

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021

AND

INDEPENDENT AUDITORS' REPORT

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

DECEMBER 31, 2021

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CERTIFIED
PUBLIC
ACCOUNTANT

William P. Connor, CPA, LLC

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Special Olympics New Hampshire, Inc.:

We have audited the accompanying financial statements of Special Olympics New Hampshire, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Special Olympics New Hampshire, Inc. as of December 31, 2021 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.

Report on Summarized Comparative Information

We have previously audited the Special Olympics New Hampshire, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2021. In our opinion, the summarized comparative information presents herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of support and revenue on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Manchester, New Hampshire
July 28, 2022

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

(with comparative totals for 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS (Note 9)</u>				
CURRENT ASSETS:				
Cash and cash equivalents (Note 1)	\$ 562,738	\$ -	\$ 562,738	\$ 280,859
Contributions receivable (Note 2)	3,039	-	3,039	9,525
Accounts receivable (Note 2)	263,996	-	263,996	186,035
Prepaid expenses	58,667	-	58,667	142,987
Total current assets	<u>888,440</u>	<u>-</u>	<u>888,440</u>	<u>619,406</u>
PROPERTY AND EQUIPMENT, at cost (Note 1):				
Vehicles, equipment and intangibles	174,277	-	174,277	151,083
Software and website	282,219	-	282,219	282,219
Less - Accumulated depreciation and amortization	<u>301,523</u>	<u>-</u>	<u>301,523</u>	<u>293,008</u>
	<u>154,973</u>	<u>-</u>	<u>154,973</u>	<u>140,294</u>
CONTRIBUTION RECEIVABLE, less current portion shown above (Note 2)	<u>-</u>	<u>16,486</u>	<u>16,486</u>	<u>26,671</u>
BOARD-DESIGNATED INVESTMENTS (Note 3 and 4)	<u>1,760,665</u>	<u>-</u>	<u>1,760,665</u>	<u>1,581,641</u>
OTHER ASSETS (Note 1)	<u>29,610</u>	<u>-</u>	<u>29,610</u>	<u>30,989</u>
	<u>\$2,833,688</u>	<u>\$ 16,486</u>	<u>\$2,850,174</u>	<u>\$2,399,001</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 106,967	\$ -	\$ 106,967	\$ 133,439
Accrued expenses	246,785	-	246,785	141,051
Unearned revenue and support	79,738	-	79,738	50,406
Current portion long-term debt (Note 5)	<u>7,649</u>	<u>-</u>	<u>7,649</u>	<u>2,421</u>
Total current liabilities	<u>441,139</u>	<u>-</u>	<u>441,139</u>	<u>327,317</u>
LONG-TERM DEBT, less current portion shown above (Note 5)	<u>38,303</u>	<u>-</u>	<u>38,303</u>	<u>27,207</u>
NET ASSETS:	<u>2,354,246</u>	<u>16,486</u>	<u>2,370,732</u>	<u>2,044,477</u>
	<u>\$2,833,688</u>	<u>\$ 16,486</u>	<u>\$2,850,174</u>	<u>\$2,399,001</u>

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

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

STATEMENT OF ACTIVITIES

DECEMBER 31, 2021

(with comparative totals for 2020)

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>2021</u>	<u>2020</u>
UNRESTRICTED NET ASSETS:				
SUPPORT AND REVENUE (Schedule 1):				
Contributions and grants (Note 9)	\$1,371,782	\$ -	\$1,371,782	\$1,625,692
Telemarketing (Note 2)	139,498	-	139,498	138,784
Fundraising	1,117,519	-	1,117,519	949,354
Net assets released from restrictions	<u>44,668</u>	<u>(44,668)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>2,673,467</u>	<u>(44,668)</u>	<u>2,628,799</u>	<u>2,713,830</u>
PROGRAM AND SUPPORT SERVICES EXPENSES				
(Notes 1, 6, 8, and 9):				
Program services	2,042,315	-	2,042,315	2,408,327
Development	311,160	-	311,160	445,100
Administrative	<u>296,131</u>	<u>-</u>	<u>296,131</u>	<u>270,307</u>
Total program and support services expenses	<u>2,649,606</u>	<u>-</u>	<u>2,649,606</u>	<u>3,123,734</u>
OTHER REVENUES (EXPENSES):				
Interest & dividends	49,073	-	49,073	48,214
Investment returns	97,489	-	97,489	85,149
Interest expense	(422)	-	(422)	-
PPP forgiveness	<u>200,922</u>	<u>-</u>	<u>200,922</u>	<u>179,860</u>
	<u>347,062</u>	<u>-</u>	<u>347,062</u>	<u>313,223</u>
INCREASE (DECREASE) IN NET ASSETS	370,923	(44,668)	326,255	(96,681)
NET ASSETS, beginning of year	<u>1,983,323</u>	<u>61,154</u>	<u>2,044,477</u>	<u>2,141,158</u>
NET ASSETS, end of year	<u>\$2,354,246</u>	<u>\$ 16,486</u>	<u>\$2,370,732</u>	<u>\$2,044,477</u>

