The Springfield Foundation

Consolidated Financial Statements

December 31, 2016 and 2015

(with Independent Auditors' Report)

Clark Schaefer Hackett
CPAs & Business Consultants

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
The Springfield Foundation:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Springfield Foundation (a not-for-profit organization), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgments, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Springfield Foundation as of December 31, 2016 and 2015, and the consolidated 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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 24, 2017

The Springfield Foundation
Consolidated Statements of Financial Position
December 31, 2016 and 2015

Assets

		2016	2015
Current assets			
Cash and cash equivalents	$	1,532,875	1,546,753
Other receivables		172,397	10,910
Prepaid expenses		20,340	15,294
		1,725,612	1,572,957
Investments			
Investments		73,870,165	69,079,966
Investment in limited liability company		262,075	264,827
		74,132,240	69,344,793
Property and equipment			
Office equipment		96,650	96,650
Leasehold improvements		50,239	50,239
		146,889	146,889
Less accumulated depreciation		111,736	104,824
Net property and equipment		35,153	42,065
Other assets		183,823	148,490
Total assets	$	76,076,828	71,108,305

See accompanying notes to the consolidated financial statements.

Liabilities and net assets

	2016	2015
Liabilities		
Accounts payable	$ 263	490
Payroll and payroll taxes accrued and withheld	7,270	5,655
Grants payable	178,831	132,141
Compensated absences	25,477	23,950
Split interest agreements payable	551,834	563,343
Agency funds payable	42,153,556	38,709,415
Total liabilities	42,917,231	39,434,994
Net assets		
Unrestricted		
Operating	409,167	419,038
Discretionary funds	7,103,302	6,902,165
Total unrestricted	7,512,469	7,321,203
Temporarily restricted		
Horizon funds	47,059	33,512
Donor designated funds	7,451,419	7,444,235
Scholarship funds	7,949,105	6,903,697
Field of interest funds	3,118,500	3,068,926
Donor advised funds	7,081,045	6,901,738
Total temporarily restricted	25,647,128	24,352,108
Total net assets	33,159,597	31,673,311
Total liabilities and net assets	$ 76,076,828	71,108,305

See accompanying notes to the consolidated financial statements.

The Springfield Foundation
Consolidated Statement of Activities
Year Ended December 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

		Unrestricted	Temporarily Restricted	Total 2016	Total 2015
Support, revenues and gains					
Contributions	$	295,901	2,345,218	2,641,119	2,425,827
Endowment spend		50,886	-	50,886	47,580
Administrative fee income		104,313	-	104,313	109,180
Interest income		25,130	73,758	98,888	104,179
Dividend income		79,214	232,501	311,715	361,767
Partners in Philanthropy fees		38,500	-	38,500	37,000
Miscellaneous income		1,564	-	1,564	999
Realized gain on sale of investments		72,828	152,834	225,662	1,032,943
Unrealized gain (loss) on investments		293,522	965,267	1,258,789	(1,280,276)
Loss on investment in limited liability company		(2,752)	-	(2,752)	(2,568)
Net assets released from restriction		2,474,558	(2,474,558)	-	-
Total support, revenues and gains		3,433,664	1,295,020	4,728,684	2,836,631
Expenses					
Program service expenses					
Grants distributed		2,241,048	-	2,241,048	2,761,561
Investment management fees		88,466	-	88,466	89,472
Other programmatic expenses		279,612	-	279,612	252,762
Miscellaneous fund expenses		212,654	-	212,654	128,756
Management and general expenses		199,471	-	199,471	191,574
Fundraising expenses		221,147	-	221,147	240,855
Total expenses		3,242,398	-	3,242,398	3,664,980
Change in net assets		191,266	1,295,020	1,486,286	(828,349)
Net assets beginning of year		7,321,203	24,352,108	31,673,311	32,501,660
Net assets end of year	$	7,512,469	25,647,128	33,159,597	31,673,311

See accompanying notes to the consolidated financial statements.

