

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

**DECEMBER 31, 2020 AND 2019**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Findlay-Hancock County Alliance Foundation  
Findlay, Ohio

We have reviewed the accompanying financial statements of Findlay-Hancock County Chamber Foundation (dba Findlay-Hancock County Alliance Foundation), a nonprofit organization, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended and the related notes to the financial statements (collectively, the financial statements). A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### 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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2020 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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**Report on 2019 Financial Statements**

The 2019 financial statements of Findlay-Hancock County Alliance Foundation were audited by us, and we expressed an unmodified opinion on the report, dated August 14, 2020. Our report stated that the information was fairly stated in all material respects in relation to the financial statements as a whole. We have not performed any auditing procedures on the financial statements since August 14, 2020.

*Gilmore Jason Mahler, LTD*

Findlay, Ohio  
June 11, 2021

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 189,703	\$ 164,811
Accounts receivable	4,250	16,400
Certificates of deposit	12,777	12,748
Total current assets	206,730	193,959
Property and equipment, net	498,401	377,828
Total assets	\$ 705,131	\$ 571,787
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 1,086	\$ 7,137
Deferred revenue	15,994	18,960
Accrued real estate taxes	4,168	4,168
Funds held for other agencies	0	504
Current portion of mortgage payable	11,194	6,596
Total current liabilities	32,442	37,365
<b>Long-term liabilities</b>		
Note payable - SBA EIDL	98,100	0
Accounts payable - related party	212,679	189,115
Mortgage payable	312,018	191,091
Total long-term liabilities	622,797	380,206
Total liabilities	655,239	417,571
<b>Net assets</b>		
Without donor restrictions		
Operating	(55,065)	50,409
Board designated for purpose	83,166	77,300
Total net assets without donor restrictions	28,101	127,709
With donor restrictions	21,791	26,507
Total net assets	49,892	154,216
Total liabilities and net assets	\$ 705,131	\$ 571,787

See independent accountant's review report.  
The accompanying notes are an integral part of these financial statements.

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the Years Ended December 31, 2020 and 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating revenues and support</b>						
Findlay First	\$ 11,450	\$ 0	\$ 11,450	\$ 39,300	\$ 1,574	\$ 40,874
Hancock Leadership						
Tuition and class project	23,636		23,636	21,784		21,784
Hancock Youth Leadership program	9,906		9,906	17,279		17,279
Foundation						
Contributions	4,000		4,000			0
Interest	23	29	52	28	12	40
Contribution from Alliance		69,500	69,500			0
Special events (fireworks)			0		20,000	20,000
Rental income	96,600		96,600	18,320		18,320
In-kind contributions	4,810		4,810	4,403		4,403
Release from restrictions	74,245	(74,245)	0	26,057	(26,057)	0
Total operating revenues and support	<u>224,670</u>	<u>(4,716)</u>	<u>219,954</u>	<u>127,171</u>	<u>(4,471)</u>	<u>122,700</u>
<b>Operating expenses</b>						
Program services						
Hancock leadership	18,287		18,287	20,841		20,841
Hancock youth leadership	9,387		9,387	10,448		10,448
Special events (fireworks)			0	20,000		20,000
Findlay First	7,643		7,643	6,057		6,057
Scholarships	1,225		1,225	1,500		1,500
Total program services	<u>36,542</u>	<u>0</u>	<u>36,542</u>	<u>58,846</u>	<u>0</u>	<u>58,846</u>
Support services	107,163		107,163	53,806		53,806
Total operating expenses	<u>143,705</u>	<u>0</u>	<u>143,705</u>	<u>112,652</u>	<u>0</u>	<u>112,652</u>
Total operating income (loss)	80,965	(4,716)	76,249	14,519	(4,471)	10,048
<b>Nonoperating expenses</b>						
Loss on disposal of assets	(180,573)		(180,573)	0	0	0
Total nonoperating expenses	<u>(180,573)</u>	<u>0</u>	<u>(180,573)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in net assets	(99,608)	(4,716)	(104,324)	14,519	(4,471)	10,048
Net assets at beginning of year	127,709	26,507	154,216	113,190	30,978	144,168
Net assets at end of year	<u>\$ 28,101</u>	<u>\$ 21,791</u>	<u>\$ 49,892</u>	<u>\$ 127,709</u>	<u>\$ 26,507</u>	<u>\$ 154,216</u>

See independent accountant's review report.  
The accompanying notes are an integral part of these financial statements.

