

**THE FALLS OF THE OHIO FOUNDATION, INC.**

**FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**THE FALLS OF THE OHIO FOUNDATION, INC.**

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## ACCOUNTANT'S COMPILATION REPORT

**To the Board of Directors  
The Falls of the Ohio Foundation, Inc.  
Clarksville, Indiana**

Management is responsible for the accompanying financial statements of The Falls of the Ohio Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

November 7, 2022

**THE FALLS OF THE OHIO FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**  
**SEE ACCOUNTANT'S COMPILATION REPORT**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 484,264
Cash - restricted for projects	36,833
Investments	3,718
Total current assets	524,815
 <b>PROPERTY &amp; EQUIPMENT</b>	
Equipment	2,665
Film	584,901
Furniture, technology, and outdoor structures	67,961
Construction in progress - outdoor structures	8,000
	663,527
Less - accumulated depreciation	160,548
	502,979
 <b>TOTAL ASSETS</b>	 <b>\$ 1,027,794</b>
 <b>NET ASSETS</b>	
Without donor restrictions	990,961
With donor restrictions	36,833
Total net assets	1,027,794
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ 1,027,794</b>

**THE FALLS OF THE OHIO FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**  
**SEE ACCOUNTANT'S COMPILATION REPORT**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Bricks, day camps, and telescopes	\$ 6,934	\$	\$ 6,934
Contributions	51,973	3,078	55,051
Events	126,127		126,127
Group visits	225	15,775	16,000
In-kind facilities	36,000		36,000
Investment income, net	663		663
Membership dues	12,970		12,970
River room project		9,600	9,600
Gain on donation of property and equipment	7,316		7,316
	<hr/>	<hr/>	<hr/>
Total revenue before releases	242,208	28,453	270,661
Net assets released from restrictions	5,669	(5,669)	
Total revenue, gains, and other support	<hr/> 247,877	<hr/> 22,784	<hr/> 270,661
<b>EXPENSES</b>			
Total program expenses	165,668		165,668
Total fundraising expenses	169,316		169,316
Total general and administrative expenses	91,112		91,112
Total expenses	<hr/> 426,096	<hr/>	<hr/> 426,096
<b>(DECREASE) INCREASE IN NET ASSETS</b>	(178,219)	22,784	(155,435)
<b>NET ASSETS - BEGINNING OF YEAR</b>	<hr/> 1,169,180	<hr/> 14,049	<hr/> 1,183,229
<b>NET ASSETS - END OF YEAR</b>	<hr/> <b>\$ 990,961</b>	<hr/> <b>\$ 36,833</b>	<hr/> <b>\$ 1,027,794</b>

The accompanying notes are an integral part of these financial statements.

**THE FALLS OF THE OHIO FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2021  
SEE ACCOUNTANT'S COMPILATION REPORT**

	<u>SUPPORTING ACTIVITIES</u>			<u>PROGRAM ACTIVITIES</u>	<u>TOTAL</u>
	<u>FUNDRAISING</u>	<u>MANAGEMENT AND GENERAL</u>			
<b>EXPENSES</b>					
Bricks, day camps, and telescopes	\$ 1,863	\$	\$	\$	1,863
Compensation	59,204		53,524	33,705	146,433
Depreciation			381	52,765	53,146
Events	80,818				80,818
Film, music, and technology projects				1,155	1,155
Occupancy	9,000		18,000	9,000	36,000
Information technology	2,108		4,214	2,108	8,430
Donation of property and equipment				52,000	52,000
Meals and entertainment	61		121	61	243
Office expense	4,855		10,231	4,842	19,928
Other program expenses	1,833		150	7,575	9,558
Professional services	2,000		4,000	2,000	8,000
Promotion and fundraising	7,574		491	457	8,522
<b>TOTAL EXPENSES</b>	<b>\$ 169,316</b>	<b>\$</b>	<b>\$ 91,112</b>	<b>\$ 165,668</b>	<b>\$ 426,096</b>

**THE FALLS OF THE OHIO FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2021**  
**SEE ACCOUNTANT'S COMPILATION REPORT**

**OPERATING ACTIVITIES**

Change in net assets	\$ (155,435)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	53,146
Reinvested dividends and interest	(43)
Unrealized loss on investments	(57)
(Decrease) in liabilities:	
State park dedicated funds liability	<u>(5,669)</u>
Net cash used in operating activities	<u>(108,058)</u>

**INVESTING ACTIVITIES**

Donation of property and equipment	44,684
Purchases of property and equipment	<u>(10,665)</u>
Net cash used in investing activities	<u>34,019</u>
Net change in cash	(74,039)

CASH - BEGINNING OF YEAR	<u>595,136</u>
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<b>CASH - END OF YEAR</b>	<b>\$ <u><u>521,097</u></u></b>
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**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:**

Donation of property and equipment:	
Fair value	\$ 52,000
Book value	44,684
Gain	<u><u>\$ 7,316</u></u>

**THE FALLS OF THE OHIO FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF ACTIVITIES** – The Falls of the Ohio Foundation, Inc. (the Foundation) is a nonprofit, charitable organization whose mission is to be a collaborative force focused on elevating the awareness, recognition and legacy of the Falls of the Ohio area. The Foundation does this by elevating the landscape and preserving it for future generations, educating the community on the area’s significance, and activating the space in ways that connect people to the stories of the past. The Foundation is supported primarily through donor contributions and annual membership dues.

