



**HUNDRED
NIGHTS**
INCORPORATED

Audited Financial Statements

As of and for the Years Ended
December 31, 2021 and 2020

**ANDERSON & GILBERT, INC.
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To the Board of Directors

Hundred Nights, Inc.
PO Box 833
Keene NH 03431

We have audited the accompanying statement of financial position of Hundred Nights, Inc. as of December 31, 2021, and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hundred Nights, Inc. as of December 31, 2021, and the results of its activities and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Susan L. Gilbert, CPA

Keene, New Hampshire
August 24, 2022

Hundred Nights, Inc.
Statement of Financial Position
December 31, 2021 and 2020

Assets			
	2021		2020
Current Assets			
Cash & Cash Equivalents	\$ 711,775	\$	420,312
Pledges Receivable	494,115		-
Grants Receivable	24,549		80,025
Prepaid Expenses	<u>5,224</u>		<u>972</u>
Total Current Assets	\$ 1,235,663	\$	501,309
Property and Equipment			
Furniture and Equipment	\$ 88,359	\$	86,003
Vehicles	67,249		45,249
Leasehold Improvements	42,208		36,820
Construction in Progress	129,803		10,000
Less: Accumulated Depreciation	<u>(45,625)</u>		<u>(25,570)</u>
Net Property and Equipment	\$ 281,994	\$	152,502
Other Assets			
Long Term Investments	\$ 29	\$	301
Total Other Assets	\$ 29	\$	301
Total Assets	\$ 1,517,686	\$	654,112
Liabilities and Net Assets			
	2021		2020
Current Liabilities			
Accounts Payable & Accrued Expenses	\$ 19,899	\$	26,852
Deferred Revenue	<u>49,000</u>		<u>52,500</u>
Total Current Liabilities	\$ 68,899	\$	79,352
Long-Term Liabilities			
Deferred Revenue - Capital Campaign	\$ 641,861	\$	6,925
Total Long-Term Liabilities	\$ 641,861	\$	6,925
Total Liabilities	\$ 710,760	\$	86,277
Net Assets			
Unrestricted Net Assets, Beginning of the Year	\$ 567,835	\$	143,421
Change in Net Assets	<u>239,091</u>		<u>424,414</u>
Total Net Assets	\$ 806,926	\$	567,835
Total Liabilities and Net Assets	\$ 1,517,686	\$	654,112

Hundred Nights, Inc.
 Statements of Activities and Changes in Net Assets
 For the Year Ended December 31, 2021 and 2020

	2021	2020
Operating Revenue		
Contributions & Other Grants	\$ 473,717	\$ 430,771
In Kind Contributions	132,648	96,552
Program Service Revenue	137,468	153,650
Federal & State Government Grants	80,990	75,247
Special Covid Grants	282,155	234,482
Fundraising Events	<u>14,455</u>	<u>10,215</u>
Total Operating Revenue	\$ 1,121,433	\$ 1,000,917
Operating Expenses		
Salaries & Benefits	\$ 500,204	\$ 396,193
Resource Center & Shelter Program Expenses	204,081	156,152
Occupancy & Facility Expenses	246,637	85,121
General & Administrative Expense	16,481	16,019
Insurance	15,063	16,845
Fundraising Expenses	1,632	4,682
Depreciation Expense	<u>20,055</u>	<u>5,100</u>
Total Operating Expenses	\$ 1,004,153	\$ 680,112
Operating Income (Loss)	\$ 117,280	\$ 320,805
Other Revenue and Gains (Losses)		
PPP Forgiven Loans	\$ -	\$ 93,200
Capital Campaign Income, Net of Expenses of \$54,688 and \$33,075 in 2021 and 2020, respectively	119,803	10,000
Investment Income, Net of Expenses of \$25 and \$0 in 2021 and 202, respectively	1,903	488
Unrealized Gain (Loss) on Investments	<u>105</u>	<u>(79)</u>
Total Other Revenue & Gains (Losses)	\$ 121,811	\$ 103,609
Change in Net Assets	\$ 239,091	\$ 424,414
Net Assets, Beginning of Year	\$ 567,835	\$ 143,421
Net Assets, End of Year	\$ 806,926	\$ 567,835

