

**HANCOCK CHRISTIAN  
CLEARING HOUSE**

**Report for the Years Ended  
December 31, 2023 and 2022**

# HANCOCK CHRISTIAN CLEARING HOUSE

Report for the Years Ended December 31, 2023 and 2022 (Restated)

## TABLE OF CONTENTS

	<b>Exhibit</b>	<b>Page</b>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT		1
STATEMENTS OF FINANCIAL POSITION	A	2
STATEMENTS OF ACTIVITIES	B	3 - 4
STATEMENTS OF FUNCTIONAL EXPENSES	C	5 - 6
STATEMENTS OF CASH FLOWS	D	7
NOTES TO FINANCIAL STATEMENTS		8 - 17



### INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Trustees  
Hancock Christian Clearing House  
Findlay, Ohio

We have reviewed the accompanying financial statements of Hancock Christian Clearing House (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization 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 the 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 the financial statements that are free from material misstatement whether due to fraud or error.

**Accountants' 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 Hancock Christian Clearing House and to meet out other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Correction of Errors**

As discussed in Note M to the financial statements, certain errors resulting in incorrect amounts previously reported for unconditional promises to give and revenue and right-to-use assets, operating lease liabilities, and expenses as of December 31, 2022, were discovered by management of the Hancock Christian Clearing House during the current year. Accordingly, amounts reported for these items have been restated in the 2022 financial statements now presented, and an adjustment has been made to net assets as of December 31, 2022, to correct the errors. Our conclusion is not modified with respect to that matter.

**Accountants' 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 the accounting principles generally accepted in the United States of America.

*Knueven, Schroeder & Co.*

Findlay, Ohio  
August 8, 2024

**EXHIBIT A**

**HANCO**

**Dec**

**ASSETS**

Cash and cash equivalents - NOTE

Unconditional promises to give - N

Prepaid expenses

**TOTAL CURRENT ASSETS**

**EQUIPMENT & SOFTWARE, I**

**OTHER ASSETS**

Right-of-use assets - NOTE I

Investments - Community Founda

Edward Jones investments - NOTE

**TOTAL OTHER ASSETS**

**TOTAL ASSETS**

\$ 415,386

221,690

232

637,308

5,705

9,001

89,022

296,073

394,096

\$ 1,037,109

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 29,331	\$ 16,477
Withheld and accrued payroll liabilities	2,418	2,673
BVC agency fund - NOTES A and G	2,646	10,498
Current portion - Operating lease liabilities - NOTE I	11,930	4,508
Unearned revenue	2,500	2,500
<b>TOTAL CURRENT LIABILITIES</b>	48,825	36,656

**LONG-TERM LIABILITIES**

Operating lease liabilities, net of current portion - NOTE I	55,532	5,311
<b>TOTAL LIABILITIES</b>	104,357	41,967

**NET ASSETS**

Without donor restrictions - NOTE L	691,478	669,079
With donor restrictions - NOTE L	316,037	326,063
<b>TOTAL NET ASSETS</b>	1,007,515	995,142

<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 1,111,872	\$ 1,037,109
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See Independent Accountants' Review Report and Notes to Financial Statements

**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Statements of Activities**  
**For the Years Ended December 31, 2023 and 2022 (Restated)**

**2023**

	Without Donor	With Donor	Total	Percent of	W
	Restrictions	Restrictions	Revenue	Revenue	
<b>REVENUE AND OTHER SUPPORT</b>					
United Way funding	\$ -	\$ 102,365	\$ 102,365	13.26	%

