

**BRIDGE BUILDERS
COMMUNITY FOUNDATIONS**

Oil City, Pennsylvania

FINANCIAL STATEMENTS

August 31, 2015 and 2014

BRIDGE BUILDERS COMMUNITY FOUNDATIONS

FINANCIAL STATEMENTS

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May & Company

Certified Public Accountants

Oil City, Pennsylvania

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Bridge Builders Community Foundations
Oil City, Pennsylvania

We have audited the accompanying financial statements of Bridge Builders Community Foundations (a non-profit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of August 31, 2015 and 2014 and the related statements of support, revenue, and expenses – modified cash basis 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified 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 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 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 Bridge Builders Community Foundations as of August 31, 2015 and 2014, and its support, revenue, and expenses for the years then ended in accordance with the modified 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 modified 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 14-21 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.

May & Company

July 13, 2016

BRIDGE BUILDERS COMMUNITY FOUNDATIONS
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
August 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 264,692	\$ 271,522
Cash value of life insurance	103,405	-
Investments	<u>7,147,698</u>	<u>7,401,379</u>
Total Assets	<u>\$ 7,515,795</u>	<u>\$ 7,672,901</u>
 LIABILITIES		
Payroll taxes and other benefits payable	\$ 1,909	\$ 597
Funds held for others	<u>927,098</u>	<u>968,732</u>
Total Liabilities	<u>929,007</u>	<u>969,329</u>
 NET ASSETS		
Unrestricted	530,805	319,707
Temporarily restricted	4,034,595	4,222,501
Permanently restricted	<u>2,021,388</u>	<u>2,161,364</u>
Total Net Assets	<u>6,586,788</u>	<u>6,703,572</u>
Total Liabilities and Net Assets	<u>\$ 7,515,795</u>	<u>\$ 7,672,901</u>

The accompanying notes and accountants' report should be read with this statement.

BRIDGE BUILDERS COMMUNITY FOUNDATIONS
STATEMENT OF SUPPORT, REVENUE AND EXPENSES - MODIFIED CASH BASIS
For the Year Ended August 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
Gifts and grants	\$ 113,113	\$ 587,787	\$ -	\$ 700,900
Less gifts and grants held for others	(30,173)	-	-	(30,173)
Dividends and interest	25,589	107,765	39,848	173,202
Less dividends and interest held for others	(15,697)	(2,204)	-	(17,901)
Net realized gain on security sales	28,369	47,847	90,655	166,871
Less realized gain held for others	(15,564)	(328)	-	(15,892)
Net unrealized gain (loss) on security sales	(129,368)	(282,361)	(189,048)	(600,777)
Add unrealized loss held for others	85,651	3,614	-	89,265
Fundraising income	-	15,331	-	15,331
Management fee income	19,849	56,347	32,008	108,204
Miscellaneous income	1,165	419	1,174	2,758
	<u>82,934</u>	<u>534,217</u>	<u>(25,363)</u>	<u>591,788</u>
Net assets released from restriction	<u>836,736</u>	<u>(722,123)</u>	<u>(114,613)</u>	<u>-</u>
Total Revenues	<u>919,670</u>	<u>(187,906)</u>	<u>(139,976)</u>	<u>591,788</u>
Expenses				
Wages	50,084	-	-	50,084
Payroll taxes and benefits	11,466	-	-	11,466
Scholarship grants	174,108	-	-	174,108
Less scholarship grants held for others	(2,500)	-	-	(2,500)
Other grants	365,163	-	-	365,163
Investment management fees	179,029	-	-	179,029
Less management fees held for others	(13,836)	-	-	(13,836)
Other investment expenses	5,135	-	-	5,135
Auditing and accounting	5,525	-	-	5,525
Insurance	4,362	-	-	4,362
Travel, conference and meetings	6,256	-	-	6,256
Equipment	1,516	-	-	1,516
Office expenses	6,521	-	-	6,521
Advertising	6,158	-	-	6,158
Dues and subscriptions	1,994	-	-	1,994
Contract labor	1,830	-	-	1,830
Occupancy	3,034	-	-	3,034
Registration fees	400	-	-	400
Fundraising expense	6,046	-	-	6,046
Miscellaneous	2,684	-	-	2,684
Total Expenses	<u>814,975</u>	<u>-</u>	<u>-</u>	<u>814,975</u>
Change in Net Assets	104,695	(187,906)	(139,976)	(223,187)
Net Assets, Beginning of Year	319,707	4,222,501	2,161,364	6,703,572
Prior period adjustment	<u>106,403</u>	<u>-</u>	<u>-</u>	<u>106,403</u>
Net Assets, End of Year	<u>\$ 530,805</u>	<u>\$ 4,034,595</u>	<u>\$ 2,021,388</u>	<u>\$ 6,586,788</u>

