OIL REGION ALLIANCE OF BUSINESS, INDUSTRY AND TOURISM

Oil City, Pennsylvania

FINANCIAL STATEMENTS

December 31, 2020 and 2019

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CONTENTS

May & Company
Certified Public Accountants
Oil City, Pennsylvania

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Oil Region Alliance of Business, Industry and Tourism

Report on the Financial Statements

We have audited the accompanying financial statements of Oil Region Alliance of Business, Industry and Tourism (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 Oil Region Alliance of Business, Industry and Tourism as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Maley & Company

October 28, 2021

OIL REGION ALLIANCE OF BUSINESS, INDUSTRY AND TOURISM

STATEMENT OF FINANCIAL POSITION

December 31, 2020 and 2019

ASSETS

	2020	2019
Cash	$ 308,301	$ 42,044
Investments	301,617	$ -
Investments in limited partnerships	(2,100)	(2,450)
Accounts, rents and grants receivable	861,801	371,827
Note receivable	25,000	25,000
Rts 8 & 62 RLF loans receivable	2,300	6,133
Prepaid expenses	7,065	11,052
Due from related entity	10,011	5,465
Land, buildings and improvements	391,314	1,778,071
Equipment	94,959	122,418
Buildings held for investment	1,655,529	1,513,353
Development projects	1,085,922	1,065,429
Less, accumulated depreciation and amortization	(229,987)	(903,298)
Total Assets	$ 4,511,732	$ 4,035,044

LIABILITIES AND NET ASSETS

	2020	2019
Liabilities		
Accounts payable	$ 99,505	$ 103,984
Payroll and payroll tax liabilities	17,345	16,618
Unearned revenue	1,303,523	754,735
Other liabilities	15,801	19,386
Line of credit	-	100,000
Notes payable	339,999	240,818
Total Liabilities	1,776,173	1,235,541
Net Assets		
With donor restrictions	37,726	37,726
Without donor restrictions	2,697,833	2,761,777
Total Net Assets	2,735,559	2,799,503
Total Liabilities and Net Assets	$ 4,511,732	$ 4,035,044

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

OIL REGION ALLIANCE OF BUSINESS, INDUSTRY AND TOURISM
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Grants	$ -	$ 635,319	$ 635,319
Hotel tax	-	154,238	154,238
Contributions	150	63,172	63,322
Membership dues	75,917	-	75,917
Sale of merchandise	987	-	987
Rentals	130,836	-	130,836
Fees	5,035	9,188	14,223
Special events	100	8,450	8,550
Interest income	2,953	-	2,953
Investment income	2,439	-	2,439
Loss on sale of assets	(78,030)	-	(78,030)
Miscellaneous	2,023	-	2,023
Net assets released from restrictions	870,367	(870,367)	-
Total Revenues, Gains and Other Support	1,012,777	-	1,012,777
EXPENSES			
Management and general	224,315	-	224,315
Program services	552,513	-	552,513
Property management	236,948	-	236,948
Fundraising	62,945	-	62,945
Total Expenses	1,076,721	-	1,076,721
Change in Net Assets	(63,944)	-	(63,944)
Net Assets, Beginning of Year	2,761,777	37,726	2,799,503
Net Assets, End of Year	$ 2,697,833	$ 37,726	$ 2,735,559

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

OIL REGION ALLIANCE OF BUSINESS, INDUSTRY AND TOURISM

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Grants	$ -	$ 918,431	$ 918,431
Hotel tax	-	141,839	141,839
VIDA contributions	-	-	-
Other contributions - cash	1,020	39,736	40,756
Other contributions - non-cash	-	-	-
Membership dues	93,100	-	93,100
Sale of merchandise	6,779	-	6,779
Rentals	223,929	-	223,929
Fees	2,584	12,918	15,502
Special events	3,950	34,139	38,089
Interest income	335	-	335
Miscellaneous	17,430	-	17,430
Net assets released from restrictions	1,147,063	(1,147,063)	-
Total Revenues, Gains and Other Support	1,496,190	-	1,496,190
EXPENSES			
Management and general	245,622	-	245,622
Program services	709,487	-	709,487
Property management	333,156	-	333,156
Fundraising	67,440	-	67,440
Total Expenses	1,355,705	-	1,355,705
Change in Net Assets	140,485	-	140,485
Net Assets, Beginning of Year	2,621,292	37,726	2,659,018
Net Assets, End of Year	$ 2,761,777	$ 37,726	$ 2,799,503

