



Audited Financial Statements

December 31, 2020

Independent Auditor's Report

To the Board of Directors of
Hartley House, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Hartley House, Inc. ("Hartley"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year 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.

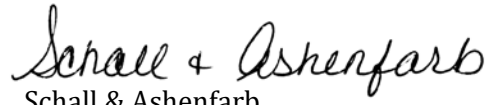
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hartley as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Hartley's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.


Schall & Ashenfarb
Certified Public Accountants, LLC

May 13, 2021

HARTLEY HOUSE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020
(With comparative totals as of December 31, 2019)

	12/31/20	12/31/19
Assets		
Cash and cash equivalents	\$341,080	\$289,206
Government grant receivable	98,000	87,709
Unconditional promises to give	29,750	1,916
Tuition receivable	3,681	7,540
Prepaid expenses and other assets	18,543	18,534
Investments (Note 2)	234,543	212,017
Cash-custodial account (Note 3)	15,332	9,105
Fixed assets - net of accumulated depreciation (Note 4)	263,294	318,122
Total assets	\$1,004,223	\$944,149
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$135,726	\$23,981
Due to participants (Note 3)	15,332	9,105
Paycheck Protection Program loan (Note 5)	67,285	0
Mortgage payable (Note 6)	868,813	868,813
Total liabilities	1,087,156	901,899
Net assets:		
Without donor restrictions	(247,961)	(43,967)
With donor restrictions (Note 7)	165,028	86,217
Total net assets	(82,933)	42,250
Total liabilities and net assets	\$1,004,223	\$944,149

The attached notes and auditor's report are an integral part of these financial statements.

HARTLEY HOUSE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With comparative totals for the year ended December 31, 2019)

	Net Assets Without Donor Restrictions			Net Assets With Donor Restrictions (Note 7)	Total 12/31/20	Total 12/31/19
	Operations	Board Designated	Total			
Public support and revenue:						
Public support:						
Corporations and foundations (Note 8)	\$63,357		\$63,357	\$157,098	\$220,455	\$168,356
Individuals	298,210		298,210		298,210	165,592
Government grants	103,740		103,740		103,740	206,010
Special events (net of expenses with a direct benefit to donor) (Note 10)			0		0	151,940
Total public support	<u>465,307</u>	<u>0</u>	<u>465,307</u>	<u>157,098</u>	<u>622,405</u>	<u>691,898</u>
Revenue:						
Program fees	46,640		46,640		46,640	162,965
Interest income	567	1,320	1,887		1,887	3,078
Net gain on investments (Note 2)		21,206	21,206		21,206	27,675
Rental income	8,750		8,750		8,750	50,745
Total revenue	<u>55,957</u>	<u>22,526</u>	<u>78,483</u>	<u>0</u>	<u>78,483</u>	<u>244,463</u>
Net assets released from restriction (Note 7)	<u>78,287</u>	<u>0</u>	<u>78,287</u>	<u>(78,287)</u>	<u>0</u>	<u>0</u>
Total public support and revenue	<u>599,551</u>	<u>22,526</u>	<u>622,077</u>	<u>78,811</u>	<u>700,888</u>	<u>936,361</u>
Expenses:						
Program services:						
After school	152,570		152,570		152,570	241,944
Senior citizens and social worker	307,031		307,031		307,031	295,432
Creative Art	41,133		41,133		41,133	0
Total program services	<u>500,734</u>	<u>0</u>	<u>500,734</u>	<u>0</u>	<u>500,734</u>	<u>537,376</u>
Supporting services:						
Management and general	312,856		312,856		312,856	284,052
Fundraising	12,481		12,481		12,481	13,869
Total supporting services	<u>325,337</u>	<u>0</u>	<u>325,337</u>	<u>0</u>	<u>325,337</u>	<u>297,921</u>
Total expenses	<u>826,071</u>	<u>0</u>	<u>826,071</u>	<u>0</u>	<u>826,071</u>	<u>835,297</u>
Change in net assets	(226,520)	22,526	(203,994)	78,811	(125,183)	101,064
Net assets - beginning of year	<u>(255,984)</u>	<u>212,017</u>	<u>(43,967)</u>	<u>86,217</u>	<u>42,250</u>	<u>(58,814)</u>
Net assets - end of year	<u>(\$482,504)</u>	<u>\$234,543</u>	<u>(\$247,961)</u>	<u>\$165,028</u>	<u>(\$82,933)</u>	<u>\$42,250</u>

The attached notes and auditor's report are an integral part of these financial statements.

