

GIRLS INCORPORATED OF NEW HAMPSHIRE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR
THE YEAR ENDED JUNE 30, 2023)**



Inspiring all girls
to be strong,
smart, and bold

GIRLS INCORPORATED OF NEW HAMPSHIRE

CONTENTS

Independent Auditors' Report	1-2
---	-----

Financial Statements

Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows	6

Notes to Financial Statements	7-22
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CBIZ CPAs P.C.

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Independent Auditors' Report

To the Board of Directors
Girls Incorporated of New Hampshire
Manchester, NH

Opinion

We have audited the financial statements of Girls Incorporated of New Hampshire (the "Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter – Restatement of Previously Issued Financial Statements

As described in Note 16 of the financial statements, contributions receivable, net assets with donor restrictions, and contributions for fiscal year 2023 have been restated for the correction of an error. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

The financial statements of Girls Incorporated of New Hampshire as of and for the year ended June 30, 2023, were audited by Marcum LLP, whose report dated November 29, 2023, expressed an unmodified audit opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, as restated, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CBIZ CPAs P.C.

Merrimack, NH
February 5, 2025

GIRLS INCORPORATED OF NEW HAMPSHIRE

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

(with summarized comparative totals as of June 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 202,553	\$ 49,974	\$ 252,527	\$ 300,438
Contributions receivable	33,533	135,904	169,437	183,177
Grants receivable	84,635	--	84,635	50,742
Accounts receivable	49,854	--	49,854	47,435
Prepaid expenses	23,835	--	23,835	18,228
Total Current Assets	<u>394,410</u>	<u>185,878</u>	<u>580,288</u>	<u>600,020</u>
Noncurrent Assets				
Investments	498,063	300,150	798,213	811,461
Contributions receivable, net of current portion	--	62,952	62,952	188,704
Property and equipment, net	2,856,613	--	2,856,613	3,043,855
Security deposits	4,000	--	4,000	4,000
Total Noncurrent Assets	<u>3,358,676</u>	<u>363,102</u>	<u>3,721,778</u>	<u>4,048,020</u>
Total Assets	<u>\$ 3,753,086</u>	<u>\$ 548,980</u>	<u>\$ 4,302,066</u>	<u>\$ 4,648,040</u>
Liabilities and Net Assets				
Current Liabilities				
Current portion of long-term debt	\$ 19,650	\$ --	\$ 19,650	\$ 19,453
Accounts payable	31,147	--	31,147	30,153
Accrued payroll and related liabilities	30,289	--	30,289	47,894
Contract liabilities	62,569	--	62,569	28,402
Refundable advances	18,390	--	18,390	--
Total Current Liabilities	<u>162,045</u>	<u>--</u>	<u>162,045</u>	<u>125,902</u>
Long-Term Debt , net of current portion	<u>36,781</u>	<u>--</u>	<u>36,781</u>	<u>56,415</u>
Total Liabilities	<u>198,826</u>	<u>--</u>	<u>198,826</u>	<u>182,317</u>
Net Assets				
Without donor restrictions:				
Undesignated	3,554,260	--	3,554,260	3,789,578
With donor restrictions:				
Purpose restrictions	--	49,974	49,974	28,995
Time restrictions	--	198,856	198,856	347,000
Perpetual endowment	--	300,150	300,150	300,150
Total Net Assets	<u>3,554,260</u>	<u>548,980</u>	<u>4,103,240</u>	<u>4,465,723</u>
Total Liabilities and Net Assets	<u>\$ 3,753,086</u>	<u>\$ 548,980</u>	<u>\$ 4,302,066</u>	<u>\$ 4,648,040</u>

The accompanying notes are an integral part of these financial statements.

