

**THE GRAPEVINE FAMILY AND COMMUNITY
RESOURCE CENTER**

Financial Statements

For the Year Ended June 30, 2018

(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 nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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

We previously reviewed The Grapevine Family and Community Resource Center's June 30, 2017 financial statements and, in our report dated February 23, 2018, stated that based on our procedures, we were not aware of any material modifications that should be made to the June 30, 2017 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2017 for it to be consistent with the reviewed financial statements from which it has been derived.

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

April 2, 2019

THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER

Statement of Financial Position

June 30, 2018

(with comparative totals as of June 30, 2017)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 58,463	\$ 64,079	\$ 122,542	\$ 70,686
Accounts receivable	<u>8,986</u>	<u>-</u>	<u>8,986</u>	<u>7,426</u>
Total Current Assets	67,449	64,079	131,528	78,112
Investments	3,428	-	3,428	3,037
Property and Equipment, net	<u>6,724</u>	<u>-</u>	<u>6,724</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 77,601</u>	<u>\$ 64,079</u>	<u>\$ 141,680</u>	<u>\$ 81,149</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accrued payroll and related liabilities	\$ <u>7,469</u>	\$ <u>-</u>	\$ <u>7,469</u>	\$ <u>5,846</u>
Total Current Liabilities	7,469	-	7,469	5,846
Net Assets:				
Unrestricted	70,132	-	70,132	62,608
Temporarily restricted	<u>-</u>	<u>64,079</u>	<u>64,079</u>	<u>12,695</u>
Total Net Assets	<u>70,132</u>	<u>64,079</u>	<u>134,211</u>	<u>75,303</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 77,601</u>	<u>\$ 64,079</u>	<u>\$ 141,680</u>	<u>\$ 81,149</u>

See accompanying notes and Independent Accountants' Review Report.

THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER

Statement of Activities

For the Year Ended June 30, 2018

(with comparative totals for the year ended June 30, 2017)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
Support and Revenue:				
Support:				
Grants and contributions	\$ 147,809	\$ 71,800	\$ 219,609	\$ 155,750
In-kind contributions	7,200	-	7,200	-
Income from special events, net	19,292	-	19,292	23,614
Revenue:				
Program services, net	61,070	-	61,070	52,476
Rental	5,700	-	5,700	3,800
Other	-	-	-	2,293
Investment income	2,090	-	2,090	2,920
Net assets released from restriction	<u>20,416</u>	<u>(20,416)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	263,577	51,384	314,961	240,853
Expenses:				
Program services	221,017	-	221,017	196,625
General and administrative	25,666	-	25,666	23,893
Fundraising	<u>9,370</u>	<u>-</u>	<u>9,370</u>	<u>12,242</u>
Total Expenses	<u>256,053</u>	<u>-</u>	<u>256,053</u>	<u>232,760</u>
Change in Net Assets	7,524	51,384	58,908	8,093
Net Assets, Beginning of Year	<u>62,608</u>	<u>12,695</u>	<u>75,303</u>	<u>67,210</u>
Net Assets, End of Year	<u>\$ 70,132</u>	<u>\$ 64,079</u>	<u>\$ 134,211</u>	<u>\$ 75,303</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, 2018

(with comparative totals for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 58,908	\$ 8,093
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	141	-
Unrealized (gain) loss	(391)	(413)
Changes in operating assets and liabilities:		
Accounts receivable	(1,560)	(7,426)
Accounts payable	-	(2,930)
Accrued payroll and related liabilities	<u>1,623</u>	<u>3,625</u>
Net Cash Provided By Operating Activities	58,721	949
Cash Flows From Investing Activities:		
Purchase of fixed assets	<u>(6,865)</u>	<u>-</u>
Net Cash Used By Investing Activities	<u>(6,865)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	51,856	949
Cash and Cash Equivalents, Beginning	<u>70,686</u>	<u>69,737</u>
Cash and Cash Equivalents, Ending	<u>\$ 122,542</u>	<u>\$ 70,686</u>

See accompanying notes and Independent Accountants' Review Report.

THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER

Notes to Financial Statements

For the Year Ended June 30, 2018

1. **Description of Organization**

The Grapevine Family and Community Resource Center (the Grapevine) is a nonprofit organization providing support, education, and resources to families, children and the community to promote health and well-being. The Grapevine 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, 2017, 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.

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.

Investments

The Grapevine 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.

Property and Equipment

Property and equipment additions over \$1,000 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 3 to 10 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 accumulated 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 the carrying value exceeds the fair value of the asset. There were no indicators of asset impairment in fiscal year 2018.