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

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative totals for 2020)

	<u>Program Services</u>					
	<u>Program Events</u>	<u>Other Events</u>	<u>Training</u>	<u>Public Education</u>	<u>Development</u>	<u>Administrative</u>
						<u>2021 Total</u>
						<u>2020 Total</u>
IN-KIND EXPENSES:						
Services, materials, equipment and facilities	\$ 386,845	\$160,608	\$ -	\$ -	\$ 39,625	\$ 21,683
						\$ 845,713
SALARIES AND RELATED EXPENSES	396,902	165,710	2,878	110,816	159,953	1,027,977
						1,159,644
OTHER EXPENSES:						
Athlete awards and recognition	22,185	-	-	-	-	-
Depreciation and amortization	13,998	5,844	102	3,908	5,641	6,761
Equipment and supplies	96,061	27,965	129	4,970	14,491	8,598
Equipment rental and maintenance	5,779	2,267	25	951	1,372	1,645
Food	2,536	1,510	3	118	1,346	205
Housing	274	449	-	-	448	-
Insurance	9,611	4,013	70	2,683	3,873	4,643
Memberships, dues and conferences	1,368	194	2,606	396	5,101	211
Postage and shipping	14,708	16,328	78	3,123	4,506	5,207
Printing and photography	305	15,807	-	12,385	59	-
Public transportation	4,733	5,123	117	566	1,785	595
Rent - facility, office and events	16,560	4,553	76	2,911	5,072	5,036
Special Olympics International	8,276	3,456	60	2,311	3,335	3,998
Support and volunteer recognition	48,392	119,767	45	1,721	4,274	2,977
Telephone	3,319	1,386	24	926	1,337	1,603
Vehicles	3,464	1,608	25	967	1,396	1,673
Vendor services	151,057	69,908	594	39,989	54,148	39,559
Bad debts	-	-	-	-	-	-
Bank charges	79	53,792	-	2	3,398	19
	402,705	333,970	3,954	77,927	111,582	82,730
						1,012,868
TOTAL FUNCTIONAL EXPENSES	\$1,186,452	\$660,288	\$ 6,832	\$188,743	\$311,160	\$2,649,606
						\$3,123,734

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

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 326,255	\$ (96,681)
Adjustment to reconcile increase in net assets to net cash provided by operating activities -		
Depreciation	36,254	39,709
Unrealized (appreciation) depreciation of investments	(95,489)	(94,072)
(Increase) decrease in the following assets:		
Contributions receivable	16,671	49,520
Accounts receivable	(77,961)	27,503
Prepaid expenses	84,320	(36,055)
Increase (decrease) in the following liabilities:		
Accounts payable and accrued expenses	79,262	31,610
Unearned revenue	<u>29,332</u>	<u>(67,309)</u>
Net cash provided by (used in) operating activities	<u>398,644</u>	<u>(145,775)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(50,933)	-
Decrease in other assets	1,379	6,724
Net proceeds from sale of investments	-	-
Purchase of investments	(48,072)	(37,916)
Transfer (to)from board investments	<u>(35,463)</u>	<u>(201,837)</u>
Net cash provided (used in) investing activities	<u>(133,089)</u>	<u>(233,029)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long term debt	48,432	29,628
Principal payments on long term debt	<u>(32,108)</u>	<u>-</u>
Net cash provided in financing activities	<u>16,324</u>	<u>29,628</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	281,879	(349,176)
CASH AND CASH EQUIVALENTS, beginning of year	<u>280,859</u>	<u>630,035</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 562,738</u>	<u>\$ 280,859</u>

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

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. Nature of business:

The Organization is a nonprofit corporation formed under Chapter 292 of the Revised Statutes Annotated of the State of New Hampshire. The Organization provides year-round training and athletic competitions throughout New Hampshire. Special Olympics competitions are held at local, state, national and international levels for persons with intellectual disabilities.

