girls inc.

Inspiring all girls
to be strong,
smart, and bold

GIRLS INCORPORATED OF NEW HAMPSHIRE

Financial Statements
For the Year Ended June 30, 2019

(With Independent Auditors' Report Thereon)

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Girls Incorporated of New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of Girls Incorporated of New Hampshire, which comprise the statement of financial position as of June 30, 2019, 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.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girls Incorporated of New Hampshire as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements of Girls Incorporated of New Hampshire for the year ended June 30, 2018 were audited by another auditor, whose report dated April 2, 2019 expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Melanson Heath

Match 2, 2020

GIRLS INCORPORATED OF NEW HAMPSHIRE

Statement of Financial Position

June 30, 2019
(with comparative totals as of June 30, 2018)

	2019			
	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 329,464	$ 18,803	$ 348,267	$ 13,909
Accounts receivable	29,692	-	29,692	34,925
Grants and contributions receivable	345,808	29,566	375,374	178,601
Prepaid expenses	14,355	-	14,355	1,195
Total Current Assets	719,319	48,369	767,688	228,630
Noncurrent Assets:				
Investments	142,529	100,000	242,529	215,948
Grants and contributions receivable	-	66,000	66,000	89,500
Property and equipment, net	3,136,141	-	3,136,141	3,267,152
Security deposits	5,710	-	5,710	5,710
Total Noncurrent Assets	3,284,380	166,000	3,450,380	3,578,310
Total Assets	$ 4,003,699	$ 214,369	$ 4,218,068	$ 3,806,940
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Current portion of long-term debt	$ 19,103	$ -	$ 19,103	$ 18,913
Accounts payable	121,998	-	121,998	104,546
Accrued payroll and related liabilities	35,494	-	35,494	30,742
Deferred revenue	50,519	-	50,519	23,865
Lines of credit	412,655	-	412,655	420,727
Total Current Liabilities	639,769	-	639,769	598,793
Long-term Debt, Net of Current Portion	51,885	-	51,885	70,989
Total Liabilities	691,654	-	691,654	669,782
Net Assets:				
Without donor restrictions:				
Undesignated	3,312,045	-	3,312,045	2,810,342
With donor restrictions:				
Purpose restrictions	-	114,369	114,369	130,566
Time restrictions	-	-	-	96,250
Perpetual restrictions	-	100,000	100,000	100,000
Total Net Assets	3,312,045	214,369	3,526,414	3,137,158
Total Liabilities and Net Assets	$ 4,003,699	$ 214,369	$ 4,218,068	$ 3,806,940

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

GIRLS INCORPORATED OF NEW HAMPSHIRE

Statement of Activities

For the Year Ended June 30, 2019
(with comparative totals for the Year Ended June 30, 2018)

	2019			
	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
SUPPORT, REVENUE, AND OTHER				
Support:				
Grants and contributions	$ 1,627,839	$ 6,200	$ 1,634,039	$ 1,585,284
Special events:				
Gross special events revenue	417,555	-	417,555	320,673
Less cost of special events	(95,761)	-	(95,761)	(51,567)
Net special events revenue	321,794	-	321,794	269,106
Revenue:				
Program service fees	466,819	-	466,819	464,050
Rental income	37,657	-	37,657	18,505
Other:				
Investment income	16,050	-	16,050	19,369
Other revenue	-	-	-	7,655
Net assets released from restriction	118,647	(118,647)	-	-
Total Support, Revenues, and Other	2,588,806	(112,447)	2,476,359	2,363,969
EXPENSES				
Program Services Expense:				
Center programs	904,620	-	904,620	1,011,496
Outreach programs	178,381	-	178,381	82,774
Food programs	282,419	-	282,419	259,227
Other programs	233,706	-	233,706	65,297
Total Program Services Expense	1,599,126	-	1,599,126	1,418,794
Supporting Services Expense:				
Management and general	239,981	-	239,981	194,127
Fundraising and development	247,996	-	247,996	288,603
Total Supporting Services Expense	487,977	-	487,977	482,730
Total Expenses	2,087,103	-	2,087,103	1,901,524
Change in Net Assets	501,703	(112,447)	389,256	462,445
Net Assets, Beginning of Year	2,810,342	326,816	3,137,158	2,674,713
Net Assets, End of Year	$ 3,312,045	$ 214,369	$ 3,526,414	$ 3,137,158

