Inspiring all girls
to be strong,
smart, and bold

GIRLS INCORPORATED OF NEW HAMPSHIRE

Financial Statements
For the Year Ended June 30, 2020

(With Independent Auditors' Report Thereon)

CONTENTS

MELANSON

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, 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.

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

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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, 2020, 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

We have previously audited Girls Incorporated of New Hampshire's fiscal year 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 2, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Melanson

Manchester, New Hampshire
December 9, 2020

GIRLS INCORPORATED OF NEW HAMPSHIRE

Statement of Financial Position
June 30, 2020
(with comparative totals as of June 30, 2019)

	2020 Without Donor Restrictions	2020 With Donor Restrictions	2020 Total	2019 Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 570,793	$ 46,570	$ 617,363	$ 348,267
Accounts receivable	13,953	-	13,953	29,692
Contributions receivable	45,124	22,567	67,691	375,374
Prepaid expenses	9,977	-	9,977	14,355
Total Current Assets	639,847	69,137	708,984	767,688
Noncurrent Assets:				
Investments	50,963	300,150	351,113	242,529
Contributions receivable	-	128,000	128,000	66,000
Property and equipment, net	3,023,599	-	3,023,599	3,136,141
Security deposits	5,710	-	5,710	5,710
Total Noncurrent Assets	3,080,272	428,150	3,508,422	3,450,380
Total Assets	$ 3,720,119	$ 497,287	$ 4,217,406	$ 4,218,068
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Current portion of long-term debt	$ 19,247	$ -	$ 19,247	$ 19,103
Payroll Protection Program loan	63,172	-	63,172	-
Lines of credit	419,494	-	419,494	412,655
Accounts payable	46,928	-	46,928	121,998
Accrued payroll and related liabilities	35,364	-	35,364	35,494
Contract liabilities	26,662	-	26,662	50,519
Total Current Liabilities	610,867	-	610,867	639,769
Long-term Debt, Net of Current Portion	37,435	-	37,435	51,885
Total Liabilities	648,302	-	648,302	691,654
Net Assets:				
Without donor restrictions:				
Undesignated	3,071,817	-	3,071,817	3,111,895
With donor restrictions:				
Purpose restrictions	-	115,137	115,137	114,369
Time restrictions	-	82,000	82,000	-
Perpetual restrictions	-	300,150	300,150	300,150
Total Net Assets	3,071,817	497,287	3,569,104	3,526,414
Total Liabilities and Net Assets	$ 3,720,119	$ 497,287	$ 4,217,406	$ 4,218,068

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, 2020
(with comparative totals for the Year Ended June 30, 2019)

	2020			
	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
SUPPORT AND REVENUE				
Support:				
Contributions	$ 583,097	$ 98,358	$ 681,455	$ 1,239,980
Grants	439,446	-	439,446	443,491
Payroll Protection Program grants (COVID)	176,828	-	176,828	-
Special events:				
Gross special events revenue	389,888	-	389,888	417,555
Less cost of special events	(68,962)	-	(68,962)	(95,761)
Net special events revenue	320,926	-	320,926	321,794
Revenue:				
Program service fees	341,044	-	341,044	417,387
Rental income	30,029	-	30,029	37,657
Investment income	11,115	-	11,115	16,050
Net Assets Released From Restrictions	15,590	(15,590)	-	-
Total Support and Revenue	1,918,075	82,768	2,000,843	2,476,359
EXPENSES				
Program Services:				
Center programs	935,034	-	935,034	904,620
Outreach programs	195,770	-	195,770	178,381
Food programs	228,063	-	228,063	282,419
Other programs	98,200	-	98,200	233,706
Total Program Services	1,457,067	-	1,457,067	1,599,126
Supporting Services:				
Management and general	233,764	-	233,764	239,981
Fundraising and development	267,322	-	267,322	247,996
Total Supporting Services	501,086	-	501,086	487,977
Total Expenses	1,958,153	-	1,958,153	2,087,103
CHANGE IN NET ASSETS	(40,078)	82,768	42,690	389,256
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	3,111,895	414,519	3,526,414	3,137,158
NET ASSETS, END OF YEAR	$ 3,071,817	$ 497,287	$ 3,569,104	$ 3,526,414

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, 2020
(with comparative totals for the Year Ended June 30, 2019)