		Unrestricted	Temporarily Restricted	Total
Support, revenues and gains				
Contributions	$	72,368	2,353,459	2,425,827
Endowment spend		47,580	-	47,580
Administrative fee income		109,180	-	109,180
Interest income		26,590	77,589	104,179
Dividend income		92,334	269,433	361,767
Partners in Philanthropy fees		37,000	-	37,000
Miscellaneous income		999	-	999
Realized gain on sale of investments		239,243	793,700	1,032,943
Unrealized loss on investments		(285,850)	(994,426)	(1,280,276)
Loss on investments in limited liability company		(2,568)	-	(2,568)
Net assets released from restriction		2,994,027	(2,994,027)	-
Total support, revenues and gains		3,330,903	(494,272)	2,836,631
Expenses				
Program service expenses				
Grants distributed		2,761,561	-	2,761,561
Investment management fees		89,472	-	89,472
Other programmatic expenses		252,762	-	252,762
Miscellaneous fund expenses		128,756	-	128,756
Management and general expenses		191,574	-	191,574
Fundraising expenses		240,855	-	240,855
Total expenses		3,664,980	-	3,664,980
Change in net assets		(334,077)	(494,272)	(828,349)
Net assets beginning of year		7,655,280	24,846,380	32,501,660
Net assets end of year	$	7,321,203	24,352,108	31,673,311

See accompanying notes to the consolidated financial statements.

The Springfield Foundation
Consolidated Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Change in net assets	$ 1,486,286	(828,349)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	6,912	6,934
Realized gain on sale of investments	(225,662)	(1,032,943)
Unrealized (gain) loss on investments	(1,258,789)	1,280,276
Loss on investment in limited liability company	2,752	2,568
Donated stock	(1,201,866)	(682,162)
Effects of change in operating assets and liabilities		
Other receivables	(161,487)	3,677
Prepaid expenses	(5,046)	5,954
Other assets	(35,333)	27,601
Other accrued liabilities	2,915	(3,295)
Grants payable	46,690	87,832
Split interest agreements payable	(11,509)	(32,339)
Agency funds payable	3,444,141	(117,967)
Net cash provided by (used in) operating activities	2,090,004	(1,282,213)
Cash flows from investing activities		
Purchase of property and equipment	-	(8,399)
Purchases of investments	(16,023,886)	(13,956,087)
Proceeds from sale or maturity of investments	13,920,004	15,416,873
Net cash (used in) provided by investing activities	(2,103,882)	1,452,387
Net change in cash and cash equivalents	(13,878)	170,174
Cash and cash equivalents, beginning of year	1,546,753	1,376,579
Cash and cash equivalents, end of year	$ 1,532,875	1,546,753
Supplemental Disclosures:		
Income taxes paid	$ -	9,437

See accompanying notes to the consolidated financial statements.

1. DESCRIPTION AND PURPOSE OF THE ORGANIZATION:

The Springfield Foundation (the "Foundation"), a charitable trust, is an Ohio not-for-profit corporation. The Foundation was established in 1948 for the purpose of financing charitable, benevolent or educational purposes in Springfield and Clark County, Ohio. The Springfield Foundation raises, strengthens, and distributes charitable funds to benefit Clark County. The Foundation is primarily supported by local charitable giving, earnings on funds and long-term investments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of the Foundation are set forth to facilitate the understanding of data presented in the consolidated financial statements:

Basis of accounting
The consolidated financial statements of The Springfield Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Principles of consolidation
The consolidated financial statements include the accounts of the Foundation and The Mildred F Penwell Scholarship Trust (the "Trust"). This Trust was organized as a 509(a)(3) supporting organization of the Foundation. The Trust operates exclusively for the charitable and educational purposes of the Foundation. The Trust's assets total $264,260 and $260,330 at December 31, 2016 and 2015, respectively, and are included in investments on the consolidated statements of financial position.

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

Cash and cash equivalents
For purposes of the consolidated statements of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contributions
Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restriction.

Income taxes
The Foundation has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and is, therefore, generally exempt from federal and state income taxes. The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

The Foundation considers the accounting and recognition for income tax positions taken or expected to be taken in the Foundation's income tax returns. The Foundation participates in certain investments that generate unrelated business income. The Foundation believes there is no material tax liability at year end. The Foundation's policy with regards to interest and penalties is to recognize interest through interest expense and penalties through other expense. In evaluating the Foundation's tax provision and tax exempt status, interpretations and tax planning strategies were considered. The Foundation believes their estimates are appropriate based on the current facts and circumstances.

Investments and investment income
The Foundation records investments in equity and debt securities, mutual funds, and alternative investments at their fair value. Realized and unrealized gains or losses are determined by the difference between carrying value and fair value. These amounts are included in the accompanying consolidated statements of activities as realized and unrealized gains and losses. Gains and losses and investment income derived from investments are accounted for as unrestricted or temporarily restricted based on any restrictions imposed by donors.