The accompanying notes and accountants' report should be read with this statement.

BRIDGE BUILDERS COMMUNITY FOUNDATIONS
STATEMENT OF SUPPORT, REVENUE AND EXPENSES - MODIFIED CASH BASIS
For the Year Ended August 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
Gifts and grants	\$ 342,110	\$ 432,288	\$ -	\$ 774,398
Less gifts and grants held for others	(20,450)	-	-	(20,450)
Dividends and interest	17,204	79,104	35,717	132,025
Less dividends and interest held for others	(13,614)	-	-	(13,614)
Net realized gain on security sales	219,494	392,043	321,566	933,103
Less realized gain held for others	(175,564)	-	-	(175,564)
Net unrealized gain (loss) on security sales	(48,220)	110,123	(4,461)	57,442
Add unrealized loss held for others	42,693	-	-	42,693
Fundraising income	-	19,541	-	19,541
Management fee income	13,198	53,810	31,363	98,371
Miscellaneous income	335	-	8,745	9,080
	<u>377,186</u>	<u>1,086,909</u>	<u>392,930</u>	<u>1,857,025</u>
Net assets released from restriction	<u>694,060</u>	<u>(505,138)</u>	<u>(188,922)</u>	<u>-</u>
Total Revenues	<u>1,071,246</u>	<u>581,771</u>	<u>204,008</u>	<u>1,857,025</u>
Expenses				
Wages	43,358	-	-	43,358
Payroll taxes and benefits	6,241	-	-	6,241
Scholarship grants	269,392	-	-	269,392
Other grants	384,987	-	-	384,987
Investment management fees	170,294	-	-	170,294
Less management fees held for others	(11,809)	-	-	(11,809)
Other investment expenses	1,297	-	-	1,297
Auditing and accounting	5,413	-	-	5,413
Insurance	4,475	-	-	4,475
Travel, conference and meetings	5,483	-	-	5,483
Equipment	838	-	-	838
Office expenses	5,560	-	-	5,560
Advertising	3,892	-	-	3,892
Dues and subscriptions	2,525	-	-	2,525
Contract labor	2,428	-	-	2,428
Occupancy	2,648	-	-	2,648
Registration fees	250	-	-	250
Fundraising expense	6,392	-	-	6,392
Miscellaneous	3,725	-	-	3,725
Total Expenses	<u>907,389</u>	<u>-</u>	<u>-</u>	<u>907,389</u>
Change in Net Assets	163,857	581,771	204,008	949,636
Net Assets, Beginning of Year	244,045	3,157,251	1,779,347	5,180,643
Change in valuation method	30,843	483,479	178,009	692,331
Change in value-funds held for others	(119,038)	-	-	(119,038)
Net Assets, End of Year	<u>\$ 319,707</u>	<u>\$ 4,222,501</u>	<u>\$ 2,161,364</u>	<u>\$ 6,703,572</u>

The accompanying notes and accountants' report should be read with this statement.