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 from the nature of the Grapevine, 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 donors for use for a particular purpose or in a particular future period. The Grapevine’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 Statement of Activities 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 Grapevine 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 Grapevine’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 Grapevine 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 Grapevine'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 amount 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 Grapevine's benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Grapevine'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. Donated IT services with an estimated fair value of \$7,200 met those criteria in fiscal year 2018 and are included in the Statement of Activities.

Advertising Costs

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

Functional Allocation of Expenses

The cost of providing the Grapevine'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 Grapevine.

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

Income Taxes

The Grapevine Family and Community Resource Center 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 deduc-

tions, and has been determined not to be a private foundation. The Grapevine is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Grapevine is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. In fiscal year 2018, the Grapevine 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. Accordingly, actual results may differ from those estimates.

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. 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.

3. Accounts Receivable

At June 30, 2018, receivables consisted of amounts due for enrollment fees for various programs offered by the Grapevine.

4. Investments

At June 30, 2018, investments consisted of mutual funds totaling \$3,428.

5. Property, Equipment, and Depreciation

A summary of the major components of property and equipment as of June 30, 2018 is presented below:

Buildings	\$ 5,180
Leasehold improvements	<u>1,685</u>
Subtotal	6,865
Less: accumulated depreciation	<u>(141)</u>
Total	<u>\$ 6,724</u>

6. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30, 2018:

Family support and services	\$ 38,589
Avenue A Teen and Community Center	21,000
Grandparent advocacy	2,897
Tool shed	<u>1,593</u>
Total	<u>\$ 64,079</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.

7. Designated Funds with New Hampshire Charitable Foundation

The Grapevine 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, 2018 was \$46,230. In accordance with its spending policy, the Foundation makes distributions from the fund to the Grapevine to offset its supporting services expenses. Total distributions received were \$1,751 for the year ended June 30, 2018.

8. Operating Leases

The Grapevine 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 Grapevine 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, 2018.

The Grapevine 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 Grapevine 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, 2018.

The Grapevine also leases office equipment under a non-cancellable lease agreement that is scheduled to expire in June 2022. Equipment rental expense totaled \$1,753 for the year ended June 30, 2018.

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

<u>Fiscal Year</u>	<u>Amount</u>
2019	\$ 5,892
2020	1,092
2021	1,092
2022	1,092
2023	<u>1,092</u>
Total future minimum rental payments	<u>\$ 10,260</u>

9. **Fair Value Measurement**

The Grapevine 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 Grapevine 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 Grapevine 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 Grapevine 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 Grapevine’s financial statements are:

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

The carrying amounts of cash and cash equivalents, accounts receivable, and accrued payroll and related liabilities approximate fair value due to their short-term nature. The estimated fair value of the Grapevine’s financial instruments is presented in the following table:

	Carrying Value	Fair Value	Level One	Level Two	Level Three
Investments	\$ <u>3,428</u>	\$ <u>3,428</u>	\$ <u>3,428</u>	\$ <u>-</u>	\$ <u>-</u>
Total assets	\$ <u><u>3,428</u></u>	\$ <u><u>3,428</u></u>	\$ <u><u>3,428</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

10. Subsequent Events

Subsequent events have been evaluated through April 2, 2019, 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, 2018

(with comparative totals for the year ended June 30, 2017)

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>2018</u>	<u>2017</u>
Personnel expense:					
Salaries and wages	\$ 154,797	\$ 9,862	\$ 8,629	\$ 173,288	\$ 152,623
Payroll taxes	13,006	801	701	14,508	12,657
Contracted and professional services:					
Accounting	-	3,500	-	3,500	4,675
Other	6,300	-	-	6,300	25,482
Advertising	-	-	40	40	673
Depreciation	141	-	-	141	-
Equipment, repairs, and maintenance	293	-	-	293	384
Insurance	6,556	-	-	6,556	4,690
Miscellaneous	6,226	696	-	6,922	2,079
Occupancy	20,434	-	-	20,434	18,450
Office expenses	-	3,607	-	3,607	5,343
Postage and shipping	904	-	-	904	1,044
Professional services	-	7,200	-	7,200	-
Supplies	7,868	-	-	7,868	1,788
Telephone	3,234	-	-	3,234	2,497
Training and development	1,197	-	-	1,197	375
Travel	61	-	-	61	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Functional Expenses	\$ <u>221,017</u>	\$ <u>25,666</u>	\$ <u>9,370</u>	\$ <u>256,053</u>	\$ <u>232,760</u>

See Independent Accountants' Review Report.