

THE CITY MISSION OF FINDLAY, OHIO

Report for the Years Ended

December 31, 2018 and 2017

THE CITY MISSION OF FINDLAY, OHIO

Report for the Years Ended December 31, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
The City Mission of Findlay, Ohio

We have audited the accompanying financial statements of The City Mission of Findlay, Ohio (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The City Mission of Findlay, Ohio as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note O to the financial statements, in 2018, the City Mission of Findlay, Ohio adopted new accounting guidance related to Financial Accounting Standards Board Accounting Standards Update No. 2016-4, Not-For-Profit Entities (Topic 958), using the retropective method. Our opinion is not modified with respect to this matter.

Knueven, Schroeder & Co.

Findlay, Ohio
December 17, 2019

THE CITY MISSION OF FINDLAY, OHIO
Statements of Financial Position
December 31, 2018 and 2017

ASSETS		
	2018	2017
CURRENT ASSETS		
Cash and cash equivalents - NOTE A	\$ 203,390	\$ 87,804
Pledges receivable (less \$1,400 for doubtful pledges)	15,240	26,534
Prepaid expense	<u>5,731</u>	<u>5,545</u>
TOTAL CURRENT ASSETS	224,361	119,883
PROPERTY AND EQUIPMENT, NET - NOTES A and B	2,774,488	2,837,337
OTHER ASSETS		
Beneficial interest in foundation - NOTES D and H	<u>71,399</u>	<u>79,327</u>
TOTAL ASSETS	<u><u>\$ 3,070,248</u></u>	<u><u>\$ 3,036,547</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,296	\$ 8,153
Line of credit - NOTE I	75,000	-
Current portion of long term debt - NOTE L	50,595	41,080
Credit card payable	-	2,138
Withheld and accrued payroll liabilities	<u>-</u>	<u>276</u>
TOTAL CURRENT LIABILITIES	126,891	51,647
LONG TERM LIABILITIES		
Long-term debt - NOTE L	<u>673,671</u>	<u>713,205</u>
TOTAL LIABILITIES	<u><u>800,562</u></u>	<u><u>764,852</u></u>
NET ASSETS		
Without donor restrictions	2,197,537	2,190,202
With donor restrictions - NOTES E and F	<u>72,149</u>	<u>81,493</u>
TOTAL NET ASSETS	<u><u>2,269,686</u></u>	<u><u>2,271,695</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,070,248</u></u>	<u><u>\$ 3,036,547</u></u>

See Independent Auditors' Report and Notes to Financial Statements

THE CITY MISSION OF FINDLAY, OHIO
Statement of Activities
For the Year Ended December 31, 2018

	2018		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUE, GAINS AND OTHER SUPPORT			
Contribution revenue			
Contributions	\$ 818,903	\$ -	\$ 818,903
In-kind - NOTES A and C	304,607	-	304,607
Foundation - NOTE D	-	1,410	1,410
Restricted - NOTES E and F	-	750	750
Special events	29,360	-	29,360
Grants	30,385	-	30,385
Investment gain (loss) in beneficial interest in foundation - NOTE D	-	(6,308)	(6,308)
Interest & investment income	130	-	130
Gain on sale of property	-	-	-
Miscellaneous revenue	7,796	-	7,796
Net assets released from restrictions - NOTE F			
Foundation distribution	3,030	(3,030)	-
Satisfaction of restrictions	2,166	(2,166)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u>1,196,377</u>	<u>(9,344)</u>	<u>1,187,033</u>
EXPENSES			
Program services - EXHIBIT C	976,365	-	976,365
Supporting services - EXHIBIT C	212,677	-	212,677
TOTAL EXPENSES	<u>1,189,042</u>	<u>-</u>	<u>1,189,042</u>
CHANGE IN NET ASSETS	7,335	(9,344)	(2,009)
NET ASSETS, BEGINNING OF YEAR	<u>2,190,202</u>	<u>81,493</u>	<u>2,271,695</u>
NET ASSETS, END OF YEAR	<u>\$ 2,197,537</u>	<u>\$ 72,149</u>	<u>\$ 2,269,686</u>