Grants	-	69,485	69,485	9.00
Contributions	282,010	27,780	309,790	40.13
In-kind contributions	96,577	71,555	168,132	21.78
Fundraising - NOTE J	63,898	-	63,898	8.28
BVC administration fee	5,000	-	5,000	0.65
Investment Income	13,438	-	13,438	1.74
Change in Community Foundation	5,293	6,801	12,094	1.57
Change in Edward Jones Investments	27,728	-	27,728	3.59
Net assets released from restrictions - NOTE L				
United Way funding for the year	74,948	(74,948)	-	0.00
Satisfaction of grant/contribution restriction	<u>213,064</u>	<u>(213,064)</u>	<u>-</u>	<u>0.00</u>
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<u>781,956</u>	<u>(10,026)</u>	<u>771,930</u>	<u>100.00</u>
<b>EXPENSES</b>				
Program services - EXHIBIT C	681,080	-	681,080	88.23
Supporting services - EXHIBIT C				
Management and general	27,895	-	27,895	3.62
Fundraising	<u>50,582</u>	<u>-</u>	<u>50,582</u>	<u>6.55</u>
<b>TOTAL EXPENSES</b>	<u>759,557</u>	<u>-</u>	<u>759,557</u>	<u>98.40</u>
<b>CHANGE IN NET ASSETS</b>	22,399	(10,026)	12,373	<u>1.60</u> %
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>669,079</u>	<u>326,063</u>	<u>995,142</u>	
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 691,478</u>	<u>\$ 316,037</u>	<u>\$ 1,007,515</u>	

See Independent Accountants' Review Report and Notes to Financial Statements

**EXHIBIT B**

**2022 Restated**

<b>Without Donor</b>	<b>With Donor</b>	<b>Percent of</b>	
<b>Restrictions</b>	<b>Restrictions</b>	<b>Total</b>	<b>Revenue</b>
\$ -	\$ 57,885	\$ 57,885	6.16 %
40,955	335,789	376,744	40.11

328,105	25,194	353,299	37.62
69,131	60,665	129,796	13.82
69,184	-	69,184	7.37
5,000	-	5,000	0.53
6,709	-	6,709	0.71
(17,721)	4,604	(13,117)	-1.40
(46,309)	-	(46,309)	-4.93
56,052	(56,052)	-	0.00
<u>234,526</u>	<u>(234,526)</u>	<u>-</u>	<u>0.00</u>
<u>745,632</u>	<u>193,559</u>	<u>939,191</u>	<u>100.00</u>
494,839	-	494,839	52.69
29,340	-	29,340	3.12
<u>44,337</u>	<u>-</u>	<u>44,337</u>	<u>4.72</u>
<u>568,516</u>	<u>-</u>	<u>568,516</u>	<u>60.53</u>
177,116	193,559	370,675	<u>39.47</u> %
<u>491,963</u>	<u>132,504</u>	<u>624,467</u>	
<u>\$ 669,079</u>	<u>\$ 326,063</u>	<u>\$ 995,142</u>	

**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2023 and 2022 (Restated)**

**2023**

**Supporting Services**

Salaries  
Payroll taxes and benefits  
**TOTAL SALARIES & RELATED EXPENSES**

Client assistance  
Advertising  
Bank and credit card fees  
Computer network, supplies, repairs & processing  
Professional and consulting fees

Memberships and meetings  
 Fundraising events expense  
 Insurance  
 Postage  
 Miscellaneous  
 Occupancy  
 Repairs & maintenance  
 Supplies  
 Volunteers

**TOTAL EXPENSES  
 BEFORE DEPRECIATION**

Depreciation - NOTES A and D

**TOTAL EXPENSES - EXHIBIT B**

	<b>Emergency Management Assistance</b>	<b>&amp; General</b>	<b>Fund Raising</b>
	\$ 54,843	\$ 18,140	\$ 28,263
	<u>5,755</u>	<u>1,903</u>	
	60,598	20,043	<u>2,966</u>
			31,229
	587,085	-	-
	-	1,181	-
	-	-	-
			396
	1,300	430	670
	3,546	1,173	1,829
	3,259	1,078	1,680
	-	-	5,066
	897	1,100	52
	1,632	280	1,738
	2,101	-	-
	10,718	1,122	623
	3,272	342	191
	4,017	690	4,278



<u>1,004</u>	<u>172</u>	<u>1,070</u>
679,429	27,611	48,822
<u>1,651</u>	<u>284</u>	<u>1,760</u>
<u>\$ 681,080</u>	<u>\$ 27,895</u>	<u>\$ 50,582</u>