The Organization is dependent, to a significant extent, upon contributions from the general public for annual support of its operations and services. Contributions are obtained through year-round special events, telemarketing and direct mail programs, as well as, ongoing initiatives encompassing foundations, corporations, and related development programs.

2. Summary of significant accounting policies:

Basis of accounting and presentation - The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The accrual method of accounting recognizes revenue when it is earned and expenses when incurred. Certain comparative amounts in the statements of activities and functional expenses have been reclassified to conform with the current years presentation.

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

Net assets without donor restrictions - Net assets without donor restrictions are assets that have been acquired from donors (or certain grantors) without restrictions that may be expended for any purpose in performing the primary objectives of the Organization. The governing Board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net assets with donor restrictions - Net assets subject to donor or (or certain grantor) imposed restrictions are assets subject to stipulations imposed by the donor. 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.

Support and revenue recognition - Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets or designate them for future periods.

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. Summary of significant accounting policies:

Support and revenue recognition (continued) - Grants and contributions received are considered to be available for use unless specifically restricted by the grantor or donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restricted support.

Cash and cash equivalents - All highly liquid investments with a maturity of one year or less are considered to be cash equivalents. At December 31, 2021, the carrying amount of the Organization's cash was \$562,738 and the institution balances were \$481,413. Of this amount, \$278,035 was covered by federal depositor's insurance.

Depreciation and amortization - The Organization follows the policy of charging to functional expenses annual amounts of depreciation and amortization which allocates the cost of fixed assets over their estimated useful lives. The Organization employs the straight-line method for determining the annual charge for depreciation. The ranges of estimated useful lives used are as follows:

	<u>Years</u>
Vehicles	5
Office, furniture & equipment	3 - 7
Software and website	5

The Organization capitalizes property and equipment over \$1,500. Lesser amounts and expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related depreciation allowances, and any gain or loss is recognized.

Functional expenses - Direct expenses are charged to their specific program as incurred. Any expenditures not directly chargeable are allocated to a program based on the proportion of time spent on each program by the staff.

Other assets - Assets included in the other assets category reflect primarily time share real estate contracts or deeds that have been donated by various unrelated parties. These time share weeks are used as door prizes or raffle prizes in several fundraisers conducted by the Organization. They have been recorded at the fair value at the date they were contributed and adjusted annually to their fair value.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. Summary of significant accounting policies:

New accounting pronouncement - On August 18, 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-profit Entities (Topic 958) - Presentation of Financial Statements for Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Special Olympics New Hampshire has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. This ASU has been applied retrospectively to all periods presented. The implementation had no impact on previously reported net assets.

3. Accounts receivable:

Contributions receivable includes pledges from individuals and businesses totaling \$36,196 that have been pledged over a six year period. These pledges have been recorded net of anticipated uncollected amounts. The anticipated uncollected amounts are based on the Organizations' average percent of pledges uncollected over the past two years.

The Organization expects to collect the remaining pledges as follows:

2022	\$ 3,039
2023	5,400
2024	3,200
2025	1,200
2026 and thereafter	9,848
	<u>\$ 22,687</u>

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

The allowance for uncollectible pledges was \$24,412 and \$40,000 at December 31, 2021 and 2020, respectively.

4. Board-designated investments:

The Organization records its investments in accordance with the fair value guidance established by the Financial Accounting Standards Board ("FASB"). Under these standards, fair value is defined as the price the Organization would receive from the sale of an asset, or pay to transfer a liability, in a timely transaction with an independent buyer in a principal market. The standards established a three-tier hierarchy to distinguish between various types of inputs used in determining the value of the Organization's investments. The inputs are summarized as outlined below:

Level 1 Inputs - Quoted prices (unadjusted) in active markets for the identical assets and liabilities. Level 1 assets include fixed income mutual funds, equity mutual funds and money market funds. Valuations of these instruments do not require a high degree of judgement as the valuations are based on quoted prices in active markets that are readily available.