See Independent Auditors' Report and Notes to Financial Statements

THE CITY MISSION OF FINDLAY, OHIO
Statement of Activities
For the Year Ended December 31, 2017

	2017		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUE, GAINS AND OTHER SUPPORT			
Contribution revenue			
Contributions	\$ 667,312	\$ -	\$ 667,312
In-kind - NOTES A and C	421,994	-	421,994
Foundation - NOTE D	-	4,935	4,935
Restricted - NOTES E and F	-	-	-
Special events	48,445	-	48,445
Grants	5,000	1,500	6,500
Investment gain (loss) in beneficial interest in foundation - NOTE D	-	9,790	9,790
Interest & investment income	2,809	-	2,809
Gain on sale of property	20,150	-	20,150
Miscellaneous revenue	13,372	-	13,372
Net assets released from restrictions - NOTE F			
Foundation distribution	3,042	(3,042)	-
Satisfaction of restrictions	10	(10)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u>1,182,134</u>	<u>13,173</u>	<u>1,195,307</u>
EXPENSES			
Program services - EXHIBIT C	1,051,460	-	1,051,460
Supporting services - EXHIBIT C	236,293	-	236,293
TOTAL EXPENSES	<u>1,287,753</u>	<u>-</u>	<u>1,287,753</u>
CHANGE IN NET ASSETS	(105,619)	13,173	(92,446)
NET ASSETS, BEGINNING OF YEAR	<u>2,295,821</u>	<u>68,320</u>	<u>2,364,141</u>
NET ASSETS, END OF YEAR	<u>\$ 2,190,202</u>	<u>\$ 81,493</u>	<u>\$ 2,271,695</u>

See Independent Auditors' Report and Notes to Financial Statements

THE CITY MISSION OF FINDLAY, OHIO
Statement of Functional Expenses
For the Year Ended December 31, 2018

	2018			Total
	Program Services	Supporting Services Management & General	Fund- raising	
Salaries & lease employees	\$ 432,475	\$ 25,440	\$ 50,879	\$ 508,794
Employee health & other benefits	14,844	873	1,746	17,463
Payroll taxes	44,224	2,602	5,203	52,029
TOTAL SALARIES & RELATED EXPENSES	491,543	28,915	57,828	578,286
Accounting, legal and professional	-	4,855	-	4,855
Advertising	9	-	3,705	3,714
Computer expense	-	6,352	-	6,352
Dues and subscriptions	-	9,496	-	9,496
Gasoline	1,215	-	-	1,215
Insurance	10,926	-	-	10,926
Interest	-	32,754	-	32,754
Miscellaneous	-	-	-	-
Office supplies and expenses	-	11,242	-	11,242
Postage	617	300	9,279	10,196
Printing, publications and promotion	-	1,028	41,974	43,002
Repairs and maintenance	12,867	-	-	12,867
Specific assistance	306,274	-	-	306,274
Staff expenses	-	1,566	-	1,566
Supplies	8,110	2,252	-	10,362
Travel and meals	-	1,131	-	1,131
Utilities and real estate tax	57,285	-	-	57,285
TOTAL EXPENSES BEFORE DEPRECIATION	888,846	99,891	112,786	1,101,523
Depreciation of buildings and equipment - NOTES A and B	87,519	-	-	87,519
TOTAL EXPENSES - EXHIBIT B	\$ 976,365	\$ 99,891	\$ 112,786	\$ 1,189,042

See Independent Auditors' Report and Notes to Financial Statements

THE CITY MISSION OF FINDLAY, OHIO
Statement of Functional Expenses
For the Year Ended December 31, 2017

