

THE FALLS OF THE OHIO FOUNDATION, INC.
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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, 2023, 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.

A handwritten signature in blue ink that reads 'Louis T. Roth & Co. PLLC'. The signature is written in a cursive, flowing style.

November 19, 2024

THE FALLS OF THE OHIO FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
SEE ACCOUNTANT'S COMPILATION REPORT

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 408,240
Cash and cash equivalents - restricted for programs and projects	165,725
Investments	2,517
Investments - endowment fund	104,957
Prepaid expenses	5,000
Total current assets	686,439
 PROPERTY & EQUIPMENT	
Equipment	14,514
Film	584,901
Furniture and technology	109,341
Outdoor classroom	41,555
Construction in progress	17,047
	767,358
Less - accumulated depreciation	270,791
	496,567
 TOTAL ASSETS	
	\$ 1,183,006
 LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 2,688
Deferred revenue	14,289
Total current liabilities	16,977
 NET ASSETS	
Without donor restrictions	895,347
With donor restrictions	270,682
Total net assets	1,166,029
 TOTAL NET ASSETS	
	\$ 1,183,006

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

THE FALLS OF THE OHIO FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023
SEE ACCOUNTANT'S COMPILATION REPORT

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Bricks, day camps, and telescopes	\$ 5,309	\$	\$ 5,309
Contributions	142,809		142,809
Events	89,617		89,617
Group visits		32,000	32,000
In-kind contribution - endowment fund		99,832	99,832
In-kind contribution - facilities	36,000		36,000
In-kind contributions - other	4,675		4,675
Investment income, net	9,173		9,173
Membership dues	18,245		18,245
Projects		126,800	126,800
	<hr/>	<hr/>	<hr/>
Revenue before releases	305,828	258,632	564,460
Net assets released from restrictions - restrictions satisfied by use of funds	<hr/> 62,443	<hr/> (62,443)	<hr/>
Total revenue, gains, and other support	368,271	196,189	564,460
EXPENSES			
Fundraising	75,880		75,880
Management and general	111,785		111,785
Program activities	202,131		202,131
Total expenses	<hr/> 389,796	<hr/>	<hr/> 389,796
INCREASE (DECREASE) IN NET ASSETS	(21,525)	196,189	174,664
Net assets at beginning of year	<hr/> 916,872	<hr/> 74,493	<hr/> 991,365
NET ASSETS AT END OF YEAR	<u>\$ 895,347</u>	<u>\$ 270,682</u>	<u>\$ 1,166,029</u>

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, 2023
SEE ACCOUNTANT'S COMPILATION REPORT**

	<u>SUPPORTING ACTIVITIES</u>			<u>TOTAL</u>
	<u>FUNDRAISING</u>	<u>MANAGEMENT AND GENERAL</u>	<u>PROGRAM ACTIVITIES</u>	
Bricks, day camps, and telescopes	\$ 455	\$	\$ 1,363	\$ 1,818
Compensation	41,522	83,043	41,521	166,086
Depreciation			57,138	57,138
Events	8,686		35,816	44,502
Film, music, and technology projects			5,855	5,855
Information technology	1,984	1,983	3,967	7,934
Meals and entertainment	506	1,013	506	2,025
Occupancy	9,000	18,000	9,000	36,000
Office expense	5,594	6,077	10,695	22,366
Other program expenses	138		27,380	27,518
Professional services	5,555	1,135	6,480	13,170
Promotion and fundraising	2,440	534	2,410	5,384
TOTAL FUNCTIONAL EXPENSES	\$ <u>75,880</u>	\$ <u>111,785</u>	\$ <u>202,131</u>	\$ <u>389,796</u>

THE FALLS OF THE OHIO FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
SEE ACCOUNTANT'S COMPILATION REPORT

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 174,664
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
In-kind contribution of investments - endowment fund	(99,832)
Depreciation	57,138
Unrealized loss on investments	212
Changes in assets and liabilities	
(Increase) Decrease in:	
Prepaid expenses	(5,000)
Increase (Decrease) in:	
Accounts payable	2,688
Deferred revenue	14,289
Total adjustments	<u>(30,505)</u>
Net cash provided by operating activities	144,159

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(67,224)
Purchases of investments	<u>(121)</u>
Net cash used in investing activities	<u>(67,345)</u>

THE FALLS OF THE OHIO FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
SEE ACCOUNTANT'S COMPILATION REPORT

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from sale of contributed investments restricted for long-term purposes	\$ 100,681
Purchases of investments restricted for long-term purposes	(102,598)
Net unrealized and realized gains on investments restricted for long-term purposes	<u>(3,208)</u>
Net cash used in financing activities	<u>(5,125)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	71,689
Cash and cash equivalents at beginning of year	<u>502,276</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 573,965</u></u>

SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS:

In-kind contribution - endowment fund	\$ 99,832
In-kind contribution - facilities	36,000
In-kind contributions - other	4,675

THE FALLS OF THE OHIO FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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 inspire a sense of wonder of the Falls of the Ohio region through education, preservation, and exploration. 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) that expires March 17, 2028.

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.

CASH AND CASH EQUIVALENTS – The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

INVESTMENTS – Investments 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, gains and losses 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, 2023

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

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 expense 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, 2023. The Foundation determined the value based on comparable rental rates in the area.

PROPERTY AND EQUIPMENT – The Foundation capitalizes property and equipment over \$1,000, and lesser amounts are expensed. Purchased property and equipment are capitalized at cost. 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 \$57,138 for the year ended December 31, 2023.

Donations of property and equipment are capitalized at their estimated fair value on 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.