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2020**

	<b>Program Services</b>				<b>Support Services</b>		
	<b>Hancock Leadership</b>	<b>Hancock Youth Leadership</b>	<b>Findlay First</b>	<b>Scholarships</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Total</b>
Depreciation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,944	\$ 26,944
Insurance	424	925			1,349	24,720	26,069
Occupancy					0	24,380	24,380
Program specific expenses	5,923	5,342	3,795	1,225	16,285	6,743	23,028
Professional services		3,120			3,120	10,585	13,705
Salaries and benefits	11,940				11,940	0	11,940
Interest expense					0	10,060	10,060
Other			3,848		3,848	1,462	5,310
Office expenses					0	2,269	2,269
<b>Total expenses</b>	<b>\$ 18,287</b>	<b>\$ 9,387</b>	<b>\$ 7,643</b>	<b>\$ 1,225</b>	<b>\$ 36,542</b>	<b>\$ 107,163</b>	<b>\$ 143,705</b>

See independent accountant's review report.  
The accompanying notes are an integral part of these financial statements.

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2019**

	<u>Program Services</u>					<u>Support Services</u>		<u>Total</u>
	<u>Hancock Leadership</u>	<u>Hancock Youth Leadership</u>	<u>Findlay First</u>	<u>Special Events (Fireworks)</u>	<u>Scholarships</u>	<u>Total Program Services</u>	<u>Management and General</u>	
Depreciation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,008	\$ 25,008
Insurance	746	746				1,492	10,120	11,612
Occupancy						0	5,153	5,153
Program specific expenses	1,391	5,716	5,246	20,000	1,500	33,853	0	33,853
Professional services		2,700	215			2,915	5,307	8,222
Salaries and benefits	11,940	831				12,771	0	12,771
Interest expense						0	2,711	2,711
Other	6,629	413	596			7,638	4,403	12,041
Office expenses		42				42	1,104	1,146
Travel	135					135	0	135
<b>Total expenses</b>	<u>\$ 20,841</u>	<u>\$ 10,448</u>	<u>\$ 6,057</u>	<u>\$ 20,000</u>	<u>\$ 1,500</u>	<u>\$ 58,846</u>	<u>\$ 53,806</u>	<u>\$ 112,652</u>

See independent accountant's review report.  
The accompanying notes are an integral part of these financial statements.



**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (104,324)	\$ 10,048
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Reinvested interest	(29)	(12)
Depreciation	26,944	25,008
Loss on disposal of assets	180,573	0
Changes in assets:		
Accounts receivable	12,150	(16,400)
Changes in liabilities:		
Accounts payable	(6,051)	7,137
Deferred revenue	(2,966)	1,474
Accrued real estate taxes	0	222
Funds held for other agencies	(504)	(52)
Rental security deposits	0	(500)
	105,793	26,925
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(328,090)	(170,168)
	(328,090)	(170,168)
<b>Cash flows from financing activities</b>		
Accounts receivable - related party	23,564	27,660
Proceeds from mortgage payable and SBA EIDL	230,452	200,000
Payments on mortgage payable	(6,827)	(2,313)
	247,189	225,347
Net increase in cash and cash equivalents	24,892	82,104
Cash and cash equivalents at beginning of year	164,811	82,707
Cash and cash equivalents at end of year	\$ 189,703	\$ 164,811
<b>Non-cash financing:</b>		
Refinancing of mortgage payables	\$ 192,648	\$ 0
<b>Supplemental disclosure:</b>		
Cash paid for interest	\$ 10,060	\$ 2,711

See independent accountant's review report.  
The accompanying notes are an integral part of these financial statements.

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 and 2019**

**Note 1–Nature of business**

The Findlay-Hancock County Chamber Foundation (dba Findlay-Hancock County Alliance Foundation), a non-profit organization, (the Organization) was created in 1975 for the purpose of receiving and managing charitable funds dedicated toward programs of research, education, and scientific endeavors in Hancock County, Ohio. Contribution income is received primarily from businesses in Hancock County, Ohio.

**Note 2–Summary of significant accounting policies**

**Basis of accounting**

The accounting policies of the Organization conform to generally accepted accounting principles and reflect practices appropriate for a non-profit organization. The financial statements have been prepared on the accrual basis of accounting and include all accounts of the Organization.