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

GIRLS INCORPORATED OF NEW HAMPSHIRE

Statement of Functional Expenses

For the Year Ended June 30, 2019
(with comparative totals for the Year Ended June 30, 2018)

	Program Services					Supportive Services			
	Center Programs	Outreach Programs	Food Programs	Other Programs	Total	Management and General	Fundraising and Development	2019 Total	2018 Total
Personnel expense:									
Salaries and wages	$ 498,864	$ 134,777	$ 108,611	$ 87,491	$ 829,743	$ 116,234	$ 181,469	$ 1,127,446	$ 1,014,645
Employee benefits	26,135	8,560	11,293	10,423	56,411	15,283	22,855	94,549	82,756
Payroll taxes	37,731	10,087	8,095	6,559	62,472	9,190	13,707	85,369	78,191
Direct client assistance:									
Food	23,892	105	133,889	14,177	172,063	-	-	172,063	154,313
Other	13,081	4,506	-	261	17,848	-	400	18,248	22,592
Fees for services:									
Other	6,222	26	-	-	6,248	24,609	7,434	38,291	32,368
Advertising and promotion	1,795	-	-	-	1,795	450	11,116	13,361	12,427
Depreciation	25,808	-	-	112,029	137,837	8,777	-	146,614	116,866
Insurance	45,466	378	7,129	763	53,736	1,043	1,002	55,781	57,870
Interest	477	229	-	-	706	27,346	-	28,052	12,939
Licenses and fees	2,942	47	180	-	3,169	15,783	1,709	20,661	20,622
Maintenance and repairs	48,117	-	2,633	594	51,344	19	-	51,363	49,330
Occupancy	55,789	-	1,041	-	56,830	1,151	5,983	63,964	66,961
Staff training	6,910	2,041	624	140	9,715	3,195	2,601	15,511	19,552
Supplies	43,840	8,759	8,305	914	61,818	10,788	86,588	159,194	112,064
Telephone and internet	6,099	-	-	-	6,099	2,455	1,186	9,740	9,922
Travel	61,452	8,866	619	355	71,292	3,658	7,707	82,657	89,673
Total expenses by function	904,620	178,381	282,419	233,706	1,599,126	239,981	343,757	2,182,864	1,953,091
Less expenses included on the Statement of Activities:									
Cost of special events	-	-	-	-	-	-	(95,761)	(95,761)	(51,567)
Total reported on the Statement of Activities	$ 904,620	$ 178,381	$ 282,419	$ 233,706	$ 1,599,126	$ 239,981	$ 247,996	$ 2,087,103	$ 1,901,524

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

GIRLS INCORPORATED OF NEW HAMPSHIRE

Statement of Cash Flows

For the Year Ended June 30, 2019
(with comparative totals for the year ended June 30, 2018)

	2019	2018
Cash Flows From Operating Activities:		
Change in net assets	$ 389,256	$ 462,445
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	146,614	116,865
Unrealized loss (gain) on investments	483	(9,751)
Capital campaign	-	(516,974)
In-kind donation	-	(50,056)
Changes in operating assets and liabilities:		
Accounts receivable	5,233	(13,968)
Contributions receivable	(173,273)	93,362
Prepaid expenses	(13,160)	344
Accounts payable	17,452	(138,862)
Accrued payroll and related liabilities	4,752	(551)
Deferred revenue	26,654	5,428
Net Cash Provided (Used) By Operating Activities	404,011	(51,718)
Cash Flows From Investing Activities:		
Proceeds from sale of investments	546,354	-
Purchase of investments	(573,418)	(55,585)
Purchase of fixed assets	(15,603)	(1,634,111)
Net Cash Used By Investing Activities	(42,667)	(1,689,696)
Cash Flows From Financing Activities:		
Borrowings from lines of credit	161,850	231,260
Payments on lines of credit	(169,922)	-
Proceeds from long-term debt	-	96,164
Principal payments of long-term debt	(18,914)	(10,262)
Principal payments on capital leases	-	(2,645)
Collection of capital campaign pledges	-	616,145
Net Cash Provided (Used) By Financing Activities	(26,986)	930,662
Net Change in Cash and Cash Equivalents	334,358	(810,752)
Cash and Cash Equivalents, Beginning of Year	13,909	824,661
Cash and Cash Equivalents, End of Year	$ 348,267	$ 13,909
Supplemental Disclosures:		
Interest paid	$ 28,052	$ 12,939