HARTLEY HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With comparative totals for the year ended December 31, 2019)

	Program Services			Supporting Services			Total Expenses 12/31/20	Total Expenses 12/31/19	
	After School	Senior Citizens and Social Worker	Creative Art	Total Program Services	Management and General	Fundraising			Total Supporting Services
Salaries	\$71,697	\$146,072	\$17,683	\$235,452	\$52,965	\$4,782	\$57,747	\$293,199	\$352,033
Payroll taxes and employee benefits	17,663	35,985	4,356	58,004	13,516	711	14,227	72,231	81,163
Total salaries and related expenses	89,360	182,057	22,039	293,456	66,481	5,493	71,974	365,430	433,196
Professional fees and contract services	7,824	15,942	6,180	29,946	187,650	521	188,171	218,117	215,571
Supplies, postage and printing	1,228	2,367	258	3,853	1,776	70	1,846	5,699	7,489
Telephone	1,242	2,530	306	4,078	917	83	1,000	5,078	7,580
Occupancy	4,675	9,525	1,153	15,353	3,454	311	3,765	19,118	27,147
Food	1,653	691		2,344	496		496	2,840	9,178
Repairs, maintenance and minor equipment	21,556	43,916	5,316	70,788	17,739	1,437	19,176	89,964	11,736
Travel and meetings	295	280		575	392		392	967	2,259
Insurance	10,436	21,260	2,574	34,270	10,992	696	11,688	45,958	44,151
Dues and subscriptions				0	4,316		4,316	4,316	4,279
Activities		1,123		1,123			0	1,123	8,105
Fundraising event expenses				0		2,976	2,976	2,976	14,077
Bad debt				0	3,688		3,688	3,688	156
Miscellaneous	894	25		919	5,050		5,050	5,969	8,139
Depreciation	13,407	27,315	3,307	44,029	9,905	894	10,799	54,828	55,726
Total expenses	152,570	307,031	41,133	500,734	312,856	12,481	325,337	826,071	848,789
Less: direct special event expenses netted with revenue (Note 10)				0		0	0	0	(13,492)
Total expenses for statement of activities	\$152,570	\$307,031	\$41,133	\$500,734	\$312,856	\$12,481	\$325,337	\$826,071	\$835,297

The attached notes and auditor's report are an integral part of these financial statements.

HARTLEY HOUSE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With comparative totals for the year ended December 31, 2019)

	<u>12/31/20</u>	<u>12/31/19*</u>
Cash flows from operating activities:		
Change in net assets	(\$125,183)	\$101,064
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation	54,828	55,726
Net realized and unrealized gain on investments	(21,206)	(27,675)
Donated securities	(206,263)	(154,250)
Changes in assets and liabilities:		
Government grant receivable	(10,291)	22,211
Unconditional promises to give	(27,834)	25,860
Tuition receivable	3,859	(4,846)
Other receivable	0	0
Prepaid expenses and other assets	(9)	568
Accounts payable and accrued expenses	111,745	(15,973)
Due to participants	6,227	9,105
Paycheck Protection Program loan	67,285	0
Total adjustments	<u>(21,659)</u>	<u>(89,274)</u>
Net cash (used for)/provided by operating activities	<u>(146,842)</u>	<u>11,790</u>
Cash flows from investing activities:		
Transfer to operations	207,397	154,249
Purchase of fixed assets	0	(5,438)
Purchase of investments	(2,454)	(3,065)
Net cash provided by investing activities	<u>204,943</u>	<u>145,746</u>
Net increase in cash and cash equivalents	58,101	157,536
Cash and cash equivalents - beginning of year	<u>298,311</u>	<u>140,775</u>
Cash and cash equivalents - end of year	<u><u>\$356,412</u></u>	<u><u>\$298,311</u></u>
Cash and cash equivalents:		
Cash and cash equivalents	\$341,080	\$289,206
Cash-custodial account	15,332	9,105
	<u><u>\$356,412</u></u>	<u><u>\$298,311</u></u>
Supplemental information:		
Taxes and interest paid	<u>\$0</u>	<u>\$0</u>

* Reclassified for comparative purposes

The attached notes and auditor's report are an integral part of these financial statements.

