



Frank Edelblut
Commissioner

Christine Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
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September 8, 2021

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Education, Bureau of Vocational Rehabilitation (VR) to enter into a **sole source** contract with the AREA AGENCY OF GREATER NASHUA, INC., Nashua, NH, (vendor #155784), in an amount not to exceed \$200,000 to provide support services for VR customers, effective upon Governor and Council approval through October 31, 2023. 100% Federal Funds.

Funds to support this request are available in the accounts titled VR-Field Programs-Federal in FY 2022 and FY2023 and expected to be available in FY2024, upon the availability and the continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between State Fiscal years through the Budget Office, without further Governor and Council approval, if needed and justified.

	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>
06-56-56-565010-25380000-102-500731	\$100,000	\$80,000	\$20,000
Contracts for Program services			

EXPLANATION

This request is **sole source** because VR is providing this funding opportunity to each of the ten (10) area agencies in New Hampshire to enhance the statewide capacity of work incentives counseling and job development services to individuals with disabilities. Nine (9) of the area agencies are receiving funding for this programming. The Concord region area agency did not elect to accept the funding because they did not feel they could staff it appropriately. This enhanced service provision will increase the number of individuals employed because they will understand the impact of employment on their state and federal benefits. The AREA AGENCY OF GREATER NASHUA, INC. is a non-profit corporation created in 1981 to establish and maintain programs and services which promote growth and independence for individuals with developmental disabilities. The organization delivers services for over 3,000 individuals with disabilities, families coping with autism, and seniors in need of care.

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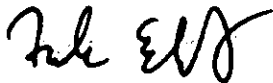
AREA AGENCY OF GREATER NASHUA, INC. will hire a Community Work Incentives Coordinator (CWIC), that will provide work incentives planning and assistance to beneficiaries who receive Social Security Disability Benefits. The CWIC is responsible for counseling and educating beneficiaries about how employment will affect their current benefits (which may include public and private health insurance, federal, state, and/or local benefits received) so that individuals may make informed choices towards employment and self-sufficiency. Frequently, because individuals and families do not understand the impact of employment on benefits, they do not choose to engage in career exploration and employment. VR would like to change this concern by enhancing work incentives knowledge to provide informed decision-making for individuals and families.

In addition to the CWIC funding support, this contract will allow the AREA AGENCY OF GREATER NASHUA, INC. to increase its ability to provide job development consultation for individuals seeking employment through its established partnership with the Plus Company.

VR is pleased to partner and provide funding with local area agencies around the state to enhance work incentives knowledge and to provide additional job development capacity. Employment is such an important aspect of life for individuals with disabilities. It means full inclusion in their community and in the state economy.

Should Federal Funds become unavailable, General funds will not be requested to support the program.

Respectfully Submitted,



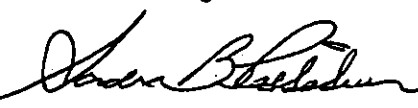
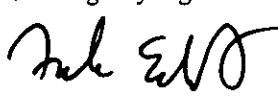
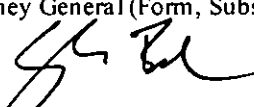
Frank Edelblut
Commissioner of Education

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Education		1.2 State Agency Address 21 S. Fruit Street, Suite 20 Concord, NH 03301	
1.3 Contractor Name AREA AGENCY OF GREATER NASHUA, INC.		1.4 Contractor Address 144 Canal Street Nashua, NH 03064	
1.5 Contractor Phone Number 603-882-6333	1.6 Account Number See Exhibit C	1.7 Completion Date 10/31/2023	1.8 Price Limitation \$200,000
1.9 Contracting Officer for State Agency Lisa Hinson-Hatz		1.10 State Agency Telephone Number 603-419-0086	
1.11 Contractor Signature  Date: 8/18/21		1.11 Name and Title of Contractor Signatory Sandra Pelletier, President and CEO	
1.13 State Agency Signature  Date: 9-14-21		1.14 Name and Title of State Agency Signatory Frank Edelblut, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: Christopher Bond  On: 9/15/21			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and

submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

10.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise out of (or which may be claimed to arise out of) the acts or omission of the

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

17. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

EXHIBIT A

SPECIAL PROVISIONS

Additional exhibits D-G.

Federal Certification 2 CFR 200.415

Required certifications include: (a) To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows:

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).

EXHIBIT B

SCOPE OF SERVICES

AREA AGENCY OF GREATER NASHUA, INC., the contractor, (DBA Gateways Community Services), will provide the following services to the New Hampshire Department of Education, Bureau of Vocational Rehabilitation (VR), effective upon Governor and Council approval through October 31, 2023:

The contractor will utilize VR funding to hire an individual to become a Certified Work Incentives Counselor (CWIC) and will receive consultation from The PLUS Company regarding information and training about the employment process for people with disabilities.

The contractor will hire a full-time CWIC to provide work incentives planning and assistance to beneficiaries who receive Social Security Disability Benefits. The CWIC is responsible for counseling and educating beneficiaries about how employment will affect their current benefits (which may include public and private health insurance, Federal, state, and/or local benefits received) so that individuals may make informed choices towards employment and self-sufficiency. Staff hired will participate in the free, online Virginia Commonwealth University (VCU) training program to develop competencies, skills, and to become certified to provide the following services to individuals:

1. Determining eligibility for work incentive counseling services;
2. Providing information about and referrals to programs that support work;
3. Gathering information about the beneficiary and verifying their public benefits;
4. Providing individualized advisement, including a Benefits Summary & Analysis (BS&A) report; and
5. Providing proactive ongoing work-related benefits support.
6. Share information on STABLE accounts (A STABLE Account is an investment account available to eligible individuals with disabilities). STABLE Accounts are made possible by the federal "Achieving a Better Life Experience" ("ABLE") Act. The CWIC will show individuals how to create an account. STABLE accounts provide a tax-free savings plan for disability-related expenses and allows them to save and invest without losing Federal needs-based benefits.
7. Provide monthly and quarterly summaries of work completed with VR program staff and with the Nashua VR office and counselors.
8. Tracks participant activity and progress data.

The CWIC's duties will also include the following:

- Assist and counsel beneficiaries with planning and action steps as they seek employment; ensure they have a greater understanding of the work incentives that are available.
- Screen and refer beneficiaries with disabilities eligible for Gateways Community Services to the appropriate Employment Networks (ENs) based on the beneficiary's expressed needs and types of impairments.

EXHIBIT B CONTINUED

- Work in cooperation with Social Security Administration's Area Work Incentives Coordinators (AWICs), Federal, State, local and private agencies and other nonprofit organizations that serve beneficiaries with disabilities seeking employment.
- Connect individuals with Vocational Rehabilitation services.
- Provide general information on the adequacy of health benefits coverage that may be offered by an employer of a beneficiary with a disability; the extent to which other health benefits coverage may be available to that beneficiary in coordination with Medicare and/or Medicaid; and the availability of protection and advocacy services for beneficiaries with disabilities and how to access such services.
- Be knowledgeable about Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) disability programs.
- Be knowledgeable about STABLE accounts.
- Understand terminology used to describe certain disabilities and awareness of cultural and political issues pertaining to various populations and to various disabilities.
- Collect data on employment outcomes.

DELIVERABLES and REPORTING

AREA AGENCY OF GREATER NASHUA, INC. shall:

1. Diligently work to hire an individual, within two months of the execution of the contract, to provide CWIC services and that individual shall report the following data on a monthly and quarterly basis:
 - a. The number of group benefits orientation presentations provided to individuals and families/guardians;
 - b. The number of individual benefits orientation presentations provided;
 - c. The number of BS&A reports completed for individuals;
 - d. The number of individuals referred to VR during CWIC services;
 - e. The number of individuals referred for job development, placement, and support during/after CWIC services;
 - i. Part-time employment services
 - ii. Full-time employment services
 - f. The number of individuals who were referred to create a STABLE account;
 - g. The number of individuals changing employment status (no work to part-time work, part-time work to full-time work).
2. Ensure there are written releases/authorization, per individual, to communicate with VR staff with individuals referred for CWIC and job development services.
3. Refer individuals to the Plus Company that are interested in job development, placement and support services.

