

**FINANCIAL STATEMENTS
AND INDEPENDENT ACCOUNTANT'S
REVIEW REPORT WITH
SUPPLEMENTARY INFORMATION**

FINDLAY-HANCOCK COUNTY ALLIANCE

December 31, 2023 and 2022

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Robert Apling + Associates, LLC

Certified Public Accountants

2155 Oak Harbor Road
Fremont, Ohio 43420
419/355-8200 • Fax 419/355-8808

2060 E. Harbor Road
Port Clinton, Ohio 43452
419/734-9548

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

June 14, 2024

Board of Directors
Findlay-Hancock County Alliance
Findlay, Ohio

We have reviewed the accompanying financial statements of Findlay-Hancock County Alliance (fka Findlay-Hancock County Chamber of Commerce) (the Organization) which comprise the statements of financial position as of December 31, 2023 and 2022, 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.

Supplementary Information

The supplementary information included on pages 20 and 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our reviews of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Robert Apling + Associates, LLC

Robert Apling + Associates, LLC
Fremont, Ohio

STATEMENTS OF FINANCIAL POSITION
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,439,583	\$ 1,631,726
Accounts receivable	67,235	69,448
Hotel/motel tax receivable	187,514	191,725
Prepaid expenses and other current assets	29,961	11,566
Total current assets	<u>1,724,293</u>	<u>1,904,465</u>
Property and equipment - net	53,226	64,264
Investments	842,977	350,028
Accounts receivable - related party	<u>223,156</u>	<u>223,966</u>
Total assets	<u>\$ 2,843,652</u>	<u>\$ 2,542,723</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 124,583	\$ 119,678
Refundable advances	5,453	6,416
Accrued payroll bonuses	57,098	35,262
Accrued payroll liabilities	4,302	5,453
Deferred revenue	116,512	96,085
Total current liabilities	<u>307,948</u>	<u>262,894</u>
Total liabilities	307,948	262,894
Net assets		
Without donor restrictions	1,858,118	1,637,398
With donor restrictions	677,586	642,431
Total net assets	<u>2,535,704</u>	<u>2,279,829</u>
Total liabilities and net assets	<u>\$ 2,843,652</u>	<u>\$ 2,542,723</u>

See accompanying notes and independent accountant's review report.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FINDLAY-HANCOCK COUNTY ALLIANCE
For the Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and support						
Hotel/motel tax and interest	\$ -	\$ 828,303	\$ 828,303	\$ -	\$ 770,823	\$ 770,823
Contributions	521,001	-	521,001	536,602	-	536,602
Membership	354,082	-	354,082	330,807	-	330,807
Member services	194,062	-	194,062	160,060	-	160,060
Fundraising	72,750	-	72,750	83,775	-	83,775
Development	-	-	-	-	-	-
Foreign Trade Zone	48,671	-	48,671	26,690	-	26,690
Blanchard Valley Port Authority	23,691	-	23,691	19,350	-	19,350
Contributions of nonfinancial assets	20,695	-	20,695	18,865	-	18,865
Administrative	18,990	-	18,990	20,690	-	20,690
SBRC/MEP	-	-	-	2,370	-	2,370
Satisfaction of time and program restrictions	793,148	(793,148)	-	644,197	(644,197)	-
Total operating revenues and support	2,047,090	35,155	2,082,245	1,843,406	126,626	1,970,032
Operating expenses						
Program services	1,479,217	-	1,479,217	1,427,967	-	1,427,967
Management and general	391,095	-	391,095	335,345	-	335,345
Fundraising	47,078	-	47,078	51,927	-	51,927
Total operating expenses	1,917,390	-	1,917,390	1,815,239	-	1,815,239
Total operating income	129,700	35,155	164,855	28,167	126,626	154,793
Nonoperating income (loss)						
Net investment income (loss):						
Interest and dividends	20,898	-	20,898	7,935	-	7,935
Realized and unrealized gain (loss) on investments	70,122	-	70,122	(12,933)	-	(12,933)
Total net investment gain (loss)	91,020	-	91,020	(4,998)	-	(4,998)
Total nonoperating income (loss)	91,020	-	91,020	(4,998)	-	(4,998)
Change in net assets	220,720	35,155	255,875	23,169	126,626	149,795
Net assets, beginning of year	1,637,398	642,431	2,279,829	1,614,229	515,805	2,130,034
Net assets, end of year	\$ 1,858,118	\$ 677,586	\$ 2,535,704	\$ 1,637,398	\$ 642,431	\$ 2,279,829

