

**HUBBARD HALL PROJECTS, INC.**

**CAMBRIDGE, NEW YORK**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

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## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Trustees  
Hubbard Hall Projects, Inc.  
Cambridge, New York

We have reviewed the accompanying financial statements of Hubbard Hall Projects, Inc. (a nonprofit corporation) which comprise the statements of financial position as of June 30, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

### **Accountants' Conclusion**

Based on our reviews, we are not aware of any material modification that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Lutz, Selig & Zeronda L.L.P.*

Latham, New York  
October 2, 2020

**HUBBARD HALL PROJECTS, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2020 AND 2019**

<b><u>ASSETS</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
CURRENT ASSETS:		
Cash and cash equivalents (Note 1)	\$ 110,637	\$ 69,538
Accounts receivable (Note 1)	490	5,456
Inventory (Note 1)	1,301	1,461
Security deposit	-	700
Prepaid expenses	<u>21,673</u>	<u>9,481</u>
Total current assets	<u>\$ 134,101</u>	<u>\$ 86,636</u>
PROPERTY AND EQUIPMENT - NET (Notes 1 and 2)	<u>\$ 878,715</u>	<u>\$ 906,732</u>
RESTRICTED CASH (Note 1)	<u>\$ 84,558</u>	<u>\$ 78,344</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,097,374</u></b>	<b><u>\$ 1,071,712</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
CURRENT LIABILITIES:		
Current maturities of long term debt (Note 7)	\$ 17,474	\$ 16,248
Accounts payable	4,390	18,006
Security deposit	1,000	1,000
Deferred class revenue (Notes 1 and 3)	42,058	39,608
Paycheck Protection Program Loan (Notes 4 and 7)	37,500	-
Payroll liabilities	<u>5,395</u>	<u>2,207</u>
Total current liabilities	<u>\$ 107,817</u>	<u>\$ 77,069</u>
LONG TERM DEBT		
Long term debt (Notes 1 and 7)	<u>\$ 211,206</u>	<u>\$ 142,825</u>
Total liabilities	<u>\$ 319,023</u>	<u>\$ 219,894</u>
NET ASSETS: (Note 1)		
Without donor restrictions	\$ 693,793	\$ 773,474
With donor restrictions (Note 8)	<u>84,558</u>	<u>78,344</u>
Total net assets	<u>\$ 778,351</u>	<u>\$ 851,818</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,097,374</u></b>	<b><u>\$ 1,071,712</u></b>

See independent accountants' review report and notes to financial statements.

**HUBBARD HALL PROJECTS, INC.**

**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**

	<b><u>Without Donor</u></b> <b><u>Restrictions</u></b>	<b><u>With Donor</u></b> <b><u>Restrictions</u></b>	<b><u>Total</u></b>
<b>SUPPORT AND REVENUE:</b>			
Support:			
Contributions	\$ 86,763	\$ 32,940	\$ 119,703
Grants	10,000	56,600	66,600
Gross special events revenue	5,902	-	5,902
Less cost of direct benefit to donors	<u>(3,315)</u>	<u>-</u>	<u>(3,315)</u>
Net special events revenue	\$ 2,587	\$ -	\$ 2,587
Net assets released from restriction	<u>83,326</u>	<u>(83,326)</u>	<u>-</u>
Total support	<u>\$ 182,676</u>	<u>\$ 6,214</u>	<u>\$ 188,890</u>
Revenue:			
Program income	\$ 146,002	\$ -	\$ 146,002
Rental income	7,141	-	7,141
EIDL Forgivable Advance	10,000	-	10,000
Miscellaneous income	174	-	174
Interest and dividend income	81	-	81
Community service income	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Total revenue	<u>\$ 164,598</u>	<u>\$ -</u>	<u>\$ 164,598</u>
Total support and revenue	<u>\$ 347,274</u>	<u>\$ 6,214</u>	<u>\$ 353,488</u>
<b>OPERATING EXPENSES:</b>			
Program services	\$ 344,628	\$ -	\$ 344,628
Management and general	51,966	-	51,966
Fundraising	<u>30,361</u>	<u>-</u>	<u>30,361</u>
Total expenses	<u>\$ 426,955</u>	<u>\$ -</u>	<u>\$ 426,955</u>
CHANGES IN NET ASSETS	\$ (79,681)	\$ 6,214	\$ (73,467)
NET ASSETS - BEGINNING	<u>773,474</u>	<u>78,344</u>	<u>851,818</u>
<b>NET ASSETS - END</b>	<b><u>\$ 693,793</u></b>	<b><u>\$ 84,558</u></b>	<b><u>\$ 778,351</u></b>

See independent accountants' review report and notes to financial statements.