EXHIBIT B CONTINUED

4. Identify a 'point person' in each VR office who will serve as the contact person for the Gateways/VR collaboration.
5. Set up monthly meetings (regional level) and a quarterly meeting (state level) staff to share data and results of the partnership.

VR State Level Staff shall:

- A. Work in collaboration with the contractor to gather data, reports and to share program outcomes.
- B. Connect with VCU and other national technical assistance resources to assist in successful management of this partnership.
- C. Explore opportunities with the Social Security Administration and Maximus to implement the "partnership plus" model for sharing program income from the Ticket to Work program to partially fund the positions once VR funding has completed.

VR Local Level Staff shall:

- A. Work in collaboration with the contractor to gather data, reports and to share program outcomes.
- B. Assign a point of contact to manage the partnership and receive referrals for VR services, when appropriate.

EXHIBIT C

BUDGET

	FY2022	FY2023	FY 2024	Total
CWIC Salary (35 hours @ \$20/hour)	\$36,400	\$36,400	\$9,100	\$81,900
Supervisor Salary (15 hours @ \$27.59/hour)	\$21,520	\$21,520	\$5,380	\$48,420
Benefits & Taxes	\$17,376	\$17,376	\$4,344	\$39,096
Plus Company Consultation (5.5 hours/month @ \$35/hour)	\$2,304	\$2,304	\$576	\$5,184
General Management at 3%	\$2,400	\$2,400	\$600	\$5,400
Start-Up	\$20,000	\$0	\$0	\$20,000
Total Expenses	\$100,000	\$80,000	\$20,000	\$200,000

METHOD OF PAYMENT

Limitation on Price: Upon mutual agreement between the state contracting officer and the contractor, line items in this budget may be adjusted one to another, but in no case shall the total budget exceed \$200,000.

Funding Source: Funds are available in account titled Vocational Rehabilitation Field Programs-Federal for FY2022 and FY2023, and anticipated to be available in FY2024, upon the availability and continued appropriation of funds in the future operating budget with the authority to adjust encumbrances between fiscal years within the price limitation through the Budget Office, if needed and justified.

06-56-56-565010-25380000-102-500731	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>
Contracts for Program Services	\$100,000	\$80,000	\$20,000

Method of Payment: Upon Governor and Council approval, payment will be made upon the submittal of an invoice for start-up and hiring activities, which is supported by a summary of activities that have taken place in accordance with the terms of the contract. Quarterly invoices shall be sent for the duration of the program and a final invoice, if necessary, shall be sent to the Department within 30 days of the end of this contract.

Invoices and reports shall be submitted to:

Lisa Hinson-Hatz

VR Director

Lisa.Hatz@doe.nh.gov

NH Department of Education

21 S. Fruit Street, Suite 20

Concord, NH 03301

Contract between AREA AGENCY OF GREATER NASHUA, INC. and the New Hampshire

Department of Education

Page 5 of 5

Contractor Initials SP
Date 8/18/21

EXHIBIT D

Contractor Obligations

Contracts in excess of the simplified acquisition threshold (currently set at \$250,000) must address **administrative, contractual, or legal remedies** in instances where the contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate. Reference: 2 C.F.R. § 200.326 and 2 C.F.R. 200, Appendix II, required contract clauses.

The contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the contractor's actions pertaining to this contract.

The Contractor, certifies and affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

Breach

A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. § 5.12.

Fraud and False Statements

The Contractor understands that, if the project which is the subject of this Contract is financed in whole or in part by federal funds, that if the undersigned, the company that the Contractor represents, or any employee or agent thereof, knowingly makes any false statement, representation, report or claim as to the character, quality, quantity, or cost of material used or to be used, or quantity or quality work performed or to be performed, or makes any false statement or representation of a material fact in any statement, certificate, or report, the Contractor and any company that the Contractor represents may be subject to prosecution under the provision of 18 USC §1001 and §1020.

Environmental Protection

(This clause is applicable if this Contract exceeds \$150,000. It applies to Federal-aid contracts only.)

The Contractor is required to comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857 (h)), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency (EPA) regulations (40 CFR Part 15) which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Violations shall be reported to the FHWA and to the U.S. EPA Assistant Administrator for Enforcement.

Procurement of Recovered Materials

In accordance with Section 6002 of the Solid Waste Disposal Act (42 U.S.C. § 6962), State agencies and agencies of a political subdivision of a state that are using appropriated Federal funds for procurement must procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired in the preceding fiscal year exceeded \$10,000; must procure solid waste management services in a manner that maximizes energy and resource recovery; and must have established an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Contractor Initials SP
Date 8/18/21

Exhibit E

Federal Debarment and Suspension

- a. By signature on this Contract, the Contractor certifies its compliance, and the compliance of its Sub-Contractors, present or future, by stating that any person associated therewith in the capacity of owner, partner, director, officer, principal investor, project director, manager, auditor, or any position of authority involving federal funds:
 - 1. Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal Agency;
 - 2. Does not have a proposed debarment pending;
 - 3. Has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal Agency within the past three (3) years; and
 - 4. Has not been indicted, convicted, or had a civil judgment rendered against the firm by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.
- b. Where the Contractor or its Sub-Contractor is unable to certify to the statement in Section a.1. above, the Contractor or its Sub-Contractor shall be declared ineligible to enter into Contract or participate in the project.
- c. Where the Contractor or Sub-Contractor is unable to certify to any of the statements as listed in Sections a.2., a.3., or a.4., above, the Contractor or its Sub-Contractor shall submit a written explanation to the DOE. The certification or explanation shall be considered in connection with the DOE's determination whether to enter into Contract.
- d. The Contractor shall provide immediate written notice to the DOE if, at any time, the Contractor or its Sub-Contractor, learn that its Debarment and Suspension certification has become erroneous by reason of changed circumstances.

Contractor Initials SP
Date 8/18/21

Exhibit F

Anti-Lobbying

The Contractor agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, execute the following Certification:

The Contractor certifies, by signing and submitting this contract, to the best of his/her knowledge and belief, that:

- a. No federal appropriated funds have been paid or shall be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence any officer or employee of any State or Federal Agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal amendment, or modification of any Federal contract grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or shall be paid to any person for influencing or attempting to influence an officer or employee of any Federal Agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit the "Disclosure of Lobbying Activities" form in accordance with its instructions (<http://www.whitehouse.gov/omb/grants/sfillin.pdf>).
- c. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making and entering into this transaction imposed by Section 1352, Title 31 and U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- d. The Contractor also agrees, by signing this contract that it shall require that the language of this certification be included in subcontracts with all Sub-Contractor(s) and lower-tier Sub-Contractors which exceed \$100,000 and that all such Sub-Contractors and lower-tier Sub-Contractors shall certify and disclose accordingly.
- e. The DOE shall keep the firm's certification on file as part of its original contract. The Contractor shall keep individual certifications from all Sub-Contractors and lower-tier Sub-Contractors on file. Certification shall be retained for three (3) years following completion and acceptance of any given project.

Contractor Initials SP
Date 8/18/21

Exhibit G

Rights to Inventions Made Under a Contract, Copy Rights and Confidentiality

Rights to Inventions Made Under a Contract or Agreement

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the DOE.

Any discovery or invention that arises during the course of the contract shall be reported to the DOE. The Contractor is required to disclose inventions promptly to the contracting officer (within 2 months) after the inventor discloses it in writing to contractor personnel responsible for patent matters. The awarding agency shall determine how rights in the invention/discovery shall be allocated consistent with "Government Patent Policy" and Title 37 C.F.R. § 401.

Confidentiality

All Written and oral information and materials disclosed or provided by the DOE under this agreement constitutes Confidential Information, regardless of whether such information was provided before or after the date on this agreement or how it was provided.

The Contractor and representatives thereof, acknowledge that by making use of, acquiring or adding to information about matters and data related to this agreement, which are confidential to the DOE and its partners, must remain the exclusive property of the DOE.

Confidential information means all data and information related to the business and operation of the DOE, including but not limited to all school and student data contained in NH Title XV, Education, Chapters 186-200.