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

OIL REGION ALLIANCE OF BUSINESS, INDUSTRY AND TOURISM

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

	Management & General	Program Services	Property Management	Fundraising	Total
Salaries and wages	$ 115,152	$ 324,220	$ 32,243	$ 50,667	$ 522,282
Personnel benefits	15,026	36,194	4,207	6,611	62,038
Payroll taxes	9,728	27,690	2,724	4,281	44,423
Contract services	4,536	80,583	12,150	-	97,269
Marketing	150	3,015	-	-	3,165
Professional fees	15,528	-	6,251	-	21,779
Occupancy	19,588	-	119,461	-	139,049
Communications	7,319	-	-	-	7,319
Office expense	9,097	7,693	-	153	16,943
Technology expenses	8,469	-	-	-	8,469
Travel, meetings, and conferences	533	9,318	-	-	9,851
Insurance	4,179	-	18,353	-	22,532
Dues and subscriptions	1,111	1,161	-	-	2,272
Interest	2,746	-	4,827	-	7,573
Bank charges	907	-	485	-	1,392
Payments to or on behalf of other organizations	725	11,117	200	-	12,042
Depreciation and amortization	2,804	6,393	19,409	1,233	29,839
Real estate taxes	1,951	-	16,638	-	18,589
Other direct program expenses	-	45,129	-	-	45,129
Miscellaneous	4,766	-	-	-	4,766
	$ 224,315	$ 552,513	$ 236,948	$ 62,945	$ 1,076,721

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

OIL REGION ALLIANCE OF BUSINESS, INDUSTRY AND TOURISM

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019

	Management & General	Program Services	Property Management	Fundraising	Total
Salaries and wages	$ 121,252	$ 335,544	$ 33,951	$ 53,351	$ 544,098
Personnel benefits	17,922	42,626	5,018	7,886	73,452
Payroll taxes	11,115	31,122	3,112	4,891	50,240
Contract services	3,921	137,254	6,000	-	147,175
Marketing	-	5,085	-	-	5,085
Professional fees	17,573	150	12,549	-	30,272
Occupancy	30,115	-	165,497	-	195,612
Communications	5,914	-	369	-	6,283
Office expense	13,086	43,733	177	118	57,114
Technology expenses	4,496	-	-	-	4,496
Travel, meetings, and conferences	1,697	30,817	-	-	32,514
Insurance	2,052	-	27,255	-	29,307
Dues and subscriptions	1,227	575	-	-	1,802
Interest	1,638	-	4,763	-	6,401
Bank charges	1,229	150	-	-	1,379
Payments to or on behalf of other organizations	1,772	1,763	133	-	3,668
Depreciation and amortization	2,715	6,190	42,357	1,194	52,456
Real estate taxes	348	-	31,975	-	32,323
Other direct program expenses	-	74,478	-	-	74,478
Miscellaneous	7,550	-	-	-	7,550
	$ 245,622	$ 709,487	$ 333,156	$ 67,440	$ 1,355,705