HARTLEY HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 1 - Summary of Significant Accounting Policies

a. Organization

Hartley House, Inc. (“Hartley”) is a settlement house that was established in 1897. Hartley provides a wide variety of services including an after-school program, a summer day camp, programs and services for seniors, art classes, social service counseling and referrals, and other programs and activities for all ages.

On October 20, 2020, Hartley House entered into a Memorandum of Understanding with Clinton Housing Development Company with respect to the redevelopment and renovation of the physical real estate property owned by Hartley House. Included in accounts payable at December 31, 2020, are bills received near year end, for building repairs.

On December 14, 2020, Hartley House entered into an Affiliation Agreement with Hudson Guild which extends the terms of the advisory agreement between them pursuant to which Hudson Guild has been providing certain advisory management services and which further provides that subsequent to the planned redevelopment and renovation of the physical real estate property in accordance with the foregoing Clinton Housing agreement, Hartley House shall convert into a non-profit membership corporation of which Hudson Guild will become the sole voting member. The Board believes the foregoing developments are moving the organization steadily toward a position of financial and operational stability. As part of this agreement, Hartley will be changing its fiscal year end to June 30, effective for the period ending June 30, 2021.

b. Basis of Accounting

The financial statements of Hartley have been prepared on the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

c. Basis of Presentation

Hartley reports information regarding their financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents all activity without donor-imposed restrictions as well as activity with donor-imposed restrictions, which expire within the same period. Hartley maintains an investment account that is restricted by the board of directors. As needed, the board makes appropriations to management to use for operating expenses. As those restrictions are internal to the organization, they are included as net assets without donor restrictions.
- *Net Assets With Donor Restrictions* – relates to contributions of cash and other assets with donor stipulations that make clear the assets restriction, either due to a program nature or by passage of time.

d. Revenue Recognition

Hartley follows the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2014-09 ("Topic 606") for recognizing revenue from contracts with customers. Hartley's program fee revenue fall under Topic 606 and has been included in the statement of activities. Program fee revenue is analyzed to determine if a contract exists with the customer that identifies both the performance obligation and the transaction price. Revenue is recognized when the performance obligation is complete, which is when the child attends the after-school program.

Hartley follows ASU 2018-08 ("Topic 605") for recording contributions. Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Revenue from non-exchange transactions may be subject to conditions which are defined under ASU No. 2018-08 as both a barrier to entitlement and a right of return of payments or release from obligations.

Hartley's government grants are primarily conditional non-exchange transactions and fall under the scope of ASU 2018-08. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as deferred revenue.

Donations of stock and other materials are recorded at the fair value on the date of the gift.

Pledges expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value using risk-adjusted present value techniques. At December 31, 2020 and 2019 all pledges and government grants receivable are expected to be collected within one year.

Based on management's assessment of the creditworthiness of its donors and grantees, the aged basis of its receivables, as well as current economic conditions and historical information, it has determined that no allowance for uncollectible accounts is necessary for the years ended December 31, 2020 and 2019. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollected.

e. Income Taxes

Hartley has been notified by the Internal Revenue Service that they are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar New York State statutes. Further, Hartley has not been determined to be a private foundation as defined in section 509(a).

f. Cash and Cash Equivalents

Hartley considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents. Cash held in the investment portfolio is considered part of long-term investments. Hartley follows ASU 2016-18 ("Topic 230") *Restricted Cash*. As a result, cash held in custodial accounts are included in cash and cash equivalents for purposes of the statement of cash flows.

g. Investments

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reported on the statement of activities.

h. Concentration of Credit Risk

Financial instruments which potentially subject Hartley to concentration of credit risk consist of cash, money market accounts and investment securities that are placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits, and at year end, a significant portion of the funds were not insured. However, Hartley has not experienced any losses from these accounts due to bank failure.

The fair value of investments is subject to market fluctuation. Management believes the investment policy is prudent for the long-term welfare of Hartley.

i. Fixed Assets

Purchases of equipment and furniture as well as improvements to the building that have a useful life of greater than one year and exceed \$1,500 are capitalized at cost in the year acquired. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. The estimated useful life of furniture and equipment is five years.

j. Management Estimates

The preparation of financial statements in accordance 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.

k. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Hartley's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

l. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The following expenses were allocated using time and effort as the basis:

- Salaries
- Payroll taxes and employee benefits
- Supplies, postage, and printing
- Telephone
- Occupancy
- Repairs, maintenance, and minor equipment
- Insurance
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

m. Accounting for Uncertainty of Income Taxes

Hartley does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2017 and later are subject to examination by applicable taxing authorities.

n. New Accounting Pronouncements

FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the December 31, 2022 year with early adoption permitted. The ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU, which becomes effective for the December 31, 2022 year requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

Hartley is in the process of evaluating the impact these standards will have on future financial statements.

