,584
Permanently Restricted	<u>933,190</u>
Total Net Assets	\$2,416,260
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TOTAL LIABILITIES AND NET ASSETS	\$2,416,260
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See Accompanying Notes and Independent Auditor's Report

**CLEARFIELD COUNTY CHARITABLE FOUNDATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Revenue and Other Support</u>				
Contributions	\$ 517,032	\$ 5,724	\$ 81,332	\$ 604,088
Other Income:				
Investment Income	16,017	11,155	22,636	49,808
Realized Gain on Investments	<u>770</u>	<u>251</u>	<u>685</u>	<u>1,706</u>
Total Revenue and Other Support	<u>\$ 533,819</u>	<u>\$ 17,130</u>	<u>\$104,653</u>	<u>\$ 655,602</u>
<u>Net Assets Released from Restrictions</u>	<u>(\$ 52,000)</u>	<u>\$ 50,000</u>	<u>\$ 2,000</u>	<u>\$ 0</u>
<u>Expenses</u>				
Program Services	\$ 28,898	\$ 19,118	\$ 26,116	\$ 74,132
Management and General	7,876	0	0	7,876
Fundraising	<u>1,623</u>	<u>0</u>	<u>0</u>	<u>1,623</u>
Total Expenses	<u>\$ 38,397</u>	<u>\$ 19,118</u>	<u>\$ 26,116</u>	<u>\$ 83,631</u>
Change in Net Assets	\$ 443,422	\$ 48,012	\$ 80,537	\$ 571,971
<u>Net Assets</u> - Beginning of Year	<u>569,064</u>	<u>422,572</u>	<u>852,653</u>	<u>1,844,289</u>
<u>Net Assets</u> - End of Year	<u>\$1,012,486</u>	<u>\$470,584</u>	<u>\$933,190</u>	<u>\$2,416,260</u>

See Accompanying Notes and Independent Auditor's Report

**CLEARFIELD COUNTY CHARITABLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Note 1: Nature of Activities and Summary of Significant Accounting Policies

a. Nature of Activities

The Clearfield County Charitable Foundation (the Foundation) was established in 2006 to improve the quality of life in the Clearfield, PA region and to promote effective philanthropy. The Foundation accomplishes its purpose by building a permanent endowment for the benefit of the community through the support of its philanthropically minded donors. Funds are contributed by individuals, corporations, and non-profit agencies and support a wide range of organizations that promote the educational, cultural, health, social, and civic development of the region.

b. Basis of Accounting

The Foundation's accounts are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the cash basis of accounting, revenues are recognized when collected and expenses are recognized when paid. If the books were maintained on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America, all revenues would be recognized when earned and all expenses would be recognized when incurred.

c. Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) as found in the Non-Profit Section 958-210 of the FASB Codification. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time.

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations 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.

d. Income Tax Status

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation has been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). Accordingly, no provision has been made for income taxes in the financial statements. There was no unrelated business income for the year ended December 31, 2015.

CLEARFIELD COUNTY CHARITABLE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2015
 (CONTINUED)

Note 1: Nature of Activities and Summary of Significant Accounting Policies (Continued)

e. Contributions

Contributions, including unconditional promises to give, are recorded when received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

f. Advertising Expenses

The Foundation's expenses advertising costs as incurred. Advertising expense was \$21 for the year ended December 31, 2015.

Note 2: Investments

Investments purchased by the Foundation are recorded at their cost, and donated investments are recorded at fair value on the date they are received as a donation.

Investments are composed of the following:

	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds	\$2,416,260	\$2,689,309
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Investment return consists of the following:

Investment Income		\$49,808
Net Realized Gain on Sales of Investments		<u>1,706</u>
		<hr/>
		\$51,514
		<hr/>

Note 3: Related Party Transactions

CBT Bank, successor fiduciary to Clearfield Bank and Trust, serves as the Foundation's Trustee. The Bank charges the Foundation below-market fees designed to cover supplies and accounting and reporting services. The Foundation paid CBT Bank \$3,250 for these services in 2015. In addition, four bank employees are also members of the Foundation's Board of Directors. The Foundation does not provide any compensation for serving on the board.

Note 4: Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 26, 2016, the date the financial statements were available to be issued. No items requiring additional disclosure were noted.

CLEARFIELD COUNTY CHARITABLE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
<u>Unrestricted Net Assets</u>				
Grants	\$74,132	\$ 0	\$ 0	\$74,132
Advertising	0	21	0	21
Office Supplies	0	768	0	768
Administrative Services	0	2,737	0	2,737
Insurance	0	250	0	250
Professional Services	0	4,100	0	4,100
Fundraising	<u>0</u>	<u>0</u>	<u>1,623</u>	<u>1,623</u>
Total Functional Expenses	<u>\$74,132</u>	<u>\$7,876</u>	<u>\$1,623</u>	<u>\$83,631</u>

See Accompanying Notes and Independent Auditor's Report