GIRLS INCORPORATED OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

(with summarized comparative totals for the year ended June 30, 2023)

	2024			
	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Support and Revenue				
Support:				
Contributions	\$ 511,643	\$ 49,974	\$ 561,617	\$ 1,018,614
Grants	280,771	--	280,771	731,277
In-kind contributions	30,000	--	30,000	38,641
Special events:				
Gross special events revenue	389,933	--	389,933	327,708
Less cost of special events	(118,823)	--	(118,823)	(117,309)
Net special events revenue	271,110	--	271,110	210,399
Revenue:				
Program service fees:				
Gross program service fees	950,444	--	950,444	915,367
Less financial aid scholarships	(261,121)	--	(261,121)	(310,423)
Net program service fees	689,323	--	689,323	604,944
Rental income	68,948	--	68,948	75,564
Investment income, net	73,752	--	73,752	50,315
Other revenue	66	--	66	4,724
Net Assets Released From Restrictions	177,139	(177,139)	--	--
Total Support and Revenue	2,102,752	(127,165)	1,975,587	2,734,478
Expenses				
Program Services:				
Center programs	1,279,440	--	1,279,440	1,336,678
Outreach programs	48,841	--	48,841	66,489
Food programs	294,053	--	294,053	299,269
Other programs	--	--	--	26,926
Total Program Services	1,622,334	--	1,622,334	1,729,362
Supporting Services:				
Management and general	467,771	--	467,771	513,736
Fundraising and development	247,965	--	247,965	266,955
Total Supporting Services	715,736	--	715,736	780,691
Total Expenses	2,338,070	--	2,338,070	2,510,053
Change in Net Assets	(235,318)	(127,165)	(362,483)	224,425
Net Assets , Beginning of Year, as Restated	3,789,578	676,145	4,465,723	4,241,298
Net Assets , End of Year	\$ 3,554,260	\$ 548,980	\$ 4,103,240	\$ 4,465,723

The accompanying notes are an integral part of these financial statements.

GIRLS INCORPORATED OF NEW HAMPSHIRE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

(with summarized comparative totals for the year ended June 30, 2023)

	2024							
	Program Services				Supporting Services			
	Center Programs	Outreach Programs	Food Programs	Total Program Services	Management and General	Fundraising and Development	2024 Total	2023 Total
Personnel expense:								
Salaries and wages	\$ 586,111	\$ 30,096	\$ 72,718	\$ 688,925	\$ 298,474	\$ 145,633	\$ 1,133,032	\$ 1,187,780
Employee benefits	15,268	3,108	3,659	22,035	35,581	26,427	84,043	93,461
Payroll taxes	43,776	2,944	5,918	52,638	29,196	10,761	92,595	93,319
Direct client assistance:								
Food	1,678	78	157,571	159,327	--	--	159,327	174,897
Other	34,959	151	341	35,451	4,888	1,263	41,602	31,723
Fees for services	45,968	--	110	46,078	44,425	6,853	97,356	117,978
Advertising and promotion	2,276	--	--	2,276	289	16,075	18,640	19,845
Depreciation	204,118	2,576	16,741	223,435	19,316	19,316	262,067	255,964
Grants	93,075	--	--	93,075	--	--	93,075	175,531
Insurance	33,526	3,248	13,253	50,027	385	385	50,797	45,274
Interest	--	--	--	--	705	--	705	868
Licenses and fees	12,477	2,004	208	14,689	10	1,699	16,398	20,852
Maintenance and repairs	65,425	--	2,623	68,048	1,784	--	69,832	80,763
Miscellaneous	--	--	--	--	1,141	3,965	5,106	4,794
Occupancy	69,560	--	--	69,560	17,405	17,405	104,370	91,691
Scholarships	261,121	--	--	261,121	--	--	261,121	310,423
Staff training	3,667	564	310	4,541	5,894	2,168	12,603	19,670
Supplies	30,345	1,895	17,305	49,545	3,039	80,947	133,531	115,639
Telephone and internet	7,656	--	--	7,656	1,595	2,035	11,286	11,569
Travel	29,555	2,177	3,296	35,028	3,644	3,644	42,316	55,394
Venue and related costs	--	--	--	--	--	28,212	28,212	30,350
Total Expenses By Function	1,540,561	48,841	294,053	1,883,455	467,771	366,788	2,718,014	2,937,785
Less expenses included on the Statement of Activities:								
Cost of special events	--	--	--	--	--	(118,823)	(118,823)	(117,309)
Financial aid scholarships	(261,121)	--	--	(261,121)	--	--	(261,121)	(310,423)
Total Expenses Reported on the Statement of Activities	<u>\$ 1,279,440</u>	<u>\$ 48,841</u>	<u>\$ 294,053</u>	<u>\$ 1,622,334</u>	<u>\$ 467,771</u>	<u>\$ 247,965</u>	<u>\$ 2,338,070</u>	<u>\$ 2,510,053</u>