**HUBBARD HALL PROJECTS, INC.**

**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2019**

	<b><u>Without Donor</u></b> <b><u>Restrictions</u></b>	<b><u>With Donor</u></b> <b><u>Restrictions</u></b>	<b><u>Total</u></b>
<b>SUPPORT AND REVENUE:</b>			
Support:			
Contributions	\$ 125,540	\$ 7,335	\$ 132,875
Grants	50,000	118,200	168,200
Gross special events revenue	35,578	-	35,578
Less cost of direct benefit to donors	<u>(13,558)</u>	<u>-</u>	<u>(13,558)</u>
Net special events revenue	\$ 22,020	\$ -	\$ 22,020
Net assets released from restriction	<u>68,645</u>	<u>(68,645)</u>	<u>-</u>
Total support	<u>\$ 266,205</u>	<u>\$ 56,890</u>	<u>\$ 323,095</u>
Revenue:			
Program income	\$ 191,639	\$ -	\$ 191,639
Rental income	14,696	-	14,696
Miscellaneous income	103	-	103
Interest and dividend income	650	-	650
Community service income	<u>475</u>	<u>-</u>	<u>475</u>
Total revenue	<u>\$ 207,563</u>	<u>\$ -</u>	<u>\$ 207,563</u>
Total support and revenue	<u>\$ 473,768</u>	<u>\$ 56,890</u>	<u>\$ 530,658</u>
<b>OPERATING EXPENSES:</b>			
Program services	\$ 353,481	\$ -	\$ 353,481
Management and general	55,291	-	55,291
Fundraising	<u>34,989</u>	<u>-</u>	<u>34,989</u>
Total expenses	<u>\$ 443,761</u>	<u>\$ -</u>	<u>\$ 443,761</u>
CHANGES IN NET ASSETS	\$ 30,006	\$ 56,890	\$ 86,896
NET ASSETS - BEGINNING	<u>743,468</u>	<u>21,454</u>	<u>764,922</u>
<b>NET ASSETS - END</b>	<b><u>\$ 773,474</u></b>	<b><u>\$ 78,344</u></b>	<b><u>\$ 851,818</u></b>

See independent accountants' review report and notes to financial statements.

**HUBBARD HALL PROJECTS, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	<b><u>Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Salaries	\$ 101,253	\$ 26,105	\$ 18,793	\$ 146,151
Payroll taxes	<u>12,716</u>	<u>1,982</u>	<u>1,418</u>	<u>16,116</u>
Total personnel	\$ 113,969	\$ 28,087	\$ 20,211	\$ 162,267
Workshop expenses	40,994	-	-	40,994
Depreciation	34,547	-	-	34,547
Artist fees	36,039	-	-	36,039
Repairs and maintenance	22,659	-	-	22,659
Utilities	16,764	-	-	16,764
Insurance	17,933	857	-	18,790
Production expenses	22,187	-	-	22,187
Printing	6,666	-	6,665	13,331
Interest	4,348	3,363	-	7,711
Supplies	2,266	-	3,315	5,581
Bank/credit card charges	-	6,473	-	6,473
Office expense	4,775	1,189	907	6,871
Advertising	6,862	-	-	6,862
Property taxes	99	5,094	-	5,193
Website	1,698	-	1,698	3,396
Telephone	2,604	648	495	3,747
Professional fees	-	2,900	-	2,900
Postage and shipping	1,933	481	367	2,781
Miscellaneous	4,009	2,874	-	6,883
Fellowship Expenses	-	-	18	18
Community Service Expenses	<u>4,276</u>	<u>-</u>	<u>-</u>	<u>4,276</u>
Total expenses	<b>\$ 344,628</b>	<b>\$ 51,966</b>	<b>\$ 33,676</b>	<b>\$ 430,270</b>
Less expenses included with revenues on statement of activities:				
Cost of direct benefit to donors	<u>-</u>	<u>-</u>	<u>(3,315)</u>	<u>(3,315)</u>
Total expenses included in expense section on statement of activities	<b><u>\$ 344,628</u></b>	<b><u>\$ 51,966</u></b>	<b><u>\$ 30,361</u></b>	<b><u>\$ 426,955</u></b>

See independent accountants' review report and notes to financial statements.