BRIDGE BUILDERS COMMUNITY FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

1. Summary of Significant Accounting Policies

a. Nature of Entity:

The Bridge Builders Community Foundations, formally known as Venango Area Community Foundation, Inc. (Organization), is a non-profit corporation that was organized and incorporated under the laws of Pennsylvania in 1975 for the purpose of attracting funds from a broad base of donors to meet the charitable needs of Venango County and the surrounding areas.

b. Basis of Accounting:

The organization maintains its records and prepares its financial statements on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Revenues are recorded when received and expenses are recorded when paid. Cash value of life insurance is recorded as an asset and unremitted payroll taxes and benefits and funds held for others are recorded as liabilities.

c. Classes of Net Assets:

The financial statements report amounts separately by classes of net assets:

Unrestricted Net Assets: Unrestricted net assets are neither permanently nor temporarily restricted by donor- or grantor- imposed restrictions.

Temporarily Restricted Net Assets: Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets: Permanently restricted net assets are subject to donor-imposed stipulations that are maintained permanently by the Organization. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

d. Funds Held for Organizations:

The Organization invests funds for unrelated organizations that have sole discretion over the use of these assets. The liability is reflected under funds held for others on the accompanying statement of assets, liabilities and net assets – modified cash basis. In addition, related amounts received or distributed, investment income or loss, and expense are presented separately on the accompanying statement of support, revenue and expenses – modified cash basis.

BRIDGE BUILDERS COMMUNITY FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

1. Summary of Significant Accounting Policies (continued)

e. Cash and Cash Equivalents:

Cash and cash equivalents include cash on hand, cash in banks and money market accounts with maturity periods of three months or less when purchased.

f. Investments:

Investments in marketable securities are recorded at fair value.

g. Deposit Risk:

In the normal course of business, the Organization may have amounts in a financial institution which exceed the limits insured by the Federal Deposit Insurance Corporation. Management does not believe a deposit in excess of insured limits exposes the Organization to significant credit risk.

h. Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The actual results experienced by the Organization may differ from management's estimates.

i. Advertising Costs:

The Organization follows the policy of charging the cost of advertising to expense as incurred. Advertising expenses for the year ended August 31, 2015 and 2014 was \$6,158 and \$3,892, respectively.

j. Income Taxes:

The Organization is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

k. Donated Goods and Services:

Donated goods and services have not been reflected in the accompanying financial statements since no objective basis is available to measure the value of such goods or services. A substantial number of volunteer hours have been donated in providing the Organization's program services and in fundraising endeavors.

BRIDGE BUILDERS COMMUNITY FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

2. Investments

Most of the funds of the Organization are held in accounts maintained at BNY Mellon, NA, Northwest Savings Bank Investment & Trust Services, PNC Bank, and Raymond James.

a. BNY Mellon, NA:

The William H. Locke Memorial Scholarship Fund and the Chester A. and Beulah A. Baum Memorial Scholarship Fund are held in separate trust accounts with BNY Mellon.

Donor imposed restrictions for both funds require that principal be invested and that only income is available for the purposes of those funds. Details of the cost and fair values of the cash and investments as of August 31, 2015 and 2014 are as follows:

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
William M. Locke Fund:				
Money market fund	\$ 16,751	\$ 16,751	\$ 15,914	\$ 15,914
Fixed income	230,511	230,678	243,653	250,788
Equities	658,260	639,401	609,882	683,677
Other	<u>204,606</u>	<u>200,767</u>	<u>206,000</u>	<u>206,000</u>
Total	<u>\$1,110,128</u>	<u>\$ 1,087,597</u>	<u>\$ 1,075,449</u>	<u>\$ 1,156,379</u>
Baum Memorial Fund:				
Money market fund	\$ 5,630	\$ 5,630	\$ 13,085	\$ 13,085
Fixed income	139,113	139,176	150,031	154,382
Equities	407,457	395,415	372,628	420,135
Other	<u>121,989</u>	<u>119,700</u>	<u>126,875</u>	<u>126,875</u>
Total	<u>\$ 674,189</u>	<u>\$ 659,921</u>	<u>\$ 662,619</u>	<u>\$ 714,477</u>