The accompanying notes are an integral part of these financial statements.

GIRLS INCORPORATED OF NEW HAMPSHIRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

(with summarized comparative totals for the year ended June 30, 2023)

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ (362,483)	\$ 224,425
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	262,067	255,964
Loss on disposal of fixed assets	--	314
Realized and unrealized gain on investments	(67,540)	(48,484)
Changes in operating assets and liabilities:		
Contributions receivable	139,492	(307,756)
Grants receivable	(33,893)	(2,289)
Accounts receivable	(2,419)	(7,277)
Prepaid expenses	(5,607)	(6,159)
Accounts payable	994	(13,950)
Accrued payroll and related liabilities	(17,605)	11,404
Contract liabilities	34,167	4,161
Refundable advances	18,390	(100,671)
Net Cash (Used in) Provided by Operating Activities	<u>(34,437)</u>	<u>9,682</u>
Cash Flows from Investing Activities		
Return of security deposit	--	1,710
Proceeds from sale of investments	540,942	339,540
Purchase of investments	(460,154)	(516,370)
Purchase of fixed assets	(74,825)	(217,044)
Net Cash Provided by (Used in) Investing Activities	<u>5,963</u>	<u>(392,164)</u>
Cash Flows from Financing Activities		
Proceeds from long-term debt	--	70,000
Principal payments of long-term debt	(19,437)	(44,562)
Net Cash (Used in) Provided by Financing Activities	<u>(19,437)</u>	<u>25,438</u>
Net Decrease in Cash and Cash Equivalents	(47,911)	(357,044)
Cash and Cash Equivalents, Beginning of Year	<u>300,438</u>	<u>657,482</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 252,527</u></u>	<u><u>\$ 300,438</u></u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u><u>\$ 705</u></u>	<u><u>\$ 868</u></u>

The accompanying notes are an integral part of these financial statements.

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 1 - ORGANIZATION

Girls Incorporated of New Hampshire (the Organization) is part of a national nonprofit organization where girls achieve their personal best. The Organization is a member-based organization for girls ages 5 to 18, dedicated to developing their confidence, intelligence, and leadership abilities. The Organization's core values guide their decision making and drive the curriculum content that they offer. The Organization's key organizational values are: to respect the dignity of each human being; recognize and support the strength in every girl; appreciate, embrace, and value diversity; drive for results anchored in accountability; and to operate collaboratively. The Organization's mission is to inspire all girls to be Strong (through healthy choices), Smart (through education), and Bold (through independence).

Girls Incorporated of New Hampshire operates two year-round girls centers in Nashua and Manchester where after-school and summer camp programming is implemented. In addition to center-based programs, Girls Incorporated of New Hampshire operates empowerment and prevention curriculum in schools throughout the entire state of New Hampshire and portions of Vermont. In keeping with the Organization's goal to empower girls to make healthy choices, their outreach programs also provide USDA approved meals through dinner clubs at two of their centers and through community partners in various locations in New Hampshire.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF FINANCIAL STATEMENT PRESENTATION

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

ADOPTION OF NEW ACCOUNTING STANDARD

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 326, *Current Expected Credit Losses*, which changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ADOPTION OF NEW ACCOUNTING STANDARD (CONTINUED)

exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 are accounts receivable. The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

PRIOR YEAR SUMMARIZED 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 GAAP. Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2023, 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. Cash and highly liquid financial instruments invested for long-term purposes, including endowments that are perpetual in nature, are excluded from this definition.

