

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

**FINDLAY-HANCOCK COUNTY
ALLIANCE FOUNDATION**

December 31, 2022 and 2021

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

September 15, 2023

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

We have reviewed the accompanying financial statements of Findlay-Hancock County Alliance Foundation (fka Findlay-Hancock County Chamber Foundation) (the Organization) which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 engagements 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 reviews.

Accountant's Conclusion

Based on our reviews, 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.

Robert Apling + Associates, LLC

Robert Apling + Associates, LLC
Fremont, Ohio

STATEMENTS OF FINANCIAL POSITION
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 182,097	\$ 147,275
Accounts receivable	1,200	2,450
Certificates of deposit	-	12,782
Total current assets	<u>183,297</u>	<u>162,507</u>
Property and equipment - net	<u>577,094</u>	<u>572,127</u>
Total assets	<u>\$ 760,391</u>	<u>\$ 734,634</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 13,986	\$ 13,656
Deferred revenue	14,859	13,576
Accrued real estate taxes	3,478	4,142
Accrued interest	2,744	4,047
Current portion of mortgage payable	12,076	11,620
Total current liabilities	<u>47,143</u>	<u>47,041</u>
Long-term liabilities		
Note payable - SBA EIDL	98,100	98,100
Accounts payable - related party	223,966	216,995
Mortgage payable	285,355	300,574
Total long-term liabilities	<u>607,421</u>	<u>615,669</u>
Total liabilities	654,564	662,710
Net assets		
Without donor restrictions:		
Operating	9,097	(30,250)
Board designated for purpose	96,730	87,576
Total net assets without donor restrictions	<u>105,827</u>	<u>57,326</u>
With donor restrictions	-	14,598
Total net assets	<u>105,827</u>	<u>71,924</u>
Total liabilities and net assets	<u>\$ 760,391</u>	<u>\$ 734,634</u>

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, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and support						
Hancock Leadership						
Tuition and class project	\$ 28,612	\$ -	\$ 28,612	\$ 26,039	\$ -	\$ 26,039
Hancock Youth Leadership program	16,793	-	16,793	16,269	-	16,269
Findlay First	10,294	-	10,294	14,700	-	14,700
Findlay Young Professionals	12,381	-	12,381	3,519	-	3,519
Interest	9	-	9	9	5	14
Contribution from Alliance	11,650	-	11,650	-	-	-
Rental income	115,200	-	115,200	115,200	-	115,200
Contributions of nonfinancial assets	4,045	-	4,045	2,650	-	2,650
Release from restrictions	14,598	(14,598)	-	7,198	(7,198)	-
Total operating revenues and support	213,582	(14,598)	198,984	185,584	(7,193)	178,391
Operating expenses						
Program services						
Hancock Leadership	25,305	-	25,305	23,968	-	23,968
Hancock Youth Leadership	14,355	-	14,355	13,930	-	13,930
Findlay First	11,230	-	11,230	12,184	-	12,184
Findlay Young Professionals	10,357	-	10,357	1,155	-	1,155
Total program services	61,247	-	61,247	51,237	-	51,237
Support services	103,834	-	103,834	105,122	-	105,122
Total operating expenses	165,081	-	165,081	156,359	-	156,359
Total operating income	48,501	(14,598)	33,903	29,225	(7,193)	22,032
Change in net assets	48,501	(14,598)	33,903	29,225	(7,193)	22,032
Net assets, beginning of year	57,326	14,598	71,924	28,101	21,791	49,892
Net assets, end of year	\$ 105,827	\$ -	\$ 105,827	\$ 57,326	\$ 14,598	\$ 71,924

See accompanying notes and independent accountant's review report.

STATEMENTS OF FUNCTIONAL EXPENSES
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
For the Year Ended December 31, 2022

	Program Services				Support Services		
	Hancock Leadership	Hancock Youth Leadership	Findlay First	Findlay Young Professionals	Total Program Services	Management and General	Total
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,144	\$ 29,144
Insurance	339	761	-	-	1,100	14,177	15,277
Occupancy	-	-	-	-	-	38,772	38,772
Program specific expenses	5,193	7,647	5,860	8,343	27,043	-	27,043
Professional services	11,940	3,900	4,200	-	20,040	2,125	22,165
Interest expense	-	-	-	-	-	14,654	14,654
Other	7,707	2,000	1,170	2,001	12,878	4,648	17,526
Travel	126	-	-	-	126	-	126
Office expenses	-	47	-	13	60	314	374
Total expenses	\$ 25,305	\$ 14,355	\$ 11,230	\$ 10,357	\$ 61,247	\$ 103,834	\$ 165,081

See accompanying notes and independent accountant's review report.