BRIDGE BUILDERS COMMUNITY FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

2. Investments (continued)

b. Northwest Savings Bank Investment & Trust Services:

During the year ended August 31, 2014, the Organization maintained three accounts with Northwest Savings Bank Investment & Trust Services: the Investment Agency Account (which currently includes eighty-three funds with the majority having various donor imposed restrictions), the United Way Endowment Fund and the Nazareth in the Woods Fund. During the year ended August 31, 2015, the investments held in the United Way Endowment and Nazareth in the Woods Funds were transferred into the Investment Agency Account.

The cost and fair values of the cash and investments of the three accounts with Northwest Savings Bank Investments & Trust Services as of August 31, 2015 and 2014 are as follows:

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Investment Agency Account:				
Money market fund	\$ 233,802	\$ 233,802	\$ 54,018	\$ 54,018
Fixed income	392,567	384,646	277,896	277,808
Equities	1,928,186	1,977,952	1,442,906	1,649,437
Other	<u>496,331</u>	<u>466,156</u>	<u>398,285</u>	<u>394,634</u>
Total	<u>\$3,050,886</u>	<u>\$ 3,062,556</u>	<u>\$ 2,173,105</u>	<u>\$ 2,375,897</u>
The United Way Endowment Fund:				
Money market fund	\$ —	\$ —	\$ 26,522	\$ 26,522
Fixed income	—	—	53,513	53,496
Equities	—	—	275,803	321,167
Other	<u>—</u>	<u>—</u>	<u>79,195</u>	<u>77,881</u>
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 435,033</u>	<u>\$ 479,066</u>
The Nazareth in the Woods Fund:				
Money market fund	\$ —	\$ —	\$ 15,809	\$ 15,809
Fixed income	—	—	31,754	31,744
Equities	—	—	161,032	189,938
Other	<u>—</u>	<u>—</u>	<u>45,272</u>	<u>45,036</u>
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 253,867</u>	<u>\$ 282,527</u>

BRIDGE BUILDERS COMMUNITY FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

2. Investments (continued)

c. PNC Bank:

The Organization maintains three accounts with PNC Bank: the Investment Management Account (which currently includes five funds with four of them having various donor imposed restrictions), the Vera A. Lamey Scholarship Fund, and the Walter H. Flinchbaugh Memorial Fund. For the Vera A. Lamey Scholarship Fund donor imposed restrictions require the principal be invested and that only income is available for the purpose of the fund.

The cost and fair values of the cash and investments of the three accounts with PNC Bank as of August 31, 2015 and 2014 are as follows:

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Investment Management Account:				
Money market fund	\$ 7,041	\$ 7,041	\$ 10,528	\$ 10,528
Fixed income	150,925	147,876	147,320	152,534
Equities	<u>257,175</u>	<u>290,640</u>	<u>260,215</u>	<u>320,167</u>
Total	<u>\$ 415,141</u>	<u>\$ 445,557</u>	<u>\$ 418,063</u>	<u>\$ 483,229</u>
Vera A. Lamey Scholarship Fund:				
Money market fund	\$ 8,983	\$ 8,983	\$ 3,392	\$ 3,392
Fixed income	91,289	89,523	89,015	91,988
Equities	<u>151,319</u>	<u>175,364</u>	<u>156,360</u>	<u>195,128</u>
Total	<u>\$ 251,591</u>	<u>\$ 273,870</u>	<u>\$ 248,767</u>	<u>\$ 290,508</u>
The Walter H. Flinchbaugh Memorial Fund:				
Money market fund	\$ 16,035	\$ 16,035	\$ 5,722	\$ 5,722
Fixed income	229,384	224,785	222,296	229,926
Equities	<u>387,741</u>	<u>439,733</u>	<u>391,333</u>	<u>483,365</u>
Total	<u>\$ 633,160</u>	<u>\$ 680,553</u>	<u>\$ 619,351</u>	<u>\$ 719,013</u>

BRIDGE BUILDERS COMMUNITY FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

2. Investments (continued)

d. Raymond James:

The Organization maintains three accounts with Raymond James: The Agency Account (which currently includes five funds with four of them having various donor imposed restrictions), the Himes Scholarship Fund, and the Himes Scholarship Fund – Fixed Income.

