



**THE GRAPEVINE FAMILY AND
COMMUNITY RESOURCE CENTER**

Financial Statements
For the Year Ended June 30, 2020

(With Independent Accountants' Review Report Thereon)

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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, 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. 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.

We are required to be independent of The Grapevine Family and Community Resource Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine

800.282.2440 | melansoncpas.com



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 accordance 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, 2019 financial statements and, in our report dated March 17, 2020, stated that based on our procedures, we were not aware of any material modifications that should be made to the June 30, 2019 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, 2019 for it to be consistent with the reviewed financial statements from which it has been derived.

Melanson

Merrimack, New Hampshire
May 7, 2021

THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER

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

	2020			
	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 129,951	\$ 57,738	\$ 187,689	\$ 98,922
Accounts receivable	1,132	-	1,132	5,441
Grants receivable	23,849	-	23,849	10,000
Prepaid expenses	1,400	-	1,400	-
Total Current Assets	156,332	57,738	214,070	114,363
Noncurrent Assets:				
Investments	3,774	-	3,774	3,575
Property and equipment, net	8,103	-	8,103	9,095
Total Noncurrent Assets	11,877	-	11,877	12,670
Total Assets	\$ 168,209	\$ 57,738	\$ 225,947	\$ 127,033
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accrued payroll and related liabilities	\$ 8,795	\$ -	\$ 8,795	\$ 5,132
Refundable advance	-	-	-	1,591
Total Current Liabilities	8,795	-	8,795	6,723
Net Assets:				
Without donor restrictions	159,414	-	159,414	81,175
With donor restrictions	-	57,738	57,738	39,135
Total Net Assets	159,414	57,738	217,152	120,310
Total Liabilities and Net Assets	\$ 168,209	\$ 57,738	\$ 225,947	\$ 127,033

See Independent Accountants' Review Report.

THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER

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:				
Grants and contributions	\$ 210,540	\$ 89,325	\$ 299,865	\$ 184,285
Paycheck Protection Program (PPP) grant	35,000	-	35,000	-
In-kind contributions	7,350	-	7,350	7,200
Special events	17,774	-	17,774	17,019
Revenue:				
Program services, net	41,366	-	41,366	54,757
Rental	3,525	-	3,525	4,500
Investment income	1,655	-	1,655	1,938
Net Assets Released From Restriction	<u>70,722</u>	<u>(70,722)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	387,932	18,603	406,535	269,699
EXPENSES				
Program Services	260,613	-	260,613	245,011
General and Administrative	38,126	-	38,126	26,331
Fundraising	<u>10,954</u>	<u>-</u>	<u>10,954</u>	<u>12,258</u>
Total Expenses	<u>309,693</u>	<u>-</u>	<u>309,693</u>	<u>283,600</u>
Change in Net Assets	78,239	18,603	96,842	(13,901)
Net Assets, Beginning of Year	<u>81,175</u>	<u>39,135</u>	<u>120,310</u>	<u>134,211</u>
Net Assets, End of Year	\$ <u>159,414</u>	\$ <u>57,738</u>	\$ <u>217,152</u>	\$ <u>120,310</u>

See Independent Accountants' Review Report.

THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER

Statement of Functional Expenses
 For the Year Ended June 30, 2020
 (with comparative totals for the year ended June 30, 2019)

	2020				
	Program Services	General and Administrative	Fundraising	2020 Total	2019 Total
Personnel expense:					
Salaries and wages	\$ 186,784	\$ 14,705	\$ 10,076	\$ 211,565	\$ 197,644
Payroll taxes	14,615	1,133	775	16,523	15,261
Contracted and professional services:					
Accounting	-	3,000	-	3,000	2,523
Other	7,770	150	-	7,920	4,600
Advertising	-	-	103	103	1,044
Depreciation	992	-	-	992	686
Equipment, repairs, and maintenance	451	-	-	451	4,593
Information technology	-	7,200	-	7,200	7,200
Insurance	6,808	-	-	6,808	6,544
Miscellaneous	5,010	1,009	-	6,019	4,456
Occupancy	19,827	1,357	-	21,184	21,279
Office expenses	-	3,319	-	3,319	3,342
Postage and shipping	-	1,905	-	1,905	1,198
Supplies	16,111	-	-	16,111	6,430
Telephone	545	4,348	-	4,893	3,623
Training and development	999	-	-	999	2,578
Travel	701	-	-	701	599
	701	-	-	701	599
Total	\$ 260,613	\$ 38,126	\$ 10,954	\$ 309,693	\$ 283,600

See Independent Accountants' Review Report.

THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER

Statement of Cash Flows
For the Year Ended June 30, 2020
(with comparative totals for the year ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 96,842	\$ (13,901)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	992	686
Unrealized (gain) loss	(199)	(147)
Changes in operating assets and liabilities:		
Accounts receivable	4,309	(6,455)
Grants receivable	(13,849)	-
Prepaid expenses	(1,400)	-
Accrued payroll and related liabilities	3,663	(2,337)
Refundable advance	<u>(1,591)</u>	<u>1,591</u>
Net Cash Provided (Used) By Operating Activities	88,767	(20,563)
Cash Flows From Investing Activities:		
Purchase of fixed assets	<u>-</u>	<u>(3,057)</u>
Net Cash Used By Investing Activities	<u>-</u>	<u>(3,057)</u>
Net Change in Cash and Cash Equivalents	88,767	(23,620)
Cash and Cash Equivalents, Beginning	<u>98,922</u>	<u>122,542</u>
Cash and Cash Equivalents, Ending	\$ <u><u>187,689</u></u>	\$ <u><u>98,922</u></u>

See Independent Accountants' Review Report.