	<b>Percent of</b>
	<u>1.38</u>
	14.49
<b>Total</b>	<b>Revenue</b>
\$ 101,246	13.12 %
<u>10,624</u>	
111,870	
587,085	76.05
1,181	0.15
396	0.05
2,400	0.31
6,548	0.85
6,017	0.78
5,066	0.66
2,049	0.27
3,650	0.47
2,101	0.27
12,463	1.61
3,805	0.49
8,985	1.16
<u>2,246</u>	<u>0.29</u>
755,862	97.92
<u>3,695</u>	<u>0.48</u>
<u>\$ 759,557</u>	<u>98.40 %</u>

See Independent Accountants' Review Report and Notes to Financial Statements **EXHIBIT C**

<u>2022 Restated</u>		
<u>Supporting Services</u>		
Emergency Management	Fund	Percent of

Assistance	& General	Raising	Total	Revenue
				<u>1.00</u>
				11.11
\$ 51,546	\$ 16,949	\$ 26,443	\$ 94,938	10.11 %
<u>5,106</u>	<u>1,679</u>	<u>2,620</u>	<u>9,405</u>	
56,652	18,628	29,063	104,343	
403,467	-	-	403,467	42.96
-	1,495	-	1,495	0.16
-	-	466	466	0.05
5,092	1,674	2,613	9,379	1.00
2,889	950	1,482	5,321	0.57
1,370	451	703	2,524	0.27
-	-	6,464	6,464	0.69
1,040	1,043	60	2,143	0.23
1,814	743	540	3,097	0.33
2,713	-	-	2,713	0.29
8,873	929	516	10,318	1.10
3,448	361	201	4,010	0.43
4,282	1,755	1,276	7,313	0.78
<u>1,510</u>	<u>619</u>	<u>449</u>	<u>2,578</u>	<u>0.27</u>
493,150	28,648	43,833	565,631	60.23
<u>1,689</u>	<u>692</u>	<u>504</u>	<u>2,885</u>	<u>0.31</u>
<u>\$ 494,839</u>	<u>\$ 29,340</u>	<u>\$ 44,337</u>	<u>\$ 568,516</u>	<u>60.53 %</u>

**EXHIBIT D**

**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2023 and 2022 (Restated)**

	<b>2023</b>	<b>2022 Restated</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 12,373	\$ 370,675
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation	3,695	2,885
Change in Investments - Community Foundation	(12,094)	13,117
Change in Edward Jones investments	(27,728)	46,409
Decrease (Increase) in:		
Unconditional promises to give	18,538	
		(207,019)

Prepaid expenses	156	107
Right-of-use assets	11,734	
Increase (Decrease) in:		(1,716)
Accounts payable	12,854	4,284
Withheld and accrued payroll liabilities	(255)	
		(22)
BVC Agency Fund	(7,852)	
		(4,114)
Operating lease liabilities	<u>(9,537)</u>	<u>2,534</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,884</u>	<u>227,140</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment and software	(779)	-
Funds transferred (to) from Community Foundation Agency Funds	3,593	
		(18,972)
Reinvestment of investment income to Edward Jones investments	(8,193)	
		(6,665)
Funds to Edward Jones investments	<u>-</u>	<u>(30,000)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(5,379)</u>	<u>(55,637)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(3,495)	171,503
<b>CASH AT BEGINNING OF YEAR</b>	<u>415,386</u>	<u>243,883</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 411,891</u>	<u>\$ 415,386</u>

**Supplemental disclosure of noncash investing and financing activities:**

During 2023, the Clearing House incurred an operating lease obligation for the use of office space amounting to \$67,180. During 2022, the Clearing House incurred an operating lease obligation for a copier amounting to \$7,285.

See Independent Accountants' Review Report and Notes to Financial Statements

**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022 (Restated)**

**A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities:** Hancock Christian Clearing House (Clearing House) is a not-for-profit corporation organized to represent Christ to the community through helping people to become self-sustaining. The Clearing House provides non-sustaining, emergency assistance to residents and/or transients of Hancock County who have financial, physical, emotional, and/or spiritual needs and collaborates with churches, agencies, and individuals to promote effective use of community resources. The Clearing House is supported primarily through donor contributions, fundraisers, United Way and grants. Approximately 13% and 6% of the Clearing House's gross revenue is provided by United Way of Hancock County in 2023 and 2022, respectively.

