

**HUBBARD BROOK RESEARCH FOUNDATION, INC.**

FINANCIAL STATEMENTS  
and  
INDEPENDENT ACCOUNTANTS' REVIEW REPORT

FOR THE YEARS ENDED  
SEPTEMBER 30, 2020 AND 2019

**HUBBARD BROOK RESEARCH FOUNDATION, INC.**

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Schiffman, Dattilio & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees of  
Hubbard Brook Research Foundation, Inc.

We have reviewed the accompanying financial statements of Hubbard Brook Research Foundation, Inc. (a New Hampshire nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity 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 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.

### Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Schiffman, Dattilio & Company, P.C.*

Lebanon, New Hampshire  
January 8, 2021

HUBBARD BROOK RESEARCH FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 209,893	\$ 90,553
Investments	179,248	157,300
Grants receivable	46,684	106,096
Accounts receivable	32,937	14,845
Prepaid expenses	<u>4,646</u>	<u>2,562</u>
Total current assets	<u>473,408</u>	<u>371,356</u>
<b>Property and equipment:</b>		
Buildings and improvements	1,793,883	1,793,883
Land	416,462	416,462
Furniture and equipment	<u>68,682</u>	<u>68,682</u>
	2,279,027	2,279,027
Less: accumulated depreciation	<u>965,811</u>	<u>920,326</u>
Total property and equipment	<u>1,313,216</u>	<u>1,358,701</u>
 Total assets	 <u>\$ 1,786,624</u>	 <u>\$ 1,730,057</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 34,928	\$ 98,128
Deferred income	30,519	7,432
Short-term note payable	<u>81,900</u>	<u>-</u>
Total current liabilities	<u>147,347</u>	<u>105,560</u>
<b>Net assets:</b>		
Without donor restrictions	1,497,628	1,458,223
With donor restrictions	<u>141,649</u>	<u>166,274</u>
Total net assets	<u>1,639,277</u>	<u>1,624,497</u>
 Total liabilities and net assets	 <u>\$ 1,786,624</u>	 <u>\$ 1,730,057</u>

See independent accountants' review report and notes to financial statements

HUBBARD BROOK RESEARCH FOUNDATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020		2019	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
REVENUE AND SUPPORT				
Contributions and grants	\$ 523,712	\$ 81,684	\$ 605,396	\$ 244,158
Rental income	112,121	-	112,121	156,343
Consortium dues	42,500	-	42,500	50,000
Other income	2,009	-	2,009	11,374
Investment income	2,500	468	2,968	1,191
Gain on sale of asset	-	-	-	34,835
Total revenue and support	<u>682,842</u>	<u>82,152</u>	<u>764,994</u>	<u>497,901</u>
Net assets released from restrictions	<u>106,777</u>	<u>(106,777)</u>	<u>-</u>	<u>(268,989)</u>
EXPENSES				
Program costs:				
Facilities	206,177	-	206,177	262,528
Education	379,608	-	379,608	387,719
Total program costs	<u>585,785</u>	<u>-</u>	<u>585,785</u>	<u>650,247</u>
Supporting services expense:				
Management and general	127,252	-	127,252	116,443
Fundraising	37,177	-	37,177	54,214
Total supporting services	<u>164,429</u>	<u>-</u>	<u>164,429</u>	<u>170,657</u>
Total expenses	<u>750,214</u>	<u>-</u>	<u>750,214</u>	<u>820,904</u>
Change in net assets	39,405	(24,625)	14,780	(54,014)
Net assets, beginning of year	<u>1,458,223</u>	<u>166,274</u>	<u>1,624,497</u>	<u>68,255</u>
Net assets, end of year	<u>\$ 1,497,628</u>	<u>\$ 141,649</u>	<u>\$ 1,639,277</u>	<u>\$ 166,274</u>
				<u>\$ 1,624,497</u>