CONTRIBUTIONS RECEIVABLE

Unconditional contributions that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions that are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The allowance for uncollectable contributions is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions are written off when deemed uncollectable. Management has determined that no allowance is necessary as of June 30, 2024 and 2023.

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GRANTS RECEIVABLE

Amounts recorded as grants receivable represent cost-reimbursable contracts and grants, which the incurrence of allowable qualifying expenses and/or the performance of certain requirements have been met or performed. Grants receivable are recorded at net realizable value and are generally due and collectable within one year. The allowance for uncollectible grants receivable is based on historical experience and a review of subsequent collections. Management has determined that no allowance is necessary as of June 30, 2024 and 2023.

ACCOUNTS RECEIVABLE AND CREDIT POLICIES

Accounts receivable consist primarily of non-interest-bearing amounts due for services and programs. At the end of each reporting period, the Organization estimates the current expected credit loss (CECL) per ASC 326. The Organization utilizes the loss rate methodology to determine historical credit losses. The loss rate method estimate is derived from a review of the Organization's historical write-offs as a percentage of average accounts receivable. The estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant. The Organization believes historical loss information is a reasonable starting point for calculating the expected allowance for credit losses, as the Organization's programs have remained consistent since inception. Based on economic indicators, including fiscal year 2024 and general overall economic conditions, the Organization is not anticipating a change in the historical credit loss rate from what it has been in the past. As of June 30, 2024, the Organization determined the allowance for credit losses was immaterial.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or as an offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election. The total amount of write-offs was \$1,000 for the year ended June 30, 2024.

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 value in the statement of financial position. Net investment income is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses. Investments include fixed income, cash, and equity securities of public companies which are carried at fair value based on quoted market prices.

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT, NET

Property and equipment additions 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 5 to 40 years. When assets are sold or otherwise disposed of, the cost and related 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 carrying value exceeds the fair value of the asset. There were no indicators of asset impairment in fiscal year 2024 or 2023.

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 without donor restrictions are net assets available for use in general operations and not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization recognizes revenue from contributions and grants that were initially conditional, which became unconditional with restrictions during the reporting period, and for which those restrictions were met during the reporting period, as net assets without donor restrictions.

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization 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 events revenue is recognized immediately, unless there is a right of return if the special event does not take place.

Program service fees are recognized over the program period. Payments are required at the start of the program period; amounts received in advance are deferred to the applicable period and reported as contract liabilities until the performance obligation is met.

DONATED SERVICES AND IN-KIND DONATIONS

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 GAAP. GAAP allows 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 professional services are recorded at the respective fair value 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.

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 program and supporting services 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort, and depreciation and insurance, which are allocated based on square footage.

INCOME TAXES

The Organization 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 Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose.

The Organization accounts for uncertain tax provisions under FASB ASC 740, *Income Taxes*, which provides a framework for how entities should recognize, measure, present, and disclose uncertain tax positions in their financial statements. The Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Management has reviewed the Organization's reporting and believes they have not taken tax positions that are more likely than not to be determined to be incorrect by the IRS and, therefore, no adjustments or disclosures are required. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods pending or in progress.

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ESTIMATES

The preparation of financial statements in conformity with GAAP 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 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 or include uninsured investments in money market funds. 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 and because substantial portions of the outstanding amounts are due from governmental agencies and entities supportive of the Organization's mission. Investments are made by diversified investment managers whose performance is monitored by the Board of Directors. Although the fair value of investments is subject to fluctuation on a year-to-year basis, the Board believes that its investment policies and guidelines are prudent for the long-term welfare of the Organization.