See accompanying notes and independent accountant's review report.

STATEMENT OF FUNCTIONAL EXPENSES
FINDLAY-HANCOCK COUNTY ALLIANCE
For the Year Ended December 31, 2023

	Program Services			Support Services			
	Chamber of Commerce	Convention and Visitor's Bureau	Economic Development Council	Total Program Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 270,826	\$ 184,799	\$ 216,956	\$ 672,581	\$ 234,716	\$ -	\$ 907,297
Member services	114,677	199,758	31,745	346,180	46,395	47,078	439,653
Other	10,865	7,816	27,597	46,278	8,124	-	54,402
Advertising and promotion	13,587	149,489	9,461	172,537	44,209	-	216,746
Occupancy	30,720	32,893	31,120	94,733	23,683	-	118,416
Information technologies	19,480	13,042	12,917	45,439	11,360	-	56,799
Office expenses	15,530	11,860	9,838	37,228	9,307	-	46,535
Professional services	4,761	4,002	26,904	35,667	8,917	-	44,584
Depreciation	1,216	4,450	5,372	11,038	-	-	11,038
Travel	4,161	1,846	11,529	17,536	4,384	-	21,920
Total expenses	\$ 485,823	\$ 609,955	\$ 383,439	\$ 1,479,217	\$ 391,095	\$ 47,078	\$ 1,917,390

See accompanying notes and independent accountant's review report.

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

	<u>Program Services</u>				<u>Support Services</u>		<u>Total</u>
	<u>Chamber of Commerce</u>	<u>Convention and Visitor's Bureau</u>	<u>Economic Development Council</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and benefits	\$ 255,054	\$ 171,846	\$ 300,289	\$ 727,189	\$ 203,203	\$ -	\$ 930,392
Member services	97,905	163,271	56,854	318,030	36,873	51,927	406,830
Other	14,089	8,573	27,897	50,559	12,222	-	62,781
Advertising and promotion	9,003	87,771	10,931	107,705	26,926	-	134,631
Occupancy	30,720	30,720	30,720	92,160	23,040	-	115,200
Information technologies	21,548	14,538	17,010	53,096	13,274	-	66,370
Office expenses	12,970	7,762	10,283	31,015	7,754	-	38,769
Professional services	5,285	8,109	9,635	23,029	5,757	-	28,786
Depreciation	4,244	4,638	4,527	13,409	3,352	-	16,761
Travel	1,599	365	9,811	11,775	2,944	-	14,719
Total expenses	\$ 452,417	\$ 497,593	\$ 477,957	\$ 1,427,967	\$ 335,345	\$ 51,927	\$ 1,815,239

See accompanying notes and independent accountant's review report.