**Financial Statement Presentation:** The Clearing House's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") which require the Clearing House to report information regarding its assets, liabilities, revenue, and expenses according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to restrictions by donors or grantors and may be used for any purpose in performing the mission of the Clearing House. The net assets may be used at the discretion of the Clearing House's board of directors and management.

**Net assets with donor restrictions:** Net assets subject to restrictions imposed by donors and grantors. The donor restrictions are temporary and will be met by actions of the Clearing House or by the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Promises to Give:** Contributions are recognized when the donor makes a promise to give to the Clearing House that is, in substance, unconditional. 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.

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

**Contributed Facility, Goods and Services:** The Clearing House records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (1) create or enhance long-lived assets or (2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to equipment and software.

**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022 (Restated)**

**A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Agency Funds:** Accounting standards have been established for transactions in which the Clearing House accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets or both, to a nonprofit organization or individual that is specified by the donor. They specifically require that if a donor is a nonprofit organization that establishes a fund at the Clearing House using its own funds and for its own benefit, the Clearing House must account for the transfer of such assets as a liability. The funds are maintained in the cash of the Clearing House with the liability generally equivalent to the present value of future payments expected to be made to the nonprofit organization. The Clearing House refers to these as agency funds.

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Cash and Cash Equivalents:** For purposes of the statements of cash flows, the Clearing House considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Equipment and Software:** The Clearing House follows the practice of capitalizing expenditures for renewals and betterment while expenditures for maintenance and repairs are charged to costs and expensed as incurred. Depreciation is provided on the straight-line method over the estimated useful lives of assets.

**Expense Allocation:** Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs, supporting expenses, and fund raising on an actual basis or have been allocated as determined by management on an equitable basis. Costs not directly attributable to a function such as salaries and benefits and volunteer expenses are allocated to a function based on time and effort; occupancy costs are allocated based on usage of office square footage. No joint costs for fundraising appeals were incurred in 2023 or 2022.

**Federal Income Taxes:** The Clearing House is exempt from federal income taxes under section 501(c)(3). The Clearing House is an association of churches and, as such, is not required to file a Form 990; therefore, no income tax provision is included in these financial statements. There are currently no audits in progress for any tax periods.

Accounting principles generally accepted in the United States of America require management of the Clearing House to evaluate tax positions taken by the agency and recognize a tax liability if the agency has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has evaluated income tax positions taken and has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022 (Restated)**

**A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Subsequent Events:** The Clearing House has evaluated subsequent events through August 8, 2024, the date which the financial statements were available to be issued.

**New Accounting Pronouncement:** Accounting Standards Update (ASU) No. 2016-02, *Leases* was issued in February 2016. The most significant change is the ASU will require that a lessee recognize assets and liabilities on the statements of financial position for all leases with a lease term of more than twelve months, with the result being the recognition of a right-of-use asset and an operating lease liability. Recognition and presentation of expenses will depend on the classification of the lease as either finance or operating. The ASU will also require quantitative and qualitative disclosures to supplement the amounts recorded in the financial statements to afford better understanding of the Clearing House's leasing activities.

The Clearing House elected to adopt this ASU effective January 1, 2022 and utilized all available practical expedients. The adoption did not have material impacts on the statement of financial position, statement of activities, or statement of cash flows for the year end December 31, 2021.

**B - AVAILABILITY AND LIQUIDITY**

The Clearing House receives significant contributions and grants restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. Additionally, certain board designated assets are set aside for reserves and the Clearing House Agency Funds are not available to be used for normal operations. The following reflects the Clearing House's financial assets as of the statement of financial position date, reduced by amounts not available for general use due to donor-imposed restrictions, board designated funds, or agency funds within one year of the statement of financial position date. All 2023 and 2022 donor-restricted assets are available within one year of normal operations.