See independent accountants' review report and notes to financial statements

HUBBARD BROOK RESEARCH FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Facilities	Education	Total Program Costs	Management and General	Fundraising	Total Supporting Services	2020 Totals
Salaries and wages	\$ 77,506	\$ 159,667	\$ 237,173	\$ 87,808	\$ 28,125	\$ 115,933	\$ 353,106
Professional fees	-	134,074	134,074	12,622	119	12,741	146,815
Depreciation	45,485	-	45,485	-	-	-	45,485
Utilities	21,565	4,514	26,079	1,731	588	2,319	28,398
Payroll taxes	5,923	11,594	17,517	6,506	2,163	8,669	26,186
Travel	2,212	21,189	23,401	2,003	537	2,540	25,941
Employee benefits	4,728	13,686	18,414	4,125	1,960	6,085	24,499
Repairs and maintenance	23,935	-	23,935	-	-	-	23,935
Insurance	17,384	-	17,384	1,889	-	1,889	19,273
Meetings	3,032	15,412	18,444	153	166	319	18,763
Printing and copying	-	13,616	13,616	731	1,996	2,727	16,343
Supplies and materials	1,944	5,544	7,488	692	243	935	8,423
Rent	-	-	-	7,216	-	7,216	7,216
Telephone	672	-	672	918	-	918	1,590
Postage and shipping	73	301	374	526	609	1,135	1,509
Town contributions	1,500	-	1,500	-	-	-	1,500
Interest and fees	218	11	229	332	671	1,003	1,232
Total expenses	\$ 206,177	\$ 379,608	\$ 585,785	\$ 127,252	\$ 37,177	\$ 164,429	\$ 750,214

See independent accountants' review report and notes to financial statements

HUBBARD BROOK RESEARCH FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Facilities	Education	Total Program Costs	Management and General	Fundraising	Total Supporting Services	2019 Totals
Salaries and wages	\$ 87,732	\$ 160,519	\$ 248,251	\$ 74,261	\$ 40,893	\$ 115,154	\$ 363,405
Professional fees	6,986	170,620	177,606	11,217	135	11,352	188,958
Depreciation	59,634	-	59,634	-	-	-	59,634
Utilities	25,265	3,634	28,899	1,226	1,337	2,563	31,462
Payroll taxes	6,630	11,912	18,542	5,608	3,095	8,703	27,245
Travel	894	17,957	18,851	3,526	1,060	4,586	23,437
Employee benefits	3,794	11,384	15,178	3,148	2,715	5,863	21,041
Repairs and maintenance	43,117	-	43,117	-	-	-	43,117
Insurance	14,725	-	14,725	1,930	-	1,930	16,655
Meetings	6,968	4,071	11,039	3,347	385	3,732	14,771
Printing and copying	754	4,361	5,115	338	3,047	3,385	8,500
Supplies and materials	2,845	3,211	6,056	1,825	277	2,102	8,158
Rent	-	-	-	7,022	-	7,022	7,022
Telephone	683	-	683	1,182	-	1,182	1,865
Postage and shipping	-	50	50	428	1,051	1,479	1,529
Town contributions	1,500	-	1,500	-	-	-	1,500
Interest and fees	1,001	-	1,001	1,385	219	1,604	2,605
Total expenses	\$ 262,528	\$ 387,719	\$ 650,247	\$ 116,443	\$ 54,214	\$ 170,657	\$ 820,904

See independent accountants' review report and notes to financial statements

HUBBARD BROOK RESEARCH FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 14,780	\$ 44,005
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	45,485	59,634
Gain on sale of assets	-	(34,835)
(Increase) decrease in the following assets:		
Pledges receivable	-	1,000
Grants receivable	59,412	(54,018)
Accounts receivable	(18,092)	15,577
Prepaid expenses	(2,084)	3,139
Increase (decrease) in the following liabilities:		
Accounts payable and accrued liabilities	(63,200)	32,055
Deferred income	23,087	(3,142)
Net cash provided by operating activities	<u>59,388</u>	<u>63,415</u>
<b>Cash flows from investing activities:</b>		
Sale of property	-	211,119
Purchase of investments	(21,948)	(157,300)
Acquisition of property and equipment	-	(7,980)
Net cash provided by (used in) investing activities	<u>(21,948)</u>	<u>45,839</u>
<b>Cash flows from financing activities:</b>		
Net payments on line of credit	-	(62,500)
Proceeds from short-term note payable	81,900	-
Net cash provided by (used in) financing activities	<u>81,900</u>	<u>(62,500)</u>
<b>Net increase in cash and cash equivalents</b>	119,340	46,754
<b>Cash and cash equivalents, beginning of year</b>	<u>90,553</u>	<u>43,799</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 209,893</u>	<u>\$ 90,553</u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid during the year for:		
Interest	\$ -	\$ 1,065