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

OIL REGION ALLIANCE OF BUSINESS, INDUSTRY AND TOURISM

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (63,944)	$ 140,485
Adjustments to reconcile change in net assets to net cash provided by operations:		
Depreciation and amortization	29,839	52,456
Loss on sale of assets	78,030	-
Changes in certain operating assets and liabilities:		
(Increase) decrease in accounts receivable	(489,974)	443,033
Decrease in loans receivable	3,833	3,684
(Increase) decrease in prepaid expenses	3,987	(7,726)
(Increase) in due from related party	(4,546)	(4,415)
Increase (decrease) in accounts payable	(4,479)	80,422
Increase in payroll and payroll tax liabilities	727	2,840
Increase (decrease) in unearned revenue	548,788	(539,777)
Increase (decrease) in other liabilities	(3,585)	1,046
Net cash provided by operating activities	98,676	172,048
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in investments in limited partnerships	(350)	670
Proceeds from sales of capital assets, net of closing costs	639,800	-
Purchases of capital assets	(169,433)	(414,070)
Purchases of investments	(301,617)	-
Net cash provided (used) by investing activties	168,400	(413,400)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(86,219)	(23,468)
Borrowings on long-term debt	185,400	
Payments on line of credit	(199,000)	-
Borrowings on line of credit	99,000	100,000
Net cash provided (used) by financing activties	(819)	76,532
Net increase (decrease) in cash	266,257	(164,820)
Cash, Beginning of Year	42,044	206,864
Cash, End of Year	$ 308,301	$ 42,044
SUPPLEMENTAL INFORMATION		
Interest paid	$ 7,573	$ 6,401

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

Note 1 – Nature of Activities

The Oil Region Alliance of Business, Industry and Tourism (ORA) is organized as a non-profit corporation and is an economic development agency for Pennsylvania's historic Oil Region. ORA is also the official tourist promotion agency serving the Region and is administrator of the Pennsylvania Oil Region Heritage Area and Oil Region National Heritage Area. The bylaws of the Corporation provide for unlimited membership with up to 19 members on the board of directors.

ORA provides administrative services to Venango Industrial Development Authority (VIDA). VIDA's function is to provide a vehicle for financing industrial projects through the issuance of industrial development authority obligations. In connection therewith VIDA realizes income from financing fees, portions of which are transferred to ORA from time to time as operating service income.

Note 2 – Accounting Policies

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting.

Financial Statement Presentation:

ORA has adopted Financial Accounting Standard Boards Accounting Standards Codification (ASC) 958, "Not-for-Profit Entities." Under ASC 958, the Organization is required to report information regarding its financial position and activities according to the following classes of net assets:

Net Assets With Donor Restrictions – The part of the net assets of ORA resulting (a) from inflows of assets whose use by ORA is limited by donor or grantor imposed stipulations that either expires by passage of time or can be fulfilled and removed by actions of ORA pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations, and from reclassification to, or (c) from other classes of net assets as a consequence of donor or grantor imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of ORA pursuant to those stipulations.

Net Assets Without Donor Restrictions – The part of net assets of ORA that is not restricted by donor or grantor imposed stipulations.

ORA reports revenues, gains and other support as restricted support if they are received with donor or grantor stipulations that limit the use of the funds. When the restrictions expire, that is, when a stipulated time restriction ends or purpose restrictions is accomplished, net assets with restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Note 2 – Accounting Policies (continued)

Cash:

Cash consists of cash in checking accounts and petty cash.

Investments and Investment Return:

ORA values investments at fair market value. Investment return consists of interest and dividend income and realized and unrealized gains and losses on investments, reduced by investment management fees.

Property and Equipment:

The costs of property not being held for investment and the costs of equipment not purchased with grant funds are capitalized at the time of purchase and are written off over their estimated useful lives using the straight-line method of depreciation. Beginning January 1, 2011, only costs of $500 or more are capitalized. Costs of equipment purchased with grant funds are expensed as grant expenses. Buildings held for investment are not being depreciated.

Income Taxes:

ORA is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. ORA's federal Form 990, *Return of Organization Exempt from Income Tax*, can be subjected to examination by the IRS for three years from the date of filing, including extensions. Management is not aware of any material items of non-compliance or adjustments which would result in an assessment of tax liabilities. As of the date of the financial statements, there were no such audits in process or scheduled.

Statement of Cash Flows:

For the purposes of the statement of cash flows, cash consists of balances in checking accounts and petty cash.

Functional Allocation of Expenses:

The costs of providing ORA's various programs and supporting services have been summarized on a functional basis in the statement of activities and detailed on the statement of functional expenses.

