



Lori A. Shibinette
Commissioner

Christine L. Santaniello
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF ECONOMIC & HOUSING STABILITY

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9474 1-800-852-3345 Ext. 9474
Fax: 603-271-4230 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

June 29, 2020

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Economic and Housing Stability, to amend existing **Retroactive** agreements with the vendors listed below to provide the State Grant in Aid (SGIA) Homeless Assistance program, by modifying the agreements to have individual price limitations instead of a shared price limitation for vendors listed in the table below and terminating two agreements with vendors as indicated in the table below, and decreasing the total price limitation by \$417,396 from \$7,300,000 to \$6,882,604, with no change to the contract completion dates of June 30, 2021, effective retroactive to July 1, 2020 upon Governor and Council approval. 100% General Funds.

The individual contracts were approved by Governor and Council as specified in the table below.

Vendor Name	Vendor Code	Area Served	Current Amount	Revised Amount	G&C Approval
Bridge House Shelters	165288 - B001	Plymouth NH	Shared	\$142,620	June 19, 2019 Item #40
Community Action Partnership of Strafford County	177200 - B004	Dover NH	Shared	\$6,588	June 19, 2019 Item #40
Community Action Program, Belknap and Merrimack	177203 - B003	Concord NH	Shared	\$0	O:
Concord Coalition to End Homelessness	267140 - B001	Bow NH	Shared	\$68,709	June 19, 2019 Item #40
Cross Roads House	166570 - B001	Portsmouth NH	Shared	\$766,784	June 19, 2019 Item #40
Families in Transition, NH	157730 - B001	Manchester NH	Shared	\$1,658,284	June 19, 2019 Item #40
Friends Program	154987 - B001	Concord NH	Shared	\$174,710	June 19, 2019 Item #40
Helping Hands Outreach Center	174226 - R001	Manchester NH	Shared	\$209,516	June 19, 2019 Item #40
Hundred Nights, Inc	TBD	Keene NH	Shared	\$220,854	June 19, 2019 Item #40

Lakes Region Community Developers	156571 - B001	Laconia NH	Shared	\$88,761	June 19,2019 Item #40
Marquerites Place	157465 - B001	Nashua NH	Shared	\$186,836	June 19,2019 Item #40
My Friend's Place	156274 - B001	Dover NH	Shared	\$177,231	June 19,2019 Item #40
Nashua Soup Kitchen & Shelter, Inc	174173 - R001	Nashua NH	Shared	\$284,806	June 19,2019 Item #40
New Generation	177295 - B001	Greenland NH	Shared	\$162,400	June 19,2019 Item #40
NH Coalition Against Domestic and Sexual Violence	155510 - B001	Concord NH	Shared	\$791,802	June 19,2019 Item #40
Salvation Army Carey House, Laconia	177627 - B001	Laconia NH	Shared	\$200,062	June 19,2019 Item #40
Salvation Army McKenna House, Concord, Eastern Territory	177627 - B003	Concord NH	Shared	\$312,915	June 19,2019 Item #40
Seacoast Family Promise	TBD	Exeter NH	Shared	\$94,661	June 19,2019 Item #40
Southern NH Services	177198 - B006	Manchester NH	Shared	\$0	June 19,2019 Item #40
Southwestern Community Services	177511 - R001	Keene NH 03431	Shared	\$527,563	June 19,2019 Item #40
The Front Door Agency	156244 - B001	Nashua NH 03064	Shared	\$287,991	June 19,2019 Item #40
The Way Home, Inc	166673 - B001	Manchester NH	Shared	\$140,656	June 19,2019 Item #40
Tri-County CAP, Inc	177195 - B009	Berlin NH	Shared	\$126,299	July 10, 2019 Item #16
Waypoint	177166 - B002	Manchester NH	Shared	\$252,556	June 19,2019 Item #40 A01: August 28, 2019 Item #20B
		Total	\$7,300,000 (Shared)	\$6,882,604	

Funds are available in the following accounts for State Fiscal Year 2021, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

See attached fiscal details.

EXPLANATION

This request is **Retroactive** because Department's business operations were disrupted by COVID-19 which led to delays in the contract amendment review and approval process.

The purpose of this request is to modify the agreements to have individual price limitations instead of a shared price limitation and to terminate agreements with two (2) Contractors, decreasing the total price limitation by \$417,396 from \$7,300,000 to \$6,882,604. The individual price limitations will allow each vendor to more accurately budget and allocate funding to meet the specific needs of the clients within the community.