THE GRAPEVINE FAMILY AND COMMUNITY RESOURCE CENTER

Notes to Financial Statements
For the Year Ended June 30, 2020

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. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies used in preparing and presenting the accompanying financial statements.

Change in Accounting Principle

ASU 2014-09 and ASU 2018-08 Revenue Recognition

The Grapevine has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended, and ASU 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 Grapevine'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 Grapevine recognizes revenue and, therefore, no changes to the previously issued reviewed 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 Grapevine has adopted FASB 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 Grapevine has adopted FASB 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 removes 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 reviewed 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.

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. 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, state, and local 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 uncollectable 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.

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 years 2020 or 2019.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-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. 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

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 the Grapevine's 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 the Grapevine has 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.

Revenue derived from providing program services is recognized when the performance obligations of providing the services are met. Payment is required before the program service occurs and is recorded as a contract liability until the performance obligation is met. The performance obligation of delivering program services is received and consumed by individuals; therefore, the revenue is recognized as the program service occurs. Scholarships and grants provided to individuals are recorded as a reduction from the posted program service fee rates at the time revenue is recognized.

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

Donated Services and In-Kind Contributions

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. Donated IT services with an estimated fair value of \$7,350 and \$7,200 met the criteria for recognition in fiscal years 2020 and 2019, respectively, 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 costs of providing the Grapevine's various programs and 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. Certain categories of expenses are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. Expenses that relate solely to the functional categories are directly charged, however, there are certain expenses that are allocated. Salaries and wages and payroll taxes are allocated based on time and effort estimates.

Income Taxes

The Grapevine 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 years 2020 and 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 its 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 or liabilities 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.

New Accounting Standards to be Adopted in the Future

Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (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 will be effective for the Grapevine for the year ending June 30, 2022. Early adoption is permitted. 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, 2023. The Grapevine 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 Grapevine for the year ending June 30, 2024. 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 187,689	\$ 98,922
Receivables	1,132	5,441
Investments	<u>3,774</u>	<u>3,575</u>
Financial assets available to meet general expenditures over the next year	\$ <u>192,595</u>	\$ <u>107,938</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. Investments

Investments, measured at fair value on a recurring basis and categorized in the fair value hierarchy at Level 1, consist of mutual funds at June 30, 2020 and 2019. As of June 30, 2020 and 2019, the Grapevine recognized \$199 and \$147, respectively, of unrealized gains on investments on equity securities.

5. Property and Equipment

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

	<u>2020</u>	<u>2019</u>
Buildings	\$ 5,247	\$ 5,247
Leasehold improvements	<u>4,675</u>	<u>4,675</u>
Subtotal	9,922	9,922
Less accumulated depreciation	<u>(1,819)</u>	<u>(827)</u>
Total	\$ <u>8,103</u>	\$ <u>9,095</u>

6. Net Assets With Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Avenue A Teen and Community Center	\$ 39,615	\$ 8,545
Family support and services	-	29,045
Hillsborough area community services	9,483	-
Other programs	4,741	-
COVID-related expenses	3,000	-
Grandparent advocacy	-	646
Tool shed	899	899
	<u> </u>	<u> </u>
Total	\$ <u>57,738</u>	\$ <u>39,135</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or the occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions:		
Family support and services	\$ 29,045	\$ 9,543
Other programs	24,994	-
Avenue A Teen and Community Center	15,520	17,121
Grandparent advocacy	646	2,251
Hillsborough area community services	517	-
Tool shed	-	694
	<u> </u>	<u> </u>
Total	\$ <u>70,722</u>	\$ <u>29,609</u>

7. Paycheck Protection Program (PPP) Loan

On May 4, 2020, the Grapevine received loan proceeds in the amount of \$35,000 under the Small Business Administration (SBA) Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was enacted March 27, 2020, provides for loans to qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses. The loan and accrued interest may be forgiven after twenty-four weeks providing the Grapevine uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains certain payroll levels. The amount of loan forgiveness will be reduced if the Grapevine terminates employees or reduces salaries during the twenty-four week

period. Any unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with deferral of payments for the first ten months. The Grapevine used the proceeds for purposes consistent with the PPP requirements. The Grapevine has applied the conditional contribution model as described in FASB ASC 958-605 to recognize PPP loan proceeds as contribution income as the PPP loan conditions were substantially met by incurring qualifying expenses and other PPP loan requirements. As of June 30, 2020, the Grapevine has recognized the entire amount of the PPP loan as contribution income. Subsequent to year-end, the Grapevine was approved by the SBA for 100% forgiveness of the PPP loan.

8. 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, 2020 and 2019 was \$43,271 and \$45,438, respectively. 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 \$1,778 and \$1,776 for the years ended June 30, 2020 and 2019, respectively.

9. Operating Leases

The Grapevine leases a portion of a building located in Antrim, New Hampshire under a lease agreement, spanning October 1, 2019 to September 30, 2020. Subsequent to year-end, the lease changed to month-to-month. 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 and \$14,400 for the years ended June 30, 2020 and 2019, respectively.

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 and \$2,400 for the years ended June 30, 2020 and 2019, respectively.

The Grapevine also leases office equipment under a non-cancellable lease agreement that is scheduled to expire in June 2022. Equipment rental expense totaled \$1,450 and \$1,685 for the years ended June 30, 2020 and 2019, respectively.

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

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 3,492
2022	3,492
2023	2,400
2024	<u>1,200</u>
Total future minimum rental payments	\$ <u>10,584</u>

10. Commitments and Contingencies

COVID-19

The COVID-19 outbreak in the United States 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 serve, 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.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Grapevine expects such amounts, if any, to be immaterial.

11. 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.

12. Subsequent Events

Subsequent events have been evaluated through May 7, 2021, which is the date the financial statements were available to be issued.