	2020								
	Program Services					Supportive Services			
	Center Programs	Outreach Programs	Food Programs	Other Programs	Total	Management and General	Fundraising and Development	2020 Total	2019 Total
Personnel expense:									
Salaries and wages	$ 446,484	$ 148,598	$ 98,623	$ 70,202	$ 763,907	$ 131,949	$ 190,336	$ 1,086,192	$ 1,127,446
Employee benefits	22,596	10,000	11,935	7,382	51,913	16,463	27,111	95,487	94,549
Payroll taxes	33,520	10,940	7,265	5,222	56,947	10,241	14,224	81,412	85,369
Direct client assistance:									
Food	44,247	790	74,044	11,290	130,371	-	-	130,371	172,063
Other	10,884	8,455	-	-	19,339	-	210	19,549	18,248
Fees for services:									
Other	20,415	75	-	-	20,490	19,807	13,343	53,640	38,291
Advertising and promotion	2,545	-	-	-	2,545	93	8,820	11,458	13,361
Depreciation	117,140	2,575	16,734	2,575	139,024	1,967	1,967	142,958	146,614
Insurance	44,677	1,283	6,927	747	53,634	2,564	1,002	57,200	55,781
Interest	-	-	-	-	-	20,751	-	20,751	28,052
Licenses and fees	2,189	47	175	-	2,411	16,418	6,386	25,215	20,661
Maintenance and repairs	54,437	-	3,447	-	57,884	12	-	57,896	51,363
Miscellaneous	4,839	-	-	-	4,839	-	-	4,839	-
Occupancy	52,201	59	868	-	53,128	-	4,880	58,008	63,964
Staff training	2,952	851	283	46	4,132	3,201	4,880	12,213	15,511
Supplies	23,461	8,047	7,168	426	39,102	6,860	54,372	100,334	159,194
Telephone and internet	7,308	-	-	-	7,308	1,875	886	10,069	9,740
Travel	45,139	4,050	594	310	50,093	1,563	7,867	59,523	82,657
Total expenses by function	935,034	195,770	228,063	98,200	1,457,067	233,764	336,284	2,027,115	2,182,864
Less expenses included on the Statement of Activities:									
Cost of special events	-	-	-	-	-	-	(68,962)	(68,962)	(95,761)
Total reported on the Statement of Activities	$ 935,034	$ 195,770	$ 228,063	$ 98,200	$ 1,457,067	$ 233,764	$ 267,322	$ 1,958,153	$ 2,087,103

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, 2020
(with comparative totals for the year ended June 30, 2019)

	2020	2019
Cash Flows From Operating Activities:		
Change in net assets	$ 42,690	$ 389,256
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	142,958	146,614
Unrealized loss (gain) on investments	(1,856)	483
Changes in operating assets and liabilities:		
Accounts receivable	15,739	5,233
Contributions receivable	245,683	(173,273)
Prepaid expenses	4,378	(13,160)
Accounts payable	(75,070)	17,452
Accrued payroll and related liabilities	(130)	4,752
Contract liabilities	(23,857)	26,654
Net Cash Provided By Operating Activities	350,535	404,011
Cash Flows From Investing Activities:		
Proceeds from sale of investments	93,729	546,354
Purchase of investments	(200,457)	(573,418)
Purchase of fixed assets	(30,416)	(15,603)
Net Cash Used By Investing Activities	(137,144)	(42,667)
Cash Flows From Financing Activities:		
Borrowings from lines of credit	145,000	161,850
Payments on lines of credit	(138,161)	(169,922)
Principal payments of long-term debt	(14,306)	(18,914)
Proceeds from Payroll Protection Program loan	63,172	-
Net Cash Provided (Used) By Financing Activities	55,705	(26,986)
Net Change in Cash and Cash Equivalents	269,096	334,358
Cash and Cash Equivalents, Beginning of Year	348,267	13,909
Cash and Cash Equivalents, End of Year	$ 617,363	$ 348,267
Supplemental Disclosures:		
Interest paid	$ 20,751	$ 28,052

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 two year-round Girls Centers in Nashua 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. Summary of Significant Accounting Policies

Change in Accounting Principle

ASU 2014-09 and ASU 2018-08 Revenue Recognition

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606),* as amended, and ASU No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, as management believes these standards improve the usefulness and understandability of the Organization's financial reporting. ASU 2014-09 and 2018-08 have been implemented in fiscal year 2020, and the presentation in these financial statements has been adjusted accordingly. Analysis of various provisions of these standards resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements (presented in these financial statements as comparative financial information) were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the new standards.