The cost and fair values of the cash and investments of the three accounts with Raymond James as August 31, 2015 and 2014 are as follows:

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Agency Account:				
Money market fund	\$ 5,847	\$ 5,847	\$ 2,607	\$ 2,607
Fixed income	39,046	85,755	35,816	38,772
Equities	110,173	110,036	66,344	71,820
Other	<u>4,985</u>	<u>4,649</u>	<u>1,917</u>	<u>2,075</u>
Total	<u>\$ 160,051</u>	<u>\$ 206,287</u>	<u>\$ 106,684</u>	<u>\$ 115,274</u>
The Himes Scholarship Fund:				
Money market fund	\$ 7,875	\$ 7,875	\$ 11,791	\$ 11,791
Equities	404,542	402,453	412,163	446,185
Other	<u>37,752</u>	<u>34,814</u>	<u>28,418</u>	<u>30,764</u>
Total	<u>\$ 450,169</u>	<u>\$ 445,142</u>	<u>\$ 452,372</u>	<u>\$ 488,740</u>
The Himes Scholarship Fund – Fixed Income:				
Money market fund	\$ 4,186	\$ 4,186	\$ 4,512	\$ 4,512
Fixed income	285,551	278,458	262,358	284,013
Equities	602	586	762	825
Other	<u>3,069</u>	<u>2,985</u>	<u>6,391</u>	<u>6,919</u>
Total	<u>\$ 293,408</u>	<u>\$ 286,215</u>	<u>\$ 274,013</u>	<u>\$ 296,269</u>

BRIDGE BUILDERS COMMUNITY FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

2. Investments (continued)

The summary of the funds of the Organization as of August 31, 2015 and 2014 held at BNY Mellon, NA, Northwest Savings Bank Investment & Trust Services, PNC Bank, and Raymond James is as follows:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Total Investments	<u>\$ 7,038,723</u>	<u>\$ 7,147,698</u>	<u>\$ 6,719,333</u>	<u>\$ 7,401,379</u>

3. Net Assets

Net asset composition by type of fund as of August 31, 2015 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Discretionary Funds	\$ 226,801	\$ 49,684	\$ —
Donor Advised Funds	—	202,683	—
Endowment Funds	108,149	37,238	—
Field of Interest Funds	—	442,322	—
Scholarship/Grants/Projects	—	3,992,633	2,021,388
Other	195,855	310,035	—
Totals	<u>\$ 430,805</u>	<u>\$ 4,034,595</u>	<u>\$ 2,021,388</u>

Net asset composition by type of fund as of August 31, 2014 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted
Discretionary Funds	\$ 133,564	\$ 23,232	\$ —
Donor Advised Funds	—	165,193	—
Endowment Funds	114,126	39,136	—
Field of Interest Funds	—	507,220	—
Scholarship/Grants/Projects	—	3,196,919	2,161,364
Other	72,017	290,801	—
Totals	<u>\$ 319,707</u>	<u>\$ 4,222,501</u>	<u>\$ 2,161,364</u>

BRIDGE BUILDERS COMMUNITY FOUNDATIONS
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

4. Change in Accounting Principle

On September 1, 2013, the Organization changed its method of valuing investments to fair value. In all prior years, investments were valued at cost. The new method of accounting was adopted because the Organization believed that a valuation at fair value was more beneficial to the users of the financial statements. The cumulative adjustment is recorded on the Statement of Support, Revenue and Expenses – Modified Cash Basis as an adjustment to Net Assets.