STATEMENTS 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

See accompanying notes and independent accountant's review report.

STATEMENTS OF CASH FLOWS
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ 33,903	\$ 22,032
Adjustments to reconcile net income to cash provided by operating activities:		
Reinvested interest	-	(5)
Depreciation	29,144	26,745
Changes in operating assets and liabilities:		
Accounts receivable	1,250	1,800
Accounts payable	330	12,570
Deferred revenue	1,283	(2,418)
Accrued real estate taxes	(664)	(26)
Accrued interest	(1,303)	4,047
Cash provided by operating activities	<u>63,943</u>	<u>64,745</u>
 Cash flows from investing activities		
Purchases of property and equipment	(34,111)	(100,471)
Withdraw of certificates of deposit	12,782	-
Cash used in investing activities	<u>(21,329)</u>	<u>(100,471)</u>
 Cash flows from financing activities		
Accounts payable - net	6,971	4,316
Payments on mortgage payable	(14,763)	(11,018)
Cash used in financing activities	<u>(7,792)</u>	<u>(6,702)</u>
Net increase (decrease) in cash	34,822	(42,428)
 Cash and cash equivalents at beginning of year	147,275	189,703
Cash and cash equivalents at end of year	<u>\$ 182,097</u>	<u>\$ 147,275</u>
 Supplemental disclosure of cash flow information		
Cash used for interest	<u>\$ 15,957</u>	<u>\$ 12,421</u>

See accompanying notes and independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
December 31, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies

Business Activity and Nature of Operations

The Findlay-Hancock County Alliance Foundation (fka Findlay-Hancock County Chamber 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. Revenues are 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:

	<u>Years</u>
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.

See independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
December 31, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (continued)

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 programs, and over the membership term for Findlay Young Professionals. 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, 2021 was \$15,994.

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, 2022 and 2021 include net assets restricted for specific program use, as well as endowment fund assets to be held indefinitely. Contributions whose restrictions are met in the same reporting period are reflected as contributions without donor restrictions.

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:

	<u>2022</u>	<u>2021</u>
Hancock Leadership	\$ 58,382	\$ 54,423
Hancock Youth Leadership	35,591	33,153
Findlay Young Professionals	2,757	-
Total board designated for purpose	<u>\$ 96,730</u>	<u>\$ 87,576</u>

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, 2022 and 2021, 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, 2022 and 2021, no interest or penalties were recognized.

See independent accountant’s review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
December 31, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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 were \$4,250.

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 4 for further disclosure. Contributions received are recorded as restricted support, depending on the existence and/or nature of any donor restrictions.

See independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
December 31, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Findlay First

Program fees for tours are treated as a single performance obligation and recognized at the completion of the tours.

Hancock Leadership Tuition and Class Project, and Hancock Youth Leadership Program

Program fees are treated as a single performance obligation and recognized ratably throughout the program.

Findlay Young Professionals

Annual dues are reported at the amount that reflects the consideration which the Organization expects to be entitled to in exchange for providing membership to its members. Membership benefits are treated as a single performance obligation and recognized ratably over the membership term.

Advertising Costs

Advertising costs are charged to operations when incurred. Total advertising costs charged to expense for the years ended December 31, 2022 and 2021 were \$2,035 and \$596, respectively.

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 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 adopted ASU 2020-07 as of January 1, 2022.

Reclassification

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

See independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
December 31, 2022 and 2021

Note 2 – Property and Equipment

Property and equipment at December 31, 2022 and 2021 consists of the following:

	<u>2022</u>	<u>2021</u>
Building and building improvements	\$ 602,607	\$ 582,670
Equipment, furniture and fixtures	63,132	48,958
Property and equipment at cost	665,739	631,628
Less: accumulated depreciation	88,645	59,501
Net property and equipment	<u>\$ 577,094</u>	<u>\$ 572,127</u>

Depreciation expense of \$29,144 and \$26,745 was incurred during 2022 and 2021, respectively.