Approximately 4,500 individuals will be served during each State Fiscal Year of this contract. The Contractors will provide emergency shelter to individuals and families who are homeless. The Contractors will also provide case management services to individuals and families who are currently in a shelter or those who are unsheltered to link them with housing, other essential services, and provide ongoing case management. The case management services are personalized, based on the strengths and support needs for each individual or family. Case management services include, but are not limited to, housing navigation services, assistance with applications for housing, public assistance, referrals for healthcare, including mental health or substance use treatment, education, and employment supports.

The Department will monitor the contracted services by requiring the Contractors to submit reports in the HMIS system that include the following:

- Length of time persons remain homeless.
- The extent to which persons who exit homelessness to permanent housing destinations return to homelessness.
- Successful exit to permanent housing destinations.

Should Governor and Executive Council not authorize this request, individuals and families who are experiencing housing instability will not receive the essential services and supports for themselves and their families.

Area served: Statewide

Source of Funds: Source of Funds: 100% General Funds

Respectfully submitted,


Lori A. Shibinette
Commissioner

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
COMMUNITY MENTAL HEALTH CENTER CONTRACT AMENDMENTS
SFY 2016 FINANCIAL DETAIL**

**05-95-42-423010-79270000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN
SVS, HHS: DIVISION OF ECONOMIC AND HOUSING STABILITY, BUREAU OF HOUSING
STABILITY, HOUSING - SHELTER PROGRAM
100% General Funds**

Bridge House Shelters

Vendor # 1652:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget
2020	102/500731	Contracts for Program Services		\$83,490
2021	102/500731	Contracts for Program Services		\$59,130
		Sub Total		\$142,620

Community Action Partnership of Strafford County

Vendor # 1772:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$6,588
2021	102/500731	Contracts for Program Services		\$0
		Sub Total		\$6,588

Community Action Program, Belknap and Merrimack

Vendor # 1772:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$0
2021	102/500731	Contracts for Program Services		\$0
		Sub Total		\$0

Concord Coalition to End Homelessness

Vendor # 2671:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$10,091
2021	102/500731	Contracts for Program Services		\$58,618
		Sub Total		\$68,709

Cross Roads House

Vendor # 1665:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$465,221
2021	102/500731	Contracts for Program Services		\$301,563
		Sub Total		\$766,784

FITNHNH, Inc.

Vendor # 1577:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$1,037,418
2021	102/500731	Contracts for Program Services		\$620,866
		Sub Total		\$1,658,284

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
COMMUNITY MENTAL HEALTH CENTER CONTRACT AMENDMENTS
SFY 2016 FINANCIAL DETAIL**

Friends Program

Vendor # 1549:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$88,971
2021	102/500731	Contracts for Program Services		\$85,739
		Sub Total		\$174,710

Helping Hands Outreach Center

Vendor # 1742:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$114,908
2021	102/500731	Contracts for Program Services		\$94,608
		Sub Total		\$209,516

Hundred Nights, Inc

Vendor #

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$117,376
2021	102/500731	Contracts for Program Services		\$103,478
		Sub Total		\$220,854

Lakes Region Community Developers

Vendor # 1565:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$32,587
2021	102/500731	Contracts for Program Services		\$56,174
		Sub Total		\$88,761

Marquerites Place

Vendor # 1574:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$118,536
2021	102/500731	Contracts for Program Services		\$68,300
		Sub Total		\$186,836

My Friend's Place

Vendor # 1562:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$115,144
2021	102/500731	Contracts for Program Services		\$62,087
		Sub Total		\$177,231

Nashua Soup Kitchen & Shelter, Inc

Vendor # 1741:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
COMMUNITY MENTAL HEALTH CENTER CONTRACT AMENDMENTS
SFY 2016 FINANCIAL DETAIL**

2020	102/500731	Contracts for Program Services		\$196,111
2021	102/500731	Contracts for Program Services		\$88,695
		Sub Total		\$284,806

New Generation

Vendor # 1772:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$97,357
2021	102/500731	Contracts for Program Services		\$65,043
		Sub Total		\$162,400

NH Coalition Against Domestic and Sexual Violence

Vendor # 1555:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$363,109
2021	102/500731	Contracts for Program Services		\$428,693
		Sub Total		\$791,802

Salvation Army Carey House, Laconia

Vendor # 1776:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$81,802
2021	102/500731	Contracts for Program Services		\$118,260
		Sub Total		\$200,062

Salvation Army McKenna House, Concord, Eastern Territory

Vendor # 1776:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$188,742
2021	102/500731	Contracts for Program Services		\$124,173
		Sub Total		\$312,915