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

1. Organization

Girls Incorporated of New Hampshire (the Organization) is part of a national nonprofit organization where girls achieve their personal best. The Organization is a member-based organization for girls ages 5 to 18, dedicated to developing their confidence, intelligence, and leadership abilities. Our core values guide our decision making and drive the curriculum content that we offer. Our key organizational values are: to respect the dignity of each human being; recognize and support the strength in every girl; appreciate, embrace, and value diversity; drive for results anchored in accountability; and to operate collaboratively. Our mission is to inspire all girls to be Strong (through healthy choices), Smart (through education), and Bold (through Independence).

Girls Incorporated of New Hampshire operate three year-round Girls Centers in Nashua, Concord, and Manchester where after-school and summer camp programming is implemented. In addition to Center-based programs, Girls Incorporated of New Hampshire operates empowerment and prevention curriculum in schools throughout the entire state of New Hampshire and portions of Vermont and Maine. In keeping with our goal to empower girls to make healthy choices, our outreach programs also provide USDA approved meals through dinner clubs at two of our centers and through community partners in various locations in New Hampshire.

2. Significant Accounting Policies

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 has been implemented in fiscal year 2019 and the presentation in these financial statements has been adjusted accordingly.

Comparative Financial Information

The accompanying 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 the audited financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments invested for long-term purposes, are excluded from this definition.

Accounts Receivable

Accounts receivable consist primarily of amounts for services and programs. The adequacy of the allowance for doubtful accounts for receivables is reviewed on an ongoing basis by the Organization’s management and adjusted as required through the provision for doubtful accounts (bad debt expense).

Contributions Receivable

Unconditional contributions that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions that are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the Statement of Activities. The allowance for uncollectable contributions is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions are written off when deemed uncollectable.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statement of Financial Position. Net investment return/(loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Property and Equipment

Property and equipment additions are recorded at cost, if purchased, and at fair value at the date of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation is removed, and any resulting gain or loss is included in the

Statement of Activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment in fiscal years 2019 or 2018.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

> *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
>
> *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. Contributions restricted by donors are as reported increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Accounting for Contributions

Contributions are recognized when pledges are received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payment due in future years have an implied restriction to be used in the year of payment is due and, therefore, are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities in the current year. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Conditional promises, such as matching grants, are recognized when they become unconditional, that is, until all the conditions on which they depend are met.

Donated Services and In-Kind Donations

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by Generally Accepted Accounting Principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received.

Advertising Costs

Advertising costs are expensed as incurred and are reported in the Statement of Activities and Statement of Functional Expenses.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for charitable contribution deductions, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, The Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. In fiscal years 2019 and 2018, the Organization was not subject to unrelated business income tax and did not file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires 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, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts and contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and entities supportive of the Organization's mission.

Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in values of investments will occur and that such change could materially affect the amounts reported in the Statement of Financial Position. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Board believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Fair Value Measurements and Disclosures

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the assessment of the quality, risk, or liquidity profile of the asset or liability.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for certain assets and liabilities that the Organization is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the Organization's financial statements are initial measurement of noncash gifts and unconditional promises to give, and recurring measurement of investments, the line of credit, and long-term debt. The carrying amounts of cash and cash equivalents, receivables, prepaid expenses, accounts payable, accrued payroll and related liabilities, and deferred revenue approximate fair value due to their short-term nature. The carrying value amount of receivables and payables due in more than one year is based on the value of expected future cash receipts and disbursements, and approximates fair value.