ADVERTISING – The Foundation expenses advertising costs as incurred. Advertising expense was \$3,120 for the year ended December 31, 2023.

INCOME TAX STATUS – The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as other than a private foundation.

USE OF ESTIMATES – The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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 and benefits, certain fundraising expenses, and certain management and general expenses, 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, 2023**

NOTE 2 – CASH AND CASH EQUIVALENTS

The following table provides a reconciliation of cash and cash equivalents and cash and cash equivalents – restricted for projects reported within the statement of financial position that sum to the amount shown in the statement of cash flows as of December 31, 2023:

Cash and cash equivalents	\$ 408,240
Cash and cash equivalents – restricted for projects	<u>165,725</u>
Total cash and cash equivalents	\$ <u>573,965</u>

NOTE 3 – RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions were available for the following purposes as of December 31, 2023:

Subject to expenditure for specified purposes	
Pavilion and other outdoor structures	\$ 135,600
Group visits	32,000
RiverCam	1,250
Bird area	<u>2,000</u>
	170,850
Endowment funds	
Amounts required to be invested in perpetuity	99,832
Subject to appropriation for support of education programs	<u>5,125</u>
	<u>104,957</u>
Total net assets with donor restrictions	\$ <u>270,682</u>

NOTE 4 – ENDOWMENT FUND

The Foundation's endowment fund was established in 2023 to support the Foundation's educational initiatives and programming. Contributions to the endowment fund are subject to donor restrictions that stipulate the funds be used solely for the purpose as previously described. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and, therefore, classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions until the board of directors (board) appropriates amounts for expenditure and any purpose restrictions have been met. The board has interpreted UPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the Foundation would consider the fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The fund is not currently underwater

**THE FALLS OF THE OHIO FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 4 – ENDOWMENT FUND (CONTINUED)

In accordance with UPMIFA, the Foundation considers several factors in making a determination to appropriate or accumulate donor-restricted endowment funds, including general economic conditions, the possible effects of inflation or deflation, the expected total return from income and the appreciation of investments, other resources of the Foundation and the investment policy of the Foundation.

The endowment fund consisted of the following as of December 31, 2023:

Amounts required to be invested in perpetuity	\$ 99,832
Subject to appropriation for support of education programs	<u>5,125</u>
Total donor-restricted endowment fund	\$ <u>104,957</u>

The Foundation has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and provide its education program with current income. Endowment assets are invested in equity securities, fixed income securities, pooled or mutual funds, exchange-traded funds, derivative instruments, cash equivalents and alternative investments. Allowed alternative investments, which are limited to 5% of the Foundation’s assets, include private investment vehicles that invest in alternative asset classes and strategies such as hedge funds, private equity, real estate, timber, natural resources, and other types of specialized investing, provided the general partners or investments management firms overseeing the these types of strategies are 1) registered with the Securities & Exchange Commission; and 2) oversee a minimum of \$500 million of investment assets in these types of strategies.

Performance objectives are established for each investment manager and are evaluated against the appropriate market index.

The Foundation’s board determines the maximum allowable spending rate (typically between 3% and 5%) on January 1, using the 12-quarter average of the fair market value of the endowment fund as of December 31 each year, to be distributed in the first quarter of the calendar year following the January 1 calculation. New endowment funds may make disbursements using this process once the fund has at least 4 quarters to average.

The Foundation generally expends the endowment fund’s investment income for educational initiatives and programming in that fiscal year. The current spending policy is not expected to allow the Foundation’s endowment fund to grow as a result of investment returns. This is consistent with the Foundation’s objectives to provide income for its education program, preserve endowment assets without subjecting them to substantial risk, and provide additional real growth through new gifts.

The composition of endowment net assets and the changes in endowment net assets as of and for the year ended December 31, 2023, were as follows in net assets with donor restrictions:

Endowment net assets, January 1, 2023	\$
Contributions	99,832
Investment return, net	<u>5,125</u>
Endowment net assets, December 31, 2023	\$ <u>104,957</u>

**THE FALLS OF THE OHIO FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of December 31, 2023, reduced by amounts not available for general use because of donor-imposed restrictions. Donor-restricted amounts that are available for use within one year include the cash and cash equivalents – restricted for programs and projects.

Financial assets, December 31, 2023	\$ 681,439
Less those unavailable for general expenditures within one year, due to:	
Donor-restricted to maintain as an endowment	<u>99,832</u>
Financial assets available to meet cash needs for general expenditures within 1 year	\$ <u>581,607</u>

As part of the Foundation's liquidity management, it maintains cash in excess of daily requirements in different interest-bearing and non-interest-bearing bank accounts.

NOTE 6 – FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification (ASC) 820 *Fair Value Measurements and Disclosures* provides 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:

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 FALLS OF THE OHIO FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

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 as of December 31, 2023.

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

Exchange traded and closed end funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

The following table set forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of December 31, 2023:

	<u>Level 1</u>	<u>Level</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 452			\$ 452
Common stocks	2,186			2,186
Exchange traded and closed end funds	42,136			42,136
Mutual Funds	<u>62,700</u>			<u>62,700</u>
Investments at fair value	\$ <u>107,474</u>			\$ <u>107,474</u>

The carrying cost of the investments was \$101,526 as of December 31, 2023.

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 related to cash and cash equivalents.

NOTE 8 – SUBSEQUENT EVENTS

The River Room Project that was completed in October 2023 for \$12,000 was donated to the Department of Natural Resources on February 21, 2024.

The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through November 19, 2024, the date the financial statements were available to be issued.