ASU 2016-01 Equity Investments
In fiscal year 2020, the Organization has adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which relates to the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. The adoption of this ASU did not have a significant impact on the financial statements.

ASU 2018-13 Changes to the Disclosure Requirements for Fair Value Measurement
In fiscal year 2020, the Organization has adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements, and removed disclosures related to transfers between Level 1 and Level 2 of the fair value hierarchy, the policy for timing transfers between levels, the valuation process of Level 3 fair value measurements, and a roll forward of Level 3 investments. The adoption of this ASU did not have a significant impact on the financial statements.

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, 2019, 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). Management believes that no allowance is necessary.

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. Management has determined that no allowance is necessary.

Grants Receivable
Grants receivable, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Amounts recorded as grants receivable represent cost-reimbursable federal and state contracts and grants, which the incurrence of allowable qualifying expenses and/or the performance of certain requirements have been met or performed. The allowance for uncollectible grants receivable is based on historical experience and a review of subsequent collections. Management has determined that no allowance is necessary.

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 investment expenses. Investments include equity securities of public companies which are carried at fair value based on quoted market prices.

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 2020 or 2019.

Net Assets
Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions.

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
Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of our revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. Special events revenue is recognized equal to the fair value of direct benefits to donors when the special event takes place. The contribution element of special event revenue is recognized immediately, unless there is a right of return if the special event does not take place.

Program service fees are recognized over the program period. Payments are required at the start of the program period; amounts received in advance are deferred to the applicable period.

Rental income is recognized when the performance obligation of providing space is satisfied.

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. Generally Accepted Accounting Principles allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets and (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated professional services are recorded at the respective fair values of the services received. Contributed goods are recorded at fair value at the date of donation and as expenses when placed in service or distributed. Donated use of facilities is reported as a contribution and as an expense at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the amount is reported as a contribution and an unconditional promise to give at the date of the gift, and the expense is reported over the term of use. No significant contributions of such goods or services were received during the years ended June 30, 2020 and 2019, respectively.

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 2020 and 2019, 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 receivables 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 made by diversified investment managers whose performance is monitored by the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Board believes that its 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.

New Accounting Standards to be Adopted in the Future

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, 2023. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Credit Losses

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. The ASU requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the income statement will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This ASU will be effective for the Organization for the fiscal year ending June 30, 2024. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Contributed Nonfinancial Assets

In September 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. Examples of contributed nonfinancial assets include fixed assets such as land, buildings, and equipment; the use of fixed assets or utilities; material and supplies, such as food, clothing, or pharmaceuticals; intangible assets; and recognized contributed services. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the Statement of Activities, apart from contributions of cash or other financial assets. It also requires certain disclosures for each category of contributed nonfinancial assets recognized. The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Early adoption is permitted. 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, 2020 and 2019:

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	$ 617,363	$ 348,267
Accounts receivable	13,953	29,692
Contributions receivable	195,691	441,374
Investments	351,113	242,529
Total financial assets	1,178,120	1,061,862
Less amounts not available to be used within one year:		
Receivables in excess of one year	(128,000)	(66,000)
Perpetual restrictions	(300,150)	(300,150)
	(428,150)	(366,150)
Financial assets available to meet general expenditures over the next year	$ 749,970	$ 695,712

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 year, 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 $9,145.

4. Contributions Receivable

Unconditional contributions receivable are as follows at June 30, 2020 and 2019:

	2020			2019		
	Receivable	Allowance	Net	Receivable	Allowance	Net
Within one year	$ 67,691	$ -	$ 67,691	$ 375,374	$ -	$ 375,374
One to five years	123,000	-	123,000	46,000	-	46,000
More than five years	5,000	-	5,000	20,000	-	20,000
Total	$ 195,691	$ -	$ 195,691	$ 441,374	$ -	$ 441,374

No discount has been applied to expected future receipts since it has been determined to be immaterial.

5. Investments

Investments are stated at fair value and comprised of the following at June 30, 2020 and 2019:

Investment Type	2020	2019
Money market funds	$ 14,154	$ 38,487
Mutual funds	333,311	202,063
Equities	3,648	1,979
Total	$ 351,113	$ 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. All of the Organization's investments are classified in the fair value hierarchy as Level 1.