NOTE 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 date of the statement of financial position, were comprised of the following at June 30, 2024 and 2023:

	2024	2023
Financial assets at year end:		
Cash and cash equivalents	\$ 252,527	\$ 300,438
Contributions receivable	232,389	371,881
Grants receivable	84,635	50,742
Accounts receivable	49,854	47,435
Investments	798,213	811,461
Total financial assets	<u>1,417,618</u>	<u>1,581,957</u>
Less amounts not available to be used within one year:		
Receivables in excess of one year	(62,952)	(188,704)
Perpetual restrictions	<u>(300,150)</u>	<u>(300,150)</u>
	<u>(363,102)</u>	<u>(488,854)</u>
Total financial assets available within one year	<u>\$ 1,054,516</u>	<u>\$ 1,093,103</u>

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 3 - LIQUIDITY AND AVAILABILITY (CONTINUED)

To help manage unanticipated liquidity needs, the Organization has established a line of credit in the amount of \$230,000 (Note 7).

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

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

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 at the same level of the fair value hierarchy as the

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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 or liability within the hierarchy is based upon the pricing transparency of the asset or liability and does not necessarily correspond to the assessment of the quality, risk, or liquidity profile of the asset or liability.

The following table presents the Organization's assets measured at fair value on a recurring basis at June 30, 2024:

	2024			
	Total	Level 1	Level 2	Level 3
Money market funds (at cost)	\$ 6,363	\$ --	\$ --	\$ --
Mutual funds	688,425	688,425	--	--
Equities	8,425	8,425	--	--
Certificates of deposit	95,000	--	95,000	--
Total	<u>\$ 798,213</u>	<u>\$ 696,850</u>	<u>\$ 95,000</u>	<u>\$ --</u>

The following table presents the Organization's assets measured at fair value on a recurring basis at June 30, 2023:

	2023			
	Total	Level 1	Level 2	Level 3
Money market funds (at cost)	\$ 83,946	\$ --	\$ --	\$ --
Mutual funds	568,911	568,911	--	--
Equities	7,759	7,759	--	--
U.S. Treasuries	50,845	50,845	--	--
Certificates of deposit	100,000	--	100,000	--
Total	<u>\$ 811,461</u>	<u>\$ 627,515</u>	<u>\$ 100,000</u>	<u>\$ --</u>

Interest and dividends and net realized and unrealized gains on investments are reflected in the accompanying statement of activities and changes in net assets as investment income, net.

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investments, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and the statement of activities and changes in net assets.

NOTE 5 - CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable were estimated to be collected as follows at June 30, 2024 and 2023:

	2024	2023
Within one year	\$ 169,437	\$ 183,177
One to five years	62,952	188,704
	<u>\$ 232,389</u>	<u>\$ 371,881</u>

No discount was applied to unconditional contributions receivable at June 30, 2024 and 2023, since it was determined to be immaterial.

NOTE 6 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net was comprised of the following at June 30, 2024 and 2023:

	2024	2023
Land	\$ 123,718	\$ 123,718
Building and improvements	3,581,296	3,519,566
Equipment and furniture	597,946	584,851
Vehicles	271,428	271,428
	<u>4,574,388</u>	<u>4,499,563</u>
Less accumulated depreciation	<u>(1,717,775)</u>	<u>(1,455,708)</u>
	<u>\$ 2,856,613</u>	<u>\$ 3,043,855</u>

Depreciation expense totaled \$262,067 and \$255,964 for the years ended June 30, 2024 and 2023, respectively.

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 7 - LINE OF CREDIT

At June 30, 2024 and 2023, the Organization had an operating line of credit with a bank, with a maximum credit available of \$230,000. Amounts borrowed on the credit line are payable on demand and carry an interest rate based on the Wall Street Journal Prime Rate plus 1.75% (8.50% at June 30, 2024). The credit line is secured by all business assets. At June 30, 2024 and 2023, the Organization had no outstanding balance on the line of credit and did not draw on the line during fiscal year 2024 or 2023.