New Accounting Standards to be Adopted in the Future

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers.* The ASU's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of the financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard will be effective for the Organization for the year ending

June 30, 2020. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases*. The ASU requires all leases with lease terms more than 12 months to be capitalized as a right of use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance leases or operating leases. This distinction will be relevant for the pattern of expense recognition in the income statement. This ASU will be effective for the Organization for the year ending June 30, 2022. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Contributions Received and Contributions Made

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The purpose of this amendment, due to diversity in practice, is to clarify the definition of an exchange transaction as well as the criteria for evaluating whether contributions are unconditional or conditional. This standard will be effective for the Organization for the year ending June 30, 2020. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statement of Financial Position, are comprised of the following at June 30, 2019 and 2018:

Financial assets at year end:	2019	2018
Cash and cash equivalents	$ 348,267	$ 13,909
Accounts receivable	29,692	34,925
Grants and contributions receivable	441,374	268,101
Investments	242,529	215,948
Total financial assets	1,061,862	532,883
Less amounts not available to be used within one year:		
Receivables in excess of one year	(66,000)	(89,500)
Perpetual restrictions	(100,000)	(100,000)
	(166,000)	(189,500)
Financial assets available to meet general expenditures over the next year	$ 895,862	$ 343,383

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As part of its liquidity management plan, the Organization also has an unused line of credit available for operating purposes totaling $154,145.

4. Contributions Receivable

Unconditional contributions receivable are as follows at June 30, 2019 and 2018:

	2019			2018		
	Receivable	Allowance	Net	Receivable	Allowance	Net
Within one year	$ 375,374	$ -	$ 375,374	$ 178,601	$ -	$ 178,601
One to five years	46,000	-	46,000	64,500	-	64,500
More than five years	20,000	-	20,000	25,000	-	25,000
Total	$ 441,374	$ -	$ 441,374	$ 268,101	$ -	$ 268,101

5. Investments

Investments are comprised of the following at June 30, 2019:

	2019	
Investment Type	Fair Value	Level 1
Money market funds	$ 38,488	$ 38,488
Mutual funds	202,062	202,062
Equities	1,979	1,979
Total	$ 242,529	$ 242,529

As discussed in Note 2 to these financial statements, the Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization’s valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for identical assets in inactive markets, and for investments measured at net asset value that can be redeemed in the near term. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

6. Property, Equipment, and Depreciation

Property and equipment consist of the following at June 30:

	2019	2018
Land, building, and improvements	$ 3,406,213	$ 3,394,850
Leasehold improvements	127,260	127,260
Equipment and furniture	184,238	179,998
Vehicles	87,866	87,866
Subtotal	3,805,577	3,789,974
Less accumulated depreciation	(669,436)	(522,822)
Total	$ 3,136,141	$ 3,267,152

7. Beneficial Interest

The Organization is a beneficiary of a designated fund (the Fund) at The New Hampshire Charitable Foundation (the Foundation). Pursuant to the terms of the resolution establishing this Fund, property contributed to the Foundation is held as a separate fund designated for the benefit of the Organization. In accordance with its spending policy, the Foundation makes distributions from the Fund to the Organization. The distributions are approximately 4% of the market value of the Fund per year. The Fund is not included in these financial statements, since all property in the Fund was contributed to the Foundation to be held and administered for the benefit of the Organization.

No contributions were made to the fund during the year ended June 30, 2019 and 2018. Distributions of $7,768 and $7,657 were made from the Fund during the years ended June 30, 2019 and 2018, respectively. The market value of the Fund assets was approximately $199,000 and $202,000 on June 30, 2019 and 2018, respectively.

8. Lines of Credit

At June 30, 2019 and 2018, the Organization had an operating line of credit with a bank, with a maximum credit available of $230,000. Amounts borrowed on the credit line are payable on demand and carry an interest rate based on the Wall Street Journal Prime Rate plus 1.75% (5.50% at June 30, 2019). The credit line is secured by real property. The outstanding balance on this line was $75,855 and $49,927 at June 30, 2019 and 2018, respectively.

