

**THE GRAPEVINE FAMILY AND COMMUNITY  
RESOURCE CENTER**

Financial Statements

For the Year Ended June 30, 2017

(With Independent Accountants' Review Report Thereon)

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**Additional Offices:**

Nashua, NH  
Andover, MA  
Greenfield, MA  
Ellsworth, ME

## Independent Accountants' Review Report

To the Board of Directors  
The Grapevine Family and Community Resource Center

We have reviewed the accompanying financial statements of The Grapevine Family and Community Resource Center (a not for profit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Accountants' Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

## **Accountants' Conclusion**

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

## **Other Matters**

### *Report on Summarized Comparative Information*

The Grapevine Family and Community Resource Center's June 30, 2016 financial statements were reviewed by another accountant and their report dated November 9, 2016 stated that based on their procedures, they were not aware of any material modifications that should be made to the June 30, 2016 financial statements in order for them to be in accordance with the cash basis of accounting. As described in Note 9, the Center converted its financial statements to the accrual basis of accounting and, as a result, modifications have been made to the summarized comparative information presented herein as of and for the year ended June 30, 2016.

### *Supplementary Information*

The supplementary information appearing on page 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

*Melanson Heath*

February 23, 2018

**THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER**

Statement of Financial Position

June 30, 2017

(with comparative totals as of June 30, 2016)

<u>ASSETS</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
Current Assets:				
Cash and cash equivalents	\$ 57,991	\$ 12,695	\$ 70,686	\$ 69,737
Accounts receivable	<u>7,426</u>	<u>-</u>	<u>7,426</u>	<u>-</u>
Total Current Assets	65,417	12,695	78,112	69,737
Investments	<u>3,037</u>	<u>-</u>	<u>3,037</u>	<u>2,624</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 68,454</u></b>	<b><u>\$ 12,695</u></b>	<b><u>\$ 81,149</u></b>	<b><u>\$ 72,361</u></b>
 <u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,930
Accrued payroll and related liabilities	<u>5,846</u>	<u>-</u>	<u>5,846</u>	<u>2,221</u>
Total Current Liabilities	5,846	-	5,846	5,151
Net Assets:				
Unrestricted	62,608	-	62,608	67,210
Temporarily restricted	<u>-</u>	<u>12,695</u>	<u>12,695</u>	<u>-</u>
Total Net Assets	<u>62,608</u>	<u>12,695</u>	<u>75,303</u>	<u>67,210</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 68,454</u></b>	<b><u>\$ 12,695</u></b>	<b><u>\$ 81,149</u></b>	<b><u>\$ 72,361</u></b>

See accompanying notes and Independent Accountants' Review Report.

**THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER**

Statement of Activities

For the Year Ended June 30, 2017

(with comparative totals for the year ended June 30, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
Support and Revenue:				
Support:				
Grants and contributions	\$ 142,250	\$ 13,500	\$ 155,750	\$ 123,735
Income from special events, net	23,614	-	23,614	31,770
Revenue:				
Program services, net	52,476	-	52,476	35,200
Rental	3,800	-	3,800	2,290
Other	2,293	-	2,293	-
Investment income	2,920	-	2,920	2,129
Net assets released from restriction	<u>805</u>	<u>(805)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	228,158	12,695	240,853	195,124
Expenses:				
Program services	196,625	-	196,625	179,933
General and administrative	23,893	-	23,893	34,984
Fundraising	<u>12,242</u>	<u>-</u>	<u>12,242</u>	<u>3,536</u>
Total Expenses	<u>232,760</u>	<u>-</u>	<u>232,760</u>	<u>218,453</u>
Change in Net Assets	(4,602)	12,695	8,093	(23,329)
Net Assets, Beginning of Year	<u>67,210</u>	<u>-</u>	<u>67,210</u>	<u>90,539</u>
Net Assets, End of Year	\$ <u><u>62,608</u></u>	\$ <u><u>12,695</u></u>	\$ <u><u>75,303</u></u>	\$ <u><u>67,210</u></u>

See accompanying notes and Independent Accountants' Review Report.

**THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER**

Statement of Cash Flows

For the Year Ended June 30, 2017

(with comparative totals for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 8,093	\$ (23,329)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Unrealized (gain) loss	(413)	(173)
Changes in operating assets and liabilities:		
Accounts receivable	(7,426)	13,715
Accounts payable	(2,930)	120
Accrued payroll and related liabilities	<u>3,625</u>	<u>(92)</u>
Net Cash Provided (Used) By Operating Activities and Net Change in Cash and Cash Equivalents	949	(9,759)
Cash and Cash Equivalents, Beginning	<u>69,737</u>	<u>79,496</u>
Cash and Cash Equivalents, Ending	<u>\$ 70,686</u>	<u>\$ 69,737</u>

See accompanying notes and Independent Accountants' Review Report.

# THE GRAPEVINE FAMILY COMMUNITY RESOURCE CENTER

## Notes to Financial Statements

For the Year Ended June 30, 2017

### 1. **Description of Organization**

The Grapevine Family Community Resource Center (the Center) is a non-profit organization providing support, education, and resources to families, children and the community to promote health and well-being. The Center offers programs and resources to its community through a number of Family and Community Supports. Family Supports include Better Beginnings Parent-Child and Baby Groups, The Learning Vine Parent-Cooperative preschool program, Before and After School Clubs and Avenue A Teen and Community Center. The Grandparents Parenting Grandchildren Support Group provides connections and information to help grandparents and alternate caregivers navigate this often unexpected family situation; Home Visiting offers one-to-one support for families in need of supports that go beyond what can be provided in programs. Ongoing parent/caregiver workshops and trainings are provided throughout the year. Community Supports include information and referrals to basic services such as food, shelter, clothing and transportation; The Community Wood Bank provides free emergency firewood for home heating; The People's Service Exchange trades skills among members for time dollars; Community Tool Shed to lend tools and equipment and teach new repair and building skills; Strong Living Senior Exercise Group is a local friendly way for senior adults to maintain and increase strength, balance and coordination.

### 2. **Significant Accounting Policies**

#### ***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 (GAAP). Accordingly, such information should be read in conjunction with the reviewed financial statements for the year ended June 30, 2016, 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.



## ***Investments***

The Center carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

## ***Accounts Receivable***

Accounts receivable consist primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

## ***Net Assets***

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Unrestricted Net Assets* - Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting for the nature of the Center, the environment in which it operates, the purposes specified in its organizing documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Temporarily Restricted Net Assets* – Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Center’s unspent contributions are classified in this class if the donor limited their use.

When a donor’s restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets.

*Permanently Restricted Net Assets* – Permanently restricted net assets are resources whose use by the Center is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor’s restriction nor by the passage of time. The portion of the Center’s donor-restricted funds that must be maintained in perpetuity are classified in this net asset class.

All revenues and net gains are reported as increases in unrestricted net assets in the Statement of Activities unless the use of the related resources is subject to temporary or permanent donor 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, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due and, therefore, are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

### ***Gifts-in-Kind Contributions***

The Center periodically receives contributions in a form other than cash or investments. Contributed property and equipment is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Center's capitalization policy. Donated use of facilities is reported as contributions and as expenses 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 contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The Center benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Center's program operations and in its fundraising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. Generally Accepted Accounting Principles allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if

not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

### ***Functional Allocation of Expenses***

The cost of providing the Center's programs and other activities is summarized on a functional basis in the Statement of Activities and Schedule of Functional Expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Center.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

### ***Tax Status***

Grapevine Family and Community Resource Center is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Center has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

The Center follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. FASB ASC 740-10 did not have a material impact on the Center's financial statements.

The Center's Federal Form 990 (Return of Organization Exempt From Income Tax) are subject to examination by the IRS, generally for three years after filing.

The Center recognizes interest related to unrecognized tax benefits in interest expense and penalties that are included within reported expenses. During the year ended June 30, 2017, the Center had no interest or penalties accrued related to unrecognized tax benefits.

### ***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, 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.

***Financial Instruments and Credit Risk***

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. 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.

**3. Accounts Receivable**

At June 30, 2017, receivables consisted of amounts due for enrollment fees for various programs offered by the Center.

**4. Investments**

At June 30, 2017, investments consisted of mutual funds totaling \$3,037.

**5. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes at June 30, 2017:

Tool shed	\$ 8,000
Family support and services	2,500
Grandparent advocacy	<u>2,195</u>
Total	<u>\$ 12,695</u>

Net assets are released from program restrictions by incurring expenses satisfying the restricted purpose or by the passage of time for net assets with time restrictions.