Allocation of personnel, occupancy and other expenses (not classified as direct costs) are based upon management's estimate of proportionate efforts on behalf of each classification. Accordingly, actual cost allocations could differ if actual time and space allocations were utilized.

Fundraising expenses consist primarily of membership development.

Note 2 – Accounting Policies (continued)

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. Accordingly, actual results could differ from these estimates.

Date of Management Review:

Subsequent events were evaluated through October 28, 2021, which is the date the financial statements were available to be issued.

Donated Services:

The value of the non-compensated time of the board of directors has not been reflected in the accompanying financial statements since no objective basis is available to measure such services.

Concentration of Risk Factors:

ORA maintains several checking accounts in various local banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times account balances may exceed the FDIC limit. ORA has not experienced any losses on these accounts and management believes that ORA is not exposed to any significant risk on these accounts.

ORA derives a significant portion of its revenues from federal, state and local governments. Therefore, economic or political influences could have a significant impact on ORA's operations.

Recently Issued and Adopted Accounting Pronouncement:

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09). ASU 2014-09 and its related amendments (Revenue Recognition Standard) outline a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and superseded most previous revenue recognition guidance. On January 1, 2019, ORA adopted the Revenue Recognition Standard using the modified retrospective method. Generally, ORA's performance obligations are satisfied and revenue is recognized at a single point in time. The adoption did not have a financial statement or disclosure impact.

Note 2 – Accounting Policies (continued)

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contribution Made,* effective for the financial statements ending December 31, 2019. The Update is to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendment in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This standard did not have a material impact on ORA's financial statements. ORA adopted this ASU on January 1, 2019.

Note 3 – Liquidity and Availability of Financial Assets

ORA meets cash needs for expenditures with revenues, grains and other support received throughout the year. Funds for specific programs are not available for general expenditures. The Board has not imposed limits on the use of resources without donor-imposed restrictions.

ORA considers the following financial assets to be available within one year:

	2020	2019
Cash	$ 308,301	$ 42,044
Investments	301,617	—
Accounts and rents receivable	17,403	8,093
Financial assets available to meet cash needs	$ 627,321	$ 50,137

Note 4 – Note Receivable

On June 13, 1986, an interest-free loan of $25,000 was made to the Oil Creek Railway Historical Society, Inc. for a term of ten years. Collateral is provided by a security agreement on certain railway equipment. By previous actions of the board of directors the maturity date of the loan had been extended an additional fifteen years. On October 27, 2011, the board allowed an additional 5-year extension on this loan, which was due in December 2016. On November 14, 2018, the board allowed an additional 5-year extension on the loan which will now expire in November 2023. The note is carried at its face amount without giving recognition to discounting market factors.

Note 5– RSIP Loans Receivable

In 1987, a $60,000 grant was received from the Edith C. Justus Charitable Trust to initiate a Retail Sales Incentive Project (RSIP). The RSIP program created a revolving loan fund to provide low-interest loans to small businesses. Project guidelines provide for maximum loans of $5,000 per project, $10,000 per applicant, a 3% annual interest rate (subsequently increased to 5%) and 5 to 7 years repayment.

Note 5– RSIP Loans Receivable (continued)

The program incurred a one-time administrative charge of $3,000. Interest earned, as well as principal repayments, are to be reinvested into the program.

All outstanding RSIP loans were either paid in full or written off prior to January 1, 2012.

The program balance of $37,726 is reported as a donor restricted net asset on the financial statements.

Note 6 – Rts. 8 & 62 RLF Loans Receivable

In 2004, a $50,000 grant was received from PA Department of Community and Economic Development, along with a $50,000 match from ORA, to initiate the Rts. 8 & 62 Loan Program. The Rts. 8 & 62 Loan Program created a revolving loan fund to provide low-interest loans to businesses along Routes 8 and 62 corridors from Liberty Street in Franklin to Rouseville for interior and exterior building improvements. All loans in this project are four-year loans with a 4% annual interest rate.