	2017			Total
	Program Services	Supporting Services Management & General	Fund- raising	
Salaries	\$ 377,962	\$ 22,233	\$ 44,466	\$ 444,661
Employee health & other benefits	32,970	1,939	3,879	38,788
Payroll taxes	41,485	2,441	4,881	48,807
TOTAL SALARIES & RELATED EXPENSES	452,417	26,613	53,226	532,256
Accounting, legal and professional	-	6,408	-	6,408
Advertising	-	-	6,820	6,820
Computer expense	-	11,315	-	11,315
Dues and subscriptions	-	4,224	-	4,224
Gasoline	352	-	-	352
Insurance	10,992	-	-	10,992
Interest	-	46,743	-	46,743
Miscellaneous	-	4,886	-	4,886
Office supplies and expenses	-	8,425	-	8,425
Postage	2,388	1,100	8,335	11,823
Printing, publications and promotion	-	6,089	43,016	49,105
Repairs and maintenance	12,041	-	-	12,041
Specific assistance	424,601	-	-	424,601
Staff expenses	-	3,348	-	3,348
Supplies	-	4,350	-	4,350
Travel and meals	-	1,395	-	1,395
Utilities and real estate tax	53,598	-	-	53,598
TOTAL EXPENSES BEFORE DEPRECIATION	956,389	124,896	111,397	1,192,682
Depreciation of buildings and equipment - NOTES A and B	95,071	-	-	95,071
TOTAL EXPENSES - EXHIBIT B	\$ 1,051,460	\$ 124,896	\$ 111,397	\$ 1,287,753

See Independent Auditors' Report and Notes to Financial Statements

THE CITY MISSION OF FINDLAY, OHIO
Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,009)	\$ (92,446)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	87,519	95,071
(Gain) on sale of property	-	(20,150)
Investment (gain) loss in beneficial interest	6,308	(9,790)
Foundation contribution	(1,410)	(4,935)
Foundation distribution	3,030	3,042
(Increase) Decrease in receivables	11,294	486,728
(Increase) decrease in prepaid expense	(186)	(2,535)
Increase (Decrease) in accounts payable	(6,857)	(29,352)
Increase (Decrease) in credit card payable	(2,138)	(17,828)
Increase (Decrease) in withheld and accrued payroll liabilities	(276)	(150)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>95,275</u>	<u>407,655</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property	-	93,978
Purchase of property and equipment	(24,670)	(480)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(24,670)</u>	<u>93,498</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of debt	(30,019)	(442,621)
Borrowing (repayment) on line-of-credit	75,000	(100,000)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>44,981</u>	<u>(542,621)</u>
NET INCREASE (DECREASE) IN CASH	115,586	(41,468)
CASH AT BEGINNING OF YEAR	<u>87,804</u>	<u>129,272</u>
CASH AT END OF YEAR	<u>\$ 203,390</u>	<u>\$ 87,804</u>

Cash paid for interest was \$32,754 and \$46,743 for 2018 and 2017.

See Independent Auditors' Report and Notes to Financial Statements

THE CITY MISSION OF FINDLAY, OHIO
Notes to Financial Statements
December 31, 2018 and 2017

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: The City Mission of Findlay, Ohio (the Mission) is a not-for-profit organization that presents the gospel of Jesus Christ to the homeless through the provision of shelter, meals and other emergency services in Findlay, Ohio. Men, women and families stay in separate quarters in a facility owned by the Mission. Residents and other clients are provided with counseling services to help them obtain permanent housing, employment, financial assistance and to help them with substance abuse problems. The Mission is supported through donor contributions.

Basis of Accounting: The Mission's policy is to prepare its financial statements on the accrual basis of accounting.

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

Financial Statement Presentation: The Mission reports information regarding its assets, liabilities, revenue and expenses according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

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

Contributed Facility, Goods and Services: The Mission 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. Assets, and cash to acquire assets, donated with explicit donor restrictions are reported as contributions with donor restrictions. Absent donor stipulations regarding how long donated assets must be kept, the Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at the time the assets are placed in service. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Promises to Give: Contributions are recognized when the donor makes a promise to give to the Mission 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 CITY MISSION OF FINDLAY, OHIO
Notes to Financial Statements
December 31, 2018 and 2017

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: For purposes of the statement of cash flows the Mission considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment: The Mission follows the practice of capitalizing expenditures for renewals and betterment while expenditures for maintenance and repairs are charged to costs and expensed as incurred. It is the Mission's policy to capitalize property and equipment having an acquisition cost of \$500 or more. Depreciation is provided on the straight-line method over the estimated useful lives of assets.

Federal Income Taxes: The Mission is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore, no income tax provision is included in these financial statements. The Organization's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by the Internal Revenue Service, generally for three years after the date the return is filed. The Organization believes it has no uncertain tax positions that would require recognition in the financial statements.