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

4. Board-designated investments:

Level 2 Inputs - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets and liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Valuations in this category are inherently less reliable than quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.

Level 3 Inputs - Unobservable inputs for the valuation of the asset or liability. Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgement and estimation. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgement by management.

The Organization does not have Level 2 or 3 assets or liabilities.

The fair value and unrealized depreciation of investments at December 31, 2021 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual funds	\$1,454,450	\$1,730,734	\$276,284
Money markets and cash equivalents	<u>29,932</u>	<u>29,932</u>	<u>-</u>
	<u>\$1,484,382</u>	<u>\$1,760,666</u>	<u>\$276,284</u>

The Organization recognized net investment return on their investment portfolio of \$97,489. This included recognized realized gains or losses and unrealized appreciation and investment and management fees of \$10,624. The Organization's investments are not insured by the FDIC and are not collateralized and therefore are subject to market risks.

5. Long term fund:

During the year ending December 31, 2015, Special Olympics New Hampshire (SONH) established a "Long Term Fund". The fund was established by the Board of Directors by separating large unrestricted bequests received in past years into a separate investment account. During 2017, the Board made a minor change to the Fund policy whereby any bequest over \$25,000 will be placed into the fund. The goals of the long term fund are to:

1. Ensure the future sustainability of the mission and programs of SONH
2. Support athlete focused initiatives
3. Ensure and perpetuate the long term existence of SONH

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

5. Long term fund:

All funds included in this account are board-designated funds and therefore are reflected as unrestricted amounts in the accompanying financial statements.

Return Objective and Risk Parameters

The Organization has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs while seeking to preserve the principal of the fund. The fund includes only board-designated funds.

Strategies Employed for Achieving Objectives

SONH has engaged a third party to manage the fund with the investment objective and policies to invest in a portfolio of Open-End Traded Mutual Funds, Exchange Traded Funds and Money Market Funds. The investment objective of the fund is a conservative objective of income with moderate growth with a targeted allocation of 65% in fixed income and 35% in equity securities. The Organization believes this allocation strategy will provide for spending distributions when needed and generate sufficient long term growth with undue exposure to risk.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The primary long-term management objective of SONH's board designated fund is to ensure safety and preservation of principal, to achieve a satisfactory risk - adjusted total rate of return on assets under management, and to maintain sufficient liquidity to meet operating and distribution needs. The standard yearly spending policy has been set at 4% of the portfolio's fair value as of the preceding September 30. The amount available for 2021 operations has been set at \$58,876. Other funds may be appropriated as deemed necessary by the Board from time to time, but the goal is not to unitize any funds that would result in decreasing the balance to less than the original principal value.

6. Rent expense:

Effective January 1, 2018, the Organization extended its primary office lease for a period of eighteen months that expired on June 30, 2020. The lease calls for monthly payments of \$2,085 plus its proportional share of the lessors monthly operating cost of \$3,587, for a total monthly rent of \$5,672. The lease agreement was not renewed in 2020. Additionally, the Organization rents a storage facility and various facilities for the respective games under short term rental agreements. Rent expense for the year ended December 31, 2021 and 2020 amounted to \$27,875 and \$59,528, respectively.

Future minimum lease payments are as follows:

2022

\$ -

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

7. Income taxes:

The Organization is a nonprofit, tax-exempt corporation under the Internal Revenue Service Code Section 501(c)(3). Therefore, a provision for income taxes is not required. The Organization can be taxed on activities considered by the Internal Revenue Service to be outside of the Organization's exempt purpose.

8. Retirement plan:

The Organization maintains a 403(b) tax deferred annuity retirement plan whereby the Organization contributes 6% of the employee's salary. For the years ended December 31, 2021 and 2020, the Organization's retirement plan expense amounted to \$53,414 and \$79,867, respectively. Retirement plan expense is included in salaries expense.

9. Contributions:

Donated materials, equipment, facilities and essential services are reflected as contributions in the accompanying financial statements at fair market value, at the date of the donation. Rent of office space has been calculated at a market rate of \$20 per square foot. These transactions have been recorded as follows:

	<u>2021</u>	<u>2020</u>
Donated services, materials, equipment and facilities	<u>\$ 608,761</u>	<u>\$ 845,713</u>

10. Commitment and contingencies:

The Organization entered into a commercial line of credit with the bank that allows for advances or re-advances not to exceed \$250,000. The line of credit is payable on demand and bears interest at a floating rate equal to the prime rate as published in the Wall Street Journal plus 2.0% per annum or 5.25%. The line of credit required an initial compensating bank balance of \$50,000 at the creation of the line and is secured by substantially all of the Organization's assets and the bank's right to setoff. There were no advances outstanding at December 31, 2021 or 2020.