5. Prior Period Adjustments

The Organization is the owner of a universal life insurance policy. The policy was issued December 10, 2009, but the cash value of the policy has never been recorded as an asset. The cash value of the life insurance policy as of September 1, 2014 of \$100,277 has been reported on the statement of support, revenue and expenses – modified cash basis for the year ended August 31, 2015 as a prior period adjustment.

Additionally, during the year ended August 31, 2015, management discovered a financial statement error that caused an understatement of unrestricted net assets at August 31, 2014 of \$6,126.

6. Contingency

Federal Taxing Authorities – Based upon the statutes of limitations, the Organization's federal Form 990 tax return could be subjected to examination by the taxing authorities for three years from the date of filing including extensions. The Organization would be liable for any unrelated business net income tax deficiencies noted during such audits. Management is not aware of any material items of non-compliance or adjustments which would result in an assessment of tax liabilities. As of the date of the financial statements, there were no such audits in process or scheduled.

7. Subsequent Events

Management has evaluated subsequent events for potential recognition and/or disclosure through the date the financial statements were available for issuance with was July 13, 2016.

Northwest Savings Bank, Investment & Trust Service
Investment Agency Account
August 31, 2015

FUND NAME	Cost	Fair Value
J BOWMAN PROPER	\$ -	\$ -
FELDMAN	7,973	8,004
MILLER	4,466	4,483
ROY SANNER	46,948	47,128
FHS SOFTBALL	-	-
NICHOLAS SANFORD	10,748	10,789
HARRINGTON REW	121,030	121,493
RUSSELL	34,755	34,888
RICHARD SCHAUB	88	88
VACF OUTREACH	11,960	12,006
CCCF ENDOWMENT	13,841	13,894
FCCF ENDOWMENT	93,896	94,255
FOREST COUNTY TAXPAYERS	15,578	15,638
VANORT	10,993	11,035
SHERMAN	29,656	29,769
YOUTH PHILANTHROPY	-	-
LOEFFLER	34,574	34,706
BEN FRANKLIN	57,757	57,978
ROBERT H. BEAR	40,032	40,185
FRANCIS GIBBONS	10,173	10,212
SUSAN L. DANIELS	116,266	116,711
VENANGO HUMAN SERVICES	-	-
VENUS TELEPHONE	1,217	1,221
MARY E. SHANER	125,672	126,152
ARC OF DREAMS	8,744	8,777
ANNA M. EWALT	14,053	14,106
VENANGO FATHERHOOD	2,220	2,228
FOCUS ON OUR FUTURE	-	-
VENANGO EDUCATION	8,010	8,041
EUGENE F. HANNA	61,753	61,989
ALMA T. WEINGARD	29,113	29,225
KENNETH MESSER	21,387	21,468
KINNEAR SCHOLARSHIP	135,984	136,504
COMMUNITY SERVICES	4,158	4,174
MARY L. WHITING	33,529	33,658
WILL FABRY	82,954	83,271
LAND OF LAUGHTER	29,618	29,731
APPLIED TECHNOLOGY	37,271	37,414
CHARLES ROUAULT	71,804	72,079
COACH ROOD	28,767	28,877
J.L. FRANK	37,752	37,897
OIL CITY AREA SCHOOL DISTRICT - SCIENCE	6,163	6,186
OIL CITY AREA SCHOOL DISTRICT - ATHLETIC	16,704	16,768
JANET L. HENC	23,926	24,018
GRACE WOODS NELLIS	15,800	15,860
VOLLEYBALL	1,700	1,706

Northwest Savings Bank, Investment & Trust Service
Investment Agency Account
August 31, 2015