Hundred Nights, Inc.
Statement of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in Net Assets		
Change in Net Assets	\$ 239,091	\$ 424,414
Total Change in Net Assets	\$ 239,091	\$ 424,414
Adjustments to Change in Net Assets		
Adjustments to reconcile Change in Net Assets to Net Cash:		
Depreciation Expense	\$ 20,055	\$ 5,100
Unrealized (Gain) Loss on Investments	\$ (105)	\$ 79
(Increase) Decrease in the Following Assets:		
Grants Receivable	\$ 55,476	\$ (80,025)
Prepaid Expenses	\$ (4,252)	\$ (972)
Increase (Decrease) in the Following Liabilities:		
Accounts Payable & Accrued Expenses	\$ (6,953)	\$ 17,656
Deferred Revenue	\$ (3,500)	\$ 10,272
Total Adjustments	\$ 60,721	\$ (47,890)
Net Cash Provided By (Used In) Operating Activities	\$ 299,812	\$ 376,524
Cash Flows from Investing Activities		
Capital Expenditures, Net of Disposals	\$ (149,547)	\$ (134,570)
(Increase) Decrease in Long Term Investments	\$ 377	\$ (14)
Net Cash Provided By (Used In) Investing Activities	\$ (149,170)	\$ (134,584)
Cash Flows from Financing Activities		
Capital Campaign, Pledges Receivable	\$ (494,115)	\$ -
Capital Campaign, Deferred Revenue	634,936	6,925
Net Cash Provided By (Used In) Financing Activities	\$ 140,821	\$ 6,925
Cash at Beginning of the Year		
Cash at Beginning of the Year	\$ 420,312	\$ 171,447
Total Cash at Beginning of the Year	\$ 420,312	\$ 171,447
Cash at End of the Year	\$ 711,775	\$ 420,312

Hundred Nights, Inc.
Notes to Financial Statements
As of and for the Years Ended December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Hundred Nights, Inc., “HN” is a not-for-profit corporation organized in New Hampshire in 2011. HN is exempt from income tax under Internal Revenue Code Section 501(c) (3).

HN is a community organization providing shelter and crisis related services to the displaced or homeless. HN’s goal is to collaborate with and enable the community to see, hear, and support members of society who are equally deserving of dignity, but currently lack the means to live independently. HN’s vision is a community where all members of society, regardless of means, are equally valued and supported.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America.

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.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less, excluding any assets limited as to use. Short-term liquid investments with an original maturity of more than three months are classified as temporary investments. For the years ending December 31, 2021 and 2020 cash and cash equivalents consist exclusively of checking and money market savings accounts, including the Board designated reserve savings account. The Board designated \$50,000 in 2019, to be held in the reserve savings account for current and future capital campaign expenditures. In 2021, the Board designated another \$50,000 to be held in reserve for future expenditures. The reserve savings account held \$114,426 and \$64,303 as of December 31, 2021 and 2020, respectively.

Assets Limited as to Use

Assets limited as to use consist of assets designated by the board and restricted by donors. For the year ended December 31, 2021 and 2020 there were no restricted assets.

Hundred Nights, Inc.
Notes to Financial Statements
As of and for the Years Ended December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges and Grants Receivable

Pledges Receivable are Capital Campaign pledges received from individuals, corporations, private foundations and federal and state government grants. For the year ending December 31, 2021 there is \$494,115 of pledges receivable. The pledges are due over the years 2022 through 2024, \$133,115 is due by December 31, 2022 and the remaining \$361,000 in 2023 and 2024. Subsequent to the reporting year end date ninety-five percent of the pledges due in 2022 have been received. Therefore, there is no requirement for an allowance for bad debt.

Grants Receivable consist primarily of Federal and State Grants for program services performed for the current reporting year and not received until the subsequent year. For the year ending December 31, 2021 and 2020 there is \$24,549 and \$80,025 of grants receivable, respectively. There is no requirement for an allowance for bad debt as the grants were received in full subsequent to the reporting year end date.

Investments

Investments in equity and debt securities with readily determined fair value are measured at fair value at the balance sheet dates. Fair value is determined in accordance with Accounting Standards Codification Topic 820, *Fair Value Measurement and Disclosures*. As a result, investment income and loss (including unrealized and realized gains and losses on investments, interest and dividends, net of investment expenses) is included in the change in net assets.

Property and Equipment

Property and equipment are carried at cost. Maintenance repairs and minor renewals are expensed as incurred. Major renewals, betterments and leasehold improvements are capitalized. Depreciation is computed on the straight-line method, using half-year convention in the year of acquisition and the year of disposal, and is provided over the estimated useful life of each class of depreciable assets. Leasehold improvements are being depreciated over 39 years and at the end of the lease if not renewed any undepreciated value will be taken. Furniture, equipment and vehicles have estimated useful lives between 5 and 12 years.

Hundred Nights, Inc.
Notes to Financial Statements
As of and for the Years Ended December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

HN recognizes grant and donor revenue in the period that the related work or use of the funds is performed. Accordingly, grant and donation income are deferred until the work is completed or the funds are used in the case of donations.

Additionally, in 2021 capital campaign funds are included in deferred revenue to be recognized as campaign expenses and construction expenses are incurred. See Pledges and Grants Receivable above, Note 4-Deferred Revenue and Note 7-Significant Events.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by HN has been limited by donors to a specific time period or purpose. Permanently restricted net assets are restricted by donors to be maintained by HN in perpetuity.