Seacoast Family Promise

Vendor #

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$53,270
2021	102/500731	Contracts for Program Services		\$41,391
		Sub Total		\$94,661

Southern NH Services

Vendor # 1771:

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$0
2021	102/500731	Contracts for Program Services		\$0

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
COMMUNITY MENTAL HEALTH CENTER CONTRACT AMENDMENTS
SFY 2016 FINANCIAL DETAIL**

		Sub Total		\$0
--	--	-----------	--	-----

Southwestern Community Services

Vendor # 1775

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$302,869
2021	102/500731	Contracts for Program Services		\$224,694
		Sub Total		\$527,563

The Front Door Agency

Vendor # 1562

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$157,905
2021	102/500731	Contracts for Program Services		\$130,086
		Sub Total		\$287,991

The Way Home, Inc

Vendor # 1666

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$84,482
2021	102/500731	Contracts for Program Services		\$56,174
		Sub Total		\$140,656

Tri-County CAP, Inc

Vendor # 1771

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$87,864
2021	102/500731	Contracts for Program Services		\$38,435
		Sub Total		\$126,299

Waypoint

Vendor # 1771

State Fiscal Year	Class / Account	Class Title	Job Number	Current Modified Budget
2020	102/500731	Contracts for Program Services		\$166,817
2021	102/500731	Contracts for Program Services		\$85,739
		Sub Total		\$252,556

Overall Total	\$6,882,604
----------------------	--------------------

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and The Bridge House Inc., (hereinafter referred to as ("the Contractor"), a nonprofit, with a place of business at 260 Highland Street, Plymouth, NH 03264.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$142,620.
2. Modify P-37, General Provisions, Block 1.3 to read:
The Bridge House, Inc.
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
3.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
4. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
2. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
3. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
4. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
3. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1,



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

to read:

- 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.

AB

**New Hampshire Department of Health and Human Services
State Grant In Aid Homeless Assistance Program**

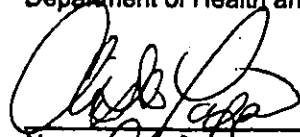


All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

6/29/2020
Date


Name: Christine Tappan
Title: Associate Commissioner

The Bridge House Inc.

June 29, 2020
Date


Name: _____
Title: _____

New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/29/20
Date

Catherine Pinos
Name:
Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

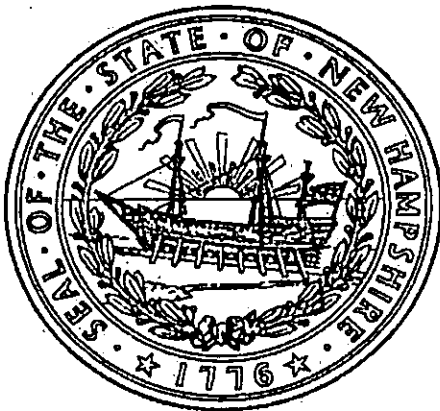
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE BRIDGE HOUSE, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on February 24, 2004. 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: 465451

Certificate Number: 0004937085



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 25th day of June A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Edward Van Dorn, hereby certify that:

1. I am a duly elected President of The Bridge House Inc__.

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on June 25, 2020 at which a quorum of the Directors/shareholders were present and voting.

VOTED: That Catherine Bentwood RN Executive Director (may list more than one person)

is duly authorized on behalf of The Bridge House Inc to enter into contracts or agreements with the State

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30) days** from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: June 25, 2020

PO EVD to CB

Ed Van Dorn

Signature of Elected Officer

Name: Edward Van Dorn

Title: President Bridge House BOD



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

06/29/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER E & S Insurance Services LLC 21 Meadowbrook Lane P O Box 7425 Gilford NH 03247-7425		CONTACT NAME: Eleanor Spinazzola PHONE (AC, No, Ext): (603) 293-2791 FAX (AC, No): (603) 293-7188 E-MAIL ADDRESS: Eleanorspinazzola@esinsurance.net	
INSURED The Bridge House, Inc. 260 Highland Street Plymouth NH 03264		INSURER(S) AFFORDING COVERAGE INSURER A: Great American Insurance Group INSURER B: Wesco Insurance Co INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # GAIG 25011	

COVERAGES

CERTIFICATE NUMBER: 2019

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	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> 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"/> PROJECT <input type="checkbox"/> LOC OTHER:			PAC4250488-04	08/19/2019	08/19/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY			CAP4250489-04	08/19/2019	08/19/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$ 5,000
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED RETENTION \$ OCCUR CLAIMS-MADE						EACH OCCURRENCE \$ AGGREGATE \$
	<input checked="" type="checkbox"/> 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	N/A	WWC3431142	09/10/2019	09/10/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

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

CERTIFICATE HOLDER**CANCELLATION**

DHHS, State of NH 129 Pleasant St 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
--	---

© 1988-2015 ACORD CORPORATION. All rights reserved.