See independent accountants' review report and notes to financial statements



# HUBBARD BROOK RESEARCH FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

### Note 1. Summary of significant accounting policies:

This summary of significant accounting policies of Hubbard Brook Research Foundation, Inc. (the Foundation) is presented to assist in understanding the Foundation's financial statements. The financial statements and notes are representations of the Foundation's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of organization – The Foundation is a New Hampshire nonprofit organization founded in 1993 that works to sustain and enhance the Hubbard Brook Ecosystem Study in New Hampshire, in partnership with the USDA Forest Service Northern Research Station, the National Science Foundation's Long-Term Ecological Research Network, the Hubbard Brook Consortium, and many colleges, universities, and other research institutions.

The Foundation's goals are to sustain and expand long-term ecological monitoring and research at the Hubbard Brook Experimental Forest in North Woodstock, New Hampshire; to bridge the gap between ecosystem science and public policy by enhancing the exchange of information among scientists, policy-makers, and land managers; and to foster public understanding of the functions of ecosystems and their importance to society. Also, in its role as a support organization, the Foundation supplies affordable housing and laboratory facilities to scientists and students.

Basis of presentation – The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. If donor-imposed restrictions are met in the same period as the gift or income is received, the amount is reported as unrestricted revenues. Net assets are comprised of two groups as follows:

- Net assets without donor restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.
- Net assets with donor restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Foundation. Certain restrictions may need to be maintained in perpetuity.

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

Fair value measurement – The Foundation's financial instruments consist primarily of cash, accounts receivable, pledges and grants receivable, and accounts payable. The carrying amounts of these financial instruments approximate their fair value due to the short-term nature of such instruments

Cash and cash equivalents – For purposes of the statements of cash flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

# HUBBARD BROOK RESEARCH FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

### Note 1. Summary of significant accounting policies (continued):

Revenue recognition – Contributions, including unconditional promises to give, are recorded when received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All pledges receivable are due within one year. No allowance for uncollectible pledges has been established as management believes that all pledges are fully collectible.

Donated goods and services – Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

Grants receivable – Grants receivable represent amounts owed from various organizations as reimbursement of grant-related expenses. It includes both billed and un-billed receivables. Any amount that is denied for reimbursement is written off when the Foundation receives notification from the grantor agency. The Foundation considers grants receivable at September 30, 2019 and 2018, to be fully collectible; therefore, no allowance for doubtful accounts is required.

Property and equipment – Property and equipment are recorded at cost or, if donated, at the fair value at the date of donation. Depreciation is calculated using the straight-line method based on the assets' estimated useful lives, which range as follows:

	<u>Years</u>
Buildings and improvements	7 - 39
Furniture and equipment	3 - 5

Assets donated with explicit restrictions regarding their use, along with contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to nets assets without donor restrictions at that time.

Costs of maintenance and repairs that do not improve or extend asset lives are charged to expense. Additions and betterments in excess of \$2,500 are capitalized. Depreciation expense was \$45,485 and \$59,634 for the years ended September 30, 2020 and 2019, respectively.

Investments – Investments, primarily consisting of exchange-traded funds and money market funds, are stated at fair value. Gains and losses, both realized and unrealized, resulting from increases or decreases in fair value of investments are reflected in the consolidated statements of activities and changes in net assets as increases or decreases in net assets without restrictions unless the use was restricted by explicit donor stipulations.