**HUBBARD HALL PROJECTS, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2019**

	<b><u>Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Salaries	\$ 112,185	\$ 29,922	\$ 21,650	\$ 163,757
Payroll taxes	<u>13,393</u>	<u>2,287</u>	<u>1,646</u>	<u>17,326</u>
Total personnel	\$ 125,578	\$ 32,209	\$ 23,296	\$ 181,083
Workshop expenses	\$ 48,667	\$ -	\$ -	\$ 48,667
Depreciation	34,043	-	-	34,043
Artist fees	27,779	-	-	27,779
Repairs and maintenance	20,802	-	-	20,802
Utilities	19,221	-	-	19,221
Insurance	18,562	860	-	19,422
Production expenses	17,265	-	-	17,265
Printing	8,106	-	9,116	17,222
Interest	4,882	3,530	-	8,412
Rent	7,660	-	679	8,339
Supplies	1,665	-	5,987	7,652
Bank/credit card charges	-	6,968	-	6,968
Office expense	4,158	1,221	964	6,343
Advertising	5,870	-	-	5,870
Property taxes	99	3,668	-	3,767
Website	1,815	-	1,815	3,630
Telephone	2,043	600	474	3,117
Awards and prizes	-	-	3,100	3,100
Professional fees	-	3,050	-	3,050
Postage and shipping	1,440	423	867	2,730
Miscellaneous	<u>3,826</u>	<u>2,762</u>	<u>2,249</u>	<u>8,837</u>
Total expenses	\$ 353,481	\$ 55,291	\$ 48,547	\$ 457,319
Less expenses included with revenues on statement of activities: Cost of direct benefit to donors	<u>-</u>	<u>-</u>	<u>(13,558)</u>	<u>(13,558)</u>
Total expenses included in expense section on statement of activities	<u>\$ 353,481</u>	<u>\$ 55,291</u>	<u>\$ 34,989</u>	<u>\$ 443,761</u>

See independent accountants' review report and notes to financial statements.



**HUBBARD HALL PROJECTS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ (73,467)	\$ 86,896
Adjustments to reconcile changes in unrestricted net assets to net cash provided by (applied to) operating activities:		
Depreciation	34,547	34,043
Amortization of loan cost to interest expense	134	134
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	4,966	1,325
Inventory	160	77
Prepaid expenses	(12,192)	(3,239)
Increase (decrease) in:		
Accounts payable	(13,616)	131
Security deposit	700	(700)
Deferred revenue	2,450	998
Payroll Protection Program Loan	37,500	
Payroll liabilities	3,188	267
	<u>          </u>	<u>          </u>
Net cash (applied to) provided by operating activities	<u>\$ (15,630)</u>	<u>\$ 119,932</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of debt	\$ (13,527)	\$ (15,493)
Proceeds from long-term debt	<u>70,000</u>	<u>-</u>
	<u>          </u>	<u>          </u>
Net cash provided by (applied to) financing activities	<u>\$ 56,473</u>	<u>\$ (15,493)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	<u>\$ (6,530)</u>	<u>\$ (7,358)</u>
	<u>          </u>	<u>          </u>
Net cash applied to investment activities	<u>\$ (6,530)</u>	<u>\$ (7,358)</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	<u>\$ 34,313</u>	<u>\$ 97,081</u>
<b>CASH AND RESTRICTED CASH AND EQUIVALENTS - BEGINNING</b>	<u>147,882</u>	<u>50,801</u>
<b>CASH AND RESTRICTED CASH AND EQUIVALENTS - END</b>	<u><u>\$ 182,195</u></u>	<u><u>\$ 147,882</u></u>

See independent accountants' review report and notes to financial statements.

**HUBBARD HALL PROJECTS, INC.**

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
SUPPLEMENTAL DISCLOSURE OF CASH INFORMATION:		
Cash paid during the year:		
Interest	\$ 7,578	\$ 8,278
SCHEDULE OF NONCASH ACTIVITIES:		
Equipment purchased through issuance of debt	\$ -	\$ 45,000

See independent accountants' review report and notes to financial statements.

**HUBBARD HALL PROJECTS, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) **Nature of Activities**

Hubbard Hall Projects, Inc. (the “Organization”) a not-for-profit corporation operates an arts and education center for the cultural benefit of individuals and families within Washington County and the tri-state region of Cambridge NY.

b) **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, in checking accounts, in savings accounts, and in money market funds. For purposes of the statement of cash flows, Hubbard Hall Projects, Inc. considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

c) **Basis of Presentation**

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization. or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

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

d) **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

e) **Advertising**

Advertising costs are expenses as incurred. For the years ended June 30, 2020 and 2019, advertising expense was \$6,862 and \$5,870.