**Financial statement presentation**

The accompanying financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic, *Presentation of Financial Statements of Not-for-Profit Entities* to be in accordance with accounting principles generally accepted in the United States of America. The Organization is required to report information regarding the financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The Organization is also required to make certain disclosures about liquidity, financial performance, and cash flows.

**Use of estimates**

The financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles, which requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, 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.

**Cash and cash equivalents**

The Organization maintains deposits in federally insured financial institutions. At times, these deposits exceed federal insured limits. The Organization regularly monitors the financial condition of the institution in which it has depository accounts and believes the risks of loss are minimal.

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with initial maturities of three months or less to be cash equivalents.

**Certificates of deposit**

Investments, which consist of certificates of deposit, are carried at fair value based upon the original investment plus the accumulated interest. The change in fair value is reported as interest in the accompanying statement of activities.

See independent accountant's review report.

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION  
 NOTES TO FINANCIAL STATEMENTS—CONTINUED  
 December 31, 2020 and 2019**

**Note 2—Summary of significant accounting policies – continued**

**Property and equipment**

Property and equipment are recorded at cost if purchased or at fair value if contributed. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which are as follows:

	<b>Years</b>
Building and building improvements	6-40
Furniture and equipment	4-10

Expenditures for maintenance and repairs are charged to operations as incurred. It is the Organization’s policy to capitalize property and equipment having an acquisition cost of \$1,000 or more.

**Deferred revenue**

The Organization invoices for program participation at commencement. Revenue related to participation in the Hancock Leadership and Hancock Youth Leadership programs is recorded over the duration of the program. Amounts received but not yet earned by the Organization are recorded as deferred revenue in the current liabilities section of the accompanying statements of financial position. The opening balance of deferred revenue as of January 1, 2019 was \$17,486.

**Funds held for other agencies**

The Organization adopted FASB ASC Topic, *Transfers of Assets to a Non-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others* (Topic 958-605). This statement established standards for transactions in which the Organization accepts a contribution from a donor and agrees to transfer those assets, the return of investment of those assets or both, to a non-profit organization (NPO) that is specified by the donor. Topic 958-605 specifically requires that if the donor is a NPO that establishes a fund at the Organization using its own funds and for its own benefit, the Organization must account for the transfer of such assets as a liability. The Organization refers to these as agency funds.

The Organization maintains variance power and legal ownership of agency funds and as such, continues to report the funds as assets of the Organization. However, in accordance with Topic 958-605, a liability has been established for the fair value of the funds. As of December 31, 2019, the Organization was the owner of one agency fund. During 2020, the Organization transferred ownership of the agency fund. For the years ended December 31, 2020 and 2019, all financial activity related to this fund is recorded as adjustments to the funds held for other agencies liability and is omitted from the statements of activities and changes in net assets.

See independent accountant’s review report.

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS—CONTINUED**  
**December 31, 2020 and 2019**

**Note 2—Summary of significant accounting policies – continued**

**Classification of net assets**

Most funds of the Organization are classified as net assets without donor restrictions, since the governing instruments of the Organization and certain agreements provide for the invasion of principal, or for the Organization to exercise its variance power to modify any restriction if such restriction becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. Net assets without donor restrictions are not subject to donor-imposed restrictions.

Net assets with donor restrictions contain donor-imposed restrictions that permit the Organization to use or expend the assets as specified. These restrictions are satisfied either by the passage of time or when the purposed restriction is met. Net assets with donor restrictions as of December 31, 2020 and 2019 include net assets restricted for specific program use, as well as endowment fund assets to be held indefinitely.

**Net assets board designated for specific purpose**

The board designates specific net assets for purposes. The board designated the following net assets as of December 31, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Hancock Leadership	\$ 52,352	\$ 47,005
Hancock Youth Leadership	30,814	30,295
Total board designated for purpose	\$ 83,166	\$ 77,300

**Federal income taxes**

The Organization has been approved under Internal Revenue Code Section 501(c)(3) as a non-profit organization exempt from federal taxes on its normal activities. The Organization files Form 990 annually and has adopted FASB ASC Topic, *Income Taxes*, to account for uncertainty in income taxes.