Mission of the Bridge House and Veterans Advocacy:

Ending Homelessness in Grafton County one family at a time- All guests are treated with dignity and respect - BH serves the poorest of the poor.

Due to the VA's commitment to end veterans homelessness Bridge House is able to offer specialized services for this population.

Bridge House forte is family strengthening, veteran's advocacy, elder support, working with the Grafton County HOC to reduce recidivism.

THE BRIDGE HOUSE, INC.
FINANCIAL STATEMENTS

June 30, 2019 and 2018

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position, June 30, 2019 With Comparative Totals for June 30, 2018	2
Statement of Activities and Changes in Net Assets For the Year Ended June 30, 2019 With Comparative Totals for the Year Ended June 30, 2018	3
Statements of Cash Flows For the Years Ended June 30, 2019 and 2018	4
Schedule of Functional Expenses For the Year Ended June 30, 2019 With Comparative Totals for the Year Ended June 30, 2018	5
NOTES TO FINANCIAL STATEMENTS	6-12

ROWLEY & ASSOCIATES P.C.

CERTIFIED PUBLIC ACCOUNTANTS

46 N. STATE STREET

CONCORD, NEW HAMPSHIRE 03301

TELEPHONE (603) 228-5400

FAX # (603) 226-3532

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER OF THE PRIVATE
COMPANIES PRACTICE SECTION

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the Board of Directors
The Bridge House, Inc.
Plymouth, New Hampshire

We have audited the accompanying financial statements of The Bridge House, Inc., which comprises the statements of financial position as of June 30, 2019 and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Bridge House, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the financial statements of the Bridge House, Inc as of June 30, 2018 and for the year then ended and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 11, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Rowley & Associates, P.C.
Concord, New Hampshire
November 15, 2019

THE BRIDGE HOUSE, INC
STATEMENT OF FINANCIAL POSITION
June 30, 2019, With Comparative Totals for June 30, 2018
See Independent Auditors' Report

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	2019	2018
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,239,321	\$ -	\$ 1,239,321	\$ 1,068,774
Grants and pledges receivable	29,706	-	29,706	27,946
Prepaid insurance	7,312	-	7,312	3,327
TOTAL CURRENT ASSETS	<u>1,276,339</u>	<u>-</u>	<u>1,276,339</u>	<u>1,100,047</u>
FIXED ASSETS				
Building and improvements	206,737	700,000	906,737	906,737
Furnishings and equipment	90,594	-	90,594	72,863
Total Fixed Assets	297,331	700,000	997,331	979,600
Less accumulated depreciation	(109,405)	(206,410)	(315,815)	(299,517)
	<u>187,926</u>	<u>493,590</u>	<u>681,516</u>	<u>680,083</u>
OTHER ASSETS				
Construction in progress	75,205	-	75,205	-
TOTAL ASSETS	<u>\$ 1,539,470</u>	<u>\$ 493,590</u>	<u>\$ 2,033,060</u>	<u>\$ 1,780,130</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 8,210	\$ -	\$ 8,210	\$ 9,527
Accrued payroll expenses	20,505	-	20,505	18,804
Accrued compensated absences	11,154	-	11,154	9,365
TOTAL CURRENT LIABILITIES	<u>39,869</u>	<u>-</u>	<u>39,869</u>	<u>37,696</u>
NET ASSETS				
Net assets without donor restriction	1,499,601	-	1,499,601	1,239,524
Net assets with donor restriction	-	493,590	493,590	502,910
TOTAL NET ASSETS	<u>1,499,601</u>	<u>493,590</u>	<u>1,993,191</u>	<u>1,742,434</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,539,470</u>	<u>\$ 493,590</u>	<u>\$ 2,033,060</u>	<u>\$ 1,780,130</u>

See Notes to Financial Statements

THE BRIDGE HOUSE, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For The Year Ended June 30, 2019
With Comparative Totals for the Year Ended June 30, 2018
See Independent Auditors' Report

