FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANT'S
REVIEW REPORT

FINDLAY-HANCOCK COUNTY
ALLIANCE FOUNDATION

December 31, 2021 and 2020

CONTENTS

	Page
Independent Accountant's Review Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-18

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

June 10, 2022

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) (the Organization) which comprise the statements of financial position as of December 31, 2021, 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 company 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 AICPA. 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.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

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

Report on 2020 Financial Statements

The financial statements of the Organization as of December 31, 2020, were reviewed by other accountants whose report dated June 11, 2021, stated that based on their procedures, they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America

Robert Apling + Associates, LLC

Robert Apling + Associates, LLC
Fremont, Ohio

STATEMENTS OF FINANCIAL POSITION
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
December 31, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 147,275	$ 189,703
Accounts receivable	2,450	4,250
Certificates of deposit	12,782	12,777
Total current assets	162,507	206,730
Property and equipment - net	572,127	498,401
Total assets	$ 734,634	$ 705,131
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 13,656	$ 1,086
Deferred revenue	13,576	15,994
Accrued real estate taxes	4,142	4,168
Accrued interest	4,047	-
Current portion of mortgage payable	11,620	11,194
Total current liabilities	47,041	32,442
Long-term liabilities		
Note payable - SBA EIDL	98,100	98,100
Accounts payable - related party	216,995	212,679
Mortgage payable	300,574	312,018
Total long-term liabilities	615,669	622,797
Total liabilities	662,710	655,239
Net assets		
Without donor restrictions		
Operating	(30,250)	(55,065)
Board designated for purpose	87,576	83,166
Total net assets without donor restrictions	57,326	28,101
With donor restrictions	14,598	21,791
Total net assets	71,924	49,892
Total liabilities and net assets	$ 734,634	$ 705,131

See accompanying notes and independent accountant's review report.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
For the Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Operating revenues and support						
Findlay First	$ 14,700	$ -	$ 14,700	$ 11,450	$ -	$ 11,450
Hancock Leadership						
Tuition and class project	26,039	-	26,039	23,636	-	23,636
Hancock Youth Leadership program	16,269	-	16,269	9,906	-	9,906
Findlay Young Professionals	3,519	-	3,519	-	-	-
Grants	-	-	-	4,000	-	4,000
Interest	9	5	14	23	29	52
Contribution from Alliance	-	-	-	-	69,500	69,500
Rental income	115,200	-	115,200	96,600	-	96,600
In-kind contributions	2,650	-	2,650	4,810	-	4,810
Release from restrictions	7,198	(7,198)	-	74,245	(74,245)	-
Total operating revenues and support	185,584	(7,193)	178,391	224,670	(4,716)	219,954
Operating expenses						
Program services						
Hancock Leadership	23,968	-	23,968	18,287	-	18,287
Hancock Youth Leadership	13,930	-	13,930	9,387	-	9,387
Findlay First	12,184	-	12,184	7,643	-	7,643
Findlay Young Professionals	1,155	-	1,155	-	-	-
Scholarships	-	-	-	1,225	-	1,225
Total program services	51,237	-	51,237	36,542	-	36,542
Support services	105,122	-	105,122	107,163	-	107,163
Total operating expenses	156,359	-	156,359	143,705	-	143,705
Total operating income	29,225	(7,193)	22,032	80,965	(4,716)	76,249
Nonoperating expenses						
Loss on disposal of assets	-	-	-	(180,573)	-	(180,573)
Total nonoperating expenses	-	-	-	(180,573)	-	(180,573)
Change in net assets	29,225	(7,193)	22,032	(99,608)	(4,716)	(104,324)
Net assets, beginning of year	28,101	21,791	49,892	127,709	26,507	154,216
Net assets, end of year	$ 57,326	$ 14,598	$ 71,924	$ 28,101	$ 21,791	$ 49,892

See accompanying notes and independent accountant's review report.

STATEMENT OF FUNCTIONAL EXPENSES
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
For the Year Ended December 31, 2021

	Program Services					Support Services	
	Hancock Leadership	Hancock Youth Leadership	Findlay First	Findlay Young Professionals	Total Program Services	Management and General	Total
Depreciation	$ -	$ -	$ -	$ -	$ -	$ 26,745	$ 26,745
Insurance	534	1,097	-	-	1,631	14,908	16,539
Occupancy	-	-	-	-	-	40,627	40,627
Program specific expenses	1,636	6,780	2,359	734	11,509	-	11,509
Professional services	11,940	3,900	7,450	-	23,290	2,250	25,540
Interest expense	-	-	-	-	-	16,468	16,468
Other	9,844	2,140	2,375	421	14,780	3,150	17,930
Travel	14	-	-	-	14	-	14
Office expenses	-	13	-	-	13	974	987
Total expenses	$ 23,968	$ 13,930	$ 12,184	$ 1,155	$ 51,237	$ 105,122	$ 156,359