The Foundation operates in the interpretive center at the Falls of the Ohio State Park under an agreement with the State of Indiana, through its Department of Natural Resources (the State). The agreement expires in August 2022, and the Foundation is currently working with the State on a new agreement. The State and the Foundation have verbally agreed to honor the current agreement while the new agreement is being negotiated.

**BASIS OF PRESENTATION** – The financial statements of the Foundation have been prepared on the accrual basis of accounting. The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

- Net Assets without Donor Restriction—Net assets that are not subject to donor-imposed stipulations.
- Net Assets with Donor Restriction—Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Foundation has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

**INVESTMENTS** – Investments in equity securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**CONTRIBUTIONS** – Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.



**THE FALLS OF THE OHIO FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**CONTRIBUTIONS (CONTINUED)** – The Foundation uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. The Foundation did not have any receivables as of December 31, 2021.

**CONTRIBUTED SERVICES AND FACILITIES** – No amounts have been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as contributed services.

Certain contributed use of facilities is recorded as support and expenses at fair market value when determinable, otherwise at values indicated by the donor. The Foundation received donated facilities from the State, as discussed above, valued at \$36,000 for the year ended December 31, 2021.

**PROPERTY AND EQUIPMENT** – The Foundation capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions.

Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets ranging from five to fifteen years. Depreciation expense was \$53,146 for the year ended December 31, 2021.

**ADVERTISING** – The Foundation expenses all advertising costs as incurred. Advertising expense was \$2,125 for the year ended December 31, 2021.

**INCOME TAX STATUS** – The Foundation is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for federal or state income taxes is included in the accompanying financial statements. The Foundation evaluates its uncertain tax positions in accordance with applicable standards. It has evaluated its tax positions and believes that it has none that are uncertain.

**USE OF ESTIMATES** – The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ALLOCATION OF FUNCTIONAL EXPENSES** – The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, occupancy, membership, and management and general, which are allocated on the basis of estimates of time and effort.

**THE FALLS OF THE OHIO FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE 2 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

On September 17, 2020, the FASB issued ASU No. 2020-07 *Not-for-Profit Entities* (Topic 958). This new standard is intended to increase transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. Nonfinancial assets include fixed assets, use of fixed assets or utilities, materials and supplies, intangible assets, services and unconditional promises of those assets. This new standard is in effect for nonprofit organizations' annual reporting periods beginning after June 15, 2021. Early adoption is permitted. Management has not yet determined whether this new standard will have a material effect on its financial statements.

**NOTE 3 – CASH**

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position that sum to the amounts shown in the statement of cash flows as of December 31, 2021:

Cash	\$ 484,264
Cash – restricted for projects	<u>36,833</u>
<b>Total cash and cash – restricted for projects</b>	<b>\$ <u>521,097</u></b>

**NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Foundation's financial assets available to meet cash needs for general expenditures within one year as of December 31, 2021, was \$487,982. Available amounts include highly liquid cash and investments.

The Foundation's cash – restricted for projects of \$36,833 as of December 31, 2021 will be released from restricted in the next twelve months when used for the designated purposes.

**NOTE 5 – FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

**THE FALLS OF THE OHIO FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**NOTE 5 – FAIR VALUE MEASUREMENTS (CONTINUED)**

*Level 1*

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

*Level 2*

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- 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 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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021.

*Common stocks:* Valued at the closing price reported on the active market on which the individual securities are traded.

The following table set forth by level, within the fair value hierarchy, the Foundation's investments at fair value:

**Investments at Fair Value as of December 31, 2021:**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 166			\$ 166
Common stocks		<u>3,552</u>		<u>3,552</u>
<b>Investments at fair value</b>	<b>\$ <u>3,718</u></b>			<b>\$ <u>3,718</u></b>

As of December 31, 2021, the carrying cost of the investments was \$894.

**THE FALLS OF THE OHIO FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions include contributions for which donor imposed restricted are to be met and are restricted for certain projects and facility expenditures. Management expects these contributions to be used for the donor-imposed purpose in 2022.

**NOTE 7 – CONCENTRATIONS**

The Foundation maintains cash balances in various financial institutions. The balances may, at times, exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**NOTE 8 – DONATION OF PROPERTY AND EQUIPMENT**

In May 2021, the Foundation donated the music playground equipment to the State's Falls of the Ohio State Park Interpretive Center. The fair value of the equipment was \$52,000, and the carrying cost as of the date of donation was \$44,684, resulting in a gain on the donation of \$7,316.

**NOTE 9 – SUBSEQUENT EVENTS**

The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through November 7, 2022, the date the financial statements were available to be issued.