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	2019 TOTAL	2018 TOTAL
SUPPORT AND REVENUE				
State and Federal Contracts	\$ 230,847	\$ -	\$ 230,847	\$ 135,669
Grants	139,097	-	139,097	73,000
Contributions	108,254	19,688	127,942	200,808
Fees	29,832	-	29,832	30,179
Thrift Shop Sales	578,952	-	578,952	484,632
Interest	7,457	-	7,457	1,980
TOTAL SUPPORT AND REVENUE	1,094,439	19,688	1,114,127	926,268
Net assets released from donor imposed restrictions	29,008	(29,008)	-	-
EXPENSES				
Program services	780,915	-	780,915	793,378
Management and general	45,754	-	45,754	47,286
Fundraising	36,701	-	36,701	30,482
	863,370	-	863,370	871,146
Increase (decrease) in net assets	260,077	(9,320)	250,757	55,122
Net Assets, Beginning of year	1,239,524	502,910	1,742,434	1,687,312
Net assets, End of year	\$ 1,499,601	\$ 493,590	\$ 1,993,191	\$ 1,742,434

See Notes to Financial Statements

THE BRIDGE HOUSE, INC
STATEMENTS OF CASH FLOWS
For The Years Ended June 30, 2019 and 2018
See Independent Auditors' Report

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 250,757	\$ 55,122
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	16,298	14,513
(Increase) in Operating Assets		
Grants & pledges receivable	(1,760)	(19,196)
Prepaid expenses	(3,985)	(1,870)
(Decrease) increase In Operating Liabilities		
Accounts payable	(1,317)	(1,984)
Accrued payroll	1,701	544
Accrued compensated absences	1,789	4,653
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>263,483</u>	<u>51,782</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Cash paid for new construction	(75,205)	-
Purchases of property and equipment	(17,731)	-
NET CASH USED BY INVESTING ACTIVITIES	<u>(92,936)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	170,547	51,782
Cash and cash equivalents, beginning of year	<u>1,068,774</u>	<u>1,016,992</u>
Cash and cash equivalents, end of year	<u>\$ 1,239,321</u>	<u>\$ 1,068,774</u>

See Notes to Financial Statements

THE BRIDGE HOUSE, INC
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2019
With Comparative Totals for the Year Ended June 30, 2018
See Independent Auditors' Report

	Program Services	Management & General	Fundraising	2019 Total	2018 Total
Payroll	\$ 435,313	\$ 26,090	\$ 21,741	\$ 483,144	\$ 456,598
Payroll taxes	33,695	2,019	1,683	37,397	45,993
Fringe benefits	51,026	3,058	2,548	56,632	73,850
Total payroll and benefits	<u>520,034</u>	<u>31,167</u>	<u>25,972</u>	<u>577,173</u>	<u>576,441</u>
Professional fees	30,602	3,400	-	34,002	32,515
Telephone and internet	4,482	-	-	4,482	4,206
Office expense	27,815	3,091	-	30,906	40,598
Depreciation	14,668	1,630	-	16,298	14,513
Rent	50,252	-	-	50,252	47,362
Utilities	29,930	3,326	-	33,256	29,045
Common Area Charges	3,618	402	-	4,020	4,020
Maintenance and Repairs	21,100	2,345	-	23,445	34,377
Supplies	8,733	-	-	8,733	11,902
Vehicle expense	16,168	-	-	16,168	10,385
Travel, Training, and Conferences	4,980	-	-	4,980	1,814
Insurance	27,290	-	-	27,290	20,816
Criminal records search	144	-	-	144	96
Direct client services	17,558	-	-	17,558	32,002
Fundraising costs	-	-	10,729	10,729	4,542
Website & Marketing	3,541	393	-	3,934	6,512
TOTAL EXPENSES	<u>\$ 780,915</u>	<u>\$ 45,754</u>	<u>\$ 36,701</u>	<u>\$ 863,370</u>	<u>\$ 871,146</u>

See Notes to Financial Statements

THE BRIDGE HOUSE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Bridge House was incorporated in 2004, under the laws of the State of New Hampshire, as a "not-for-profit" organization. In accordance with its Mission Statement, the not-for-profit organization provides shelter and services, including case management, to the homeless population of the community to help them find and maintain permanent housing. Residents are provided with services that include budgeting and credit counseling, parenting classes, substance abuse counseling, and assistance in acquiring additional services from other state and federal programs. The Organization's primary sources of revenue are from grants, contributions and thrift store sales.