FUND NAME	Cost	Fair Value
OC WHITEWATER	-	-
WICE/HART MEMORIAL	46,629	46,807
PATTERSON/RICHEY - TROOPERS	69,126	69,391
LOIS & CARL HEINZ	22,523	22,609
ALLEGHENY VALLEY TRAILS ASSOCIATION	30,794	30,912
ARTS & CULTURAL	41,389	41,548
COACH DONALD HALL	-	-
TWO MILE RUN	7,282	7,310
OIL CITY LIBRARY	334,950	336,231
OIL REGION ASTRONOMY	1,697	1,703
KUGLER LEGACY	5,930	5,953
FRANKLIN ALUMNI SCHOLARSHIP	81,399	81,710
TOTH MEMORIAL SCHOLARSHIP	19,439	19,514
R. WAGNER	1,610	1,616
BRACKEN	-	-
FRANKLIN PUBLIC LIBRARY	6,010	6,033
STUBLER MEMORIAL FUND	1,825	1,832
VENANGO COUNTY 4H	38,833	38,982
LARRY NEELY ESTATE	3,313	3,326
JAMES D. SCHWAB MEMORIAL	18,327	18,397
CLARION BOBCAT SCHOLARSHIP	2,099	2,107
CLARION BOBCAT UNDESIGNATED	995	999
OIL CITY ARTS PROGRAM ENDOWMENT	1,092	1,097
ALEXANDER "BUD" MARKS SCHOLARSHIP	25,225	25,322
PRESBYTERIAN HOMES	955	959
PACF ENDOWMENT	957	961
CLARION FREE LIBRARY	2,939	2,950
PUNX AREA ARTS & HUMANITIES	2,358	2,367
UNITED WAY	438,357	440,034
NAZARETH IN THE WOODS	255,673	256,651
CHILD DEVELOPMENT CENTER	9,397	9,433
CARBAUGH SCHOLARSHIP	11,552	11,596
MCNAMARA SCHOLARSHIP	8,355	8,386
TAYLOR SCHOLARSHIP	28,114	28,221
FULTON SCHOLARSHIP	4,874	4,892
ADAM WEETER	18,028	18,097
DENNIS & MARTHA LAMB	49,806	49,996
	\$ 3,050,886	\$ 3,062,556

Northwest Savings Bank, Investment & Trust Service
Investment Agency Account
August 31, 2014

FUND NAME	Cost	Fair Value
J BOWMAN PROPER	\$ 100	\$ 109
FELDMAN	9,230	10,091
MILLER	4,371	4,779
ROY SANNER	38,672	42,281
FHS SOFTBALL	7	8
NICHOLAS SANFORD	11,448	12,516
HARRINGTON REW	122,163	133,564
RUSSELL	34,945	38,206
RICHARD SCHAUB	86	94
VACF OUTREACH	16,012	17,506
CCCF ENDOWMENT	13,087	14,308
FCCF ENDOWMENT	91,297	99,817
FOREST COUNTY TAXPAYERS	15,712	17,178
VANORT	11,224	12,271
SHERMAN	30,883	33,765
YOUTH PHILANTHROPY	486	531
LOEFFLER	34,767	38,011
BEN FRANKLIN	58,533	63,995
ROBERT H. BEAR	37,881	41,416
FRANCIS GIBBONS	9,957	10,886
SUSAN L. DANIELS	116,577	127,456
VENANGO HUMAN SERVICES	777	850
VENUS TELEPHONE	2,119	2,317
MARY E. SHANER	125,304	136,997
ARC OF DREAMS	8,558	9,357
ANNA M. EWALT	13,748	15,031
VENANGO FATHERHOOD	2,168	2,370
FOCUS ON OUR FUTURE	545	596
VENANGO EDUCATION	7,840	8,572
EUGENE F. HANNA	62,297	68,111
ALMA T. WEINGARD	28,675	31,351
KENNETH MESSER	21,249	23,232
KINNEAR SCHOLARSHIP	130,906	143,122
COMMUNITY SERVICES	4,070	4,449
MARY L. WHITING	32,816	35,879
WILL FABRY	82,366	90,053
LAND OF LAUGHTER	49,571	54,197
APPLIED TECHNOLOGY	39,278	42,944
CHARLES ROUAULT	70,277	76,835
COACH ROOD	21,894	23,937
J.L. FRANK	36,950	40,398
OIL CITY AREA SCHOOL DISTRICT - SCIENCE	5,620	6,145
OIL CITY AREA SCHOOL DISTRICT - ATHLETIC	16,349	17,875
JANET L. HENC	23,975	26,213
GRACE WOODS NELLIS	15,939	17,426
VOLLEYBALL	1,664	1,819