Confidential information includes but is not limited to, student and school district data, revenue and cost information, the source code for computer software and hardware products owned in part or in whole by the DOE, financial information, partner information (including the identity of DOE partners), Contractor and supplier information, (including the identity of DOE Contractors and suppliers), and any information that has been marked "confidential" or "proprietary", or with the like designation. During the term of this contract the Contractor agrees to abide by such rules as may be adopted from time to time by the DOE to maintain the security of all confidential information. The Contractor further agrees that it will always regard and preserve as confidential information/data received during the performance of this contract. The Contractor will not use, copy, make notes, or use excerpts of any confidential information, nor will it give, disclose, provide access to, or otherwise make available any confidential information to any person not employed or contracted by the DOE or subcontracted with the Contractor.

Ownership of Intellectual Property

The DOE shall retain ownership of all source data and other intellectual property of the DOE provided to the Contractor in order to complete the services of this agreement. As well the DOE will retain copyright ownership for any and all materials, patents and intellectual property produced, including, but not limited to, brochures, resource directories, protocols, guidelines, posters, or reports. The Contractor shall not reproduce any materials for purposes other than use for the terms under the contract without prior written approval from the DOE.

Contractor Initials SP
Date 8/18/21

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that AREA AGENCY OF GREATER NASHUA, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on December 12, 1983. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 74294

Certificate Number: 0004919793



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 22nd day of May A.D. 2020.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Mark M. Thornton, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Member of Area Agency of Greater Nashua, Inc. D.B.A. Gateways Community Services.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Members of

the Agency duly held on February 24, 2021 :
(Date)

RESOLVED: That the President/CEO
(Title of Contract Signatory)

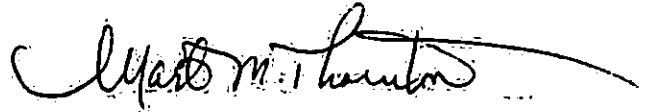
is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of

the 18 day of August, 2021.
(Date Contract Signed)

4. Sandra Pelletier is the duly elected President/CEO
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.



(Signature of the Elected Officer)

STATE OF _____

County of _____

The forgoing instrument was acknowledged before me this _____ day of _____, 20____.

By Mark Thornton
(Name of Elected Officer of the Agency)

(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: _____

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/06/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER USI Insurance Services LLC 3 Executive Park Drive, Suite 300 Bedford, NH 03110 855 874-0123	CONTACT NAME: Nicole Rhuda PHONE (A/C, No, Ext): 603 665-8112 FAX (A/C, No): E-MAIL ADDRESS: Nicole.Rhuda@usi.com														
INSURED Area Agency of Greater Nashua, Inc. dba Gateways Community Services 144 Canal Street Nashua, NH 03064	<table border="1"> <thead> <tr> <th data-bbox="826 436 1453 468">INSURER(S) AFFORDING COVERAGE</th> <th data-bbox="1453 436 1589 468">NAIC #</th> </tr> </thead> <tbody> <tr> <td data-bbox="826 468 1453 500">INSURER A: Philadelphia Indemnity Insurance Co.</td> <td data-bbox="1453 468 1589 500">18058</td> </tr> <tr> <td data-bbox="826 500 1453 532">INSURER B: Granite State Healthcare & Human Svc WC</td> <td data-bbox="1453 500 1589 532">NONAIC</td> </tr> <tr> <td data-bbox="826 532 1453 563">INSURER C: Midwest Employers Casualty Company</td> <td data-bbox="1453 532 1589 563">23612</td> </tr> <tr> <td data-bbox="826 563 1453 595">INSURER D:</td> <td data-bbox="1453 563 1589 595"></td> </tr> <tr> <td data-bbox="826 595 1453 627">INSURER E:</td> <td data-bbox="1453 595 1589 627"></td> </tr> <tr> <td data-bbox="826 627 1453 651">INSURER F:</td> <td data-bbox="1453 627 1589 651"></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Philadelphia Indemnity Insurance Co.	18058	INSURER B: Granite State Healthcare & Human Svc WC	NONAIC	INSURER C: Midwest Employers Casualty Company	23612	INSURER D:		INSURER E:		INSURER F:	
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INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADOL SUBR INSR YWYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		[REDACTED]	07/01/2021	07/01/2022	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMPROP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY		[REDACTED]	07/01/2021	07/01/2022	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$10000		[REDACTED]	07/01/2021	07/01/2022	EACH OCCURRENCE \$3,000,000 AGGREGATE \$3,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	[REDACTED]	02/01/2021	02/01/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Professional Liability		[REDACTED]	07/01/2021	07/01/2022	\$1,000,000 Ea. Incident \$3,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

** Workers Comp Information **

C PCMA750039 Eff Date: 02/01/2021 Exp Date: 02/01/2022

WC Each Accident Limit: \$500,000

WC Policy Limit: \$500,000

WC Each Employee Limit: \$500,000

(See Attached Descriptions)

CERTIFICATE HOLDER

CANCELLATION

Vocational Rehabilitation
 21 S. Fruit Street, Suite 20
 Concord, NH 03301

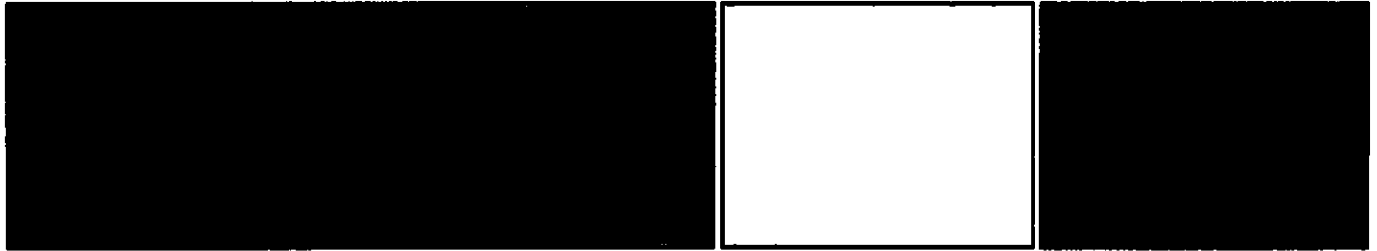
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



Mission

Gateways Community Services believes that all people are of great value.
We provide innovative, high-quality, long-term services to support individuals throughout
their lifetimes so they can lead meaningful lives in their communities.



CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020 and 2019

With Independent Auditor's Report





INDEPENDENT AUDITOR'S REPORT

Board of Directors

Area Agency of Greater Nashua, Inc d/b/a Gateways Community Services
and Area Agency Properties, Inc.

We have audited the accompanying consolidated financial statements of Area Agency of Greater Nashua, Inc. d/b/a Gateways Community Services and Area Agency Properties, Inc. (the Organization), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional revenue and support, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP); this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. GAAP.

Restatement

As described in Note 1, the accompanying 2019 consolidated financial statements have been restated to properly recognize the Organization's interest in a 457(b) deferred compensation plan established for its eligible employees. Our opinion is not modified with respect to this matter.

Other Matter

As discussed in Note 1 to the consolidated financial statements, the Organization adopted Financial Accounting Standards Board Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, during the year ended June 30, 2020. Our opinion is not modified with respect to this matter.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
November 16, 2020

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Consolidated Statements of Financial Position

June 30, 2020 and 2019

	<u>2020</u>	(As Restated) <u>2019</u>
ASSETS		
Current assets		
Cash	\$ 6,195,754	\$ 3,399,512
Client accounts	604,024	454,977
Accounts receivable, net of allowance for doubtful accounts of \$73,873 and \$59,310 in 2020 and 2019, respectively	4,313,749	2,776,103
Veterans accounts receivable, net of allowance for doubtful accounts of \$42,006 and \$27,227 in 2020 and 2019, respectively	2,288,665	2,058,108
Prepaid expenses and other current assets	<u>119,529</u>	<u>156,105</u>
Total current assets	13,521,721	8,844,805
Property and equipment, net	2,090,955	2,200,976
Deposits	72,917	111,417
Deferred compensation	971,232	910,811
Beneficial interest in an agency fund	<u>38,796</u>	<u>39,125</u>
Total assets	<u>\$ 16,695,621</u>	<u>\$ 11,196,323</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	\$ 1,221,001	\$ 102,070
Accounts payable	3,453,796	2,325,441
Accrued expenses and other current liabilities	1,366,373	1,323,788
Deferred revenue	1,223,196	1,472,655
Client accounts	<u>604,024</u>	<u>454,977</u>
Total current liabilities	7,868,390	5,678,931
Deferred compensation	971,232	910,811
Long-term debt, net of current portion	<u>1,581,933</u>	<u>309,256</u>
Total liabilities	<u>9,450,323</u>	<u>5,988,187</u>
Net assets		
Without donor restrictions	5,809,879	5,160,226
With donor restrictions	<u>464,187</u>	<u>47,910</u>
Total net assets	<u>6,274,066</u>	<u>5,208,136</u>
Total liabilities and net assets	<u>\$ 16,695,621</u>	<u>\$ 11,196,323</u>