Prior to 2012, five loans totaling $139,600 were issued. During 2013, the balance on one loan of $19,175 was determined to be uncollectible. One loan remains outstanding.

As of December 31, 2020 and 2019 the outstanding balance on the Rts. 8 & 62 RLF loan was $2,300 and $6,133, respectively. Interest earned in 2020 and 2019 on the loan was $176 and $326, respectively.

Note 7 – Venango County RLF Loans Receivable

In 2009, a $99,000 grant was received from the U. S. Department of Agriculture, Rural Development, along with a $51,000 match from ORA, which was provided by VIDA, to initiate the Venango County Revolving Loan Fund. This revolving loan fund provides low-interest loans to Venango County manufacturers for buying or upgrading fixed assets or for permanent working capital after being turned down by conventional lenders. Rates are market based with terms of not more than five years. All loans issued thus far have interest rates of 4%.

Prior to 2012, three loans totaling $95,000 were issued. All three loans were paid in full as of December 31, 2014. There has been no activity in this program since 2014.

Note 8 – Fair Value of Financial Instruments

The estimated fair values of financial instruments under FASB Codification 825-10, *Disclosures About Fair Value of Financial Instruments*, as amended by FASB Codification 820-10, are determined based on relevant market information. These estimates involve uncertainty and cannot be determined with precision. The following methods and assumptions are used to estimate the fair value of each class of financial instrument:

The carrying amounts of cash, receivables and payables on the statement of financial positions approximate fair value due to the short-term nature of these items.

NOTE 8 – Fair Value of Financial Instruments (continued)

FASB Codification 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB Codification 820-10 also establishes a fair value hierarchy which requires the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table sets forth by level, within the fair value hierarchy, ORA's assets at fair value at December 31, 2020:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 164,764	$ —	$ —
Mutual funds	136,853	—	—
Total	$ 301,617	$ —	$ —

Note 9 – Development Projects

All costs of acquisition and subsequent improvements are recorded net of costs removed for parcels sold. Accumulated costs as of both December 31, 2020 and 2019 were as follows:

Site	2020	2019
Sandycreek Industrial Park	$ 517,633	$ 517,633
Seneca	84,320	84,320
Sugarcreek	144,472	144,472
Barkeyville	253,674	253,674
Allegheny Overlook	3,080	3,080
Oil Creek Landing	49,092	49,092
Fuchs	13,158	13,158
Kraft Products Site	20,493	—
	$ 1,085,922	$ 1,065,429

Note 10 – Notes Payable

(a) On December 12, 2013, ORA executed a promissory note with the United States Department of Agriculture to borrow $215,000 to assist in the financing of infrastructure improvements to the Sandycreek Industrial Park. The note, secured by the Sandycreek Industrial Park property, is payable in four hundred eighty monthly payments of $817, including interest at 3.375%. The payments began on January 12, 2014. As of December 31, 2014, the entire principal was drawn on the loan. Principal payments of $3,307 and $3,198 were made during 2020 and 2019, respectively. Additionally, ORA has entered into a loan sharing agreement with Sandycreek Township. Sandycreek Township has agreed to reimburse ORA for 50% of the loan payments. The principal balance on the note (before any reimbursements) at December 31, 2020 was $190,715.

(b) On January 14, 2014, ORA borrowed $200,000 from two different individuals, one a board member at that time, to provide cash for various projects awaiting funding from federal and state grants. $142,211 of the loan was secured by various grants receivable, while the remaining $57,789 was unsecured. During 2014, $123,067 of the pledged receivables were received and paid against the principal of the loan. Payments of interest only at 4.0% were due beginning February 1, 2014 and continued through July 1, 2014. Beginning August 1, 2014, minimum monthly payments of principal and interest in the amount of $904 began. Prior to 2018, the note to the non-board member was paid in full. Principal payments of $22,505 and $10,373 were made during 2020 and 2019, respectively. The principal balance on the note at December 31, 2020 was $901, of which all is unsecured.