Subsequent Events: The Mission has evaluated subsequent events through December 17, 2019, the date which the financial statements were available to be issued.

B - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2018 and 2017, are recorded at cost and consist of the following:

	2018	2017
Land	\$ 48,610	\$ 48,610
Buildings	3,223,007	3,223,007
Equipment	93,929	91,434
Appliances	38,456	33,934
Office equipment	43,402	43,402
Vehicles	18,893	18,893
Furniture and fixtures	53,062	35,409
	<u>3,519,359</u>	<u>3,494,689</u>
Less accumulated depreciation	<u>744,871</u>	<u>657,352</u>
	<u>\$ 2,774,488</u>	<u>\$ 2,837,337</u>

Depreciation expense was \$87,519 for 2018 and \$95,071 for 2017.

THE CITY MISSION OF FINDLAY, OHIO
Notes to Financial Statements
December 31, 2018 and 2017

C - IN-KIND CONTRIBUTIONS

During the year ended December 31, 2018 and 2017, the Mission received in-kind contributions of food, clothing and miscellaneous items that have been reflected in the financial statements. In-kind contributions include the following:

	2018	2017
Nonperishable food	\$ 124,292	\$ 186,476
Perishable food	145,130	232,311
Miscellaneous items	<u>35,185</u>	<u>3,207</u>
	<u>\$ 304,607</u>	<u>\$ 421,994</u>

Many individuals volunteer their time and perform a variety of tasks, including fund-raising and program services, that assist the Mission, but these services do not meet the criteria for recognition as contributed services. The Mission received approximately 14,358 and 9,585 volunteer hours in 2018 and 2017.

D - BENEFICIAL INTEREST IN FOUNDATION

The Mission has a beneficial interest in two funds held by the Findlay-Hancock County Community Foundation (Foundation). In 1999, \$10,000 contributed by a third party donor was used to establish an Operating Fund with the Foundation. In 2001, the Mission transferred \$10,000 of its own monies to establish a Capital Fund with the Foundation. Contributions may also be made to these funds by third party donors. Under the terms of the agreement, in the first half of each year, the Mission can elect to receive a distribution equal to the investment return generated by the transferred assets during the prior year. The Mission can withdraw a portion of the principal of these funds with an affirmative vote of two-thirds (2/3rds) of both the Mission Trustees and the Foundation's Trustees. At the time of the transfers, the Mission granted variance power to the Foundation. That power gives the Foundation the right to distribute the investment income to publicly supported organizations that would substantially carry on the purposes of the Mission if the Mission ceases to exist or is no longer exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. At December 31, 2018 the Operating and Capital Funds had a value of \$52,930 and \$18,469 respectively. These funds had a value of \$59,932 and \$19,395 at December 31, 2017.

THE CITY MISSION OF FINDLAY, OHIO
Notes to Financial Statements
December 31, 2018 and 2017

E - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purpose or future periods:

	2018	2017
Fixed assets	\$ 750	\$ 1,500
Day Center Program	-	666
Operating Fund - Community Foundation	52,930	59,932
Capital Fund - Community Foundation	18,469	19,395
	<u>\$ 72,149</u>	<u>\$ 81,493</u>

F - NET ASSETS RELEASED FROM RESTRICTIONS

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

In 2018 and 2017, nets assets in the amount of \$3,030 and \$3,042 were released by the Mission's Operating Fund and Capital Fund at the Findlay-Hancock County Community Foundation.

In 2018 and 2017, expenses in the amount of \$2,166 and \$10 were expended to satisfy contributions restricted for capital expenditures and the Day Center Program.

G - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the functions benefited. Costs that are not directly attributable to a function are allocated based on various estimated factors such as usage or time expended.

H - FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows:

	2018	2017
Beneficial interest in foundation using significant unobservable inputs (Level 3)		
Fair value at January 1	\$ 79,327	\$ 67,644
Contributions	1,410	4,935
Payment from foundation	(3,030)	(3,042)
Investment gain (loss)	(6,308)	9,790
Transfers in and/or out of Level 3	-	-
Fair value at December 31	<u>\$ 71,399</u>	<u>\$ 79,327</u>

The fair value of the beneficial interest in foundation is based on the fund balance of the Mission's interest as determined by the foundation.