Covid-19 - In March 2020, the Covid-19 corona virus pandemic emerged in the United States triggering widespread government mandated and voluntary business closures, which in turn have led to substantial interruptions in financial markets, employment and the economy as a whole. Though the potential financial effects cannot be reasonably estimated at this time, these circumstances may have adverse effects on the Organization its operations and future financial statements. As of the date of this report, there has not been a significant negative financial impact to the Organization. However, management continues to monitor these events closely as future operating results could be significantly impacted because of the disease's severity and the duration of the outbreak.

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

10. Commitments and contingencies (cont'd):

On February 19, 2021, the Organization applied and was granted a second Paycheck Protection Program (PPP) loan pursuant to the 2020 CARES Act amounting to \$178,422. The note advance does not require payments for the first six months and thereafter is repayable in 54 equal payments. The note bears interest a rate of 1.00% per annum. Under the CARES Act, if the Organization utilizes the advance to pay certain payroll, rent, utilities and other allowed expenses during the 24 weeks following the advance, the amount will be forgiven.

The Organization received the first round of PPP loans in 2020 amounting to \$179,860 and received \$178,422 in 2021. The Organization met all conditions of use, resulting in these loans being forgiven in their entirety. Additionally, \$22,500 of the CDFA loan below was forgiven. These amounts are reflected in other income in the accompany financial statements.

11. Long-term debt:

Long-term debt consisted of the following as of December 31, 2021:

Installment note payable to a finance company in monthly installments of principal and interest of \$726 through August 2027. The note is secured by the Organization's vehicle and bears interest of 2.49%	\$ 45,952
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30 month, fixed rate unsecured note payable to CDFA. The note requires no payment and is interest free for the first six months, thereafter requiring principal and interest payments amounting to \$305 for the next 24 months. The note also forgives \$22,500 after 12 months. The note bears interest at a rate of 2.75%	-
	45,952
Less - current portion	7,649
	<u>\$ 38,303</u>

Principal maturity of the mortgage note is expected to be as follows:

2022	\$ 7,649
2023	7,842
2024	8,040
2025	8,242
2026	8,450
Thereafter	5,729
	<u>\$ 45,952</u>

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

12. Liquidity and availability of funds:

Special Olympics New Hampshire, Inc. (SONH) financial assets available within one year of the statement of financial position for general expenditures are as follows:

Cash and cash equivalents	\$562,738
Contributions receivable	3,039
Accounts receivable	263,996
Board designated investments appropriated for Conditions	<u>58,876</u>
	<u>\$888,649</u>

As part of SONH liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, SONH has committed lines of credit in the amount of \$250,000, which it could draw upon. Additionally, the Organization has a board designed investment fund of \$1,760,665. Although the Organization does not intend to spend from its quasi-endowment fund other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment fund could be made available if necessary.

13. Subsequent Events:

Management has evaluated subsequent events through July 28, 2022, the date on which the financial statements were available to be issued.

SPECIAL OLYMPICS NEW HAMPSHIRE, INC.SCHEDULE 1SCHEDULE OF SUPPORT AND REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
SUPPORT AND REVENUE:		
Contributions (Note 7)		
In-Kind	\$ 608,761	\$ 845,713
Individual	197,217	157,445
Memorial	8,837	9,667
Foundation	355,486	483,258
Corporate	187,879	88,402
Social clubs	<u>13,602</u>	<u>41,207</u>
	<u>1,371,782</u>	<u>1,625,692</u>
Telemarketing (Note 2)		
Magazine	363	519
Business telemarketing	-	926
Consumer	<u>139,135</u>	<u>137,339</u>
	<u>139,498</u>	<u>138,784</u>
Fundraising		
Penguin plunge	795,124	766,815
Fundraising other	158,216	169,090
Torch run	<u>164,179</u>	<u>13,449</u>
	<u>1,117,519</u>	<u>949,354</u>
Total support and revenue	<u>\$2,628,799</u>	<u>\$2,713,830</u>