Significant Accounting Policies

The summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Presentation

The Organization maintains its accounting records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

THE BRIDGE HOUSE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

All acquisitions of property and equipment in excess of \$100 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. Depreciation Expense was \$16,298 and \$14,513 for the years ended June 30, 2019 and 2018, respectively.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. For the years ended June 30, 2019 and 2018 the Organization had no cash equivalents.

Income taxes

The Organization has been notified by the Internal Revenue Service that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is further classified as an organization that is not a private foundation under Section 509(a)(3) of the Code. The most significant tax positions of the Organization are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax (UBIT). The Organization follows the guidance of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes, related to uncertain income taxes, which prescribes a threshold of more likely than not for recognition and recognition of tax positions taken or expected to be taken in a tax return. All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

Pledges Receivable and Recognition of Donor Restricted Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restriction. When a restriction expires, net assets without donor restriction are reclassified to net assets without donor restriction. Contributions of long-lived assets are considered without donor restriction unless the donor specifies a time-restriction.

The Organization provides for losses on grants and pledges receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of donors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible grants and pledges receivable when management determines the receivable will not be collected. There were no balances in the allowance account related to pledges receivable as of June 30, 2019 and 2018 because all amounts were deemed collectable.

THE BRIDGE HOUSE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Public Support and Revenue

All contributions are considered to be without donor restriction use unless specifically restricted by the donor.

Functional Expenses

Functional and administrative expenses have been allocated among program services based on an analysis of personnel time and space utilized for the related activities.

Cost Allocation

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are payroll, payroll taxes, fringe benefits which are allocated on the basis of estimates of time and effort; professional fees, office expense, depreciation, utilities, common area charges, maintenance and repairs, and website and marketing which are allocated on the basis of space utilized for the related activities.

Compensated Absences

It is the Organization's policy to permit certain employees to accumulate earned benefit time throughout the year which will be paid upon termination. The statement of financial position reflects accrued time earned, but unpaid as of June 30, 2019 and 2018 in the amounts of \$11,154 and \$9,365, respectively.

Allowance for Doubtful Accounts

The contracts receivable allowance for doubtful accounts is based upon management's assessment of the credit history with agencies, organizations and individuals having outstanding balances and current relationships with them. There was no balance in the allowance for doubtful accounts as of June 30, 2019 and 2018.

Estimates

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

Concentration of Risk

The Organization maintains cash balances in several accounts at local banks. These accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times throughout the year, the Organization may have cash balances at the financial institution that exceeds the insured amount. Management does not believe this concentration of cash results in a high level of risk for the Organization. At June 30, 2019 and 2018, the Organization had \$490,811 and \$516,375 in uninsured balance respectively.

THE BRIDGE HOUSE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

The carrying value of cash and cash equivalents, grants and pledges receivable, prepaid expenses, accounts payable, accrued payroll and accrued compensated absences are stated at carrying cost at June 30, 2019 and 2018, which approximates fair value due to the relatively short maturity of these instruments. Other financial instruments held at year end are construction in progress, which are unobservable inputs that are supported by little or no market activity, and that are significant to the fair value of the assets. These assets include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

New Accounting Pronouncement

During the year ended June 30, 2019, the Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016- 14—Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016- 14). This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions.

The accompanying information from the 2018 financial statements has been restated to conform to the 2019 presentation and disclosure requirements of ASU 2016-14.

Reclassifications

Certain financial statement and note information from the prior year financial statements has been reclassified to conform with current year presentation format.

Subsequent Event

Management has evaluated subsequent events through November 15, 2019, the date on which the financial statements were available to be issued to determine if any are of such significance to require disclosure. There were no events matching this criterion during this period.

NOTE 2 CONCENTRATION IN SUPPORT REVENUE

Government and private sector grants accounted for approximately 21% and 15% of the Organization's revenues for the years ended June 30, 2019 and 2018, respectively. Contributions accounted for approximately 11% and 22% of the Organization's revenues for the years ended June 30, 2019 and 2018, respectively.

THE BRIDGE HOUSE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 3 OPERATING LEASES

The Organization has a verbal agreement to rent office space for case management. This agreement calls for \$125 per month. Rent expense related to this space was \$1,500 and \$1,500 during the years ended June 30, 2019 and 2018, respectively. There is no future minimum rent related to this lease.

Effective October 5, 2004, the Organization entered into a lease agreement with Whole Village Family Resource Center to lease a portion of the Center's Premises. The term of the lease is for 50 years and expires October 4, 2054. The rent is \$1 plus incremental costs, which are defined as snow removal, repairs, lawn care and landscaping, utility services, water and sewer, insurance and other incidental costs incurred by the Organization use of the premise. Incremental costs of use of the premise are included in operating expenses and allocated by function.