STATEMENTS OF CASH FLOWS
FINDLAY-HANCOCK COUNTY ALLIANCE
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 255,875	\$ 149,795
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	11,038	16,761
Reinvested dividends/interest	(20,220)	(5,229)
Net realized and unrealized (gain)/loss on investments net of management fees	(70,122)	12,933
Changes in operating assets and liabilities:		
Accounts receivable	2,213	(23,129)
Employee retention credit receivable	-	187,785
Hotel/motel tax receivable	4,211	(23,939)
Prepaid expenses and other current assets	(18,395)	(4,752)
Accounts payable	4,905	28,066
Refundable advances	(963)	(2,064)
Accrued payroll bonuses	21,836	(24,362)
Accrued payroll liabilities	(1,151)	(44)
Deferred membership	20,427	8,013
Cash provided by operating activities	<u>209,654</u>	<u>319,834</u>
Cash flows from investing activities		
Purchase of investments	(481,902)	(355,278)
Proceeds from sale of investments	79,295	49,414
Cash used in investing activities	<u>(402,607)</u>	<u>(305,864)</u>
Cash flows from financing activities		
Accounts receivable - related party - net	810	(6,971)
Cash provided by (used in) financing activities	<u>810</u>	<u>(6,971)</u>
Net increase (decrease) in cash	<u>(192,143)</u>	<u>6,999</u>
Cash and cash equivalents at beginning of year	1,631,726	1,624,727
Cash and cash equivalents at end of year	<u>\$ 1,439,583</u>	<u>\$ 1,631,726</u>

See accompanying notes and independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies

Business Activity and Nature of Operations

The Findlay-Hancock County Alliance (fka Findlay-Hancock County Chamber of Commerce), a non-profit organization (the Organization), is dedicated to driving growth and prosperity in the Findlay-Hancock County region. The Organization solicits funds from local businesses and residents and has more than 600 members consisting of both business and professional firms. The Organization consists principally of three divisions: the Chamber of Commerce (Chamber), Convention and Visitors Bureau (CVB), and the Economic Development Council (EDC).

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 divisions and accounts of the Organization: the Chamber, CVB, and EDC. Inter-divisional balances and transactions have been eliminated.

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.

Accounts Receivable

The Organization considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is included in the financial statements. When amounts are deemed to be uncollectible, they are expensed in the year in which that determination is made.

Property and Equipment

Property and equipment is 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:

	<u>Years</u>
Leasehold improvements	5-40
Furniture and equipment	3-10

See independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022

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.

Investments

Investments are carried at fair value based upon independent market quotes. The change in fair value is reported as unrealized gain and loss in the accompanying statements of activities and changes in net assets.

Deferred Membership Dues

The Organization bills members for yearly dues in members' anniversary months. Revenue related to membership dues is recorded over the length of time the membership is active. Amounts received but not yet earned by the Organization are recorded as deferred membership in the current liabilities section of the accompanying statements of financial position. The opening balance of deferred membership as of January 1, 2022 was \$88,072.

Refundable Advances

The Organization is the recipient of grants that require expenditure for specified activities. Documentation showing actual costs expended is included when submitting a monthly or quarterly report for reimbursement. Certain grantors pay in advance of incurring the specified costs; in those cases, the amount received in excess of amounts spent on reimbursable costs is reported as a refundable advance.

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. All net assets with donor restrictions as of December 31, 2023 and 2022 are restricted for specific program use; see Note 6.

Federal Income Taxes

The Organization has been approved under Internal Revenue Code Section 501(c)(6) as a non-profit organization exempt from federal income taxes on its normal activities. The Organization is taxed on its unrelated business income. The Organization files Forms 990 and 990-T annually. The Organization has adopted FASB ASC Topic, *Income Taxes (740)*, to account for uncertainty in income taxes.

See independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Federal Income Taxes (continued)

The Organization files Exempt Organization tax returns in the U.S. federal jurisdiction, and the state of Ohio. At December 31, 2023 and 2022, 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, 2023 and 2022, no interest or penalties were recognized.

Revenue Recognition

The Organization recognizes revenue from contracts with customers in accordance with FASB ASC Topic 606, *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.

Membership and member services

Membership income is recognized under ASC 606 as an exchange transaction. Dues are recognized ratably over the term of the membership, which is generally one year, as members benefit ratably over the course of the membership and the performance obligations of the Organization are fulfilled during that time. Member services are primarily composed of programming and events and associated revenue when the performance obligation of providing the service is met.

See independent accountant's review report.

**NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022**

Note 1 – Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Development

From time to time, the EDC enters into agreements to promote the development of the Findlay and Hancock County area. The agreements provide for the EDC to receive an assignment fee for the successful sale of property to be used for economic development, and revenue is recognized at that point in time. Development income is recognized under ASC 606 as an exchange transaction.

Foreign Trade Zone

The EDC is able to assist manufacturers in Hancock and surrounding counties by lowering costs and boosting profits by the reduction, elimination, or deferral of duty payments. Income is recognized ratably over the term of the contract, which is generally one year, as manufacturers benefit ratably over the course of the contract and the performance obligations of the Organization are fulfilled during that time.

Additionally, the Organization receives income from hotel tax as discussed in Note 7.

Opening balances of accounts receivable from customers as of January 1, 2023 and 2022 were \$9,130 and \$0, respectively. Closing balance of accounts receivable from customers was \$15,000 at December 31, 2023.

Contributions

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 statements of activities as net assets released from restrictions. Contributions received are recorded as restricted support, depending on the existence and/or nature of any donor restrictions.

Advertising Costs

Advertising costs are charged to operations when incurred. Total advertising costs charged to expense for the years ended December 31, 2023 and 2022 were \$216,746 and \$134,631, 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.

See independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies (continued)

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 consists of the following at December 31:

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 857	\$ 857
Furniture and equipment	453,030	453,030
Website	22,560	22,560
Total property and equipment	<u>476,447</u>	<u>476,447</u>
Less: accumulated depreciation	423,221	412,183
Net property and equipment	<u>\$ 53,226</u>	<u>\$ 64,264</u>

Depreciation expense of \$11,038 and \$16,761 was incurred during 2023 and 2022, respectively.

Note 3 – Investments

The Organization accounts for investments with readily determinable fair values at fair value.

Investments consist of the following at December 31:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Common stock	\$ 189,735	\$ 217,150	\$ 116,688	\$ 112,341
Mutual funds	541,315	561,929	215,159	209,546
Exchange traded funds	56,528	63,898	28,896	28,141
Total	<u>\$ 787,578</u>	<u>\$ 842,977</u>	<u>\$ 360,743</u>	<u>\$ 350,028</u>

Net investment earnings consisted of the following for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Interest and dividend income	\$ 20,898	\$ 7,935
Net realized and unrealized gain (loss)	70,122	(12,933)
Total	<u>\$ 91,020</u>	<u>\$ (4,998)</u>

See independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022

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.

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, 2023 and 2022.

Money market funds – valued using amortized cost which approximates fair value.

Common stocks – valued at quoted prices in active markets at year end.

Mutual Funds & Exchange Traded Funds – valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Organization at year end.

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.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022

Note 4 – Fair Value Measurements (continued)

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

Description	2023			
	Total	Level 1	Level 2	Level 3
Common stocks:				
Healthcare	\$ 24,479	\$ 24,479	\$ -	\$ -
Technology	53,089	53,089	-	-
Consumer	71,115	71,115	-	-
Financial services	41,090	41,090	-	-
Real estate	10,988	10,988	-	-
Energy	5,300	5,300	-	-
Other	11,089	11,089	-	-
Mutual funds:				
Stock	192,082	192,082	-	-
Bond	369,847	369,847	-	-
Exchange traded funds:				
Blend	63,898	63,898	-	-
Money market funds	13,822	13,822	-	-
Total	<u>\$ 856,799</u>	<u>\$ 856,799</u>	<u>\$ -</u>	<u>\$ -</u>

See independent accountant’s review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022

Note 4 – Fair Value Measurements (continued)

Description	2022			
	Total	Level 1	Level 2	Level 3
Common stocks:				
Healthcare	\$ 14,824	\$ 14,824	\$ -	\$ -
Technology	26,149	26,149	-	-
Consumer	34,676	34,676	-	-
Financial services	19,829	19,829	-	-
Real estate	7,805	7,805	-	-
Energy	3,640	3,640	-	-
Other	5,418	5,418	-	-
Mutual funds:				
Stock	65,176	65,176	-	-
Bond	144,370	144,370	-	-
Exchange traded funds:				
Blend	28,141	28,141	-	-
Money market funds	11,894	11,894	-	-
Total	<u>\$ 361,922</u>	<u>\$ 361,922</u>	<u>\$ -</u>	<u>\$ -</u>

Money market funds are recorded in cash and cash equivalents within the statements of financial position.