Investment in limited liability company (LLC)
The Foundation owns a one third interest in Healthy City Investments, LLC. There is no established market for this investment and it is inappropriate to estimate future cash flows, which are largely dependent upon economic development. The investment is accounted for using the equity method. Under the equity method, investments are initially recorded at cost and increased or decreased by the Foundation's pro-rata share of earnings or losses. The carrying cost of this investment is also increased or decreased to reflect additional contributions or withdrawals of capital.

Unit share allocation
Donations received are placed into funds based upon the wishes of the donors and are invested in pooled funds. Individual funds are compared with the current fair value of the pooled funds and a "daily unit value" is assigned. The "daily unit value" is the basis for allocating income, realized gains or losses and unrealized gains or losses to the individual funds.

Split interest agreements
The Foundation is the beneficiary of several charitable gift annuities and a charitable remainder trust. The Foundation values the split interest agreement liabilities using payment streams discounted at market rates over the remaining lives of the donors using standard mortality tables. The contribution recognized in the consolidated statements of activities is the difference between the assets received and the liabilities accepted.

Property and equipment
Property and equipment are recorded at cost, or fair value, if donated and depreciated or amortized using the straight-line method over the estimated useful lives of the assets (5 to 15 years). It is the Foundation's policy to expense equipment with initial cost of less than $1,000. Depreciation and amortization expense was $6,912 and $6,934 for the years ended December 31, 2016 and 2015, respectively.

Grants payable
Grants payable in the accompanying consolidated statements of financial position are approved for payment and are payable within one year of the date of the consolidated financial statements of the Foundation.

Subsequent events
The Foundation evaluates events and transactions occurring subsequent to the date of the consolidated financial statements for matters requiring recognition or disclosure in the consolidated financial statements. Subsequent events have been evaluated through March 24, 2017, the date on which the consolidated financial statements were available to be issued.

3. NET ASSET CLASSIFICATIONS:

The Board of Trustees, on the advice of legal counsels, has determined that the majority of the Foundation's net assets do meet the definition of an endowment under Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the State of Ohio in June 2009. The Foundation is governed subject to the governing documents for the Foundation and most contributions are subject to the governing documents. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation.

Unrestricted funds
Operating- Incurs administrative costs in the operation of the Foundation's office, as well as facilities, all property and equipment, and related depreciation.

Discretionary Funds- Recipients selected by the Foundation.

Temporarily restricted funds
Horizon Funds - Allows donor to build a restricted fund to be transferred to a fund purpose below once the $10,000 threshold has been reached.

Donor Designated Funds - Recipients restricted by the donor in instrument of conveyance.

Scholarship Funds - Benefiting students attending high school and college.

Field-of-Interest Funds - Benefiting activities preferred by donors.

Donor Advised Funds - Recipients recommended by the donor, with the final decision made by the Foundation.

Permanently restricted funds
The Foundation does not interpret any fund as permanently restricted as the Foundation has variance power. Therefore, the Foundation did not have any permanently restricted net assets at December 31, 2016 and 2015.

Return objectives

The Foundation's Investment Committee oversees the investment operations of the Foundation. The Investment Committee is responsible for establishing asset allocation guidelines, selecting and monitoring investment managers to carry out the investment program, and monitoring the performance results for the Foundation on an ongoing basis. The Committee does not make specific investment decisions on a security-by-security basis. Qualified investment managers retained by the Committee exercise discretion within the parameters set forth by the Foundation's investment guidelines for the portfolio(s) they manage on behalf of the Foundation.

In establishing investment guidelines for the Foundation, the Committee considers the long-term nature of the asset pool as well as the cash flow needs of the portfolio. In addition, the Committee has considered the risk and return characteristics of the various asset classes available to institutional investors and sought the guidance of outside consultants. Target asset allocations and permissible ranges have been set for each class of investments.

Investment strategy

The performance objective for the Foundation is to exceed, after investment management fees, a customized blended benchmark based on the Investment Committee's established investment return guidelines. To evaluate success, the Committee compares the performance of the Foundation to the performance of a custom benchmark. The benchmark consists of a weighted-average of market indices that represents a passive implementation of the investment guidelines targets. In addition, the performance objective for the Foundation is to enhance the inflation adjusted purchasing power of the Fund's assets; the Funds total returns should exceed the growth in consumer prices by a positive 6% to 7% annually. The objective needs to cover the costs of payouts for grants and scholarships, inflation, investment fees, administrative costs and depreciation. By investing the Funds' assets in multiple asset classes and using outside investment managers with well-diversified portfolios, diversification accomplishes its goal of insulating the portfolio from the effects of substantial losses in any single security, or sector of the market. The Board of Trustees has adopted statements of investment guidelines to formalize investment strategies for the Investment Committee to follow.