The Organization files Exempt Organization tax returns in the U.S. federal jurisdiction, and the state of Ohio. At December 31, 2020 and 2019, there are no unrecognized tax benefits that if recognized would affect the annual effective tax rate. The Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the years ended December 31, 2020 and 2019, no interest or penalties were recognized.

See independent accountant’s review report.

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS—CONTINUED**  
**December 31, 2020 and 2019**

**Note 2—Summary of significant accounting policies – continued**

**Revenue recognition**

The Organization recognizes revenue from contracts with customers in accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606).

ASC 606 requires organizations to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services. ASC 606 prescribes the following five-step model for recognizing revenue, the application of which may require significant judgment:

1. Identify the contract with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to performance obligations in the contract.
5. Recognize revenue as performance obligations are satisfied.

This standard also requires an entity provides users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the Organization's contracts with customers.

The Organization determines the transaction price based on contractually agreed-upon amounts or rates, reduced by the contractual adjustments provided to third-party payors and other adjustments for estimated or variable considerations, such as implicit price concessions. The Organization utilizes the expected value method to determine the amount of variable consideration that should be included to arrive at the transaction price, using contractual agreements and historical reimbursement experience with each payor type. The Organization assesses collectability on all accounts prior to providing services.

Opening balances of accounts receivable from customers as of January 1, 2020 and 2019 were \$0. Closing balance of accounts receivable from customers was \$0 at December 31, 2020.

*Contributions*

In accordance with FASB ASC Topics, *Accounting for Contributions Received and Contributions Made* and *Financial Statements of Non-Profit Organizations*, the Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. See Note 6 for further disclosure.

In accordance with FASB ASC Topic, *Not-for-Profit Entities – Revenue Recognition*, contributions received are recorded as restricted support, depending on the existence and/or nature of any donor restrictions.

See independent accountant's review report.

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS—CONTINUED**  
**December 31, 2020 and 2019**

**Note 2—Summary of significant accounting policies – continued**

*Program fees*

Program fees are recorded as tuition and class project and Hancock Youth Leadership program on the statement of activities and changes in net assets. Program fees are recognized ratably throughout the program and performance obligations are met as the program progresses.

The following table shows the Organization’s revenues from contracts with customers disaggregated according to the timing of transfer of goods or services as of the year ending December 31:

	<b>2020</b>	<b>2019</b>
Revenue recognized over time:		
Hancock Leadership tuition and class project	\$ 23,636	\$ 21,784
Hancock Youth Leadership program	9,906	17,279
Total revenue recognized over time	\$ 33,542	\$ 39,063

**Advertising costs**

Advertising costs are charged to operations when incurred. Total advertising costs charged to expense for the years ended December 31, 2020 and 2019 were \$174 and \$0, respectively.

**New accounting pronouncements**

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842) (ASU 2016-02)*. ASU 2016-02 will require that a lessee recognize assets and liabilities on the balance sheet for all leases with a lease term of more than twelve months, with the result being the recognition of a right of use asset and a lease liability. Recognition and presentation of expenses will depend on the classification of the lease as either finance or operating. ASU 2016-02 will also require quantitative and qualitative disclosures to supplement the amounts recorded in the financial statements to afford better understanding of the Organization's leasing activities. ASU 2016-02, as amended by ASU 2020-05, is effective for fiscal years beginning after December 15, 2021 with early adoption permitted and is to be applied retrospectively. The Organization is currently evaluating the effect that ASU 2016-02 will have on its financial statements and related disclosures.

**Subsequent events**

The Organization has evaluated all events subsequent to the statement of financial position date of December 31, 2020, through June 11, 2021, the date on which the financial statements were issued, and have determined there are no subsequent events that require recognition or disclosure.

See independent accountant’s review report.

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS—CONTINUED**  
**December 31, 2020 and 2019**

**Note 3—Property and equipment**

Property and equipment at December 31, 2020 and 2019 consists of the following:

	<u>2020</u>	<u>2019</u>
Building and building improvements	\$ 427,385	\$ 359,454
Equipment, furniture and fixtures	44,975	37,263
Property and equipment at cost	472,360	396,717
Less: accumulated depreciation	32,758	62,346
Net depreciable property and equipment	439,602	334,371
Construction in progress	58,799	43,457
Net property and equipment	<u>\$ 498,401</u>	<u>\$ 377,828</u>

Depreciation expense of \$26,944 and \$25,008 was incurred during 2020 and 2019, respectively.