Note 5 – Line of credit

The Organization has available a \$150,000 line of credit with a 8.25% and 7.50% interest rate for the years ended December 31, 2023 and 2022. During February 2024, the line of credit was extended through February 7, 2025. At December 31, 2023 and 2022, the Organization had an outstanding balance of \$0.

Note 6 – Net Assets with Donor Restrictions

Net assets with donor restrictions 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, 2023 or 2022 are as follows:

2023	Beginning Balance	Contribution Additions	Restrictions Released	Ending Balance
CVB hotel taxes	\$ 642,431	\$ 828,303	\$ 793,148	\$ 677,586
Total	<u>\$ 642,431</u>	<u>\$ 828,303</u>	<u>\$ 793,148</u>	<u>\$ 677,586</u>

See independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022

Note 6 – Net Assets with Donor Restrictions (continued)

2022	Beginning Balance	Contribution Additions	Restrictions Released	Ending Balance
CVB hotel taxes	\$ 515,805	\$ 770,823	\$ 644,197	\$ 642,431
Total	<u>\$ 515,805</u>	<u>\$ 770,823</u>	<u>\$ 644,197</u>	<u>\$ 642,431</u>

Note 7 – Governmental contracts - Convention and Visitors Bureau

The Hancock County Commissioners enacted Resolution 379-91 on December 17, 1991. This resolution authorized Hancock County (the County) to enter into an agreement with the Organization to provide for the operations of CVB. The County agrees to remit to CVB 40% of the net proceeds of the actual collection of the hotel/motel tax. The aforementioned fund is to be used for promoting and publicizing Hancock County, including the City of Findlay, in order to bring the patronage of business and tourists; and cultural, educational, religious, professional and sports organizations into the County.

The contract began in 1992 and can be renewed annually. The Organization will receive the full 3% tax assessed by the County from hotels and motels to fund CVB. Revenue is recognized when earned. In December 2020, the agreement was renewed effective January 1, 2021 for one year. In December 2021, the agreement was renewed effective January 1, 2022 for 5 years. In the event of termination, any and all remaining monies originally received from the County shall be returned to the General Fund of the County.

Note 8 – Contributions of Nonfinancial Assets

In 2023, the Organization received services for communications/advertising, transportation, maintenance, and professional services totaling \$20,695 with offsetting expenses of \$20,695. In 2022, the Organization received services totaling \$18,865 with offsetting expenses of \$18,865.

	2023	2022
(a) Services	\$ 14,355	\$ 13,525
(b) Food	3,740	3,440
(c) Prizes	2,600	1,900
Total	<u>\$ 20,695</u>	<u>\$ 18,865</u>

The contributed nonfinancial assets have no associated donor restrictions.

- (a) Services – Contributed services include advertising, snow removal, recycling, and MC for ceremonies valued and reported at estimated fair value based on current rates for similar services.
- (b) Food – Contributed food was utilized in the Rally in the Alley event and valued based on the cost of the related food.
- (c) Prizes – Prizes contributed by local business for annual golf outing reported at fair value.

See independent accountant’s review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022

Note 9 – Retirement Plan

The Organization has a qualified profit-sharing plan (the Plan) for which full-time employees are eligible after thirty days of service provided that they are twenty-one years of age or older. The Plan allows eligible employees to defer the lower of 92% of their compensation or the maximum contribution specified for that year in accordance with the Internal Revenue Code Section 401(k). The Organization contributes 3% of an employee's compensation to the Plan and matches up to 4% of an employee's deferral. Effective January 1, 2019, new hires are automatically enrolled at 6% unless they elect to opt out, and contributions to an employee's 401(k) account are immediately 100% vested. Profit sharing and matching expense was \$46,320 and \$48,683 for the years ended December 31, 2023 and 2022, respectively.