Endowment spending policies

Each donor of the Foundation will select a method to determine how to distribute dollars from the fund. When the fund is originally established, the donor will be asked to select a payout distribution method. Dollars that were allocated to be paid out in a given year, but were not distributed, can be carried over and distributed in subsequent years. All distributions will be made in compliance with UPMIFA.

Income only spending policy

The amount to be distributed is the sum of all earnings that have been allocated to the fund over the course of the year. The amount to be allocated is net of all fees the fund has incurred.

Total return policy

The payout amount for a fund is calculated by multiplying the average fair value of the preceding twelve quarters by a percentage approved by the Board of Trustees. The Board of Trustees will approve the percent to be allocated each year; 5% for the years ended December 31, 2016 and 2015. Under the Total Return Spending Policy, a fund may distribute both earnings and realized gains. The calculation will be based on the twelve quarters ending September 30. This establishes a spending budget for the upcoming year.

Agency method
This method is for endowments established by not-for-profit agencies. Using the agency method of payout, the payout amount is determined by the needs of the agency that established the fund. The amount to be paid out can be distributed by any method that is mutually agreed to between the Foundation and the agency. All agency endowment funds and payouts must be approved by the full board of the Foundation.

Changes in endowment net assets for the year ended December 31, 2016 consisted of the following:

	Unrestricted	Temporarily Restricted	Total
Endowment assets, beginning of year	$ 6,902,165	22,499,721	29,401,886
Contributions	295,901	1,162,322	1,458,223
Investment income	102,787	306,259	409,046
Realized and unrealized gains	363,598	1,122,101	1,485,699
Appropriations	(561,149)	(1,509,232)	(2,070,381)
Endowment assets, end of year	$ 7,103,302	23,581,171	30,684,473

Changes in endowment net assets for the year ended December 31, 2015 consisted of the following:

	Unrestricted	Temporarily Restricted	Total
Endowment assets, beginning of year	$ 7,261,113	23,552,359	30,813,472
Contributions	67,200	935,887	1,003,087
Investment income	115,921	347,022	462,943
Realized and unrealized losses	(49,173)	(201,679)	(250,852)
Appropriations	(492,896)	(2,133,868)	(2,626,764)
Endowment assets, end of year	$ 6,902,165	22,499,721	29,401,886

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the entity to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2016 and 2015.

4. CHARITABLE REMAINDER TRUST AND CHARITABLE GIFT ANNUITIES:

The Foundation is the beneficiary of a charitable remainder trust. The Foundation recognized the asset at fair value and a related liability for this trust based upon present value calculations, including the life expectancies of the contributors, the investment rates of return on the assets, and the distribution percentages stipulated in the agreement. The underlying investments consist of money market funds, common stocks, corporate bonds, municipal bonds and mutual funds at December 31, 2016 and 2015. Under the trust agreement, net interest and dividend earnings from the investments will be distributed to the grantor on a quarterly basis. The present value of the estimated future payments are calculated using discount rates equal to the investment rates of return on the assets and the applicable mortality table.

The Foundation is also the beneficiary of several charitable gift annuities. The present value of the annuities was recognized as a contribution during the initial year of the annuity in the same manner as noted above for the charitable remainder trust. The difference between these annuities and the above trust is that the grantors receive set quarterly distributions as opposed to the net earnings on the investments. There were no changes in actuarial assumptions resulting in revaluations at December 31, 2016 and 2015. The present values of the estimated future payments from these annuities were calculated using discount rates ranging from 5.1% to 8.8% and the applicable mortality table.

The following schedules summarize the investments and activity associated with the charitable remainder trust and charitable gift annuities for the years ended December 31, 2016 and 2015.

		Charitable Remainder Trust	Charitable Gift Annuities	Total
Fair value, January 1, 2015	$	462,309	227,069	689,378
Net earnings		(4,336)	(5,755)	(10,091)
Distribution to donors		(6,056)	(93,957)	(100,013)
Fair value, December 31, 2015		451,917	127,357	579,274
Net earnings		37,439	47,893	85,332
Distributions to donors		(15,115)	(98,380)	(113,495)
Fair value, December 31, 2016	$	474,241	76,870	551,111

Split interest agreements payable at December 31, 2016 and 2015 were $551,834 and $563,343, respectively.