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

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Consolidated Statement of Activities

**For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
Revenue and support				
Medicaid	\$ 47,724,036	\$ -	\$ 47,724,036	\$ 44,984,317
New Hampshire Department of Developmental Services	1,364,190	-	1,364,190	1,372,853
Veterans individual program service	2,859,818	-	2,859,818	3,155,719
Long-term care stabilization funds	1,252,200	-	1,252,200	-
Contributions and grants	948,589	131,667	1,080,256	1,135,319
Client fees	219,326	-	219,326	206,890
Adult day service program	105,599	-	105,599	150,725
Rental income	48,537	-	48,537	47,122
Other revenues	349,497	319,015	668,512	321,458
The PLUS Company, Inc. services	122,003	-	122,003	122,004
United Way	12,101	-	12,101	12,273
Third party insurance	1,393,569	-	1,393,569	2,000,487
Production sales and service	105,749	-	105,749	138,986
Net assets released from restrictions	<u>34,405</u>	<u>(34,405)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>56,539,619</u>	<u>416,277</u>	<u>56,955,896</u>	<u>53,648,153</u>
Operating expenses				
Program services				
Adult services	43,301,889	-	43,301,889	40,060,017
Children services	4,558,414	-	4,558,414	4,806,777
Elder services	<u>4,659,069</u>	<u>-</u>	<u>4,659,069</u>	<u>5,084,815</u>
Total program services	<u>52,519,372</u>	<u>-</u>	<u>52,519,372</u>	<u>49,951,609</u>
Supporting services				
General management	3,210,272	-	3,210,272	3,152,854
Fundraising	<u>160,322</u>	<u>-</u>	<u>160,322</u>	<u>227,863</u>
Total supporting services	<u>3,370,594</u>	<u>-</u>	<u>3,370,594</u>	<u>3,380,717</u>
Total operating expenses	<u>55,889,966</u>	<u>-</u>	<u>55,889,966</u>	<u>53,332,326</u>
Change in net assets	649,653	416,277	1,065,930	315,827
Net assets, beginning of year	<u>5,160,226</u>	<u>47,910</u>	<u>5,208,136</u>	<u>4,892,309</u>
Net assets, end of year	<u>\$ 5,809,879</u>	<u>\$ 464,187</u>	<u>\$ 6,274,066</u>	<u>\$ 5,208,136</u>

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

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Consolidated Statement of Activities

Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Medicaid	\$44,984,317	\$ -	\$44,984,317
New Hampshire Department of Developmental Service	1,372,853	-	1,372,853
Veterans individual service program	3,155,719	-	3,155,719
Contributions and grants	1,091,565	43,754	1,135,319
Client fees	206,890	-	206,890
Adult day service program	150,725	-	150,725
Rental income	47,122	-	47,122
Other revenues	321,458	-	321,458
The PLUS Company, Inc. services	122,004	-	122,004
United Way	12,273	-	12,273
Third party insurance	2,000,487	-	2,000,487
Production sales and service	138,986	-	138,986
Net assets released from restrictions	<u>13,539</u>	<u>(13,539)</u>	<u>-</u>
Total revenue and support	<u>53,617,938</u>	<u>30,215</u>	<u>53,648,153</u>
Operating expenses			
Program services			
Adult services	40,060,017	-	40,060,017
Children services	4,806,777	-	4,806,777
Elder services	<u>5,084,815</u>	<u>-</u>	<u>5,084,815</u>
Total program services	<u>49,951,609</u>	<u>-</u>	<u>49,951,609</u>
Supporting services			
General management	3,152,854	-	3,152,854
Fundraising	<u>227,863</u>	<u>-</u>	<u>227,863</u>
Total supporting services	<u>3,380,717</u>	<u>-</u>	<u>3,380,717</u>
Total operating expenses	<u>53,332,326</u>	<u>-</u>	<u>53,332,326</u>
Change in net assets	285,612	30,215	315,827
Net assets, beginning of year	<u>4,874,614</u>	<u>17,695</u>	<u>4,892,309</u>
Net assets, end of year	<u>\$ 5,160,226</u>	<u>\$ 47,910</u>	<u>\$ 5,208,136</u>

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

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Consolidated Statement of Functional Revenue and Support

For the Year Ended June 30, 2020

	General Management	Fundraising	Adult Services	Children Services	Elder Services	Total Area Agency Revenues	Area Agency Properties	Eliminations	Total
Medicaid	\$ -	\$ -	\$ 44,406,997	\$ 2,248,149	\$ 1,068,890	\$ 47,724,036	\$ -	\$ -	\$ 47,724,036
New Hampshire Department of Developmental Services	-	-	569,640	794,550	-	1,364,190	-	-	1,364,190
Veterans individual service program	-	-	-	-	2,859,818	2,859,818	-	-	2,859,818
Long-term care stabilization funds	-	-	1,206,300	24,750	21,150	1,252,200	-	-	1,252,200
Contributions and grants	8,400	178,660	31,435	67,563	794,198	1,080,256	-	-	1,080,256
Client fees	-	-	198,113	-	-	198,113	21,213	-	219,326
Adult day service program	-	-	-	-	105,599	105,599	-	-	105,599
Rental income	-	-	48,537	-	-	48,537	397,788	(397,788)	48,537
Other revenues	27,912	-	469,744	144,543	26,290	668,489	23	-	668,512
The PLUS Company, Inc. service	120,265	13	1,254	379	92	122,003	-	-	122,003
United Way	-	-	1,440	-	10,661	12,101	-	-	12,101
Third party insurance	-	-	-	1,393,569	-	1,393,569	-	-	1,393,569
Production sales and service	33,570	-	6,594	65,585	-	105,749	-	-	105,749
Management fees	-	-	77,538	-	-	77,538	-	(77,538)	-
Total revenue and support	\$ 190,147	\$ 178,673	\$ 47,017,592	\$ 4,739,088	\$ 4,886,698	\$ 57,012,198	\$ 419,024	\$ (475,326)	\$ 56,955,896

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

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Consolidated Statement of Functional Revenue and Support

For the Year Ended June 30, 2019

	General Management	Fundraising	Adult Services	Children Services	Elder Services	Total Area Agency Revenues	Area Agency Properties	Eliminations	Total
Medicaid	\$ -	\$ -	\$ 41,832,970	\$ 2,135,903	\$ 1,015,444	\$ 44,984,317	\$ -	\$ -	\$ 44,984,317
New Hampshire Department of Developmental Services	-	-	571,231	801,622	-	1,372,853	-	-	1,372,853
Veterans individual service program	-	-	-	-	3,155,719	3,155,719	-	-	3,155,719
Contributions and grants	-	114,074	22,390	71,051	927,804	1,135,319	-	-	1,135,319
Client fees	-	-	189,509	-	-	189,509	17,381	-	206,890
Adult day service program	-	-	-	-	150,725	150,725	-	-	150,725
Rental income	-	-	47,122	-	-	47,122	409,788	(409,788)	47,122
Other revenues	32,672	847	158,571	93,415	35,926	321,431	27	-	321,458
The PLUS Company, Inc. services	120,250	18	1,278	375	83	122,004	-	-	122,004
United Way	-	-	1,109	-	11,164	12,273	-	-	12,273
Third party insurance	-	-	-	2,000,487	-	2,000,487	-	-	2,000,487
Production sales and service	30,210	-	30,303	78,473	-	138,986	-	-	138,986
Management fees	-	-	77,538	-	-	77,538	-	(77,538)	-
Total revenue and support	\$ 183,132	\$ 114,939	\$ 42,932,021	\$ 5,181,326	\$ 5,296,865	\$ 53,708,283	\$ 427,196	\$ (487,326)	\$ 53,648,153

