



# **THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER**

Financial Statements  
For the Year Ended June 30, 2019

(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, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. 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 engagement 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.

### **Summarized Comparative Information**

We previously reviewed The Grapevine Family and Community Resource Center's June 30, 2018 financial statements and, in our report dated April 2, 2019, stated that based on our procedures, we were not aware of any material modifications that should be made to the June 30, 2018 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, 2018 for it to be consistent with the reviewed financial statements from which it has been derived.

*Melanson Heath*

March 17, 2020

**THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER**

Statement of Financial Position

June 30, 2019

(with comparative totals as of June 30, 2018)

	2019			
	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 59,787	\$ 39,135	\$ 98,922	\$ 122,542
Accounts receivable	<u>15,441</u>	<u>-</u>	<u>15,441</u>	<u>8,986</u>
Total Current Assets	75,228	39,135	114,363	131,528
Investments	3,575	-	3,575	3,428
Property and Equipment, Net	<u>9,095</u>	<u>-</u>	<u>9,095</u>	<u>6,724</u>
Total Assets	<u>\$ 87,898</u>	<u>\$ 39,135</u>	<u>\$ 127,033</u>	<u>\$ 141,680</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current Liabilities:				
Accrued payroll and related liabilities	\$ 5,132	\$ -	\$ 5,132	\$ 7,469
Deferred revenue	<u>1,591</u>	<u>-</u>	<u>1,591</u>	<u>-</u>
Total Current Liabilities	6,723	-	6,723	7,469
Net Assets:				
Without donor restrictions	81,175	-	81,175	70,132
With donor restrictions	<u>-</u>	<u>39,135</u>	<u>39,135</u>	<u>64,079</u>
Total Net Assets	<u>81,175</u>	<u>39,135</u>	<u>120,310</u>	<u>134,211</u>
Total Liabilities and Net Assets	<u>\$ 87,898</u>	<u>\$ 39,135</u>	<u>\$ 127,033</u>	<u>\$ 141,680</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, 2019

(with comparative totals for the year ended June 30, 2018)

	2019			
	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
<b>SUPPORT AND REVENUE</b>				
Support:				
Grants and contributions	\$ 179,620	\$ 4,665	\$ 184,285	\$ 219,609
In-kind contributions	7,200	-	7,200	7,200
Special events	17,019	-	17,019	19,292
Revenue:				
Program services, net	54,757	-	54,757	61,070
Rental	4,500	-	4,500	5,700
Investment income	1,938	-	1,938	2,090
Net Assets Released From Restriction	<u>29,609</u>	<u>(29,609)</u>	<u>-</u>	<u>-</u>
 Total Support and Revenue	 294,643	 (24,944)	 269,699	 314,961
 <b>EXPENSES</b>				
Program services	245,011	-	245,011	221,017
General and administrative	26,331	-	26,331	25,666
Fundraising	<u>12,258</u>	<u>-</u>	<u>12,258</u>	<u>9,370</u>
 Total Expenses	 <u>283,600</u>	 <u>-</u>	 <u>283,600</u>	 <u>256,053</u>
 Change in Net Assets	 11,043	 (24,944)	 (13,901)	 58,908
 Net Assets, Beginning of Year	 <u>70,132</u>	 <u>64,079</u>	 <u>134,211</u>	 <u>75,303</u>
 Net Assets, End of Year	 <u>\$ 81,175</u>	 <u>\$ 39,135</u>	 <u>\$ 120,310</u>	 <u>\$ 134,211</u>

See accompanying notes and Independent Accountants' Review Report.

**THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER**

Statement of Functional Expenses

For the Year Ended June 30, 2019

(with comparative totals for the year ended June 30, 2018)

	2019				
	Program Services	General and Administrative	Fundraising	2019 Total	2018 Total
Personnel expense:					
Salaries and wages	\$ 175,902	\$ 11,596	\$ 10,146	\$ 197,644	\$ 173,288
Payroll taxes	12,972	1,221	1,068	15,261	14,508
Contracted and professional services:					
Accounting	-	2,523	-	2,523	3,500
Other	4,600	-	-	4,600	6,300
Advertising	-	-	1,044	1,044	40
Depreciation	686	-	-	686	141
Equipment, repairs, and maintenance	4,593	-	-	4,593	293
Information technology	-	7,200	-	7,200	7,200
Insurance	6,544	-	-	6,544	6,556
Miscellaneous	4,007	449	-	4,456	6,922
Occupancy	21,279	-	-	21,279	20,434
Office expenses	-	3,342	-	3,342	3,607
Postage and shipping	1,198	-	-	1,198	904
Supplies	6,430	-	-	6,430	7,868
Telephone	3,623	-	-	3,623	3,234
Training and development	2,578	-	-	2,578	1,197
Travel	599	-	-	599	61
	<u>245,011</u>	<u>26,331</u>	<u>12,258</u>	<u>283,600</u>	<u>256,053</u>
Total Functional Expenses	\$ <u>245,011</u>	\$ <u>26,331</u>	\$ <u>12,258</u>	\$ <u>283,600</u>	\$ <u>256,053</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, 2019