5. GROWTH:

Partners in Philanthropy (the “Partners”), an auxiliary organization comprised of interested individuals, was created in 1995 to interpret the role of The Springfield Foundation as well as to increase its visibility. The Foundation’s administrative and promotional costs are covered by the dues contributed by the Partners.

6. OTHER ASSETS:

Other assets consist primarily of insurance policies and annuities on the lives of local residents for which the Foundation has been irrevocably named as the beneficiary. The cash surrender value at December 31, 2016 and 2015 was $183,823 and $148,490, respectively.

7. FAIR VALUE MEASUREMENTS:

Generally accepted accounting principles establish a 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 hierarchy is broken down into three levels based on the ability to observe inputs as follows:

Level 1- Inputs are unadjusted quoted prices for identical assets in active markets.

Level 2- Inputs are observable quoted prices for similar assets in active markets

Level 3- Inputs are unobservable and reflect management's best estimate of what market participants would use as fair value. Certain types of investments are classified within Level 3 because they trade infrequently and therefore have little or no price transparency.

Fair value methods and assumptions for publicly traded securities and mutual funds are based on the Level 1 market approach. Investments in short-term investments, consisting of certificates of deposit and money market funds, U.S. Government obligations and corporate and municipal bonds are valued on Level 2 inputs using prices obtained from our custodians, which used third party data service providers. Alternative investments are valued on Level 3 inputs based on the underlying investments in the assets based on the amounts provided by the custodians of the investments, without adjustment by management.

Investment securities are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that a change in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated financial statements.

The following tables present the assets as of December 31, 2016 and 2015 that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

		December 31, 2016	Quoted prices in active markets for identical assets or liabilities Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Investments					
Short-term investments	$	5,267,634	-	5,267,634	-
Corporate and municipal bonds		199,140	-	199,140	-
Common and preferred stocks		6,048,598	6,048,598	-	-
Mutual funds		33,022,571	33,022,571	-	-
Alternative investments		29,332,222	-	-	29,332,222
Total investments	$	73,870,165	39,071,169	5,466,774	29,332,222

		December 31, 2015	Quoted prices in active markets for identical assets or liabilities Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Investments					
Short-term investments	$	7,858,745		7,858,745	-
U.S. Government obligations		14,931	-	14,931	-
Corporate and municipal bonds		259,115	-	259,115	-
Common and preferred stocks		4,817,880	4,817,880	-	-
Mutual funds		32,821,799	32,821,799	-	-
Alternative investments		23,307,496	-	-	23,307,496
Total investments	$	69,079,966	37,639,679	8,132,791	23,307,496

The following is a reconciliation of the Foundation's assets valued at Level 3 inputs as of December 31, 2016:

		RREEF American REIT	Hedge Mutual Funds	Private Equity	Total
Balance as of January 1, 2016	$	7,621,995	3,071,981	12,613,520	23,307,496
Additions		-	2,700,000	2,403,750	5,103,750
Withdrawals and sales		-	(150,000)	(605,056)	(755,056)
Net realized and unrealized gains (losses)		618,791	(38,713)	1,095,954	1,676,032
Balance as of December 31, 2016	$	8,240,786	5,583,268	15,508,168	29,332,222
Net change in unrealized gains (losses) included in change in net assets for the period relating to investments still held at the reporting date	$	618,791	(4,705)	1,842,656	2,456,742

The following is a reconciliation of the Foundation's assets valued at Level 3 inputs as of December 31, 2015:

		RREEF American REIT	Hedge Mutual Funds	Private Equity	Total
Balance as of January 1, 2015	$	6,530,065	5,815,555	12,446,388	24,792,008
Additions		-	-	1,025,050	1,025,050
Withdrawals and sales		-	(2,850,947)	(528,864)	(3,379,811)
Net realized and unrealized gains (losses)		1,091,930	107,373	(329,054)	870,249
Balance as of December 31, 2015	$	7,621,995	3,071,981	12,613,520	23,307,496
Net change in unrealized gains included in change in net assets for the period relating to investments still held at the reporting date	$	1,091,930	107,373	11,060	1,210,363

The following table provides additional disclosures on the Foundation's Level 3 alternative investments at December 31, 2016:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
RREEF American REIT (a)	$ 8,240,786	$ -	Quarterly	45 days
Small cap equity hedge mutual funds (b)	5,583,268	-	None	30 days
High income private equity funds (c)	4,033,243	-	None	60 days
Private equity funds (d)	11,474,925	6,585,413	N/A	N/A
	$ 29,332,222	$ 6,585,413		