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

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Consolidated Statement of Functional Expenses

For the Year Ended June 30, 2020

	General Management	Fundraising	Adult Services	Children Services	Elder Services	Area Agency Expenses	Area Agency Properties	Eliminations	Total Program Expenses
Payroll and related expenses									
Salaries and wages	\$ 1,715,652	\$ 92,004	\$ 3,239,749	\$ 2,570,670	\$ 2,938,347	\$ 10,556,422	\$ -	\$ -	\$ 10,556,422
Long-term care stabilization funds	-	-	43,800	24,750	21,150	89,700	-	-	89,700
Contract staff	4,338	-	7,284	-	-	11,622	7,236	-	18,858
Employee benefits	591,466	29,077	796,026	694,213	308,531	2,419,313	-	-	2,419,313
Payroll taxes	125,956	7,320	244,962	196,758	224,947	799,943	-	-	799,943
Total payroll and related expenses	2,437,412	128,401	4,331,821	3,486,391	3,492,975	13,877,000	7,236	-	13,884,236
Other expenses									
Client treatment services	-	-	4,010,911	619,395	607,368	5,237,674	-	-	5,237,674
Long-term care stabilization funds paid to subcontractors	-	-	1,162,500	-	-	1,162,500	-	-	1,162,500
Professional fees	382,872	1,242	580,633	97,406	401,028	1,463,181	-	-	1,463,181
Staff development and training	32,029	1,414	31,568	9,991	1,962	76,964	-	-	76,964
Rent and mortgage interest	133,321	1,433	392,296	128,044	9,861	664,955	10,421	(397,788)	277,588
Other occupancy costs	-	-	-	-	-	-	26,942	-	26,942
Utilities	4,542	230	21,472	22,933	1,580	50,757	1,095	-	51,852
Repairs and maintenance	6,936	351	91,764	48,267	2,413	149,731	184,562	(77,538)	256,755
Office, building and household	64,887	1,038	32,727	22,822	9,675	131,149	-	-	131,149
Equipment rental	7,976	362	33,825	10,209	4,036	56,408	-	-	56,408
Advertising	2,441	2,190	7,125	5,242	1,733	18,731	-	-	18,731
Communications	9,020	194	21,911	11,938	7,931	50,994	-	-	50,994
Transportation	4,624	14	126,898	27,635	22,348	181,519	114	-	181,633
Insurance	19,852	233	21,768	6,903	1,994	50,750	14,126	-	64,876
Other	105,276	23,262	81,198	47,324	100,494	357,554	124	-	357,678
Subcontractor	-	-	32,405,488	15,181	-	32,420,669	-	-	32,420,669
Total other expenses	773,776	31,963	39,022,084	1,073,290	1,172,423	42,073,536	237,384	(475,326)	41,835,594
Total operating expenses before depreciation and Area Agency Properties and elimination allocations	3,211,188	160,364	43,353,905	4,559,681	4,665,398	55,950,536	244,620	(475,326)	55,719,830
Depreciation	4,537	230	21,735	6,473	1,578	34,553	135,583	-	170,136
Area Agency Properties expense allocation	21,793	1,087	294,782	30,936	31,605	380,203	(380,203)	-	-
Elimination allocation	(27,246)	(1,359)	(368,533)	(38,676)	(39,512)	(475,326)	-	475,326	-
Total operating expenses	\$ 3,210,272	\$ 160,322	\$ 43,301,889	\$ 4,558,414	\$ 4,659,069	\$ 55,889,966	\$ -	\$ -	\$ 55,889,966

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

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Consolidated Statement of Functional Expenses

For the Year Ended June 30, 2019

	General Management	Fundraising	Adult Services	Children Services	Elder Services	Area Agency Expenses	Area Agency Properties	Eliminations	Total Program Expenses
Payroll and related expenses									
Salaries and wages	\$ 1,702,851	\$ 109,780	\$ 3,095,626	\$ 2,837,664	\$ 3,253,447	\$ 10,999,368	\$ -	\$ -	\$ 10,999,368
Contract staff	30,988	-	21,480	-	-	52,468	7,236	-	59,704
Employee benefits	486,486	28,664	615,455	614,663	252,331	1,997,599	-	-	1,997,599
Payroll taxes	114,120	8,239	231,017	212,620	247,593	813,589	-	-	813,589
Total payroll and related expenses	<u>2,334,445</u>	<u>146,683</u>	<u>3,963,578</u>	<u>3,664,947</u>	<u>3,753,371</u>	<u>13,863,024</u>	<u>7,236</u>	<u>-</u>	<u>13,870,260</u>
Other expenses									
Client treatment services	400	-	3,873,606	628,960	720,711	5,223,677	-	-	5,223,677
Professional fees	476,210	17,246	478,734	98,716	448,192	1,519,098	-	-	1,519,098
Staff development and training	46,154	4,804	67,973	13,570	4,338	136,839	-	-	136,839
Rent and mortgage interest	22,138	1,600	371,494	142,891	96,715	634,838	16,988	(409,788)	242,038
Other occupancy costs	-	-	-	-	-	-	28,681	-	28,681
Utilities	4,929	356	25,207	30,330	1,633	62,455	4,887	-	67,342
Repairs and maintenance	7,342	531	123,788	50,430	2,433	184,524	168,444	(77,538)	275,430
Office, building and household	23,898	3,977	51,624	45,527	8,836	133,862	465	-	134,327
Equipment rental	8,558	552	39,029	11,448	4,027	63,614	-	-	63,614
Advertising	8,319	12,511	5,290	3,794	333	30,247	-	-	30,247
Communications	8,053	247	21,922	13,831	8,023	52,076	-	-	52,076
Transportation	7,298	22	153,170	42,191	23,041	225,722	119	-	225,841
Insurance	22,708	544	38,509	11,831	3,028	76,620	20,820	-	97,440
Other	183,539	38,861	69,876	34,611	18,894	345,781	76	-	345,857
Subcontractor	-	-	30,832,496	15,540	-	30,848,036	-	-	30,848,036
Total other expenses	<u>819,546</u>	<u>81,251</u>	<u>36,152,718</u>	<u>1,143,670</u>	<u>1,340,204</u>	<u>39,537,389</u>	<u>240,480</u>	<u>(487,326)</u>	<u>39,290,543</u>
Total operating expenses before depreciation and Area Agency Properties and elimination allocations	3,153,991	227,934	40,116,296	4,808,617	5,093,575	53,400,413	247,716	(487,326)	53,160,803
Depreciation	4,805	347	24,861	7,208	1,592	38,813	132,710	-	171,523
Area Agency Properties expense allocation	21,149	1,487	288,752	32,198	36,840	380,426	(380,426)	-	-
Elimination allocation	(27,091)	(1,905)	(369,892)	(41,246)	(47,192)	(487,326)	-	487,326	-
Total operating expenses	<u>\$ 3,152,854</u>	<u>\$ 227,863</u>	<u>\$40,060,017</u>	<u>\$ 4,806,777</u>	<u>\$5,084,815</u>	<u>\$ 53,332,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,332,326</u>

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

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Cash received from revenue and support	\$ 54,910,323	\$ 54,378,267
Cash paid to suppliers and employees	(54,501,234)	(53,099,107)
Interest received	27,581	36,779
Interest paid	(10,421)	(16,988)
Net cash provided by operating activities	<u>426,249</u>	<u>1,298,951</u>
Cash flows from investing activities		
Change in deposits	38,500	-
Acquisition of property and equipment	(60,115)	(33,458)
Net cash used by investing activities	<u>(21,615)</u>	<u>(33,458)</u>
Cash flows from financing activities		
Proceeds from long-term debt issuance	2,554,730	-
Payments on long-term debt	(163,122)	(156,555)
Net cash provided (used) by financing activities	<u>2,391,608</u>	<u>(156,555)</u>
Net increase in cash	2,796,242	1,108,938
Cash, beginning of year	<u>3,399,512</u>	<u>2,290,574</u>
Cash, end of year	<u>\$ 6,195,754</u>	<u>\$ 3,399,512</u>
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ 1,065,930	\$ 315,827
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	170,136	171,523
Change in beneficial interest in an agency fund	329	(817)
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(1,768,203)	853,085
Decrease (increase) in prepaid expenses and other current assets	36,576	(12,696)
Increase in accounts payable	1,128,355	15,449
Increase in accrued expenses and other current liabilities	42,585	41,955
(Decrease) in deferred revenue	(249,459)	(85,375)
Net cash provided by operating activities	<u>\$ 426,249</u>	<u>\$ 1,298,951</u>

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

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

Nature of Activities

Area Agency of Greater Nashua, Inc. d/b/a Gateways Community Services (Gateways) provides a comprehensive residential and service delivery system for elders and people with developmental disabilities in southern New Hampshire. Its primary funding sources are federal and state governmental programs.