Northwest Savings Bank, Investment & Trust Service
Investment Agency Account
August 31, 2014

FUND NAME	Cost	Fair Value
OC WHITEWATER	64	70
WICE/HART MEMORIAL	46,320	50,643
PATTERSON/RICHEY - TROOPERS	69,055	75,499
LOIS & CARL HEINZ	22,407	24,498
ALLEGHENY VALLEY TRAILS ASSOCIATION	30,121	32,932
ARTS & CULTURAL	41,690	45,581
COACH DONALD HALL	447	489
TWO MILE RUN	7,127	7,792
OIL CITY LIBRARY	330,261	361,081
OIL REGION ASTRONOMY	1,661	1,816
KUGLER LEGACY	5,804	6,346
FRANKLIN ALUMNI SCHOLARSHIP	56,278	61,530
TOTH MEMORIAL SCHOLARSHIP	19,955	21,817
R. WAGNER	1,576	1,723
BRACKEN	45	49
FRANKLIN PUBLIC LIBRARY	5,835	6,379
STUBLER MEMORIAL FUND	1,772	1,938
VENANGO COUNTY 4H	22,852	24,985
LARRY NEELY ESTATE	3,210	3,510
JAMES D. SCHWAB MEMORIAL	16,002	17,495
CLARION BOBCAT SCHOLARSHIP	1,602	1,752
CLARION BOBCAT UNDESIGNATED	969	1,059
OIL CITY ARTS PROGRAM ENDOWMENT	969	1,059
ALEXANDER "BUD" MARKS SCHOLARSHIP	24,689	26,993
	\$ 2,173,105	\$ 2,375,897

PNC Bank
Investment Management Account
August 31, 2015

<u>FUND NAME</u>	<u>Cost</u>	<u>Fair Value</u>
ELKS - Jay Reynolds	\$ 201,176	\$ 215,915
Eccles - FBO RMC	57,362	61,565
Rotary - J. French Miller	14,247	15,291
Young Wood	82,972	89,051
Wood Noble	59,384	63,735
Total	\$ 415,141	\$ 445,557

PNC Bank
Investment Management Account
August 31, 2014

<u>FUND NAME</u>	<u>Cost</u>	<u>Fair Value</u>
ELKS - Jay Reynolds	\$ 209,273	\$ 241,894
Eccles - FBO RMC	55,620	64,290
Rotary - J. French Miller	13,815	15,968
Young Wood	80,452	92,993
Wood Noble	58,903	68,084
Total	\$ 418,063	\$ 483,229

Raymond James
Agency Account
August 31, 2015

<u>FUND NAME</u>	<u>Cost</u>	<u>Fair Value</u>
Koos	\$ 80,959	\$ 104,347
Humphrey	52,473	67,631
Witherup Family	21,892	28,216
Zacherl Outstanding Diesel Award	2,927	3,772
FHS Artificial Turf	1,801	2,321
Total	\$ 160,051	\$ 206,287

**Raymond James
Agency Account
August 31, 2014**

<u>FUND NAME</u>	<u>Cost</u>	<u>Fair Value</u>
Koos	\$ 106,684	\$ 115,274
Total	\$ 106,684	\$ 115,274