

HARDY GIRLS, HEALTHY WOMEN, INC.

**FINANCIAL STATEMENTS
and
SUPPLEMENTAL INFORMATION**

June 30, 2016

WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT

HARDY GIRLS, HEALTHY WOMEN, INC.

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Hardy Girls, Healthy Women, Inc.
Waterville, ME 04901

We have reviewed the accompanying financial statements of Hardy Girls, Healthy Women, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of June 30, 2016, and the related statements of revenues, expenses and other changes in net assets – modified cash basis and cash flows – modified cash basis 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 these financial statements in accordance with the cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's 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 the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's 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 the cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Supplementary Information

The supplementary information included in the schedule of functional expenses – cash basis 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 the cash basis of accounting. We have not audited the information and, accordingly, do not express an opinion on such information.

Nicholson, Michaud & Company

Waterville, Maine
January 21, 2017

HARDY GIRLS, HEALTHY WOMEN, INC.
STATEMENT OF ASSETS, LIABILITIES AND
NET ASSETS - MODIFIED CASH BASIS

June 30, 2016

ASSETS

Current Assets		
Cash and cash equivalents	\$	70,655
Property and Equipment		
Furniture and equipment		20,210
Accumulated depreciation		<u>(20,210)</u>
Net Property and Equipment		<u>-</u>
Other Assets		
Restricted cash - fiscal agent		<u>54,458</u>
Total Assets	\$	<u><u>125,113</u></u>

LIABILITIES and NET ASSETS

Current Liabilities		
Payroll taxes payable	\$	2,751
Fiscal agent payable		<u>54,458</u>
Total Current Liabilities		<u>57,209</u>
Total Liabilities		<u>57,209</u>
Net Assets		
Unrestricted		<u>67,904</u>
Total Liabilities and Net Assets	\$	<u><u>125,113</u></u>

See Accompanying Notes and Independent Accountant's Review Report

HARDY GIRLS, HEALTHY WOMEN, INC.

**STATEMENT OF REVENUES, EXPENSES AND
OTHER CHANGES IN NET ASSETS - MODIFIED CASH BASIS**

Year Ended June 30, 2016

Support and Revenue	
Contributions	\$ 82,477
Grants	42,171
Fundraising	32,459
Programs	21,412
Rental	2,532
Total Support and Revenue	<u>181,051</u>
Operating Expenses	
Program	100,167
Management and general	19,502
Fundraising	27,829
Total Operating Expenses	<u>147,498</u>
Changes in Net Assets from Operating Activities	33,553
Non-Operating Activities	
Interest income	215
Changes in Net Assets from Non-Operating Activities	<u>215</u>
Changes in Net Assets	33,768
Net Assets at Beginning of Year	<u>34,136</u>
Net Assets at End of Year	\$ <u><u>67,904</u></u>

See Accompanying Notes and Independent Accountant's Review Report

HARDY GIRLS, HEALTHY WOMEN, INC.

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

Year Ended June 30, 2016

Cash Flows from Operating Activities:	
Changes in net assets	\$ 33,768
Adjustments to reconcile changes in net assets to net cash flows from operating activities:	
Depreciation	65
Restricted cash - fiscal agent	21,227
Payroll taxes payable	(232)
Fiscal agent payable	(21,227)
Net Cash Flows from Operating Activities	<u>33,601</u>
Net Change in Cash and Cash Equivalents	33,601
Cash and Cash Equivalents at Beginning of Year	<u>37,054</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 70,655</u></u>

See Accompanying Notes and Independent Accountant's Review Report

HARDY GIRLS, HEALTHY WOMEN, INC.

NOTES to FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF THE ORGANIZATION

Hardy Girls, Healthy Women, Inc., (a nonprofit organization), is dedicated to the health and wellbeing of girls and women. The Organization provides five programs and receives grants and donations to further its mission.

BASIS OF PRESENTATION

The financial statements of the Organization have been prepared on the modified cash basis of accounting. Under this method, revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the related obligation is incurred. Modifications to the cash basis of accounting result from management's decision to record property and equipment and related depreciation, and payroll taxes payable in the statement of assets, liabilities and net assets – modified cash basis.