Area Agency Properties, Inc. (Properties) owns various homes and commercial office spaces that are used as residences for clients and for general operations.

1. Summary of Significant Accounting Policies

Principles of Consolidation

U.S. generally accepted accounting principles (U.S. GAAP) requires consolidation of related organizations when common control and economic dependency exists. At June 30, 2020 and 2019, common control existed for Properties through common board members. The consolidated financial statements include the accounts of Gateways and Properties (collectively, the Organization) as required by U.S. GAAP. All material intercompany accounts and transactions have been eliminated in consolidation.

Newly Adopted Accounting Pronouncement

In July 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the accounting guidance for contributions received and contributions made. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of FASB Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other accounting guidance, and (2) distinguishing between conditional contributions and unconditional contributions. This ASU was adopted by the Organization during the year ended June 30, 2020 and is reflected in the accompanying consolidated financial statements. Adoption of the ASU did not have a material impact on the Organization's financial reporting.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified as follows based on the existence or absence of donor-imposed restrictions:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions are to be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

All contributions are considered to be contributions without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. When a donor 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. Contributions with donor restrictions whose restrictions are met in the same year as received are reflected as net assets without donor restrictions in the accompanying financial statements.

The Organization reports contributions of land, buildings or equipment as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Estimates

The preparation of consolidated financial statements in conformity with U.S. 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Gateways and Properties are tax-exempt organizations as described in Section 501(c)(3) and Section 501(c)(2), respectively, of the U.S. Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Accordingly, no provision for income taxes has been reflected in these consolidated financial statements.

Cash

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. It has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk with respect to these accounts.

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

Accounts Receivable

Accounts receivable are stated at the amount that management expects to collect from outstanding balances. The Organization uses a reserve method to account for uncollectible accounts. A reserve for accounts receivable of \$115,879 and \$86,537 was recognized at June 30, 2020 and 2019, respectively. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the reserve and a credit to accounts receivable.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at their estimated value at date of receipt. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	10-40 years
Furniture, equipment and vehicles	5-10 years

Deferred Revenue

The Organization's deferred revenue consists of funds received in advance from the State of New Hampshire for services to be performed at a later date.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Building related expenses are allocated on a square-footage basis among General Management, Fundraising and the Adult Services functions. Agency related expenses are allocated to Program, General Management and Fundraising functions based on the percentage of function direct expense to total direct expense.

Restatement

The accompanying consolidated financial statements for 2019 have been restated to properly reflect the Organization's interest in a 457(b) deferred compensation plan for its eligible employees. Total assets and total liabilities for 2019 have been increased \$910,811 to reflect the Organization's interest in the plan. There was no impact to the 2019 combined statement of activities, functional revenue and support, functional expenses or cash flows.

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

Subsequent Events

For purposes of the preparation of these consolidated financial statements in conformity with U.S. GAAP, management has considered transactions or events occurring through November 16, 2020 which is the date that the consolidated financial statements were available to be issued.

2. Availability and Liquidity of Financial Assets

The Organization regularly monitors liquidity, required to meet its operating needs and other contractual commitments, while also striving to optimize its available funds. The Organization has various sources of liquidity at its disposal, including cash and a line of credit, as disclosed in Note 4.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing operating activities as well as the conduct of services undertaken to support those operating activities.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover expenditures not covered by donor-restricted resources or, where appropriate, borrowings. Refer to the statements of cash flows, which identify the sources and uses of the Organization's cash and cash equivalents and the generation of positive cash from operations for fiscal year 2020 and 2019.

The following financial assets are expected to be available within one year of the statement of financial position date to meet general expenditures as of June 30:

	<u>2020</u>	<u>2019</u>
Cash	\$ 6,195,754	\$ 3,399,512
Accounts receivable, net	4,313,749	2,776,103
Veterans accounts receivable, net	<u>2,288,665</u>	<u>2,058,108</u>
	12,798,168	8,233,723
Less amounts not available for general expenditures:		
Net assets with donor restrictions	<u>464,187</u>	<u>47,910</u>
Financial assets available to meet general expenditures within one year	<u>\$ 12,333,981</u>	<u>\$ 8,185,813</u>

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

3. Property and Equipment

Property and equipment consisted of the following:

	<u>2020</u>	<u>2019</u>
Land and improvements	\$ 604,520	\$ 604,520
Buildings and building improvements	3,666,540	3,606,425
Vehicles	14,452	14,452
Equipment and furniture	<u>496,932</u>	<u>496,932</u>
	4,782,444	4,722,329
Less accumulated depreciation	<u>(2,691,489)</u>	<u>(2,521,353)</u>
	<u>\$ 2,090,955</u>	<u>\$ 2,200,976</u>

4. Line of Credit

Gateways has available an unsecured line of credit, with maximum borrowing of \$2,000,000. Interest is due monthly. The agreement provides that any borrowings are due on demand and bear interest at the lender's base rate (3.25% at June 30, 2020). The Organization had no outstanding balance at June 30, 2020 and 2019. The line of credit is due for renewal on February 28, 2022.

5. Long-Term Debt

Long-term debt consisted of the following:

	<u>2020</u>	<u>2019</u>
New Hampshire Health and Education Facilities Authority note payable, due in monthly installments of \$3,419 including interest at 1.00%, through June 2023; collateralized by a first position lien on land and buildings.	\$ 121,254	\$ 160,852
Mortgage note payable in second position, due in monthly installments of \$1,670 including interest at 4.56%, through June 2028; collateralized by a second lien position on land and buildings. Management repaid the loan in August 2020.	9,247	86,770
Mortgage note, payable in monthly installments of \$2,408 including interest at 3.75%, through January 2022; collateralized by real estate.	44,912	71,638

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

Mortgage note, payable in monthly installments of \$1,928 including interest at 4.55%, through November 2023; collateralized by real estate.	72,791	92,066
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Payroll Protection Program (PPP), two year loan to a bank borrowed in April 2020 at a fixed 1% interest rate. A portion or all of the loan is to be forgiven if the Organization meets certain requirements. Monthly principal and interest payments are to be made starting in November 2020 through maturity in 2022. Management intends to apply for forgiveness. As of June 30, 2020, the Association has not yet applied for forgiveness. This loan is unsecured.	<u>2,554,730</u>	-
	2,802,934	411,326
Less current portion	<u>(1,221,001)</u>	<u>(102,070)</u>
Long-term debt, net of current portion	<u>\$ 1,581,933</u>	<u>\$ 309,256</u>

Long-term debt maturities for the next four years are as follows:

2021	\$ 1,221,001
2022	1,509,618
2023	63,005
2024	9,310

Certain notes payable of Properties contain financial covenants, which require that Properties maintain a debt service coverage ratio, as defined, of 1.2:1. Properties was in compliance with the debt service coverage ratio as of June 30, 2020 and 2019.

6. Net Assets With Donor Restrictions

Net assets subject to use restrictions are as follows:

	<u>2020</u>	<u>2019</u>
Family support program	\$ 358,981	\$ -
Other	<u>105,206</u>	<u>47,910</u>
	<u>\$ 464,187</u>	<u>\$ 47,910</u>

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

7. Concentration of Credit Risk

For the years ended June 30, 2020 and 2019, approximately 84% of revenue and support of the Organization was derived from contracts with the State of New Hampshire's Medicaid program. As of June 30, 2020 and 2019, accounts receivable due from the State of New Hampshire's Medicaid Program was approximately 50% and 45%, respectively.