6. Property and Equipment

Property and equipment is comprised of the following at June 30, 2020 and 2019:

	2020	2019
Land, building, and improvements	$ 3,417,689	$ 3,406,213
Leasehold improvements	127,260	127,260
Equipment and furniture	203,178	184,238
Vehicles	87,866	87,866
Subtotal	3,835,993	3,805,577
Less accumulated depreciation	(812,394)	(669,436)
Total	$ 3,023,599	$ 3,136,141

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 years ended June 30, 2020 and 2019. Distributions of $7,776 and $7,768 were made from the Fund during the years ended June 30, 2020 and 2019, respectively. The market value of Fund assets was approximately $189,000 and $199,000 on June 30, 2020 and 2019, respectively.

8. Lines of Credit

At June 30, 2020 and 2019, 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% (5.00% at June 30, 2020). The credit line is secured by real property. The outstanding balance on this line was $220,855 and $75,855 at June 30, 2020 and 2019, respectively.

During fiscal years 2020 and 2019 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 3.25%). The credit line is secured by non-real estate assets. The outstanding balance on this line was $198,639 and $336,800 at June 30, 2020 and 2019, respectively. The period for draws from this line of credit has passed, and further draws cannot be made on this line.

9. Long-Term Debt

Long-term debt consists of the following at June 30, 2020 and 2019:

	2020	2019
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.	$ 56,682	$ 70,988
Less amount due within one year	(19,247)	(19,103)
Long-term debt, net of current portion	$ 37,435	$ 51,885

Maturities of long-term debt are as follows:

Fiscal Year	Amount
2021	$ 19,247
2022	19,440
2023	17,995
Total	$ 56,682

10. Contract Liabilities

Upon receipt of a prepayment from a customer, the Organization recognizes a contract liability in the amount of the prepayment for its performance obligation to provide services in the future. The Organization has recorded a contract liability, which the Organization expects to recognize as revenue in the next fiscal year, when it provides those services and, therefore, satisfies its performance obligation.

11. Paycheck Protection Program Loan

On April 15, 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the “PPP Lender”), for an aggregate principal amount of approximately $240,000 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of five years, and is unsecured and guaranteed by the U.S. Small Business Administration. Interest is deferred until either (1) the date that SBA remits the borrower’s loan forgiveness amount to the lender or (2) if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower’s loan forgiveness covered period. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Organization’s request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. The Organization intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing when the loan is deemed not forgiven and principal and interest payments will be required through the maturity date two years later. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default.

In year ending June 30, 2020, the Organization utilized $176,828 of PPP funds for covered expenses and recognized this amount as income. The outstanding balance of the PPP loan was reduced by this amount on the Statement of Financial Position. However, the full amount of the PPP loan ($240,000) is still outstanding.

12. 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, 2020 and 2019 donor restricted net assets kept in perpetuity totaled $300,150. 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.

13. Net Assets With Donor Restrictions

Net assets with donor restrictions are comprised of the following at June 30, 2020 and 2019:

	2020	2019
Subject to expenditure for specified purpose:		
Capital campaign	$ 110,137	$ 114,369
Gym renovations	5,000	-
Subtotal purpose restrictions	115,137	114,369
Time restrictions	82,000	-
Perpetual restrictions	300,150	300,150
Total	$ 497,287	$ 414,519

Net assets were released from restrictions by incurring expenses that satisfy the restricted purpose or by the passage of time.

14. 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 $19,126 to the plan for the year ended June 30, 2020 and $19,435 for the year ended June 30, 2019.

15. 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, 2020 and 2019, 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.

The COVID-19 outbreak in the United States (and across the globe) has resulted in economic uncertainties. The disruption is expected to be temporary, but there is considerable uncertainty around the duration and scope. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on those we service, our funders, employees, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

16. 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.

17. 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.

18. Prior Period Restatement

In fiscal year 2020, the Board learned from a review of donor documentation and collaboration with the New Hampshire Charitable Trusts Unit that a prior period adjustment of $200,150 was needed in order to properly report donor-restricted net assets. This restatement has been reflected in these financial statements and did not have an impact on total net assets.

19. Subsequent Events

Subsequent events have been evaluated through December 9, 2020, the date the financial statements were available to be issued.