At June 30, 2019 and 2018 the Organization had a $500,000 capital revolving line of credit available. Amounts borrowed on the credit line are payable on demand and carry an interest rate based on the Eastern Bank Base Rate (currently 5.50%). The credit line is secured by non-real estate assets. The outstanding balance on this line was $336,800 and $370,800 at June 30, 2019 and 2018, respectively

The lines of credit are categorized in the fair value hierarchy as Level 2.

9. Long-Term Debt

Long-term debt consists of the following at June 30, 2019 and 2018:

	2019	2018
Mortgage payable to New Hampshire Health and Education Facilities Authority, secured by four vehicles, due in monthly installments of $1,644 including principal and interest at 1%, due February 2023.	$ 70,988	$ 89,902
Less amount due within one year	(19,103)	(18,913)
Long-term debt, net of current portion	$ 51,885	70,989

Maturities of long-term debt are as follows:

Fiscal Year	Amount
2020	$ 19,103
2021	19,295
2022	19,489
2023	13,101
Total	$ 70,988

Long-term debt is categorized in the fair value hierarchy as Level 2.

10. Perpetual Endowment

The Organization’s endowment policy is guided by the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and the applicable laws of the State of New Hampshire to which the Organization’s endowment funds are subject. The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, gifts retained in perpetuity include (a) the original value of initial and subsequent gift amounts (including promises to give, net of discount and allowance for doubtful accounts) and (b) any accumulations to the endowment required in accordance with the direction of the applicable donor gift instrument.

At June 30, 2019 and 2018 donor restricted net assets kept in perpetuity totaled $100,000. There were no endowment contributions during the current or prior fiscal years. All income generated on existing perpetual endowment was unrestricted and was available and appropriated for the Organization's exempt purpose, in accordance with donor gift instruments.

The Organization's investment policy is intended to maximize return, while maintaining a high quality, short-to-intermediate term portfolio designed to minimize principal risk. The Organization's endowment fund investment policy provides for an asset allocation of 60% investment in equities and 40% in bonds or other money instruments. Income generated by the endowment is used for general operations pursuant to the donor's wishes.

11. Net Assets With Donor Restrictions

Net assets with donor restrictions are comprised of the following at June 30, 2019 and 2018:

	2019	2018
Subject to expenditure for specified purpose:		
Capital campaign	$ 114,369	$ 130,566
Subtotal purpose restrictions	114,369	130,566
Time restrictions	-	96,250
Perpetual restrictions	100,000	100,000
Total	$ 214,369	$ 326,816

12. Retirement Plan

The Organization adopted a Simple Retirement Plan effective January 1, 2010. The plan covers substantially all employees. In general, the Organization can either make up to a 3% matching contribution to participating employee accounts or a 2% contribution for all employees. The Organization contributed $19,435 to the plan for the year ended June 30, 2019 and $18,766 for the year ended June 30, 2018.

13. Contingencies

The Organization receives funds from various state, county, and city grants. Under the terms of these grants, the Organization is required to use the money within the grant period for purposes specified in the grant proposal. If expenditures of the grant were found not to have been made in compliance with the proposal, the Organization might be required to repay the grantor's funds. Because specific amounts, if any, have not been determined by grantor agency audits or assessed as of June 30, 2019 and 2018, no provision has been made for these contingencies.

The Organization received funding totaling $500,000 under a state grant from the Community Development Finance Authority (CDFA) for the purpose of renovating the Burke Street property in Nashua, New Hampshire. Under the terms of this grant, CDFA retains a secured interest on the Organization's Burke Street property for a period of ten years.

In the event that the property is sold to a third party without CDFA approval, the Organization is required to repay to CDFA an amount equal to the total funds disbursed by CDFA for the project, amortized over a ten-year period. Because the Organization does not plan to sell the property within the ten-year period, no provision has been made for these contingencies.

The Nashua Housing Authority (the Authority) donated the Burke Street property to the Organization as a requirement of the grant from CDFA. The property must be operated as community center for the next ten-year period and the Organization cannot convey, sublease or transfer the property without prior written approval of the Authority and HUD during this period.

14. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, and payroll taxes, which are allocated by direct time and on the basis of estimates of time and effort.

15. Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

16. Subsequent Events

Subsequent events have been evaluated through March 2, 2020, the date the financial statements were available to be issued.