The following table provides additional disclosures on the Foundations Level 3 alternative investments at December 31, 2015:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
RREEF American REIT (a)	$ 7,621,995	$ -	Quarterly	45 days
Small cap equity hedge mutual funds (b)	3,071,981	-	None	30 days
High income private equity funds (c)	3,686,474	-	None	60 days
Private equity funds (d)	8,927,046	4,836,613	N/A	N/A
	$ 23,307,496	$ 4,836,613		

(a) This category includes investments in real estate investment trusts that invest in U.S. real estate, including; multi-family, industrial, retail and office properties. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. As of December 31, 2016 and 2015, all of the investments in this category can be redeemed with no restrictions.

(b) This category includes investments in investee funds that focus on diversified portfolios of U.S and international equities as well as distressed and arbitrage securities and some private less liquid investments. The underlying assets details are provided by the investee fund's managers. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. As of December 31, 2016 and 2015, all of the investments in this category can be redeemed with no restrictions without exception.

(c) This category includes investments in multi-asset class, diversified portfolio of primarily below investment grade debt securities. The underlying assets are liquid and the fund's managers provide details of those assets. As of December 31, 2016 and 2015, all of the investments in this category can be redeemed with no restrictions without exception.

(d) This category includes several private equity funds that focus on buyout, growth equity and/or distressed debt. These investments are not redeemable. Instead, the nature of the investments in this category are that distributions are received through the liquidation of the underlying assets in the fund. As of December 31, 2016 and 2015, the fair values of the investments in this category have been estimated using the practical expedient provided by the investment manager.

8. AGENCY FUNDS PAYABLE:

The Springfield Foundation holds and disburses funds as an agent for several organizations. During the years ended December 31, 2016 and 2015, the following transactions occurred:

		2016	2015
Beginning agency funds payable	$	38,709,415	38,827,382
Contributions		3,075,483	4,276,720
Interest income		143,909	133,845
Dividend income		369,804	410,557
Realized gain on investments		330,357	1,260,309
Unrealized gain (loss) on investments		1,423,080	(1,373,129)
Total received on behalf of agency organizations		5,342,633	4,708,302
Grants distributed		1,696,147	4,622,234
Trust and administration fees		202,345	204,035
Total disbursed on behalf of agency organizations		1,898,492	4,826,269
Net increase (decrease)		3,444,141	(117,967)
Ending agency funds payable	$	42,153,556	38,709,415

The above activity is not reported in the consolidated statements of activities.

9. CONCENTRATION OF CREDIT RISK:

Financial instruments which subject the Foundation to a concentration of credit risk include cash and investments. The Foundation maintains cash and investment balances at several financial institutions located in Ohio. Bank accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2016 and 2015, the Foundation had uninsured cash balances totaling $1,484,943 and $1,207,645, respectively. To limit these risks, the Foundation places its cash investments with high credit quality financial institutions.

The Foundation’s investments are subject to the normal risks associated with financial markets. The Foundation manages the risk with regards to investments by adhering to an investment policy, which requires professional investment management, the distribution of investment funds among asset managers and the overall diversification of managed investment portfolios.

10. LEASE COMMITMENTS:

The Foundation leases office space and two pieces of office equipment under non-cancelable operating leases. Rent expense for the years ended December 31, 2016 and 2015 was $37,047. Minimum payments required under such leases for the year ending December 31, 2017 are $13,222.

11. RETIREMENT PLAN:

The Foundation established a qualified deferred compensation plan under section 401(k) of the Internal Revenue Code on January 1, 2009. Under the plan, employees who meet eligibility requirements may elect to defer a portion of their salary, subject to statutory limits. The Foundation contributes 5 ¾% of each eligible employee's compensation to the plan, which includes a safe harbor of 3%. Foundation contributions under the plan vest with employees on a five year graded scale. The Foundation's contributions to the plan were $15,395 and $17,170 for the years ended December 31, 2016 and 2015, respectively.

12. RELATED PARTIES:

During the years ended December 31, 2016 and 2015, one member of the Board of Trustees was employed by a law firm and was consulted. These legal costs totaled $-0- and $929 for 2016 and 2015, respectively.

During the years ended December 31, 2016 and 2015, the Foundation paid for lawn care from a company owned by a member of the Board of Trustees. These costs totaled $-0- and $1,045 for 2016 and 2015, respectively.

Members of the Board of Trustees and employees of the Foundation are related to individuals who have established Funds with the Foundation.

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