8. Affiliate

The Organization has an affiliation agreement with The PLUS Company, Inc. (PLUS) which provides for the sharing of certain administrative functions. For the years ended June 30, 2020 and 2019, approximately 67% and 69%, respectively, of the revenue and support generated by PLUS was subcontracted from Gateways, making PLUS financially dependent on Gateways.

U.S. GAAP requires consolidation of related organizations when common control and economic dependency exists. At June 30, 2020 and 2019, common control did not exist. However, due to the significant concentration of revenues generated by Gateways, economic dependence remains. As such consolidation in 2020 and 2019 is allowed but not required. The Organization's general purpose combined financial statements, which are presented separately from these financial statements, include the accounts of PLUS because it was deemed to provide a meaningful presentation.

The following is summarized financial data of PLUS:

	<u>2020</u>	<u>2019</u>
Total assets	<u>\$ 6,160,175</u>	<u>\$ 4,164,388</u>
Total liabilities	<u>\$ 3,578,517</u>	<u>\$ 2,337,070</u>
Total net assets	<u>2,581,658</u>	<u>1,827,318</u>
Total liabilities and net assets	<u>\$ 6,160,175</u>	<u>\$ 4,164,388</u>
Total revenue and support	<u>\$13,604,872</u>	<u>\$13,394,711</u>
Total operating expenses	<u>12,850,532</u>	<u>13,309,965</u>
Change in net assets	<u>\$ 754,340</u>	<u>\$ 84,746</u>
Due to PLUS included in accounts payable	<u>\$ 928,252</u>	<u>\$ 456,005</u>
PLUS services support included in subcontractor expense	<u>\$ 9,135,372</u>	<u>\$ 9,241,399</u>

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

9. Retirement Plan

The Organization maintains a qualified 403(b) retirement plan (the Plan) which covers all employees who have reached the age of 21 and completed 1,000 hours of service during the Plan year. The Plan provides for matching contributions at the discretion of the Organization. Additionally, the plan allows for additional discretionary contributions to be made to the Plan. The total matching contributions charged to operations for the Plan were \$109,778 and \$184,071 for the years ended June 30, 2020 and 2019, respectively.

The Organization has a top hat deferred compensation plan established under section 457 of the Internal Revenue Code. The plan permits certain management and highly compensated employees to defer portions of their compensation based on Internal Revenue Service guidelines. The Organization has cumulatively recorded \$971,232 and 910,811 at June 30, 2020 and 2019, respectively, related to this plan. The related investments are segregated in a separate account and reported in the balance sheet along with the Organization's related liability to the employees.

10. Funds Held by Others

The Organization is a beneficiary of a designated fund maintained at the New Hampshire Charitable Foundation (NHCF). Pursuant to the terms of the resolution establishing this designated fund, property contributed by unrelated parties to NHCF is held as a separate fund designated for the benefit of the Organization. The Board of Directors of NHCF has been granted the power to redesignate the funds contributed by unrelated parties, if the Organization is incapable of fulfilling its mission. The designated fund is not included in these consolidated financial statements, since NHCF has the ability to redesignate funds contributed by unrelated parties. The total market value of the designated fund was approximately \$513,000 at June 30, 2020 and \$516,000 at June 30, 2019.

The Organization is also a beneficiary of an agency fund at NHCF. Pursuant to the terms of the resolution establishing this agency fund, property contributed by the Organization to NHCF is held as a separate fund designated for the benefit of the Organization. The Board of Directors of NHCF does not have the power to redesignate the funds contributed by the Organization. At June 30, 2020 and 2019, the estimated value of the future distributions from the agency fund in the amount of \$38,796 and \$39,125, respectively, is included in the consolidated statements of financial position as beneficial interest in an agency fund.

In accordance with its spending policy, NHCF will make annual distributions of approximately 5% of the market value which will be equally divided between the beneficiaries once the funds have reached an agreed upon minimum market value of \$1,000,000. There were no distributions from the funds in 2020 and 2019.

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

11. Fair Value Measurements

FASB ASC Topic 820, *Fair Value Measurement*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair value of the Organization's beneficial interest in an agency fund is categorized as a Level 3 measurement because the interest is not marketable. The fair value of the assets held in the agency fund is based on the quoted market prices of the underlying assets. Due to the level of risk associated with the fair value of the underlying securities and the level of uncertainty related to changes in their value, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the consolidated statements of financial position. Changes in fair value of the Organization's beneficial interest in the agency fund consisted of depreciation of \$329 and appreciation of \$817 for the years ended June 30, 2020 and 2019, respectively.

12. Uncertainty

On March 11, 2020, the World Health Organization declared coronavirus disease (COVID-19) a global pandemic. Local, U.S., and world governments encouraged self-isolation to curtail the spread of COVID-19 by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group gatherings. Most sectors are experiencing disruption to business operations and may feel further impacts related to delayed government reimbursement. The Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 provides several relief measures to allow flexibility to providers to deliver critical care. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and additional government actions to mitigate them. Accordingly, while management expects this matter to impact operating results, the related financial impact and duration cannot be reasonably estimated.

**AREA AGENCY OF GREATER NASHUA, INC. D/B/A GATEWAYS COMMUNITY SERVICES
AND AREA AGENCY PROPERTIES, INC.**

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

The U.S. government has responded with three phases of relief legislation, as a response to the COVID-19 outbreak. Recent legislation was enacted into law on March 27, 2020, called the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a statute to address the economic impact of the COVID-19 outbreak. The CARES Act, among other things, 1) authorizes emergency loans to distressed businesses by establishing, and providing funding for, forgivable bridge loans, 2) provides additional funding for grants and technical assistance, and 3) delays due dates for employer payroll taxes and estimated tax payments for organizations. Management has evaluated the impact of the CARES Act on the Organization, including its potential benefits and limitations that may result from additional funding.

Under the CARES Act, as disclosed in Note 5, in April, the Organization received a PPP loan from the U.S. Small Business Association. The loan is to be used for payroll and other allowable costs authorized in the PPP rules, and forgiveness of the loan balance is dependent upon compliance with this and other terms and conditions of the CARES Act. Funds used for unauthorized purposes are required to be repaid. The loan is reflected as long-term debt on the balance sheet. It is management's intent to apply for forgiveness of the loan balance. If forgiven, the loan balance will be recognized as revenue in the year forgiveness is received. Additionally, the long-term care stabilization funds in the statement of activities relate to the CARES Act.

GATEWAYS COMMUNITY SERVICES - BOARD OF DIRECTORS LIST (as of Oct. 2020)

EXECUTIVE COMMITTEE

Mark Thornton* (2007) – Chair (2019)
Current disability advocate; retired from
healthcare/business/technology

Joe Gamache* (2009) – Vice Chair (2019)
Black Duck Software

Jim Moran* (2017) – Treasurer (2019)
Melanson CPAs

Helen Honorow, Esq. (2009) – Secretary (2019)
Barry & Honorow, P.L.L.C

DIRECTORS

Leah Brokhoff (2014)
BAE Systems

Edgar R. Carter (2008)
Edgar R. Carter, CPA

Bob Corcoran* (2015)
STANLEY Healthcare

Bonnie Dunham* (2019)
Parent Information Center

Peggy Gilmour (2011)
Preti Strategies

Lucille Jordan (2019)
Nashua Community College

Jim McKenna (2007)
St. Joseph Hospital

Rich Pietravalle* (1997)
Mitre

Lauren Primmer* (2014)
Freedom CAD Services

Lou Primmer* (2015)
Freedom CAD Services

Sharron Rowlett-Moore, M.Ed., MBA (2017)
Rivier University

Marc Sadowsky, MD (2013)
New England Neurological Associates, P.C.