Note 10 – Operating Leases

In July of 2017, the Organization entered into a 60-month equipment (copier) lease agreement. Lease expense for 2022 was \$2,024. The copier lease was not renewed.

In January of 2018, the Organization entered into a 63-month equipment (postage meter) lease agreement. Lease expense for 2023 and 2022 was \$676 and \$2,028.

In April of 2023, the Organization entered into a 36-month equipment (postage meter) lease agreement. Lease expense for 2023 and was \$1,048. Future minimum lease payments for 2024, 2025, and 2026 are \$1,572, \$1,572, and \$524, respectively.

The Organization rents its premises from the Foundation on a month-to-month basis. Rent paid to this related organization amounted to \$115,200 for 2023 and for 2022. 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 11 – Unrelated Business Income

For the years December 31, 2023 and 2022, the Organization had no tax expense with regards to its unrelated business income.

Note 12 – Related Parties

All members of the Organization's Board of Directors also comprise the Board of Trustees of Findlay-Hancock County Alliance Foundation (the Alliance Foundation). 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 receivable from the Alliance Foundation amounted to \$223,156 and \$223,966 at December 31, 2023 and 2022, respectively.

See independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022

Note 12 – Related Parties (continued)

During 2022, the Alliance contributed \$11,650 to the Alliance Foundation 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 \$278,799 and \$297,431 at December 31 2023 and 2022, respectively, with monthly principal and interest payments of \$1,953 and the final payment due October 2040.

During 2023 and 2022, two members of the Organization’s Board of Directors, operate and/or manage local businesses that the Organization dealt with during the normal course of business. For the years ended December 31, 2023 and 2022, the amounts of these business services charged to operating expenses were \$38,324 and \$3,043, respectively.

Note 13 – Liquidity and Availability of Financial Assets

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

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,439,583	\$ 1,631,726
Accounts receivable	67,235	69,448
Hotel/motel tax receivable	187,514	191,725
Investments	842,977	350,028
Less net assets with donor restrictions	<u>(677,586)</u>	<u>(642,431)</u>
Total	<u>\$ 1,859,723</u>	<u>\$ 1,600,496</u>

The Organization had \$1,859,723 and \$1,600,496 at December 31, 2023 and 2022, respectively, of financial assets available within one year of the statements of financial position date to meet cash needs for general expenditures, consisting of cash, receivables and investments. The Organization reviews cash balances on a monthly basis to ensure cash flow. Additionally, as discussed in Note 5, a line of credit is available in the amount of \$150,000 in the event of short-term cash needs.

Note 14 – Methods Used for the Allocation of Expenses

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 support services on a reasonable basis that is consistently applied. The expenses that are allocated include: professional services, travel, advertising which are allocated based on time spent; and office expenses, occupancy, depreciation, information technologies, and insurance, which are allocated based on square footage and identification of resources consumed.

See independent accountant’s review report.

**NOTES TO FINANCIAL STATEMENTS
FINDLAY-HANCOCK COUNTY ALLIANCE
December 31, 2023 and 2022**

Note 15 – Subsequent Events

The Organization evaluated subsequent events through June 14, 2024, 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 events discussed in Note 5.

SUPPLEMENTARY INFORMATION

SCHEDULE I - DEPARTMENTAL EXPENSES
FINDLAY-HANCOCK COUNTY ALLIANCE
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
MEMBER SERVICES - CHAMBER		
Programs	\$ 47,495	\$ 35,824
Small Business Awards	9,873	7,128
Rally in the Alley	13,099	13,297
Safety council	22,480	9,972
Golf outing	40,812	44,183
Hancock Leadership Alumni Association	-	4,329
Total member services	<u>\$ 133,759</u>	<u>\$ 114,733</u>
MARKETING - CHAMBER		
Travel	\$ 12,648	\$ 8,775
Printing	3,641	549
Marketing/advertising	22,322	14,497
Total marketing	<u>\$ 38,611</u>	<u>\$ 23,821</u>
ADMIN. - SALARIES AND BENEFITS - CHAMBER		
Salaries	\$ 212,527	\$ 196,298
Operational and support services	60,671	52,628
Employee benefits and taxes	76,138	74,148
Total salaries and benefits	<u>\$ 349,336</u>	<u>\$ 323,074</u>

See accompanying notes and independent accountant's review report.