The Organization reports information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets – Unrestricted net assets are those that bear no external restrictions as to use or purpose.

Temporarily Restricted Net Assets – Temporarily restricted net assets are those whose use has been limited by donors and grantors to a specific time period or purpose. The Organization had no temporarily restricted net assets at June 30, 2016.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations requiring that they be maintained permanently by the Organization. The Organization had no permanently restricted net assets at June 30, 2016.

USE OF ESTIMATES

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

GRANTS AND CONTRIBUTIONS

Grants are either recorded as exchange transactions or contributions based on criteria contained in the grant award.

Support received by the Organization under grants with nongovernmental entities generally qualify as contributions and are recognized as revenues in the period received and are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized as revenues in the period received and are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions of assets other than cash are recorded at their estimated fair value. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class.

HARDY GIRLS, HEALTHY WOMEN, INC.

NOTES to FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH AND CASH EQUIVALENTS

The Organization considers all monies in banks, time deposits, money markets, and certificates of deposits to be cash equivalents.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, if purchased or at fair market value at the date of the gift, if donated, less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of equipment ranging from 5 to 7 years.

At the time property and equipment is retired or otherwise disposed of, the cost and the related accumulated depreciation are adjusted, and any gain or loss on disposal is included in the statement of activities and changes in net assets. Additionally, the Organization periodically reviews the carrying value of property and equipment and will recognize impairments when the expected future operating cash flow derived from such assets is less than their carrying value. As of June 30, 2016, management determined there were no impairments of equipment.

INCOME TAXES

The Organization is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the Organization's financial statements. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that required adjustment to the financial statements. The Organization's tax years from 2013 through 2015 are open and subject to examination by federal and state taxing authorities.

ALLOCATION OF EXPENSES

The costs of providing program services and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting activities based on estimated time spent or other statistical basis.

NOTE 2 – FISCAL AGENT PAYABLE

Fiscal agent payable totaling \$54,458 at June 30, 2016 consisted of the balance of money received by the Organization as custodian for four separate organizations. These are pass-through amounts and Hardy Girls, Healthy Women, Inc. had no discretion on the use of the funds.

NOTE 3 – RENT

The Organization leases its premises for \$470 per month from a local lessor. The term of the lease agreement is for one year, ending August 2017, at which time the terms of the lease are subject to review. The lessor is responsible for utilities, property taxes, repairs and maintenance, and snow and trash removal, the lessee is responsible for cleaning.

Rent expense, which is included in the rent and cleaning balance of the statement of functional expenses – modified cash basis was \$5,640 during the year ended June 30, 2016.

HARDY GIRLS, HEALTHY WOMEN, INC.

NOTES to FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 4 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in a financial institution located in Maine. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risks with respect to these accounts.

NOTE 5 - SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including January 21, 2017, which was the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

HARDY GIRLS, HEALTHY WOMEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

Year Ended June 30, 2016

	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Functional Expenses				
Salaries	\$ 67,213	\$ 13,041	\$ 20,064	\$ 100,318
Rent	6,849	1,329	2,044	10,222
Payroll taxes	6,055	1,175	1,808	9,038
Insurance	3,490	677	1,042	5,209
Program supplies	3,711	-	815	4,526
Travel	1,869	736	227	2,832
Computer and internet	1,830	355	546	2,731
Equipment rental	1,632	317	487	2,436
Bank fees	1,834	-	-	1,834
Professional fees	394	1,247	-	1,641
Repairs and maintenance	1,020	198	305	1,523
Dues and memberships	997	-	-	997
Office supplies	963	-	-	963
Utilities	639	124	191	954
Miscellaneous	850	-	-	850
Postage	215	303	279	797
Fees and licenses	209	-	-	209
Program venue	216	-	-	216
Meals and entertainment	116	-	21	137
Depreciation	65	-	-	65
Total Functional Expenses	\$ <u>100,167</u>	\$ <u>19,502</u>	\$ <u>27,829</u>	\$ <u>147,498</u>