**HUBBARD HALL PROJECTS, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**f) Property and Equipment**

Purchased property and equipment is carried at cost. If donated, the asset is carried at the fair value as of the date of the donation. Expenditures for major renewals and betterments that extend the useful lives of property are capitalized. Repairs and maintenance charged are expensed as incurred. Depreciation is provided using straight-line methods over estimated useful lives which vary from 5 to 40 years.

**g) Inventory**

Inventory is stated at the lower of cost (first-in, first-out) and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

**h) Expense Allocation**

The Organization's costs for providing programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated between the program services, management and general and fundraising.

**i) Income Taxes**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision is made for the current or deferred tax expense. The Organization uses the same accounting methods for income tax and financial reporting.

Newly effective accounting standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure, and transition.

The Organization has evaluated any uncertain tax positions and related income tax contingencies and determined uncertain positions, if any, are not material to the financial statements. Penalties and interest assessed by income taxing authorities are included in operating expenses, if incurred. The Organization is no longer subject to examination by federal and state taxing authorities for years prior to fiscal year ending June 30, 2017.

**j) Subsequent Events**

The Organization has evaluated subsequent events through October 2, 2020 which is the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which have the potential to negatively impact the Organization. The potential impact is unknown at this time. There are no additional material subsequent events which require recognition or disclosure

**HUBBARD HALL PROJECTS, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**k) New Accounting Pronouncement**

**Revenue recognition**

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014 - 09, “Revenue from Contracts with Customers (Topic 606)”. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective July 1, 2019, the first day of the Organization’s fiscal year using the modified retrospective approach.

The adoption of this ASU did not have a significant impact on the Organization’s financial statements. The majority of the Organization’s revenue arrangements generally consist of a single performance obligation to transfer promised services. Based on the Organization’s evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

**Statement of cash flows - restricted cash**

The Organization retrospectively adopted ASU 2016-18, Statement of Cash Flows (Topic 230) Restricted Cash. The standard requires that the statement of cash flows explain the change during the year in the total cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Amounts generally described as restricted cash and restricted cash equivalents will now be included with cash and cash equivalents when reconciling the beginning of year and end of year total amounts shown on the statement of cash flows. The beginning cash, cash equivalents, restricted cash and restricted cash equivalents at July 1, 2018 have been adjusted, the adjustment had no effect on net assets.

**l) Revenue recognition**

Contributions and grants that are restricted by the donor are recognized at a point in time as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions and grants are recognized at a point in time as increases net assets with donor restriction. When a restriction expires, restricted net assets are reclassified to unrestricted net assets.

Program income is recognized at a point in time as the program is completed or presented. Program income paid in advance is included in deferred revenue.

**m) Reclassification**

Certain amounts from the prior year have been restated to conform to the current year’s presentation.

**HUBBARD HALL PROJECTS, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

n) **Accounts Receivable and Allowance for Doubtful Accounts**

Accounts receivable are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus, accounts receivable do not bear interest, although a finance charges may be applied to receivables that are past due. Accounts receivable are periodically evaluated for collectability based on past credit history with customers and their current financial condition. An allowance for doubtful accounts has not been provided, as it is management's opinion that losses, if any, would not be material to the financial statements.

o) **Debt Issuance Costs**

Debt issuance costs are amortized using the interest method over the life of the debt. Amortization of the debt issuance costs is reported in interest expense in the statements of activities.

2) **PROPERTY AND EQUIPMENT**

A schedule of property and equipment is as follows:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Buildings and equipment	\$ 724,171	\$ 721,641
Building improvements	<u>799,876</u>	<u>795,876</u>
Totals	\$ 1,524,047	\$ 1,517,517
Less accumulated depreciation	<u>(645,332)</u>	<u>(610,785)</u>
<b>PROPERTY AND EQUIPMENT</b>	<b><u>\$ 878,715</u></b>	<b><u>\$ 906,732</u></b>

Depreciation expense was \$34,547 and \$34,043 for the years ended June 30, 2020 and 2019.

3) **DEFERRED CLASS REVENUE**

Deferred revenue represents monies collected in advance for the following year's activities. The income and expenses associated with the account balance will be reflected in the financial statement of the following year. The deferred revenue account balance was \$42,058 and \$39,608 for the years ended June 30, 2020 and 2019.