**Note 4—Transactions in funds held for agencies**

Transactions in agency funds for the years ended December 31, 2020 or 2019 are summarized as follows:

<b>2020</b>	<u>Beginning Balance</u>	<u>Program Income</u>	<u>Program Expenses</u>	<u>Ending Balance</u>
Agency fund:				
City Gateway	\$ 504	\$ 0	\$ 504	\$ 0
Total agency fund	<u>\$ 504</u>	<u>\$ 0</u>	<u>\$ 504</u>	<u>\$ 0</u>
<b>2019</b>	<u>Beginning Balance</u>	<u>Program Income</u>	<u>Program Expenses</u>	<u>Ending Balance</u>
Agency fund:				
City Gateway	\$ 556	\$ 0	\$ 52	\$ 504
Total agency fund	<u>\$ 556</u>	<u>\$ 0</u>	<u>\$ 52</u>	<u>\$ 504</u>

The assets associated with agency funds are recorded with cash and cash equivalents.

See independent accountant's review report.

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS—CONTINUED**  
**December 31, 2020 and 2019**

**Note 5—Fair value measurements**

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC Topic, *Fair Value Measurement*, are described as follows:

Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2. Inputs to the valuation methodology include:

- a. Quoted prices for similar assets or liabilities in active markets;
- b. Quoted prices for identical or similar assets or liabilities in inactive markets;
- c. Inputs other than quoted prices that are observable for the asset or liability;
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

*Certificate of deposit* – valued at cost plus accrued interest which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

See independent accountant's review report.



**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS—CONTINUED**  
**December 31, 2020 and 2019**

**Note 5—Fair value measurements – continued**

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment balances and the amounts reported in the statements of financial position.

The following tables present the Organization’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31:

		<b>December 31, 2020</b>			
<b>Description</b>		<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Certificates of deposit		\$ 12,777	\$ 0	\$ 12,777	\$ 0
	Total	\$ 12,777	\$ 0	\$ 12,777	\$ 0
		<b>2019</b>			
<b>Description</b>		<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Certificates of deposit		\$ 12,748	\$ 0	\$ 12,748	\$ 0
	Total	\$ 12,748	\$ 0	\$ 12,748	\$ 0

See independent accountant’s review report.

**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS—CONTINUED**  
**December 31, 2020 and 2019**

**Note 6—Net assets with donor restrictions**

Restricted funds are contributions that have been reserved for specific purposes designated by the donor. The restricted funds and the changes therein for the years ended December 31, 2020 or 2019 are as follows:

<b>2020</b>	<b>Beginning Balance</b>	<b>Contribution Additions</b>	<b>Restrictions Released</b>	<b>Ending Balance</b>
Net assets with donor restrictions				
Dow scholarship	\$ 5,222	\$ 24	\$ 0	\$ 5,246
Romick scholarship	7,549	5		7,554
Findlay First	11,943		4,745	7,198
Wreaths Across America	1,793			1,793
Contribution from Alliance	0	69,500	69,500	0
Total net assets with donor restrictions	<u>\$ 26,507</u>	<u>\$ 69,529</u>	<u>\$ 74,245</u>	<u>\$ 21,791</u>
<b>2019</b>	<b>Beginning Balance</b>	<b>Contribution Additions</b>	<b>Restrictions Released</b>	<b>Ending Balance</b>
Net assets with donor restrictions				
Dow scholarship	\$ 5,222	\$ 0	\$ 0	\$ 5,222
Romick scholarship	7,537	12		7,549
Findlay First	18,000		6,057	11,943
Special events (fireworks)		20,000	20,000	0
Wreaths Across America	219	1,574		1,793
Total net assets with donor restrictions	<u>\$ 30,978</u>	<u>\$ 21,586</u>	<u>\$ 26,057</u>	<u>\$ 26,507</u>

**Note 7—In-kind contributions**

In 2020 and 2019, the Organization received services for communications/advertising, transportation, maintenance, and professional services totaling \$4,810 and \$4,403 with offsetting expenses of \$4,810 and \$4,403, respectively.