Note 2 - Investments

Accounting standards establish a fair value hierarchy that gives the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. All investments were measured using Level 1 inputs, which are the quoted prices in active markets for identical assets. The following summarizes the composition of investments:

	<u>12/31/20</u>	<u>12/31/19</u>
U.S. Mutual funds – equities	\$149,611	\$130,030
U.S. Mutual funds - bonds	79,269	77,745
Money market funds	<u>5,663</u>	<u>4,242</u>
Total	<u>\$234,543</u>	<u>\$212,017</u>

Level 1 securities are valued at the closing price reported on the active market they are traded on.

Net gain on investments consists of the following:

	<u>12/31/20</u>	<u>12/31/19</u>
Unrealized gain	\$20,683	(\$20,588)
Realized gain	567	48,263
Investment fees	<u>(44)</u>	<u>0</u>
Total net gain on investments	<u>\$21,206</u>	<u>\$27,675</u>

The investment portfolio maintains a moderate risk profile through a long-term allocation among several asset classes in order to preserve the inflation adjusted purchasing power of the portfolio.

The policy is to accumulate interest, dividends, and other market gains for appropriation on an annual basis as determined by the Board of Directors, through the budget process, in order to meet near term programmatic needs. Additional appropriations are approved by the Board of Directors as deemed prudent and distributed for operating purposes.

Note 3 - Cash-Custodial Account

Hartley provides a money management assistance program to the homebound and elderly. As part of the program, Hartley maintains a bank account on behalf of the participants in the program. The balance of \$15,332 and \$9,105 in the custodial account at December 31, 2020 and 2019, respectively, is reflected on the statement of financial position as an asset and a liability.

Note 4 - Fixed Assets

Fixed assets consist of the following:

	<u>12/31/20</u>	<u>12/31/19</u>
Land	\$48,000	\$48,000
Building and building improvements	2,222,596	2,222,596
Furniture and equipment	<u>164,552</u>	<u>164,552</u>
	2,435,148	2,435,148
Less: accumulated depreciation	<u>(2,171,854)</u>	<u>(2,117,026)</u>
Total fixed assets, net	<u>\$263,294</u>	<u>\$318,122</u>

Note 5 - Paycheck Protection Program Loan

During the year ended December 31, 2020, Hartley obtained a loan from the SBA in the amount of \$67,285 through the Paycheck Protection Program. Terms of the loan indicate that if certain conditions are met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are greater than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven. Portions that are not forgiven will be payable over a two-year period, with a six-month deferral of payments and interest will accrue at 1%.

Hartley has opted to treat the Paycheck Protection Program proceeds as a loan payable in accordance with FASB ASC Topic 470, *Debt*. Under this treatment, the proceeds from the loan will remain as a liability until either the loan is forgiven by the SBA or Hartley pays it off. Hartley is in the process of applying for forgiveness but has not yet been notified about the amount that will be forgiven.

Note 6 - Mortgage Payable

On March 2, 1993, Hartley entered into a mortgage to secure payment of a debt with the State of New York Division of Housing and Community Renewal ("DHCR"). The debt refers to funds advanced to Hartley by DHCR for renovations to the building owned by Hartley and used to provide social services in the Clinton community. The amount of funds advanced to Hartley for this renovation project was \$868,813 for the cumulative project.

Under terms of the agreement, if Hartley is not in default of the contract at the end of thirty years, the loan will be deemed satisfied and paid in full. Hartley has begun the process of applying to have this debt discharged.