Note 3 – 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.

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, 2022 and 2021.

See independent accountant’s review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
December 31, 2022 and 2021

Note 3 – Fair Value Measurements (continued)

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.

The following table presents 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	\$ -

There were no certificates of deposit at December 31, 2022.

Note 4 – 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, 2022 or 2021 are as follows:

2022	Beginning Balance	Contribution Additions	Restrictions Released	Ending Balance
Net assets with donor restrictions:				
Dow scholarship	\$ 5,249	\$ -	\$ 5,249	\$ -
Romick scholarship	7,556	-	7,556	-
Wreaths Across America	1,793	-	1,793	-
Total net assets with donor restrictions	\$ 14,598	\$ -	\$ 14,598	\$ -

See independent accountant’s review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
December 31, 2022 and 2021

Note 4 – Net Assets with Donor Restrictions (continued)

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	<u>\$ 21,791</u>	<u>\$ 5</u>	<u>\$ 7,198</u>	<u>\$ 14,598</u>

Note 5 – Contributions of Nonfinancial Assets

For the years ended December 31, contributed nonfinancial assets recognized within the statement of activities included:

	2022	2021
(a) Food	\$ 1,995	\$ 800
(b) Facility rent	1,750	1,750
(c) Transportation	300	100
Total	<u>\$ 4,045</u>	<u>\$ 2,650</u>

The contributed nonfinancial assets have no associated donor restrictions.

- (a) Food – Contributed food was utilized in the Hancock Leadership and Hancock Youth Leadership programs and valued based on the cost of the related food.
- (b) Facility Rent – Contributed use of a facility for the Hancock Leadership and Hancock Youth Leadership programs and valued based on fair value comparable rent for events.
- (c) Transportation – Contributed transportation was used in Hancock Leadership and Hancock Youth Leadership programs and valued based on fair value of comparable transportation in the area.

Note 6 – 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 \$223,966 and \$216,995 at December 31, 2022 and 2021, respectively.

During 2022, the Alliance contributed \$11,650 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 \$297,431 at December 31, 2022 (see Note 7).

See independent accountant’s review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
December 31, 2022 and 2021

Note 6 – Related Party (continued)

During 2022 and 2021, 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 \$1,822 and \$500 for the years ended December 31, 2022 and 2021, respectively.

Note 7 – Mortgage and Notes Payable

Mortgage and notes payable at December 31 is as follows:

	<u>2022</u>	<u>2021</u>
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. Payments can be deferred up to 30 months. Interest will accrue at a rate of 2.75% per annum and if is collateralized by property.	\$ 98,100	\$ 98,100
Mortgage note due in monthly principal and interest installments of \$1,953 at 3.85%, 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.	<u>297,431</u>	<u>312,194</u>
Total mortgage and notes payable	<u>395,531</u>	<u>410,294</u>
Less current portion of mortgage and notes payable	<u>12,076</u>	<u>11,620</u>
Mortgage and notes payable, net of current portion	<u>\$ 383,455</u>	<u>\$ 398,674</u>

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

2023	\$ 12,076
2024	12,549
2025	13,144
2026	15,332
2027	16,495
Thereafter	<u>325,935</u>
Total	<u>\$ 395,531</u>

See independent accountant’s review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE FOUNDATION
December 31, 2022 and 2021

Note 8 – Lease Transactions

The Organization received rental income from the Alliance on a month-to-month basis. Rent paid under the arrangement amounted to \$115,200 for 2022 and 2021. The Organization has elected the practical expedient under FASB ASU 2023 - 01 to assess the written terms and conditions of common control leasing arrangements.

Note 9 – 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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 182,097	\$ 147,275
Accounts receivable	1,200	2,450
Certificates of deposit	-	12,782
Less net assets board designated for purpose	(96,730)	(87,576)
Less net assets with donor restrictions	-	(14,598)
Total	<u>\$ 86,567</u>	<u>\$ 60,333</u>

The Organization has \$86,567 and \$60,333 at December 31, 2022 and 2021, 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.

Note 10 – 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 11 – Subsequent Events

The Organization evaluated subsequent events through September 15, 2023, 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.

See independent accountant’s review report.