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**NOTES TO FINANCIAL STATEMENTS—CONTINUED**  
**December 31, 2020 and 2019**

**Note 8—Related party**

All members of the Organization’s Board of Trustees are also members of the Board of Directors of Findlay-Hancock County Alliance (the Alliance). The entities are separate distinct legal entities and all transactions between the organizations are handled at arms-length. The organizations do share management, but there is not an economic interest between the organizations. Accounts payable to the Alliance amounted to \$212,679 and \$189,115 at December 31, 2020 and 2019, respectively.

During 2020, the Alliance contributed \$69,500 to the Organization to be used for capital improvement projects. Additionally, the Alliance guaranteed a mortgage note on behalf of the Foundation. The ending balance of the guaranteed mortgage note was \$323,212 at December 31, 2020 (see Note 9).

During 2020 and 2019, one member and two members, respectively, of the Organization’s Board of Directors operate and/or manage local businesses that the Organization dealt with during the normal course of business, respectively. The amounts of these business services charged to operating expenses were \$2,402 and \$1,610 for the years ended December 31, 2020 and 2019, respectively.

**Note 9—Mortgage and notes payable**

Mortgage and notes payable at December 31 is as follows:

	2020	2019
The Organization received a loan in the amount of \$98,100 from the U.S. Small Business Administration Economic Injury Disaster Loan (EIDL) program. The effective date of the loan is June 19, 2020. The loan is repaid in monthly installments of \$419 over thirty years, beginning June 2021. Interest will accrue at a rate of 2.75% per annum and it is collateralized by property.	\$ 98,100	\$ 0
Mortgage note due in monthly principal and interest installments of \$1,256 at 4.35%, with remaining principal due July 2039. The note is subject to certain covenants and is secured by the real estate purchased with the mortgage note proceeds. During 2020 this mortgage note was refinanced with the note below.	0	197,687
Mortgage note due in monthly principal and interest installments of \$1,953 at 3.850%, with remaining principal due October 2040. The note is subject to certain covenants and is secured by the real estate purchased with the mortgage note proceeds.	323,212	0
Total mortgage and notes payable	421,312	197,687
Less current portion of mortgage and notes payable	11,194	6,596
Mortgage and notes payable, net of current portion	\$ 410,118	\$ 191,091

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**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS—CONTINUED**  
**December 31, 2020 and 2019**

**Note 9—Mortgage and notes payable - continued**

Scheduled principal payments on debt to maturity are as follows for the years ending December 31:

2021	\$	11,194
2022		12,660
2023		14,477
2024		15,017
2025		15,577
Thereafter		<u>352,387</u>
Total	\$	<u><u>421,312</u></u>

**Note 10—Lease transactions**

Beginning in June 2017, the Organization has operating lease agreements with lessees to occupy space in its property. Lease terms for the spaces commence on the day of signing and continue for one year thereafter. During 2019, both leases terminated, and the apartment was converted to office space. The contract for the commercial suite was conducted on an annual term. Monthly rental payments ranged from \$475 to \$1,000 for each unit. Total lease income for the years ended December 31, 2020 and 2019 was \$0 and \$18,320, respectively. Rental income from the Alliance for the years ended December 31, 2020 and 2019 was \$96,600 and \$0, respectively. There is no formal agreement for these rental payments.

**Note 11—Liquidity and availability of financial assets**

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows at December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 189,703	\$ 164,811
Accounts receivable - trade	4,250	16,400
Certificates of deposit	12,777	12,748
Less net assets board designated for purpose	(83,166)	(77,300)
Less net assets with donor restrictions	<u>(21,791)</u>	<u>(26,507)</u>
Total	<u>\$ 101,733</u>	<u>\$ 90,152</u>

The Organization has \$101,733 and \$90,152 at December 31, 2020 and 2019, respectively, of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. The Organization reviews cash balances on a monthly basis to ensure cash flow. Additionally, funds used to maintain specific net assets with donor restrictions are held separately from operating cash in certificates of deposit.

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**FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS—CONTINUED**  
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**Note 12—Methods used for the allocation of expenses between program and management and general**

The financial statements report certain categories of expense that are attributable to the program or supporting functions of the Organization. The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and schedules of functional expenses. Accordingly, certain costs have been allocated between program services and supportive services and these expenses require allocation on a reasonable basis that is consistently applied. Expenses are coded directly to functional expense categories in the general ledger and allocated to the appropriate category based on direct expense.

**Note 13—Risks and uncertainties**

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen as of the date of the financial statements. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the impact on the Organization's customers, employees, funders, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.

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