

The Hardy Center, Inc.

FINANCIAL STATEMENTS

**For the Years Ended
December 31, 2022 and 2021 (Restated)**

The Hardy Center, Inc.

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Accountant's Compilation Report	1
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statements of Functional Expenses	5
Notes to the Financial Statements	6

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Trustees of
The Hardy Center, Inc.
Columbus, Ohio

Management is responsible for the accompanying financial statements of The Hardy Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of the years ended December 31, 2022 and 2021 (restated) and the related statements of activities, functional expenses, and cash flows for the periods then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Wells, CPA

Columbus, Ohio
September 29, 2023

The Hardy Center, Inc.
Statements of Financial Position
As of the Years Ended December 31, 2022 and 2021 (Restated)

ASSETS	<u>2022</u>	<u>2021 (Restated)</u>
Current Assets		
Cash	\$ 31,078	\$ 46,708
Total Current Assets	<u>31,078</u>	<u>46,708</u>
Fixed Assets, Net	<u>50,747</u>	<u>65,867</u>
TOTAL ASSETS	<u><u>\$ 81,825</u></u>	<u><u>\$ 112,575</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 406	\$ 1,036
Note Payable - Current	<u>10,675</u>	<u>10,675</u>
Total Current Liabilities	<u>11,081</u>	<u>11,711</u>
Long Term Liabilities		
Note Payable - Long Term	<u>40,919</u>	<u>51,594</u>
TOTAL LIABILITIES	<u>52,000</u>	<u>63,305</u>
NET ASSETS		
Net Assets without Donor Restrictions	<u>29,825</u>	<u>49,270</u>
TOTAL NET ASSETS	<u>29,825</u>	<u>49,270</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 81,825</u></u>	<u><u>\$ 112,575</u></u>

See Accountant's Compilation Report and Notes Which Accompany These Financial Statements

The Hardy Center, Inc.
Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2022 and 2021 (Restated)

	2022	2021 (Restated)
REVENUES		
Contributions	\$ 124,156	\$ 135,640
In-Kind Contributions	167,050	-
Grants	57,124	488,545
Miscellaneous	-	2,514
TOTAL REVENUES	348,330	626,699
 EXPENSES		
Program Expenses	347,232	589,669
Administrative Expenses	20,067	34,983
Fundraising Expenses	476	-
Total Expenses	367,775	624,652
 Change in Net Assets	 (19,445)	 2,047
 Net Assets without Donor Restrictions at Beginning of Year	 49,270	 47,223
 Net Assets without Donor Restrictions at End of Year	 \$ 29,825	 \$ 49,270

See Accountant's Compilation Report and Notes Which Accompany These Financial Statements

The Hardy Center, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021 (Restated)

	2022	2021 (Restated)
Cash Flows from Operating Activities		
Change in Net Assets	\$ (19,445)	\$ 2,047
Depreciation	15,120	16,229
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Changes in Assets and Liabilities:		
Increase in Accounts Payable	(630)	1,036
Net Cash (Used in) Provided By Operating Activities	(4,955)	19,312
Cash Flows from Investing Activities		
Truck Purchase	-	(735)
Net Cash Used in Investing Activities	-	(735)
Cash Flows from Financing Activities		
Note Payable Payments	(10,675)	(1,779)
Net Cash Used in Financing Activities	(10,675)	(1,779)
Net (Decrease) Increase in Cash	(15,630)	16,798
Cash at Beginning of Year	46,708	29,910
Cash at End of Year	\$ 31,078	\$ 46,708

Supplemental Information

Noncash investing and financing activities in 2021 (restated) consist of financing the cost of acquiring a truck through a non-interest bearing note of \$64,047 payable to Ford Motor Credit Company.

See Accountant's Compilation Report and Notes Which Accompany These Financial Statements

The Hardy Center, Inc.
Statements of Functional Expenses
For the Years Ended December 31, 2022 and 2021 (Restated)

	<u>2022</u>				<u>2021 (Restated)</u>			
	<u>Program Services</u>	<u>General And Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>	<u>Program Services</u>	<u>General And Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Business Expenses	\$ 305	\$ (51)	\$ -	\$ 254	\$ -	\$ 671	\$ -	\$ 671
Payroll & Contract Services	140,617	1,144	196	141,957	506,806	6,818	-	513,624
Payroll & Contract Services (In-Kind)	124,760	-	-	124,760	-	-	-	-
Facilities & Equipment	14,350	454	280	15,084	30,331	9,592	-	39,923
Facilities & Equipment (In-Kind)	39,940	-	-	39,940	-	-	-	-
Depreciation	-	15,120	-	15,120	-	16,229	-	16,229
Other Program Expense	12,266	90	-	12,356	26,178	26	-	26,204
Operational Expenses	8,084	2,759	-	10,843	15,069	1,517	-	16,586
Operational Expenses (In-Kind)	1,050	-	-	1,050	-	-	-	-
Other Expenses	2,702	-	-	2,702	3,800	-	-	3,800
Housekeeping & Grounds Maintenance	1,525	-	-	1,525	7,064	130	-	7,194
Marketing & Outreach (In-Kind)	1,300	-	-	1,300	-	-	-	-
Travel & Meetings	333	551	-	884	421	-	-	421
	<u>\$ 347,232</u>	<u>\$ 20,067</u>	<u>\$ 476</u>	<u>\$ 367,775</u>	<u>\$ 589,669</u>	<u>\$ 34,983</u>	<u>\$ -</u>	<u>\$ 624,652</u>

See Accountant's Compilation Report and Notes Which Accompany These Financial Statements

The Hardy Center Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021 (Restated)

NOTE 1 – ORGANIZATION

Nature of Operations

The Hardy Center, Inc. (“The Center”) provides programs driven towards inner-city children that give school-based instruction in a safe and nurturing environment so that the children are better prepared to excel in school and life. The Center provides children with learning resources that may not normally be available to them including computer instruction, life skills, nutritional education, chess club, fencing, Lego learning, martial arts, performing arts, unicycle instruction, tutoring, and a healthy meal every day of operation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the organization have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The accompanying financial statements have been presented in accordance with generally accepted accounting principles. Under these principles, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net assets without donor restrictions — Net assets without donor restrictions are not restricted by donors and are available for use in the Center’s ongoing operations.