The Organization entered a four-year lease beginning June 2017 and expiring June 2021 for space for a consignment shop. Rent expense related to this lease was \$45,852 and \$45,862 for the years ended June 30, 2019 and 2018, respectively.

Future minimum rent is:	2020: \$ 45,852
	2021: <u>42,031</u>
	Total: <u>\$ 87,833</u>

NOTE 4 CONTINGENT LIABILITIES

The Organization receives money under various state and federal programs. Under the terms of these programs, the Organization is required to expend the funds within the designated period for purposes specified in the grant proposal. If expenditures of the funds were found not to have been made in compliance with the proposal, the Organization might be required to return this portion of funds to the grantor. As of June 30, 2019 and 2018, there were no known disallowed expenditures and the Organization's management deems such a contingency unlikely. Accordingly, no provision has been made for this contingency.

THE BRIDGE HOUSE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 5 FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Organization is required to disclose certain information about its financial assets and liabilities. Fair values of assets measured on a recurring basis at June 30 were as follows:

	<u>Fair Value</u>	Significant other Observable Inputs (Level 2)
<u>2019</u>		
Grants & pledges receivable	<u>\$ 29,706</u>	<u>\$ 29,706</u>
<u>2018</u>		
Grants & pledges receivable	<u>\$ 27,946</u>	<u>\$ 27,946</u>

The fair market value of grants and pledges receivable are estimated at the present value of expected future cash flows.

Note 6 RETAIL THRIFT STORE

The Organization operates two retail thrift stores that help support their mission. The value of non-cash donations to the thrift store and its inventory are unrecorded in the financial statement. This is due to those donations not having a determinable value and that not all donations are resalable. Gross thrift store revenue was \$578,952 and \$484,632 during the years ended June 30, 2019 and 2018, respectively.

NOTE 7 BOARD DESIGNATED NET ASSETS

The Organization had no board designated net assets as of June 30, 2019 and 2018.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

The Organization received a \$700,000 block grant from the Town of Plymouth, NH to assist with the construction of a new facility during the year ended June 20, 2005. A mortgage deed in the amount of \$670,000 related to this grant has been recorded against the title of the property. The Organization is required to continue the building's use as a homeless shelter for a period of twenty years. In the event of default, the Organization must return the funds or relinquish ownership of the building to satisfy the restrictions.

Net assets with donor restriction related to this grant for the years ended June 30 were:

	<u>2019</u>	<u>2018</u>
Building	\$700,000	\$700,000
Less accumulated depreciation	<u>206,410</u>	<u>197,090</u>
	<u>\$493,590</u>	<u>\$502,910</u>

THE BRIDGE HOUSE, INC
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

NOTE 9 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization's primary sources of support are contributions, thrift shop sales and grants. Most of that support is held for the purpose of supporting the Organization's budget. The Organization has the following financial assets that could readily be made available within one year to fund expenses without limitations:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$1,239,321	\$1,068,774
Accounts receivable	<u>29,706</u>	<u>27,946</u>
	1,269,027	1,096,720
Less amounts with donor restrictions	<u>493,590</u>	<u>502,910</u>
Total	<u>\$ 775,437</u>	<u>\$ 593,810</u>

NOTE 10 SIGNIFICANT EVENTS

During the year, construction started on an addition to the building. On June 30, 2019, total construction in progress was \$75,205. This project is expected to be completed in December of 2019.

THE BRIDGE HOUSE, INC
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2018

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll	\$ 411,394	\$ 24,656	\$ 20,547	\$456,597
Payroll taxes	41,440	2,484	2,070	45,993
Fringe benefits	66,539	3,988	3,323	73,850
Total payroll and benefits	<u>519,373</u>	<u>31,128</u>	<u>25,940</u>	<u>576,441</u>
Professional fees	29,264	3,252	-	32,515
Telephone and internet	4,206	-	-	4,206
Office expense	36,538	4,060	-	40,598
Depreciation	13,062	1,451	-	14,513
Rent	47,362	-	-	47,362
Utilities	26,141	2,905	-	29,045
Common Area Charges	3,618	402	-	4,020
Maintenance and Repairs	30,939	3,438	-	34,377
Supplies	11,902	-	-	11,902
Vehicle expense	10,385	-	-	10,385
Travel, Training, and Conferences	1,814	-	-	1,814
Insurance	20,816	-	-	20,816
Criminal records search	96	-	-	96
Direct client services	32,002	-	-	32,002
Fundraising costs	-	-	4,542	4,542
Website & Marketing	5,861	651	-	6,512
TOTAL EXPENSES	<u>\$ 793,378</u>	<u>\$ 47,286</u>	<u>\$ 30,482</u>	<u>\$871,146</u>