Lisa Scheib, MD (2015)
Nashua West Adult Medicine

Amy Wheeler Teas* (2019)
Formerly First Colebrook Bank & more

Jessica Wojcik (2019)
Nashua School District

*indicates consumer

SANDRA B. PELLETIER

Gateways Community Services, 144 Canal Street, Nashua, NH 03064 | (603) 882-6333 | spelletier@gatewayscs.org | www.gatewayscs.org

PROFESSIONAL SUMMARY

Chief Executive of a non-profit organization for the past 35 years. Experience includes hands-on leadership in all development phases of a community-based service delivery system (second largest of ten regions within the State of New Hampshire). Extensive background in all aspects of non-profit organization and oversight. Responsibilities include executive and financial management; initiation of a close-knit affiliation between the Gateways and PLUS Company Boards of Directors, structuring and nurturing of community and civic partnerships between Gateways, a myriad of vendors and sponsors, grant writing, strategic planning and total quality management. Experience also involves re-engineering, including new development and mergers, and significant involvement in redefining public policy vis-à-vis the legislative process. Consultant to other states in the field of developmental disabilities and elder participant driven services.

EDUCATION**Leadership New Hampshire
Certificate**

Intensive 10-month statewide leadership development program (seminar format)

**Antioch College Management Institute, Keene, NH
Certificate
Management of Non-Profit Agencies**

University of New Hampshire, Durham, NH
M.Ed.
University of Maine, Orono, ME
B.A.

PERSONAL AWARDS

25 Extraordinary Women – The Telegraph, Nashua, NH	2013
Easter Seals Special Achievement for developmental services	2003
"Citizen of the Year" designate, The PLUS Company, Nashua, NH	2001
Recipient, "Book of Golden Deeds Award" from the Nashua Exchange Club	1991
Recipient, "Distinguished Service Award in the field of Developmental Disabilities"	1989

CORPORATE AWARDS

Business New Hampshire Magazine Non-profit of Year	2016
Recognized nationally as the primary entrepreneurial leaders for Consumer Directed Services	2012
By the Center on Human Policy, Syracuse University	
Recipient of "The Walter J. Dunfey Award for Excellence in Management" from the New Hampshire Charitable Foundation – The Corporate Fund	1990

EXPERIENCE**Gateways Community Services, Nashua, NH
President/CEO**

1983 - Present

Oversees a \$ 50 million private non-profit corporation (including subsidiary The PLUS Company), recognized nationally as a highly effective model of delivery, and one promoting community participant driven services. Responsibilities include executive oversight and fiscal management of new development, operations, and maintenance of a continuum of services to 3,400 children and adults with disabilities, their families, and elders in need of long-term care in the State of New Hampshire and Massachusetts. Gateways is supported by the State's general funds, Federal Medicaid billings, Insurance dollars and development dollars

BOARD MEMBERSHIPS

New Hampshire Charitable Fund Regional Board, Nashua	2019- Present
Communitas (communitas-health.org), Oakland, California	2017 - Present
Rotary of Nashua West, Nashua, NH	2002 - Present
The PLUS Company, Nashua, NH	1996 - Present
Community Support Network Inc. (CSNI), Concord, NH (founding Board Chair)	1995 - Present
Endowment for Health Foundation, Concord, NH – Including a term as President of the Board	2008-2014
SHARE, Milford, N	2016-2020

TIMOTHY A. LEACH, C.P.A.

CHIEF FINANCIAL OFFICER

Professional capable of immediate impact on organization's issues with respect to finance/fiscal operations, corporate tax, audit, budget preparation, revenue recognition, reporting and compliance, data analysis, strategic and organizational planning, business operations and administration.

SUMMARY OF QUALIFICATIONS

M.B.A., C.P.A. with extensive professional experience in financial/fiscal operations, performance and business analysis, compliance, staff development and training, business operations and administration. Bottom-line individual with a solid track record for increasing operational efficiency, generating cost savings and contributing to company profits. Demonstrated ability to coordinate and manage multiple complex projects simultaneously. Designed/implemented policies and procedures with respect to business, finance/fiscal operations and administration. Proven ability to interface with all levels of an organization, to lead, to motivate and to get the job done. Reliable, goal-oriented achiever, innovative problem solver, and effective decision-maker. Excellent communication, leadership, interpersonal, presentation and organizational skills.

Expertise and knowledge in financial areas such as:

- | | | |
|-------------------------------------|-----------------------------|---------------------|
| - Certified Public Accountant | - Audits/Internal Controls | - Policy Design |
| - International Operations | - Finance/Fiscal Operations | - Budgeting |
| - Strategic/Organizational Planning | - Revenue Recognition | - Corporate Tax |
| - Foreign Currency Translations | - System Implementation | - Staff Development |
| - Consolidated Financials | - Procurement of Goods | - Asset Management |

SELECTED ACCOMPLISHMENTS

IMPROVED consolidated financial statement timeliness and accuracy by reducing cycle time by three days through process improvements despite headcount reductions. The consolidated financials include American, European, and Asian operations. The financial statement and narrative summary are completed within six workdays of month end for presentation to the Board of Directors.

COORDINATED annual audit and tax return prepared by Ernst & Young resulting in savings of \$15K. Responsible for preparing consolidated financial statements through supporting documentation including footnotes for American, European, and Asian operations. Corporate tax includes six state returns.

DEVELOPED accounts receivable policies and procedures and initiated billing to worldwide customers. Responsible for global billing, collecting, and establishing customer credit limit. Billing is generated within two working days of month end. One hundred percent of billings have been collected to date.

SUCCESSFULLY implemented three new accounting systems for organizations. Also served as part of organization-wide implementation team to coordinate all applications throughout firm.

TIMOTHY A. LEACH, C.P.A.

PROFESSIONAL EXPERIENCE

AREA AGENCY OF GREATER NASHUA, INCORPORATED, Nashua, NH

2003 – Present

Chief Financial Officer

- Responsible for the day to day business operations of the Area Agency.

ACCELLION INCORPORATED, Auburn, NH (Global Internet Start Up)

2001 – 2003

Senior Finance Manager

- Promoted to Senior Finance Manager within six months.
- Prepared monthly consolidated financial statements for Board of Directors, including consolidation of American, Asian, and European operations; and maintain a level of proficiency in foreign currency exchange transactions.
- Monitored cash on a daily basis; reported weekly cash forecast (American, European, and Asian) to CFO for global operations; monitored global budget; and monitored global accounting policies and procedures; and prepared annual audit and corporate tax returns including multiple states returns.
- Managed all accounts receivable, including functions such as new client set-up, billing, follow-up, customer relations, and collections.

Senior Accountant

- Implemented General Ledger, Accounts Payable/Receivable functions for a global Internet start-up.
- Prepared monthly close of American operations including preparation and posting of all required journal entries.
- Installed Best Fixed Asset System software for asset tracking; monitored all worldwide fixed assets.

MONADNOCK COMMUNITY HOSPITAL, Peterborough, NH

1989 – 2000

Accounting Manager

- Supervised the Accounting and Accounts Payable functions of the Hospital and prepared monthly financial and statistical information for Management, Board of Trustees, and Affiliated Healthcare entities.
- Served as Hospital resource for all financial issues; prepared and monitored operating and capital budgets; handled all receipts and disbursements; monitored cash position on a daily basis; maintained the fixed asset system; and oversaw the processing of accounts payable invoices for payment; managed the Hospital insurance policies (Workers Compensation, Property, and Umbrella), including the functions of contracting, monitoring, and upgrading the Hospital insurance portfolio.
- Chaired capital budget, investment, management information system, condo association, and Y2K committees; active member of strategic operations, finance, resource, and leadership committees.
- Presented monthly financial statements to the Board of Trustees, Finance Committee, and Leadership Group and acted as liaison for all financial matters pertaining to the Hospital as Interim Chief Financial Officer from February through April 2000.

PURDY, BORNSTEIN, HAMEL & BURRELL CPA's, Salem, NH

1988 – 1989

Senior and Staff Accountant

- Performed audit, review, and compilation engagements; prepared corporate, partnership, and personal tax returns.

EDUCATION

Master of Business Administration, New Hampshire College, Manchester, NH

Bachelor of Science in Accounting, New Hampshire College, Manchester, NH

LICENSE/CERTIFICATION

Licensed Certified Public Accountant in the State of New Hampshire

ASSOCIATIONS/AFFILIATIONS

New Hampshire Society of CPAs, Milford Community Athletic Association (MCAA) Coach,
Volunteer – Nashua Soup Kitchen