Net assets with donor restrictions — Net assets with donor restrictions are limited as to use by donor-imposed restrictions that either expire by passage of time or can be fulfilled and removed by action of the Center pursuant to those restrictions. Some donor restrictions do not expire and are considered permanent.

There were no donor restricted net assets as of the years ended December 31, 2022 and 2021 (restated).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

Revenue Recognition

The Center recognizes contributions when cash, securities, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a

The Hardy Center Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021 (Restated)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met. As of December 31, 2022 and 2021 (restated), there are no unmet conditions.

Allocation of Indirect Expenses

Expenses are reported by their functional category, Program or General and Administrative. All expenses are directly charged to either Program or General and Administrative. No allocation of indirect expenses is included in these financial statements.

Property and Equipment

Property and equipment are carried at cost, or in the case of contributed property, at its fair value when received. Property and equipment are considered items with extended useful lives when purchased. The cost of maintenance and repairs is charged to operations as incurred. Depreciation is recorded on a straight-line basis over the assets' estimated useful lives.

Income Taxes

The Center is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code.

The Center follows FASB guidance on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Center may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Center and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. As of the year ended December 31, 2022, there were no material unrecognized tax benefits identified or recorded as liabilities.

The Center files Form 990 annually with the Internal Revenue Service. The Center's federal exempt organization tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. All tax returns for the years ending after December 31, 2019 are open for examination.

Subsequent Events

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through September 29,

The Hardy Center Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021 (Restated)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2023, the date on which the financial statements were available to be issued.

NOTE 3 – FIXED ASSETS

Fixed Assets consisted of the following as of December 31, 2022 and 2021 (restated):

	2022	2021 (Restated)
Furniture and Fixtures	\$ 115,013	\$ 115,013
Less: Accumulated Depreciation	(64,266)	(49,146)
Net Property and Equipment	\$ 50,747	\$ 65,867

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Center had \$31,078 of financial assets available, reported as cash on the Statement of Financial Position, as of December 31, 2022 to meet needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Center has a goal to maintain financial assets, which consist of cash on hand, to meet one (1) month of general expenditures. For the year ended December 31, 2022, the average month of general expenditures was approximately \$31,000.

The Center had \$46,708 of financial assets available, reported as cash on the Statement of Financial Position, as of December 31, 2021 (restated) to meet needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Center has a goal to maintain financial assets, which consist of cash on hand, to meet one (1) month of general expenditures. For the year ended December 31, 2021 (restated), the average month of general expenditures was approximately \$52,000.

The Center has structures in place to ensure that financial assets are available as general expenditures, liabilities, and other obligations come due. The Center is actively seeking more funding and grant opportunities.

The Hardy Center Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021 (Restated)

NOTE 5 – NOTE PAYABLE

The Center’s obligation under note payable consists of the following:

Non-interest-bearing note payable, due in monthly installments of \$890, through November 2027.	\$	51,594
Total Debt		51,494
Less: Note Payable - Current		(10,675)
Note Payable - Long Term	\$	40,919

The future scheduled maturities of long-term debt are as follows:

Years ending December 31:

2023	\$	10,675
2024		10,675
2025		10,675
2026		10,675
2027		8,894
	\$	51,594

NOTE 6 – RESTATEMENT OF FINANCIAL STATEMENTS

The financial statements for the year ended December 31, 2021, have been adjusted to reflect the purchase of a truck and the associated depreciation not previously recognized.

In addition, expenditures not previously reflected within the Statement of Activities are now reflected.

The adjustments created the following changes within the financial statements:

	Previously Stated	Restated
Current Assets	\$ 82,150	\$ 46,708
Total Assets	\$ 89,417	\$ 112,575
Current Liabilities	\$ 7,194	\$ 11,711
Long-Term Liabilities	\$ -	\$ 51,494
Revenue	\$ 634,199	\$ 626,699
Expenses	\$ 601,426	\$ 624,652
Change in Net Assets	\$ 32,773	\$ (19,445)
Ending Net Assets	\$ 82,223	\$ 49,270

The Hardy Center Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021 (Restated)

NOTE 7 – IN-KIND CONTRIBUTIONS

The Center records various types of in-kind contributions. Contributed services are recognized at fair value if the services received would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amount reflected in the accompanying financial statements as in-kind contributions are offset by in-kind expenses included.

The Center received contributed payroll & contract services during the year ended December 31, 2022, with a fair value on the dates of donation of \$124,760.

The Center received contributed facilities & equipment during the year ended December 31, 2022, with a fair value on the dates of donation of \$39,940.

The Center received contributed operational expenses during the year ended December 31, 2022, with a fair value on the dates of donation of \$1,050.

The Center received contributed marketing & outreach services during the year ended December 31, 2022, with a fair value on the dates of donation of \$1,300.