	<b>2023</b>	<b>2022</b>
Financial assets at year end:		
Cash and cash equivalents	\$ 411,891	\$ 415,386
Unconditional promises to give	203,152	221,690
Edward Jones investments	<u>331,994</u>	<u>296,073</u>
Total financial assets	<u>947,037</u>	<u>933,149</u>
Less funds not available to be used within one year		
BVC agency fund	2,646	10,498
Board designated reserves	<u>50,000</u>	<u>50,000</u>
	<u>52,646</u>	<u>60,498</u>
Financial assets available to meet general expenditures over the next twelve months.	<u>\$ 894,391</u>	<u>\$ 872,651</u>

**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022 (Restated)**

As part of the Clearing House's liquidity management, it prepares an annual cash budget and monitors cash on an ongoing basis.

**C - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consist of the following at December 31:

	<b>2023</b>	<b>2022</b>
United Way of Hancock County allocation for next fiscal year	\$ 33,667	\$ 6,250
Community Foundation Designated Funds	19,485	15,440
Hancock County ARPA grant	100,000	200,000
State of Ohio Faith Based grant	<u>50,000</u>	=
	<u>\$ 203,152</u>	<u>\$ 221,690</u>

Although donor contributions to the United Way may vary, differences between the amounts allocated and collected from United Way have historically been insignificant.

**D - EQUIPMENT AND SOFTWARE**

Equipment and software at December 31, 2023 and 2022 consist of the following:

	<b>2023</b>	<b>2022</b>
Equipment and software	\$ 43,312	\$ 71,838
Less accumulated depreciation	<u>40,523</u>	<u>66,133</u>
	<u>\$ 2,789</u>	<u>\$ 5,705</u>

Depreciation expense was \$3,695 and \$2,885 for 2023 and 2022, respectively.

**E - INVESTMENTS**

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes 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 lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as:

**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022 (Restated)**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Clearing House has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

**E - INVESTMENTS (Continued)**

The following investments as of December 31, 2023 and 2022 are recorded at fair value on a recurring basis. The Edward Jones Investments of \$331,994 and \$296,073 at December 31, 2023 and 2022, are classified as Level 1. All securities at the Community Foundation are classified as Level 2. The fair value is determined using the fair value of the assets held by the Community Foundation.

Beginning in 2012, the Clearing House transferred funds to The Findlay-Hancock County Community Foundation (Community Foundation) to establish two agency funds. In 2023, the Clearing House transferred funds to establish two more agency funds. Additional contributions were made by the Clearing House during 2023. Under the terms of the agreements, the Clearing House can request up to twenty percent of the value of the investment portfolio once every five years; therefore, eighty percent of the fund is restricted due to time. Additionally, a distribution from the fund shall be available to the Clearing House at least annually. The Community Foundation has no variance power over the funds.

At December 31, 2023 and 2022, the value of the funds, as reported in the Statements of Financial Position as Investments - Community Foundation, amounted to:

	<b>2023</b>	<b>2022</b>
Gene & Evelyn Kelsey Fund for Hancock Christian Clearing House Agency Fund	\$ 55,941	\$ 51,695
Smile Maker Agency Fund	16,095	14,669
Jerry Sprouse Agency Fund	14,106	12,745
Project Happy Feet Agency Fund	<u>11,381</u>	<u>9,913</u>
	<u>\$ 97,523</u>	<u>\$ 89,022</u>

In addition, the Clearing House is the beneficiary of funds at the Community Foundation at December 31, 2023 and 2022, amounting to \$522,541 and \$466,604, respectively, which are funds contributed by outside donors to the Community Foundation on behalf of the Clearing House. Since the Community Foundation has variance power over these funds, these funds are not reflected on the books of the



**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022 (Restated)**

Clearing House. Distributions based on investment earnings are available annually with the Community Foundation committing to distribute at December 31, 2023 and 2022, \$19,485 and \$15,440, respectively. See Note L for restricted amounts.

**F - SIMPLE IRA**

The Clearing House has established a Simple IRA retirement plan covering all employees. The Clearing House contributes a nonelective contribution equal to 2% of compensation for the calendar year to each eligible employee who has at least \$5,000 in compensation for the calendar year. The employer contributions amounted to \$2,037 and \$1,904 for the years ended December 31, 2023 and 2022, respectively.