**6. Designated Funds with New Hampshire Charitable Foundation**

The Center is the beneficiary of a designated fund, The Grapevine Family and Community Fund, held at the New Hampshire Charitable Foundation (the Foundation). Under this agreement, amounts that are donor designated for this purpose are transferred permanently to the Foundation. In accordance with FASB ASC 958-605-25, amounts received for the endowment fund are not recorded as income and are not included as assets in these financial

statements. Rather, the contributions are recorded as assets and as income of the Foundation. The fair market value of the endowment fund at June 30, 2017 was \$44,778. In accordance with its spending policy, the Foundation makes distributions from the fund to the Center to offset its supporting services expenses. Total distributions received were \$1,793 for the year ended June 30, 2017.

**7. Operating Leases**

The Center leases a portion of a building located in Antrim, New Hampshire under an annual lease agreement, spanning October 1 to September 30. This space is intended to be used as general office space and a recreational center for teens (known as the “Teen Center”). In the event that the Center does not receive funding for the Teen Center from the Town of Antrim, the lease is void and there are no additional termination penalties. Current monthly lease payments are \$1,200. Rent expense for this space was \$14,400 for the year ended June 30, 2017.

The Center also leases premises in Antrim, New Hampshire, which is a Community Development Block Grant building. Terms of the grant require an organization such as the Center to occupy the building. Lease payments are \$200 per month, on a 20-year lease, with a lease renewal option every 5 years. The current lease is up for renewal on December 31, 2018 and the lease expires on December 31, 2023. The leased premises are used for office work, meeting facilities, and program services. Rent expense for this space was \$2,400 for the year ended June 30, 2017.

The Center also leases office equipment under a non-cancellable lease agreement that is scheduled to expire in June 2022. Equipment rental expense totaled \$3,337 for the year ended June 30, 2017.

Estimated future minimum lease payments on the above leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 7,092
2019	2,292
2020	1,092
2021	1,092
2022	<u>1,092</u>
Total future minimum rental payments	<u>\$ 12,660</u>

## 8. Fair Value Measurement

The Center reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the Center has access at the measurement date.
- *Level 2.* Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets in markets that are not active;
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3.* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

When available, the Center 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 many of the assets and liabilities that the Center 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 Center's financial statements are:

- initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.
- recurring measurement of investments.

The estimated fair value of the Center's financial instruments is presented in the following tables:

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>
Investments	\$ <u>3,037</u>	\$ <u>3,037</u>	\$ <u>3,037</u>	\$ <u>-</u>	\$ <u>-</u>
Total assets	\$ <u><u>3,037</u></u>	\$ <u><u>3,037</u></u>	\$ <u><u>3,037</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

**9. Change in Basis of Accounting**

During fiscal year 2017, the Center changed its method of accounting from the cash basis to the accrual basis. The effects of the change in accounting basis resulted in the recording of accounts receivable and accounts payable, and an overall decrease in the Center's June 30, 2016 net assets of \$2,930.

**10. 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.

**11. Subsequent Events**

Subsequent events have been evaluated through February 23, 2018, which is the date the financial statements were available to be issued.

**THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER**

Schedule of Functional Expenses

For the Year Ended June 30, 2017

(with comparative totals for the year ended June 30, 2016)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>2017</u>	<u>2016</u>
Personnel expense:					
Salaries and wages	\$ 129,730	\$ 12,210	\$ 10,683	\$ 152,623	\$ 142,697
Payroll taxes	10,758	1,013	886	12,657	12,798
Contracted and professional services:					
Accounting	-	4,675	-	4,675	4,950
Other	25,482	-	-	25,482	15,740
Advertising	-	-	673	673	-
Equipment, repairs, and maintenance	384	-	-	384	1,981
Insurance	4,690	-	-	4,690	5,848
Miscellaneous	1,427	652	-	2,079	3,475
Occupancy	18,450	-	-	18,450	19,116
Office expenses	-	5,343	-	5,343	3,883
Postage and shipping	1,044	-	-	1,044	1,221
Supplies	1,788	-	-	1,788	2,875
Telephone	2,497	-	-	2,497	2,490
Training and development	375	-	-	375	1,138
Travel	-	-	-	-	241
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Functional Expenses	<u>\$ 196,625</u>	<u>\$ 23,893</u>	<u>\$ 12,242</u>	<u>\$ 232,760</u>	<u>\$ 218,453</u>

See Independent Accountants' Review Report.