Fair Value Measures – The Foundation reports its fair value measures using a fair value hierarchy defined by accounting principles generally accepted in the United States of America that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

HUBBARD BROOK RESEARCH FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

**Note 1. Summary of significant accounting policies (continued):**

The three levels of the fair value hierarchy under accounting principles generally accepted in the United States of America are:

- Level 1 – Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities.
- Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (that is, inputs supported by little or no market activity).

Functional allocation of expenses – The costs of providing the various programs and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes – The Foundation was organized under Section 501(c)(3) of the United States Internal Revenue Code. This code section enables the Foundation to accept donations which qualify as charitable contributions to the donor. As such, no provisions for income taxes have been made in these financial statements. The Foundation is also exempt from New Hampshire business taxes. Accordingly, they have not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at September 30, 2020.

Accounting for uncertainty in income tax items – The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Foundation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Foundation's financial condition, results of operations or cash flows.

Reclassifications – Certain amounts in the September 30, 2019 financial statements have been reclassified to conform to the current year's presentation. Such reclassifications had no effect on the reported change in net assets.

New accounting pronouncement – In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The Foundation has adjusted the presentation of its financial statements accordingly, beginning with the fiscal year ended September 30, 2019. The new standard changes the following aspects of the Foundation's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources

HUBBARD BROOK RESEARCH FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

**Note 2. Investments:**

The Foundation maintains an investment portfolio for the purpose of preserving principal of donor restricted funds. Investments in this portfolio at September 30, 2020 and 2019 consisted of the following aggregate grouping:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 56,701	\$ 56,701	\$ 51,233	\$ 51,233
Mutual funds	<u>125,563</u>	<u>122,547</u>	<u>106,635</u>	<u>106,067</u>
Total Investments	<u>\$ 182,264</u>	<u>\$ 179,248</u>	<u>\$ 157,868</u>	<u>\$ 157,300</u>

The following tables summarize assets which have been accounted for at fair value as of September 30 along with the level of fair value hierarchy as detailed in Note 1:

2020	Total	Level 1	Level 2	Level 3
Money market funds	\$ 56,701	\$ 56,701	-	-
Mutual funds	<u>122,547</u>	<u>122,547</u>	-	-
	<u>\$ 179,248</u>	<u>\$ 179,248</u>	<u>\$ -</u>	<u>\$ -</u>

  

2019	Total	Level 1	Level 2	Level 3
Money market funds	\$ 51,233	\$ 51,233	-	-
Mutual funds	<u>106,067</u>	<u>106,067</u>	-	-
	<u>\$ 157,300</u>	<u>\$ 157,300</u>	<u>\$ -</u>	<u>\$ -</u>

Investment income related to these investments is included with revenues and gains on the statements of activities and was comprised of the following for the years ended September 30:

	2020	2019
Unrealized gains (losses)	\$ (2,448)	\$ (568)
Interest and dividends	<u>5,240</u>	<u>2,168</u>
	<u>\$ 2,792</u>	<u>\$ 1,600</u>

**HUBBARD BROOK RESEARCH FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**Note 3. Short-term note payable:**

In April 2020 the Foundation obtained an \$81,900 Paycheck Protection Program (PPP) loan through the U.S Small Business Administration to assist with payroll, rent, and utility payments. The PPP allows loans to be forgiven if they are spent on the above expenses within 8 to 24 weeks of receiving it. The loan was forgiven in November 2020, therefore, the note is being shown as short-term.

**Note 4. Line of credit:**

The Foundation has available a line of credit in the amount of \$70,000 under an agreement with Ledyard National Bank. Principal is payable on demand. Interest is payable monthly at the Wall Street Journal prime rate (3.250% at September 30, 2020) plus .50 percentage point. The line of credit is collateralized by substantially all business assets. The balance on the line of credit was \$-0- as of September 30, 2020 and 2019.

**Note 5. Operating lease:**

The Foundation leases office space under an operating lease with monthly payments of \$604 that ends December 2021. Total rent expense incurred in connection with this agreement was \$7,216 and \$7,022 in 2020 and 2019, respectively.