**G - TRANSACTIONS IN FUNDS HELD FOR AGENCY**

Transactions in the non-interest bearing agency fund is summarized as follows:

	<b>2023</b>	<b>2022</b>
Additions:		
Contributions - BVC Fund	\$ 25,000	\$ 25,000
Deductions:		
Disbursements to clients	<u>32,852</u>	<u>29,114</u>
Change in balance	(7,852)	(4,114)
Balance in Funds Held for Agency, Beginning of Year	<u>10,498</u>	<u>14,612</u>
Balance in Funds Held for Agency, End of Year	<u>\$ 2,646</u>	<u>\$ 10,498</u>

**H - IN-KIND CONTRIBUTIONS**

The Clearing House records various types of in-kind contributions. Contributions of tangible assets are recognized at fair value when received. The Clearing House has reflected in the accompanying financial statements in-kind contributions for client assistance as follows:

	<b>2023</b>	<b>2022</b>
Taxable items for client assistance	\$ 96,577	\$ 69,131
Stuff the bus school supplies	<u>71,555</u>	<u>60,665</u>
	<u>\$ 168,132</u>	<u>\$ 129,796</u>

**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022 (Restated)**

The taxable items are valued using prices that would be paid for items purchased at retail establishments. The Stuff the bus school supplies are valued using an average value per book bag as published in northwest Ohio. These items are given to clients in need.

Many individuals volunteer their time and perform a variety of tasks, including fundraising, administrative, and program services, that assist the Clearing House, but these services do not meet the criteria for recognition as contributed services. The Clearing House received approximately 8,180 and 2,804 volunteer hours for 2023 and 2022, respectively.

**I - LEASING ARRANGEMENTS**

The Clearing House leases space at The Family Center from The Hancock Properties Foundation. The original lease expired on April 30, 2023, with a new five-year lease beginning May 1, 2023 through April 30, 2028 with no renewal option. The Clearing House is also responsible for additional amounts for items such as security, telephone and technology. These expenses may be adjusted from time to time to reflect changes in operating expenses. These additional expenses for this lease totaled \$5,390 and \$5,739 for the years ended December 31, 2023 and 2022, respectively.

In addition, the Clearing House is leasing a copier under a five-year noncancelable lease, that expired in June 2022 and was renewed in 2022 with an expiration date of June 2027. The lease agreement has monthly payments plus a per page overage charge. This additional cost which is included in supplies amounted to \$572 and \$287 for the years ended December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the right-of-use assets (ROU) has a balance of \$64,447 and \$9,001, respectively, as shown in the assets on the statements of financial position. As of December 31, 2023 and 2022, the operating lease liabilities has a balance of \$67,462 and \$9,819, respectively as shown in the liabilities on the statements of financial position. The new lease asset and liability were calculated utilizing the May 1, 2023, five-year risk-free discount rate of 3.64%, according to the Clearing House's elected policy.

Additional information at December 31, 2023 and 2022 about the Clearing House's leases is as follows:

	<b>2023</b>	<b>2022</b>
Lease costs included in rent and supplies expense		
Operating lease expense		
Office lease included in occupancy	\$ 12,463	\$ 9,126
Copier lease included in supplies	<u>1,555</u>	<u>1,486</u>
Total lease cost	<u>\$ 14,018</u>	<u>\$ 10,612</u>

Other information

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 11,465	\$ 9,658
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**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022 (Restated)**

ROU assets obtained in exchange for new operating lease liabilities	67,180	19,127
Weighted-average remaining lease term in years for operating leases	4.26	3.11
Weighted-average discount rate for operating leases	3.83%	4.64%

**I - LEASING ARRANGEMENTS (Continued)**

Maturities of operating lease liabilities as of December 31, 2023, are as follows:

<b>Years Ending December 31,</b>		
2024	\$	14,259
2025		16,110
2026		17,961
2027		18,811
2028		<u>6,238</u>
Total undiscounted cash flows		73,379
Less: present value discount		<u>(5,917)</u>
Total operating lease liabilities	\$	<u>67,462</u>

**J - FUNDRAISING**

The Clearing House sponsors several fundraising activities throughout the year. All Garage sale items are donated and these direct costs are netted against the gross. The proceeds from activities for the years ended December 31, 2023 and 2022 are as follows:

	<b>Gross</b>	<b>Expenses</b>	<b>Net</b>
		<b>2023</b>	
Garage sale	\$ 48,171	\$ 2,362	\$ 45,809
Golf outing	<u>15,727</u>	<u>2,704</u>	<u>13,023</u>
	<u>\$ 63,898</u>	<u>\$ 5,066</u>	<u>\$ 58,832</u>
		<b>2022</b>	
Garage sale	\$ 46,507	\$ 2,639	\$ 43,868
Golf outing	14,572	2,391	12,181
Other	<u>8,105</u>	<u>1,434</u>	<u>6,671</u>

**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022 (Restated)**

\$ 69,184	\$ 6,464	\$ 62,720
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**K - CONCENTRATIONS**

The Clearing House maintains cash balances at several financial institutions located in Findlay, Ohio. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2023 and 2022, the Clearing House had uninsured cash balances of \$111,900 and \$218,582, respectively. The Clearing House also maintains an account with a stock brokerage firm. The accounts contain both cash and securities. Balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Corporation (SIPC).

**L - NET ASSETS**

The detail of the Clearing House's net asset categories at December 31, is as follows:

	<b>2023</b>	<b>2022</b>
<b>Without donor restrictions</b>		
Undesignated	\$ 641,478	\$ 619,079
Board designated reserve	50,000	50,000
Total without donor restrictions	691,478	669,079
<b>With donor restrictions</b>		
United Way of Hancock County funding for next year - Halt Hunger	33,667	6,250
Project Happy Feet	82,169	32,255
Stuff the Bus	2,698	901
Hancock County ARPA funds	100,000	200,000
The Findlay-Hancock County Community Foundation Agency Funds		
Gene & Evelyn Kelsey Fund for Hancock Christian Clearing House Agency Fund	44,753	41,356
Smile Maker Agency Fund	12,876	11,735
Jerry Sprouse Agency Fund	11,284	10,196
Project Happy Feet Agency Fund	9,105	7,930
Designated Funds		
Gene & Evelyn Kelsey Fund for Hancock		

**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022 (Restated)**

Christian Clearing House	11,046	
		6,954
Smile Maker	-	
		43
M&J Rower Fund for HCCH	1,453	
		1,445
Richard N. and Mildred B. Bishop Fund	6,658	
		6,639
John G. and Pauline A. Andrews Memorial Fund	<u>328</u>	
		<u>359</u>
Total with donor restrictions	<u>316,037</u>	<u>326,063</u>
Total net assets	<u>\$ 1,007,515</u>	<u>\$ 995,142</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

In 2023 and 2022, net assets in the amount of \$74,948 and \$56,052 were released when the expiration of time restriction expired for United Way funds, respectively.

In 2023 and 2022, expenses in the amount of \$213,064 and \$234,526 were expended to satisfy grant and contribution restrictions for program activities.

**L - NET ASSETS (Continued)**

In 2018, the board approved an operating reserve policy of 25% or 3 months of the annual budget to sustain financial operations in the event the agency has any significant unanticipated loss in revenue or increase in expenses. The current target level for this fund is \$100,000. The fund is currently being funded in an account established at Edward Jones.

**M - CORRECTION OF ERRORS**

During the current year, the Clearing House determined unconditional promises to give and revenue and right-to-use assets, operating lease liabilities, and expenses as of December 31, 2022, were incorrect. The Clearing House restated its financial statements for the year.

The effect of the restatement on the change in net assets and financial position as of and for the year ended December 31, 2022 are as follows:

	<b>As previously reported</b>	<b>Restated</b>
Grants with donor restrictions	\$ 35,789	\$ 335,789

**HANCOCK CHRISTIAN CLEARING HOUSE**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022 (Restated)**

Operating supplies expense	6,606	
		7,313
Change in net assets	29,183	
		328,476
Unconditional promises to give	\$ 21,690	\$ 221,690
Right-of-use assets	84,504	
		9,001
Operating lease liabilities	84,615	
		9,819
Net assets without donor restrictions	669,786	
		669,079
Net assets with donor restrictions	126,063	
		326,063