NOTE 8 - LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 2024 and 2023:

	2024	2023
Note payable to New Hampshire Health and Education Facilities Authority, secured by a vehicle, due in monthly installments of \$481 including principal and interest at 1%, due November 2026.	\$ 8,679	\$ 14,318
Note payable to New Hampshire Health and Education Facilities Authority, secured by a vehicle, due in monthly installments of \$343 including principal and interest at 1.25%, due May 2028.	15,764	19,678
Note payable to New Hampshire Health and Education Facilities Authority, secured by a vehicle, due in monthly installments of \$855 including principal and interest at 1%, due August 2027.	31,988	41,872
Total	56,431	75,868
Less amount due within one year	(19,650)	(19,453)
Long-term debt, net of current portion	<u>\$ 36,781</u>	<u>\$ 56,415</u>

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Future maturities of long-term debt are as follows:

Year ending June 30,	Amount
2025	\$ 19,650
2026	17,055
2027	14,232
2028	<u>5,494</u>
	<u>\$ 56,431</u>

NOTE 9 - CONTRACT LIABILITIES

Upon receipt of a prepayment from a participant, the Organization recognizes a contract liability in the amount of the prepayment for its performance obligation to provide services or programs in the future. At June 30, 2024 and 2023, the Organization recorded contract liabilities of \$62,569 and \$28,402, respectively, which the Organization expects to recognize as revenue in the next fiscal year, when it provides those services and programs and, therefore, satisfies its performance obligations.

NOTE 10 - PERPETUAL ENDOWMENT

The Organization's endowment policy is guided by the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and the applicable laws of the State of New Hampshire to which the Organization's endowment funds are subject. The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, gifts retained in perpetuity include (a) the original value of initial and subsequent gift amounts (including promises to give, net of discount and allowance for doubtful accounts) and (b) any accumulations to the endowment required in accordance with the direction of the applicable donor gift instrument.

At June 30, 2024 and 2023, donor restricted net assets held in perpetuity totaled \$300,150. There were no endowment contributions during the current or prior fiscal years. All income generated on the existing perpetual endowment was unrestricted and was available and appropriated for the Organization's exempt purpose, in accordance with donor gift instruments.

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 10 - PERPETUAL ENDOWMENT (CONTINUED)

The Organization's investment policy is intended to maximize return, while maintaining a high quality, short-to-intermediate term portfolio designed to minimize principal risk. The Organization's endowment fund investment policy provides for a target asset allocation of 35% domestic equities, 5% international equities, 50% fixed income, and 10% cash or money market funds.

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were comprised of the following at June 30, 2024 and 2023:

	2024	2023
Subject to expenditure for specified purpose:		
Bus	\$ 25,927	\$ --
Diversity, Equity, and Inclusion (DEI)	14,800	--
Facility and improvements	5,247	--
Mental health programs	4,000	--
Generator	<u>--</u>	<u>28,995</u>
Subtotal purpose restrictions	49,974	28,995
Time restrictions	198,856	347,000
Perpetual endowment	<u>300,150</u>	<u>300,150</u>
	<u>\$ 548,980</u>	<u>\$ 676,145</u>

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from restrictions by incurring expenses that satisfy the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Subject to expenditure for specified purpose:		
Generator	\$ 28,995	\$ --
Facility and improvements	--	53,118
Golf sponsorships	--	20,400
Playground	--	11,542
Subtotal purpose restrictions	28,995	85,060
Expiration of time restrictions	148,144	22,000
	<u>\$ 177,139</u>	<u>\$ 107,060</u>

NOTE 12 - DESIGNATED FUNDS WITH NEW HAMPSHIRE CHARITABLE FOUNDATION

The Organization is a beneficiary of a designated fund (the Fund) at the New Hampshire Charitable Foundation (the Foundation). Pursuant to the terms of the resolution establishing the Fund, property contributed to the Foundation is held as a separate fund designated for the benefit of the Organization. In accordance with FASB ASC 958-605-25, amounts received for the Fund are not recorded as income and are not included as an asset in these financial statements. Rather, the contributions are recorded as assets and as income of the Foundation. The fair market value of the Fund assets was \$231,127 and \$218,494 on June 30, 2024 and 2023, respectively.