THE CITY MISSION OF FINDLAY, OHIO
Notes to Financial Statements
December 31, 2018 and 2017

I - LINE - OF - CREDIT

The Mission has a \$100,000 revolving note with a bank dated April 28, 2015. The note is unsecured. The outstanding balance bears interest at the Wall Street Journal Prime Rate and is payable monthly. The balance of the note was \$75,000 and \$0 as of December 31, 2018 and 2017. Interest on the note was \$2,189 and \$6,001 in 2018 and 2017 and was all expensed.

J - AVAILABILITY AND LIQUIDITY

The following reflects the Mission's financial assets as of the balance sheet date, reduced by amounts not available for general use due to donor-imposed restrictions or board designations within one year of the balance sheet.

Financial assets at year end:	
Cash and cash equivalents	\$ 203,390
Pledges receivable	15,240
Beneficial interest in foundation	<u>71,399</u>
Total financial assets	290,029
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>72,149</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 217,880</u></u>

As part of the Mission's liquidity management, the Finance Committee prepares an annual budget and monitors cash flow on a monthly basis. The Mission has a line of credit in the amount of \$100,000 to be used as needed in low giving months.

K - COMPENSATED ABSENCES

Employees of the Organization are entitled to paid vacation, paid sick, and personal days off, depending on various factors. The policy does not allow the accumulation or carryover of unused days to future periods. Accordingly, the Organization's policy is to recognize the costs of compensated absences when actually paid to employees and not to accrue a liability for unused time.

THE CITY MISSION OF FINDLAY, OHIO
Notes to Financial Statements
December 31, 2018 and 2017

L - LONG-TERM DEBT

The Mission has a \$1,450,000 loan agreement dated April 28, 2015. This financing was used for the Mission's Expansion Project and is secured by the Mission's properties. The term of the loan is 15 years. The variable interest rate, currently 3.75%, may change every five years based on the "5 year constant maturity treasury rate" plus 2.50 percentage points. Interest is charged on the outstanding balance of any advances. As of December 31, 2018 and 2017 the outstanding loan balance was \$724,266 and \$754,285. Interest on the loan was \$30,565 for 2018 and \$35,880 for 2017, and was all expensed. Beginning in November 2016, the loan required monthly payments of \$9,251 which include principal and interest. In February of 2017 the Mission made a principal payment of \$412,500 which reduced the monthly required payment to \$6,274 per month. Interest only payments were made from July of 2017 until March of 2018 when monthly principal and interest payments of \$6,408 began. Interest only payments were also made from August of 2018 until October of 2018.

Long term debt maturities are as follows:

Year Ending December 31,	
2019	\$ 50,595
2020	52,525
2021	54,529
2022	56,609
2023	58,769
Thereafter	<u>451,239</u>
	<u>\$ 724,266</u>

M- CONTINGENT LIABILITY

On November 21, 2013 the Board of Directors of the Federal Home Loan Bank of Cincinnati approved the Mission's \$550,000 Affordable Housing Program (AHP) application. This grant was used for the construction of the Mission's Expansion. The grant requires periodic reporting to make certain that the grant covenants are being met by the grantee. In the event of noncompliance, the Mission may be required to repay all or a portion of the grant. The Mission believes it will maintain compliance with the terms of the grant and has not included any liability in the financial statements for repayment of the grant.

THE CITY MISSION OF FINDLAY, OHIO
Notes to Financial Statements
December 31, 2018 and 2017

N- CONCENTRATIONS

The Organization maintains cash and investment accounts at various financial institutions. These accounts are insured up to certain limits. At times, the Organization's balances may exceed these limits.

O- NEW ACCOUNTING PRONOUNCEMENT

Accounting Standards Update (ASU) No. 2016-4, Presentation of Financial Statements of Not-for-Profit Entities, was issued in August 2016. The ASU makes significant changes in net asset classes, liquidity and availability of resources, underwater endowment funds, expense reporting, cash flows, investment return and release of restrictions on capital assets. The Mission has implemented ASU 2016-4 and has adjusted the presentation of these statements accordingly.