Note 7 - Net Assets With Donor Restrictions

The following summarizes the activity of net assets with donor restrictions:

	<u>December 31, 2020</u>			
	Balance		Released	Balance
	<u>1/1/20</u>	<u>Contributions</u>	from <u>Restrictions</u>	<u>12/31/20</u>
Program restrictions:				
Hope program	\$35,000	\$55,000	(\$47,500)	\$42,500
Afterschool Creative Arts	50,257	51,049	(30,467)	70,839
Summer Camp scholarships	<u>960</u>	<u>0</u>	<u>(320)</u>	<u>640</u>
Total program restrictions	86,217	106,049	(78,287)	113,979
Time restrictions	<u>0</u>	<u>51,049</u>	<u>0</u>	<u>51,049</u>
Total	<u>\$86,217</u>	<u>\$157,098</u>	<u>(\$78,287)</u>	<u>\$165,028</u>

	<u>December 31, 2019</u>			
	Balance		Released	Balance
	<u>1/1/19</u>	<u>Contributions</u>	from <u>Restrictions</u>	<u>12/31/19</u>
Program restrictions:				
Hope program	\$35,000	\$35,000	(\$35,000)	\$35,000
Afterschool Creative Arts	0	50,257	0	50,257
Assistance for Seniors	4,237	0	(4,237)	0
Summer Camp scholarships	1,600	0	(640)	960
Real estate project	<u>9,354</u>	<u>0</u>	<u>(9,354)</u>	<u>0</u>
Total	<u>\$50,191</u>	<u>\$85,257</u>	<u>(\$49,231)</u>	<u>\$86,217</u>

Note 8 - Public Support

Public support received from corporations and foundations consist of the following:

	<u>12/31/20</u>	<u>12/31/19</u>
Corporations	\$17,724	\$22,249
Foundations	<u>202,731</u>	<u>146,107</u>
Total	<u>\$220,455</u>	<u>\$168,356</u>

Note 9 - Pension Expense

Hartley maintains a defined contribution pension for all employees (greater than 1,000 hours), over the age of 21, who have been working for over one year. A flat rate of five percent (5%) is contributed on their behalf. Pension expense was \$12,068 and \$13,923 during the years ended December 31, 2020 and 2019, respectively.

Note 10 - Special Events

Each year Hartley holds a spring benefit and other fundraising events. All events were cancelled for the year ended December 31, 2020 due to the pandemic discussed in Note 14. A summary of the special event proceeds during the year ended December 31, 2019 is as follows:

	Spring <u>Benefit</u>	Wine <u>Tasting</u>	<u>Total</u>
Revenue	\$94,775	\$70,657	\$165,432
Less: expenses with a direct benefit to donor	<u>(11,252)</u>	<u>(2,240)</u>	<u>(13,492)</u>
	83,523	68,417	151,940
Less: other event expenses	<u>(585)</u>	<u>0</u>	<u>(585)</u>
Total	<u>\$82,938</u>	<u>\$68,417</u>	<u>\$151,355</u>

Note 11 - Commitments and Contingencies

In its normal course of business, Hartley may become a party to various claims related to operating the house and general employment matters. There are no amounts accrued for potential claims or loss because that are no claims considered probable of requiring payment. Any future claims will be recorded if such claims are considered probable.

Note 12 - Liquidity and Availability of Financial Resources

The following reflects Hartley's financial assets at December 31, 2020, reduced by amounts that have donor-imposed restrictions within one year of the statement of financial position date as well as the amount the board designates as a reserve. Hartley maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for ongoing operations. As part of its liquidity management plan, Hartley operates its programs within a balanced budget and relies on grants and contributions to fund its operations and program activities.

Cash and cash equivalents	\$341,080	
Government grant receivable	98,000	
Unconditional promises to give	29,750	
Tuition receivable	3,681	
Investments	<u>234,543</u>	
Total financial assets		\$707,054
Less amounts not currently available for general expenditures:		
Funds not currently authorized by		
Board to support operations	(234,543)	
Donor restricted support - program	<u>(113,979)</u>	
Total amounts not currently available for general expenditures		<u>(348,522)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$358,532</u>

As described in Note 2, the Board of Directors has authority to appropriate for expenditure, any amounts from the investment account to meet cash needs.

Note 13 - Subsequent Events

Management has evaluated the impact of all subsequent events through May 13, 2021, which is the date that the financial statements were available to be issued. All events that have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements have been made.

Note 14 Other Matters

On January 30, 2020, the World Health Organization declared a novel coronavirus (COVID-19) outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical areas in which Hartley operates. As of the date of these financial statements, many of the travel restrictions and stay at home orders have been lifted, however supply chains remain impacted. Management continues to monitor the outbreak, however as of the date of these financial statements, the potential impact cannot be quantified.