In accordance with its spending policy, the Foundation makes distributions from the Fund to the Organization. The distributions are approximately 4% of the market value of the Fund per year. Total distributions received were \$8,112 and \$8,165 for the years ended June 30, 2024 and 2023, respectively.

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 13 - CONTRIBUTED NONFINANCIAL ASSETS

The Organization received contributions of nonfinancial assets for the years ended June 30, 2024 and 2023 in the form of below market rent and auction items for general and administrative functions and fundraising, in the amount of \$30,000 and \$38,641, respectively.

There were no associated donor restrictions with the above contributed nonfinancial assets. Below market rent was valued using estimated fair value of comparable rental prices in the Manchester, NH real estate market. Auction items were valued using U.S. retail prices of identical products using pricing data under a 'like-kind' methodology considering the goods' conditions and utility for use at the time of contribution.

NOTE 14 - RETIREMENT PLAN

The Organization adopted a Simple Retirement Plan effective January 1, 2010. The plan covers substantially all employees. In general, the Organization can either make up to a 3% matching contribution to participating employee accounts or a 2% contribution for all employees. The Organization contributed \$14,884 to the plan for the year ended June 30, 2024 and \$17,666 for the year ended June 30, 2023.

NOTE 15 - CONTINGENT LIABILITY

In June 2017, the Organization received funding totaling \$500,000 under a state grant from the Community Development Finance Authority (CDFA) for the purpose of renovating the Burke Street property in Nashua, New Hampshire. Under the terms of this grant, CDFA retains a secured interest on the Organization's Burke Street property for a period of ten years.

The Nashua Housing Authority (the Authority) donated the Burke Street property to the Organization as a requirement of the grant from CDFA. The property must be operated as a community center for the next ten-year period and the Organization cannot convey, sublease, or transfer the property without prior written approval of the Authority and the Department of Housing and Urban Development (HUD) during this period.

In the event that the property is sold to a third party without CDFA approval, the Organization is required to repay to CDFA an amount equal to the total funds disbursed by CDFA for the project, amortized over a ten-year period. Because the Organization does not plan to sell the property within the ten-year period, no provision has been made for these contingencies.

GIRLS INCORPORATED OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(with comparative totals for the year ended June 30, 2023)

NOTE 16 - PRIOR PERIOD RESTATEMENT

Beginning net assets with donor restrictions (as of June 30, 2023) have been increased by \$250,000 to correct an error for a multi-year unconditional contribution pledge made in fiscal year 2023. Adjustments are detailed below:

	Previously Reported	Prior Period Adjustment	As Restated
Assets:			
Current Assets:			
Contributions receivable	\$ 83,177	\$ 100,000	\$ 183,177
Noncurrent Assets:			
Contributions receivable, net of current portion	\$ 38,704	\$ 150,000	\$ 188,704
Net Assets:			
Without donor restrictions:			
Undesignated	\$ 3,789,578	\$ --	\$ 3,789,578
With donor restrictions:			
Purpose restrictions	28,995	--	28,995
Time restrictions	97,000	250,000	347,000
Perpetual endowment	300,150	--	300,150
	426,145	250,000	676,145
Total Net Assets	\$ 4,215,723	\$ 250,000	\$ 4,465,723
Support:			
Contributions	\$ 768,614	\$ 250,000	\$ 1,018,614

NOTE 17 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 5, 2025, the date the financial statements were available to be issued. There were no subsequent events or transactions identified that should be recognized or disclosed in the financial statements.