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

	Program Services					Support Services	
	Hancock Leadership	Hancock Youth Leadership	Findlay First	Scholarships	Total Program Services	Management and General	Total
Depreciation	$ -	$ -	$ -	$ -	$ -	$ 26,944	$ 26,944
Insurance	424	925	-	-	1,349	24,720	26,069
Occupancy	-	-	-	-	-	24,380	24,380
Program specific expenses	5,923	5,342	3,795	1,225	16,285	6,743	23,028
Professional services	11,940	3,120	-	-	15,060	10,585	25,645
Interest expense	-	-	-	-	-	10,060	10,060
Other	-	-	3,848	-	3,848	1,462	5,310
Office expenses	-	-	-	-	-	2,269	2,269
Total expenses	$ 18,287	$ 9,387	$ 7,643	$ 1,225	$ 36,542	$ 107,163	$ 143,705

STATEMENTS OF CASH FLOWS
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 22,032	$ (104,324)
Adjustments to reconcile net income to cash provided by operating activities:		
Reinvested interest	(5)	(29)
Depreciation	26,745	26,944
Loss on disposal of assets	-	180,573
Changes in operating assets and liabilities		
Accounts receivable	1,800	12,150
Accounts payable	12,570	(6,051)
Deferred revenue	(2,418)	(2,966)
Accrued real estate taxes	(26)	-
Accrued interest	4,047	-
Funds held for other agencies	-	(504)
Cash provided by operating activities	64,745	105,793
Cash flows from investing activities		
Purchases of property and equipment	(100,471)	(328,090)
Cash used in investing activities	(100,471)	(328,090)
Cash flows from financing activities		
Accounts receivable - related party	4,316	23,564
Proceeds from mortgage payable and SBA EIDL	-	230,452
Payments on mortgage payable	(11,018)	(6,827)
Cash provided by (used in) investing activities	(6,702)	247,189
Net increase (decrease) in cash	(42,428)	24,892
Cash and cash equivalents at beginning of year	189,703	164,811
Cash and cash equivalents at end of year	$ 147,275	$ 189,703
Supplemental disclosure of cash flow information		
Cash used for interest	$ 12,421	$ 10,060
Supplemental disclosure of non-cash financing		
Refinancing of mortgage payables	$ -	$ 192,648

See accompanying notes and independent accountant's review report.

Note 1 – Summary of Significant Accounting Policies

Business Activity and Nature of Operations

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.

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, *Not-for-Profit Entities (Topic 958),* 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.

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.

Property and Equipment

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

	Years
Building and building improvements	6-40
Furniture and equipment	4-10

Note 1 – Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)
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, 2020 was $18,960.

Funds Held for Other Agencies
FASB Subtopic 958-605 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. Under Subtopic 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 Subtopic 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, 2021 and 2020, 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. There was no such activity in 2021.

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, 2021 and 2020 include net assets restricted for specific program use, as well as endowment fund assets to be held indefinitely.

Note 1 – Summary of Significant Accounting Policies (continued)

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, 2021 and 2020:

	2021	2020
Hancock Leadership	$ 54,423	$ 52,352
Hancock Youth Leadership	33,153	30,814
Total board designated for purpose	$ 87,576	$ 83,166

Federal Income Taxes

The Organization has been approved under Internal Revenue Code Section 501(c)(3) as a non-profit organization exempt from federal income taxes on its normal activities. The Organization files Form 990 annually and has adopted FASB ASC Topic, *Income Taxes (740),* 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, 2021 and 2020, 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, 2021 and 2020, no interest or penalties were recognized.

Revenue Recognition

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

Note 1 – Summary of Significant Accounting Policies (continued)

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, 2021 and 2020 were $0. Closing balance of accounts receivable from customers was $0 at December 31, 2021.

Contributions and Grants
In accordance with FASB Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, 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 5 for further disclosure.
Contributions received are recorded as restricted support, depending on the existence and/or nature of any donor restrictions.

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 overtime.

Findlay First
Program fees are recorded as Findlay First revenue on the statement of activities and changes in net assets. Program Fees for tours are recognized ratably throughout the program and performance obligations are met as the program progresses overtime.

Advertising Costs
Advertising costs are charged to operations when incurred. Total advertising costs charged to expense for the years ended December 31, 2021 and 2020 were $175 and $174, respectively.

Note 1 - Summary of Significant Accounting Policies (continued)

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.

New Accounting Pronouncement
In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)* (ASU 2016-12). ASU 2016-02 will require that a lessee recognize assets and liabilities on the statement of financial position 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.

In February 2020, FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* ASU 2020-07 expands presentation and disclosure requirements for contributed nonfinancial assets (also referred to as gifts-in-kind). The amendments require that contributed nonfinancial assets be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition, nonprofit organizations must disclose contributed nonfinancial assets received disaggregated by category that depicts the type of assets contributed. Additional disclosures are required for each category of contributed nonfinancial assets. ASU 2020-07 is effective for fiscal years beginning after June 15, 2021, with early adoption permitted and is to be applied retrospectively. The Organization is currently evaluating the effect that ASU 2020-07 will have on its financial statements and related disclosures.