(c) On February 9, 2017, ORA borrowed $50,000 from First National Bank of Pennsylvania to assist in the financing of renovations to a donated property located at 229 Elm Street, Oil City. The loan, secured by the donated property is payable in sixty monthly payments of $946, including interest at 5.00%. Principal payments of $10,407 and $9,897 were made during 2020 and 2019, respectively. The principal balance on the loan at December 31, 2020 was $12,983.

(d) On January 17, 2020, ORA borrowed $50,000 from First National Bank of Pennsylvania to cover short-term operating costs. The loan was secured by ORA's property at 217 Elm Street in Oil City. A principal payment of $50,000 was due on April 10, 2021 with interest at 4.75%. The $50.000 principal was paid, along with interest of $629.

Maturity for all notes (net of reimbursements) are as follows:

2021	$ 13,568
2022	3,795
2023	1,829
2024	1,892
2025	1,957
Thereafter	86,201
	$ 109,242

Note 11 – Notes Payable – CARES Act

During 2020, ORA received a Paycheck Protection Program loan for $125,400 and an EIDL loan for $10,000. Forgiveness of the loans was eligible up to 100% of the loan funding as long as certain requirements were met. During the year ended December 31, 2020, ORA expended all of the funds in accordance with requirements set forth by the Small Business Administration. The loans were forgiven in 2021.

Note 12 – Bank Line of Credit

ORA has a $150,000 revolving line of credit with First National Bank of Pennsylvania. It is due on demand with interest due monthly at the prime rate plus one-half percent (4.00% at December 31, 2020). Under no circumstances will the interest rate be less than 4.00%. The line is secured by a general pledge of all of ORA's inventory, chattel paper, accounts, equipment, documents and general intangibles. There was no balance due of the line of credit as of December 31, 2020.

Note 13 – Contingent Liability

ORA is contingently liable on notes payable to PIDA. PIDA reported the following balance owing at December 31, 2019:

Matric Limited	$ 500,424

For those projects considered by PIDA after June 4, 1980, ORA is liable for only one-half of any project loss. This is in accordance with a loss-sharing agreement with PIDA. The agreement may be revoked at any time at the sole discretion of PIDA.

Note 14 – Drake Commons Associates

Drake Commons II Associates (a partnership) owned and operated a multi-tenant apartment complex located in Oil City, Pennsylvania.

On April 4, 2018, Susquehanna Valley Development Group, Inc., for the amount of $15,000, assigned all of its right, title and interest in Drake Commons II Associates to ORA, which resulted in ORA being the sole owner of Drake Commons II Associates.

Subsequently, ORA transferred all right, title and interest in the apartment complex to Drake Commons Associates LLC, a single member limited liability company. All assets, liabilities, revenues and expenses of the LLC are included in these financial statements.

On May 6, 2020, Drake Commons Associates LLC sold its multi-tenant complex. The gross proceeds of the sale were $695,000. The sale generated a loss of $78,030. Drake Commons Associates LLC's remaining assets consist of cash and investments.

Note 15 – Retirement Plan

ORA maintains a SIMPLE IRA plan. Employees may elect to contribute a percentage of their compensation on a pre-tax basis. ORA contributes matching contributions on a dollar-for-dollar basis up to 3% of the employee's compensation. Retirement expense for the year ended December 31, 2020 and 2019 were $ 10,703 and $10,773, respectively.

Note 16 – Leases

ORA leases office equipment from an unrelated entity under two operating leases. One is a 63 month lease that expires in 2023, the other is a 39 month lease that expires in 2022. For the year ended December 31, 2020 and 2019 lease expense totaled $4,077 and $4,073, respectively.

The future minimum rent for operating leased equipment is as follows:

2022	$ 4,077
2023	3,680
	$ 7,757

Note 17 – Risks and Uncertainties

ORA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. ORA carries commercial insurance for all types of loss. There have been no significant reductions in insurance coverage.

Due to the COVID-19 outbreak, economic uncertainties have arisen which are likely to negatively impact operation of ORA though such potential impact is unknown at this time.