(with comparative totals for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ (13,901)	\$ 58,908
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	686	141
Unrealized (gain) loss	(147)	(391)
Changes in operating assets and liabilities:		
Accounts receivable	(6,455)	(1,560)
Accrued payroll and related liabilities	(2,337)	1,623
Deferred revenue	<u>1,591</u>	<u>-</u>
Net Cash Provided (Used) By Operating Activities	(20,563)	58,721
Cash Flows From Investing Activities:		
Purchase of fixed assets	<u>(3,057)</u>	<u>(6,865)</u>
Net Cash Used By Investing Activities	<u>(3,057)</u>	<u>(6,865)</u>
Net Change in Cash and Cash Equivalents	(23,620)	51,856
Cash and Cash Equivalents, Beginning	<u>122,542</u>	<u>70,686</u>
Cash and Cash Equivalents, Ending	\$ <u><u>98,922</u></u>	\$ <u><u>122,542</u></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, 2019

### 1. **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 lends tools and equipment and teaches 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**

#### ***Change in Accounting Principle***

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

#### ***Comparative Financial Information***

The accompanying financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles

generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the reviewed financial statements for the year ended June 30, 2018, from which the summarized information was derived.

### ***Cash and Cash Equivalents***

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

### ***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. At June 30, 2019, management believes all receivables to be fully collectable.

### ***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 2019.

### ***Net Assets***

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity while permitting the Grapevine to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

### ***Revenue and Revenue Recognition***

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

### ***Accounting for Contributions***

Contributions are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as net assets with donor restrictions. 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 net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year. 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.

### ***Donated Services and 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 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 the criteria in fiscal year 2019 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 Statement 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. 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 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 deductions, 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 2019, 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 management to make 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 amounts could 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 insurance 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. Investments are made by diversified investment managers whose performance is monitored by the Board of Directors. Although the fair value of investments are subject to fluctuation on a year-to-year basis, the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Grapevine.

### ***Fair Value Measurement and Disclosures***

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

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

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

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

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

When available, the 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 certain 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 and unconditional promises to give.
- Recurring measurement of investments (Note 5).

The carrying amounts of cash and cash equivalents, accounts receivable, accrued payroll and related liabilities, and deferred revenue approximate fair value due to their short-term nature.

### ***New Accounting Standards to be Adopted in the Future***

#### ***Revenue from Contracts with Customers***

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. The ASU’s core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This ASU also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. This ASU will be effective for the Grapevine for the year ending June 30, 2020. The Grapevine is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

### *Contributions Received and Contributions Made*

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

### *Leases*

In February 2016, the FASB issued ASU 2016-02, *Leases*. The ASU requires all leases with lease terms more than 12 months to be capitalized as a right of use asset and lease liability on the Statement of Financial Position 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 Statement of Activities. This ASU will be effective for the Grapevine for the year ending June 30, 2022. The Grapevine 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 Statement of Financial Position date, are comprised of the following at June 30, 2019:*

Financial assets at year-end:	
Cash and cash equivalents	\$ 98,922
Receivables	15,441
Investments	<u>3,575</u>
Financial assets available to meet general expenditures over the next year	\$ <u><u>117,938</u></u>

The Grapevine 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 Grapevine operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

**4. Accounts Receivable**

At June 30, 2019 and 2018, receivables consisted of amounts due for enrollment fees for various programs offered by the Grapevine.

**5. Investments**

At June 30, 2019 and 2018, investments consisted of mutual funds and are categorized in the fair value hierarchy as Level 1.

**6. Property, Equipment, and Depreciation**

A summary of the major components of property and equipment is presented below:

	<u>2019</u>	<u>2018</u>
Buildings	\$ 5,247	\$ 5,180
Leasehold improvements	<u>4,675</u>	<u>1,685</u>
Subtotal	9,922	6,865
Less accumulated depreciation	<u>(827)</u>	<u>(141)</u>
Total	<u>\$ 9,095</u>	<u>\$ 6,724</u>

Depreciation expense totaled \$686 and \$141 in fiscal years 2019 and 2018, respectively.

**7. Net Assets With Donor Restrictions**

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

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Family support and services	\$ 29,045	\$ 38,589
Avenue A Teen and Community Center	8,545	21,000
Grandparent advocacy	646	2,897
Tool shed	<u>899</u>	<u>1,593</u>
Total	<u>\$ 39,135</u>	<u>\$ 64,079</u>



Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or the occurrence of the passage of time as follows for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Satisfaction of purpose restrictions:		
Family support and services	\$ 9,543	\$ 6,411
Avenue A Teen and Community Center	17,121	-
Grandparent advocacy	2,251	3,548
Tool shed	694	6,407
Creative writing	-	<u>4,050</u>
Total	<u>\$ 29,609</u>	<u>\$ 20,416</u>

## 8. 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. Substantially all expenses are directly charged to the functional categories, with the exception of salaries and wages and payroll taxes, which are allocated based on time and effort estimates.

## 9. 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, 2019 was \$45,438. 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 \$1,776 for the year ended June 30, 2019.

## 10. 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, 2019.

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 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, 2019.

The Grapevine also leases office equipment under a non-cancellable lease agreement that is scheduled to expire in June 2022. Equipment rental expense totaled \$1,685 for the year ended June 30, 2019.

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

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ 17,892
2021	7,092
2022	3,492
2023	2,400
2024	<u>1,200</u>
Total future minimum rental payments	\$ <u>32,076</u>

## **11. Subsequent Events**

Subsequent events have been evaluated through March 17, 2020, which is the date the financial statements were available to be issued.