SCHEDULE I - DEPARTMENTAL EXPENSES
FINDLAY-HANCOCK COUNTY ALLIANCE
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADMIN. - OPERATIONS - CHAMBER		
Training	\$ 700	\$ 5,412
Dues and subscriptions	9,658	6,258
Postage	1,138	2,044
Telephone/internet	2,039	1,769
Professional services	5,952	6,606
Supplies and miscellaneous	7,558	6,077
Other expenses	10,643	6,935
Software	15,126	14,988
Facility - rent, utilities and maintenance	45,239	49,251
Depreciation	1,216	5,304
Contribution to Foundation	-	3,883
Total admin. - operations	<u>\$ 99,269</u>	<u>\$ 108,527</u>
Total Chamber expense	<u>\$ 620,975</u>	<u>\$ 570,155</u>
Less allocated support services	<u>(94,340)</u>	<u>(73,555)</u>
Less allocated fundraising services	<u>(40,812)</u>	<u>(44,183)</u>
Total Chamber program expenses	<u>\$ 485,823</u>	<u>\$ 452,417</u>
CONVENTION AND VISITORS BUREAU		
Travel	\$ 2,307	\$ 452
Board development	61	-
Marketing/advertising	440,319	316,143
Salaries	151,642	140,868
Operational services	60,672	52,628
Employee benefits and taxes	50,909	46,369
Training	199	99
Dues and subscriptions	9,450	6,623
Postage	385	332
Telephone/internet	2,280	2,574
Professional services	5,002	10,136
Facility - rent, utilities and maintenance	48,301	49,602
Depreciation	4,450	5,798
Supplies and miscellaneous	17,171	12,294
Contribution to Foundation	-	3,883
Total Convention and Visitors Bureau expenses	<u>793,148</u>	<u>647,801</u>
Less allocated support services	<u>(183,193)</u>	<u>(150,208)</u>
Total Convention and Visitors Bureau program expenses	<u>\$ 609,955</u>	<u>\$ 497,593</u>

See accompanying notes and independent accountant's review report.

SCHEDULE I - DEPARTMENTAL EXPENSES
FINDLAY-HANCOCK COUNTY ALLIANCE
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ECONOMIC DEVELOPMENT COUNCIL		
Program expenses	\$ 2,100	\$ -
Business development	57,564	80,970
Printing	107	884
Marketing/advertising	12,471	23,769
In-kind contributions	20,695	18,865
Training	100	-
Salaries	174,938	246,266
Operational services	60,672	51,853
Employee benefits and taxes	59,805	69,333
Dues and subscriptions	8,406	12,056
Postage	153	215
Telephone/internet	2,199	3,355
Professional services	33,630	12,044
Facility - rent, utilities and maintenance	46,085	49,601
Depreciation	5,372	5,659
Software	2,444	4,916
Supplies and miscellaneous	16,526	13,614
Contribution to Foundation	-	3,883
Total Economic Development Council expenses	<u>503,267</u>	<u>597,283</u>
Less allocated support services	<u>(113,562)</u>	<u>(111,582)</u>
Less allocated fundraising services	<u>(6,266)</u>	<u>(7,744)</u>
Total Economic Development Council program expenses	<u>\$ 383,439</u>	<u>\$ 477,957</u>
Total all departmental expenses	<u>\$ 1,917,390</u>	<u>\$ 1,815,239</u>

See accompanying notes and independent accountant's review report.