**Note 6. Board designated net assets:**

As of September 30, the Board designated net assets were for the following purposes:

	<u>2020</u>	<u>2019</u>
Capital reserve	\$ 122,547	\$ 106,635
	<u>\$ 122,547</u>	<u>\$ 106,635</u>

**Note 8. Net assets with donor restrictions:**

Net assets are restricted due to the following purposes or time periods as of September 30:

	<u>2020</u>	<u>2019</u>
Use specific related restrictions:		
Storage archive	\$ 56,701	\$ 51,233
Young Voices of Science	25,000	-
Emergency fund	7,745	7,745
WaterViz and Belowground Sound Projects	5,000	-
Likens recording project	519	1,200
Time restrictions	<u>46,684</u>	<u>106,096</u>
	<u>\$ 141,649</u>	<u>\$ 166,274</u>

HUBBARD BROOK RESEARCH FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

**Note 8. Net assets with donor restrictions (continued):**

Net assets released from restrictions were as follows:

	2020	2019
Use specific related restrictions:		
Likens recording project	\$ 681	\$ -
Climate change	-	1,177
Emergency fund	-	1,695
Time restrictions	106,096	266,117
	<u>\$ 106,777</u>	<u>\$ 268,989</u>

**Note 9. Pension plan:**

The Foundation maintains a defined contribution retirement plan that covers all employees working at least half time. The Foundation matches employee contributions up to 4% of compensation. Pension expense was \$3,846 and \$4,125 for the years ended September 30, 2020 and 2019, respectively.

**Note 10. Liquidity and availability of resources:**

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of that date.

	2020	2019
Cash and cash equivalents	\$ 209,893	\$ 90,553
Investments	179,248	157,300
Grants receivable	46,684	106,096
Account receivable	32,937	14,845
Total financial assets	468,762	368,794
Less those unavailable for general expenditures within one year due to:		
Donor imposed restrictions:		
Cash restricted to specific uses	38,264	8,945
Investment restricted to specific use	56,701	51,233
Restricted by donor with time restrictions	46,684	106,096
Board designations:		
Capital reserve	<u>122,547</u>	<u>106,067</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 204,566</u>	<u>\$ 96,453</u>

**HUBBARD BROOK RESEARCH FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2020 AND 2019**

**Note 10. Liquidity and availability of resources (continued):**

The Foundation is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, certain financial assets may not be available for general expenditures within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**Note 11. Related party transactions:**

In January 2019, the Foundation had sold one of its condominium units at its Mirror Lake property in Woodstock, NH to a member of the Board of Trustees for \$225,000. The Foundation continues to manage the unit in an ongoing capacity due to a management agreement with the Board member.

**Note 12. Subsequent events:**

Management has evaluated events occurring between the end of the most recent fiscal year and January 8, 2021 the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States of America. The Governor of New Hampshire declared a State of Emergency on March 13, 2020 and effective March 27<sup>th</sup> ordered all nonessential business to close. The Foundation's housing and laboratory facilities are located in Woodstock, New Hampshire and were deemed to be essential. However, the housing was rented at lower than full capacity in order to maintain appropriate safety measures.

Similar to the emergency orders in New Hampshire, the Governor of Vermont also declared a State of Emergency on March 13, 2020 and effective March 25<sup>th</sup> ordered all nonessential business to close. The Foundation had to close its administrative office in Woodstock, Vermont and all the employees worked remotely from home. Administrative offices are currently open again in accordance with state guidelines. In addition all the education programs run by the Foundation are being conducted remotely over the internet.

The Foundation was awarded a Main Street Relief Fund grant from the New Hampshire Department of Revenue for \$33,482 in August 2020. These funds were used to assist in covering the operational costs of the Foundation. The Foundation's full PPP loan of \$81,900, which was used for payroll, rent, and utility payments, has also been approved for forgiveness at this time.

While the Foundation expects COVID-19 to negatively impact its results of operations, cash flows and financial position, the related impact cannot be reasonably estimated at this time.