Revenues

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as reclassifications between applicable classes of net assets.

Gifts of Long-Lived Assets

Gifts of long-lived assets, such as land, buildings or equipment, are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Hundred Nights, Inc.
Notes to Financial Statements
As of and for the Years Ended December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Change in Net Assets

The statement of activities includes change in net assets as a performance indicator. HN differentiates its operating activities through the use of income from operations as an intermediate measure of operations. For purpose of display, certain investment income and other transactions which management does not consider components of HN's operating activities, are excluded from the income from operations and reported as non-operating revenue in the statements of activities. Changes in unrestricted net assets, which are excluded from operations, consistent with industry practice, include change in net unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Summarized Comparative Information

The 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with HN's financial statements for the year ended December 31, 2020 from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2020 financial statements to conform to the 2021 presentation.

Hundred Nights, Inc.
Notes to Financial Statements
As of and for the Years Ended December 31, 2021 and 2020

NOTE 2 – FUNCTIONAL EXPENSES

HN provides shelter and a resource center for homeless individuals in the Monadnock region. Expenses related to providing these services are as follows:

	2021	2020	
Program Expenses	\$ 810,117	\$ 540,005	
Administrative and General	166,697	116,597	
Fundraising Expenses	80,421	56,584	
Total	\$ 1,057,235	\$ 713,186	

NOTE 3 – COMMITMENT AND CONTINGENCIES

HN leases its office, shelter and resource center facilities from Patricia Moreno, the current lease extension expired June 30, 2022. The lessor has verbally agreed to continue the lease at the same rates through the spring of 2023 when the new HN facility is projected to be completed. The lease payments for 2021 were \$4000 per month through July and \$6000 per month for the remainder of the year for a total of \$58,000. The increased rent starting August 1, 2021 is due to an additional location being leased. The future minimum lease payments for 2022 are \$72,000.

NOTE 4 – DEFERRED REVENUE

Deferred Revenue consists of funds received to be used for future expenses, activities and events. As of December 31, 2021, and 2020 this amount is \$49,000 and \$52,500, respectively and is primarily funds designated for operations in the following year.

During 2021, HN started receiving pledges and funds related to the Capital Campaign. These funds are being recognized as campaign expenses are incurred and cost of obtaining the property and construction expenses are incurred. As of December 31, 2021 and 2020, the deferred revenue related to the capital campaign is \$641,861 and \$6,925, respectively. Pledge Receivables of \$494,115 are included in the deferred revenue.

Hundred Nights, Inc.
Notes to Financial Statements
As of and for the Years Ended December 31, 2021 and 2020

NOTE 5 – DONATED GOODS AND SERVICES

HN receives significant donations of volunteer time which are not recognized in these statements. For the year ending December 31, 2021 and 2020 there was volunteer labor with an estimated value of \$197,818 and \$218,060, respectively. Additionally, there are significant donations of food, supplies and clothing, which have been recorded as Gifts in Kind at their fair market value. The total of program supplies donated in 2021 and 2020 is \$132,529 and \$94,612, respectively. Also recorded as Gifts in Kind are discounted services provided of \$120 and \$1,940, for the year ended December 31, 2021 and 2020, respectively. The food, clothing and supplies are also listed in these financial statements as Program Supplies and the discounted services are recorded as expenses in the appropriate categories.

NOTE 6 – RETIREMENT PLAN

In 2016 HN adopted a Simple IRA plan for its eligible employees. Employees who earn at least \$5,000 in a calendar year are eligible to participate in the Simple IRA plan. HN matches 100% of the employee contributions up to 3% of compensation for all participating employees. For the year ended December 31, 2021 and 2020 the matching contribution to eligible employees amounted to \$4,110 and \$3,101, respectively.

NOTE 7 – SIGNIFICANT EVENTS

HN launched a Capital Campaign in March 2021 to purchase the land at 122-124 Water Street in Keene and build a new 15,180 square foot 48 bed facility. The initial goal of the campaign was \$5.5 million but due to increased construction and financing cost have increased the goal to \$6.15 million.

In January 2022, HN closed on the purchase of the land at 122-124 Water Street and construction of the new facility began in April 2022. The building is scheduled to be ready for occupancy in the Spring of 2023.

As of the date of these financials, the campaign has raised \$5.2 million, which represents 84% of the goal. Capital Campaign expenses to date are approximately \$250,000 and construction in progress incurred to date is approximately \$750,000.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 24, 2022 which is the date the financial statements were available to be issued. HN does not believe that any events requiring recognition or disclosure occurred between December 31, 2021 and August 24, 2022. HN has not reviewed events occurring after the report date for their potential impact on the information contained in these financial statements.