**HUBBARD HALL PROJECTS, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**4) PAYCHECK PROTECTION PROGRAM LOAN AND EIDL LOAN PROGRAM**

In 2020, the Organization received loan proceeds in the amount of \$60,500 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The Organization received an Economic Injury Disaster Loan (EIDL) advance in the amount of \$10,000, this amount is expected to be fully forgiven. The SBA will reduce the Organizations forgiveness on their PPP funds by the amount of this advance.

The Organization has used the proceeds of the PPP advance for purposes consistent with the program guidelines but was unable to retain all employees for the required 8 weeks and expects \$37,500 of the PPP advance to be forgiven (the original loan amount of \$60,500 less the EIDL advance of \$10,000, less \$13,000 underspent). The remaining \$23,000 is included in long term debt at June 30, 2020.

**5) CONTRIBUTED SERVICES**

Many individuals volunteer their time and perform a variety of tasks that assist the Organization in various programs, but these services do not meet the criteria for recognition as contributed services.

**6) LINE OF CREDIT**

The Organization maintains a secured line of credit with The Community Loan Fund of the Capital Region. The line has a maximum loan availability of \$40,000 and bears interest at 6%. There was no balance on the line of credit as of June 30, 2020 and 2019. The line is secured by NYSCA grants and receivables.

**HUBBARD HALL PROJECTS, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**7) LONG-TERM DEBT**

Long-term debt consists of the following:

	<u>2020</u>	<u>2019</u>
Loan payable to Benjamin White in monthly installments of \$537, including interest at 3%; matures September 2023.	\$ 19,961	\$ 25,718
Mortgage payable to Community District Loan Fund Inc. in monthly installments of \$1,056, including interest at 5%; matures August 2028. Less unamortized loan costs of \$494 and \$628.	86,651	91,673
Mortgage payable to Community District Loan Fund Inc. in monthly installments of \$358, including interest at 5%; matures December 2032.	39,068	41,682
Paycheck Protection Program Loan Payable to Glens Falls National Bank and Trust Company. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months.	23,000	-
Loan payable to U.S. Small Business Administration in monthly installments of \$257, including interest at 2.75%; matures May 2050. Payments commence on May 22, 2021. Current maturities include two payments for the fiscal year.	<u>60,000</u>	<u>-</u>
Totals	\$ 228,680	\$ 159,073
Less current maturities	<u>(17,474)</u>	<u>(16,248)</u>
<b>LONG-TERM DEBT</b>	<b><u>\$ 211,206</u></b>	<b><u>\$ 142,825</u></b>

Maturities of long-term debt as of June 30, 2020 are as follows:

2021	17,474
2022	26,749
2023	35,311
2024	15,922
2025	15,001
Thereafter	<u>118,223</u>
<b>TOTAL</b>	<b><u>\$ 228,680</u></b>



**HUBBARD HALL PROJECTS, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**LONG-TERM DEBT (Cont.)**

Debt issuance costs are being amortized to interest expense in the amount of \$134 each year until 2022. Interest expense on all debt was \$7,712 and \$8,412 for the years ended June 30, 2020 and 2019.

**8) NET ASSETS WITH DONOR RESTRICTIONS**

Net assets are donor restricted for the following purposes:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Workshops	\$ 1,100	\$ 30,000
Fellowship	22,120	3,987
Facility design	-	4,334
Scholarship fund	4,288	5,023
Restroom campaign	52,050	30,000
Community Garden	<u>5,000</u>	<u>5,000</u>
Net assets with donor restricted purpose	<b><u>\$ 84,558</u></b>	<b><u>\$ 78,344</u></b>

**9) AVAILABILITY AND LIQUIDITY**

	<b><u>2020</u></b>	<b><u>2019</u></b>
Financial assets at year end:		
Cash and cash equivalents	\$ 195,195	\$ 147,882
Accounts Receivable	<u>490</u>	<u>5,456</u>
	\$ 195,685	\$ 153,338
Less amounts not available to be used within one year:		
Net assets with donor restrictions	84,558	78,344
Less net assets with purpose restrictions to be met in less than one year	<u>84,558</u>	<u>78,344</u>
Financial assets available to meet expenditures over the next year	<b><u>\$ 195,685</u></b>	<b><u>\$ 153,338</u></b>

The Organization's goal is generally to maintain financial assets to meet 60 days of operating expenses. As a part of its liquidity plan, any excess cash would be invested in short-term investments, including money market accounts and savings accounts.