Reclassification
Certain prior year classifications have been changed in the current year financial statements in order to clarify financial presentation.

Note 2 – Property and Equipment

Property and equipment at December 31, 2021 and 2020 consists of the following:

	2021	2020
Building and building improvements	$ 582,670	$ 427,385
Equipment, furniture and fixtures	48,958	44,975
Property and equipment at cost	631,628	472,360
Less: accumulated depreciation	59,501	32,758
Net depreciable property and equipment	572,127	439,602
Construction in progress	-	58,799
Net property and equipment	$ 572,127	$ 498,401

Depreciation expense of $26,745 and $26,944 was incurred during 2021 and 2020, respectively.

Note 3 – Transactions in Funds Held for Agencies

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

2020	Beginning Balance	Program Income	Program Expenses	Ending Balance
Agency fund:				
City Gateway	$ 504	$ -	$ 504	$ -
Total agency fund	$ 504	$ -	$ 504	$ -

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

Note 4 – 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 (Topic 820)*, 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.

Note 4 – Fair Value Measurements (continued)

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, 2021 and 2020.

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.

The Organization invests in 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.

Note 4 – Fair Value Measurements (continued)

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:

Description	2021 Total	Level 1	Level 2	Level 3
Certificates of deposit	$ 12,782	$ -	$ 12,782	$ -
Total	$ 12,782	$ -	$ 12,782	$ -

Description	2020 Total	Level 1	Level 2	Level 3
Certificates of deposit	$ 12,777	$ -	$ 12,777	$ -
Total	$ 12,777	$ -	$ 12,777	$ -

Note 5 – 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, 2021 or 2020 are as follows:

2021	Beginning Balance	Contribution Additions	Restrictions Released	Ending Balance
Net assets with donor restrictions:				
Dow scholarship	$ 5,246	$ 3	$ -	$ 5,249
Romick scholarship	7,554	2	-	7,556
Findlay First	7,198	-	7,198	-
Wreaths Across America	1,793	-	-	1,793
Total net assets with donor restrictions	$ 21,791	$ 5	$ 7,198	$ 14,598

2020	Beginning Balance	Contribution Additions	Restrictions Released	Ending Balance
Net assets with donor restrictions:				
Dow scholarship	$ 5,222	$ 24	$ -	$ 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	-	69,500	69,500	-
Total net assets with donor restrictions	$ 26,507	$ 69,529	$ 74,245	$ 21,791

Note 6 – In-kind Contributions

In 2021 and 2020, the Organization received services for communications/advertising, transportation, maintenance, and professional services totaling $2,650 and $4,810 with offsetting expenses of $2,650 and $4,810, respectively.

Note 7 – 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 $216,995 and $212,679 at December 31, 2021 and 2020, 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 $312,194 at December 31, 2021 (see Note 8).

During 2021 and 2020, one member of the Organization's Board of Directors operate and/or manage local businesses that the Organization dealt with during the normal course of business. The amounts of these business services charged to operating expenses were $500 and $2,402 for the years ended December 31, 2021 and 2020, respectively.

Note 8 – Mortgage and Notes Payable

Mortgage and notes payable at December 31 is as follows:

	2021	2020
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 if is collateralized by property. Payments can be deferred up to 30 months.	$ 98,100	$ 98,100
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.	312,194	323,212
Total mortgage and notes payable	410,294	432,506
Less current portion of mortgage and notes payable	11,620	11,194
Mortgage and notes payable, net of current portion	$ 398,674	$ 410,118

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

2022	$ 11,620
2023	12,076
2024	12,549
2025	13,144
2026	15,332
Thereafter	345,573
Total	$ 410,294

Note 9 – Lease Transactions

Rental income from the Alliance for the years ended December 31, 2021 and 2020 was $115,200 and $96,600, respectively. Beginning January 1, 2022 the Organization entered into a formal lease agreement with the Alliance. The Organization will lease office space to the Alliance for $115,200 per year for the next ten years.

Note 10 – 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:

	2021	2020
Cash and cash equivalents	$ 147,275	$ 189,703
Accounts receivable - trade	2,450	4,250
Certificates of deposit	12,782	12,777
Less net assets board designated for purpose	(87,576)	(83,166)
Less net assets with donor restrictions	(14,598)	(21,791)
Total	$ 60,333	$ 101,733

The Organization has $60,333 and $101,733 at December 31, 2021 and 2020, 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.

Note 11 – Methods Used for the Allocation of Expenses

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 12 – Subsequent Events

The Organization evaluated subsequent events through June 10, 2022, the date that these financial statements were available to be issued. Based on the evaluation performed, there were no material subsequent events that required recognition or additional disclosure in these financial statements other than those listed in Note 9.