See Independent Auditors' Report and Notes to Financial Statements

BRIDGE HOUSE SHELTER & VETERANS ADOOCACY BOARD OF DIRECTORS
260 Highland St., Plymouth NH 03264

NAME	EMAIL	PHONE	ADDRESS	POSITION
Maureen Patti	maureenpatti@gmail.com	[REDACTED]	[REDACTED]	
Barbara Fahey	bbfahey@gmail.com	[REDACTED]	[REDACTED]	<u>Director</u>
Julaine Geldermann	Geldermj@Yahoo.com	[REDACTED]	[REDACTED]	<u>Treas</u>
Tara Gowen	tara@gowenrealty.com	[REDACTED]	[REDACTED]	
Jasmine Esser	jasmine.esser@gmail.com	[REDACTED]	[REDACTED]	
Kim Livingston	krlivingston@plymouth.edu	[REDACTED]	[REDACTED]	<u>VP</u>
Sheila Oranch 603-744-5036	Sheila@coppertoppe.com	[REDACTED]	[REDACTED]	<u>Sec</u>
Ed Van Dorn	evdinpike@gmail.com	[REDACTED]	[REDACTED]	<u>Pres</u>
Gabe Nizetic	gabe138177@gmail.com	[REDACTED]	[REDACTED]	

Catherine Bentwood RN

Qualifications:

Collaboration, Networking, Leadership
Lifetime commitment working with the underserved
Initiated & Volunteered at Plymouth Regional Free Clinic 1997 - 2007
N H Registered Nurse License# 034589-21

Employment:

Jan 2009-19 Executive Director Bridge House Homeless Shelter

1989-2008 Patient advocate/evaluator/minor-op assistant general surgery office

1979-1987 Owner/developer Bodyworks Plymouth, NH
Planning and delivery full service health fitness for all ages
Researched/designed ongoing training for all instructors
Organized/designed all New England professional development workshop

1966-1973 St. Elizabeth's Hospital, Boston, MA – ICU
NE Deaconess, Boston, MA -ICU
South Coast Hospital, Laguna Beach, CA- M&S
Registered Nurse, Roosevelt Hospital School of Nursing, NYC

Accomplishments & Awards

2019 Initiated Permanent Supportive Housing for formally homeless Veterans 2010 - invited Harbor Homes to take on project 2016. Thirty units opens July 2019 serving Veterans & Veteran families.

2014 - 2019 Opened 2 thrift shops to support Bridge House Homeless Shelter

2012 New Hampshire Charitable Foundation Lakes Region Leadership Award

2012 Granite State Service Award

2009 Chamber of Commerce/ James C Hobart Award

2001 New England Patriots Community Champion Award – Co Recipient

1998 Rotary Citizen of the Year Award – Co Recipient

NH PEACE ACTION

2011 - Development team member since 1999
1999 - Facilitated ongoing partnership between NHPA and NH businessman Alex Ray

LICENSED NH FOSTER PARENT (CASA 2000 – 2002)

1975-2006

Additionally, sponsored refugees & families from Vietnam, Rwanda, Honduras

WORLD PEACE INITIATIVE

1992 - 2010 – Medical Volunteer Honduras, Iraq, Katrina, Haiti

Cathy Bentwood cathybentwood@gmail.com 603-536-7631 Executive Director
Holly Cormiea bridgehouseinc@gmail.com 603-254-9848 House Manager

Denise Castonguay



Objectives

My goal is to continue working with the at risk youth population and utilize my experience to bring stability and transitional consul to adults who find themselves without a safe place to live.

Education

June, 1969

Bristol Eastern High School
Bristol CT

September 1971

Manchester Technical School ,Manchester England

September 1994

Tunxis Community College

Training

August 2000- ongoing

Becket Family of Services Faculty Institute

February 2010- ongoing

Trauma Informed Care Best Practice Models

March 2012 - ongoing

ARC Training Certification and Instruction

March 2014- ongoing

Youth Thrive Catalytic- Bolster Collaborative

October 2015, 2016

Next Steps NH Transition Su



January 2017

Trauma Informed Supervision in an Academic Setting

May 2018

Affects of Substance Abuse on the Adolescent Brain and Development

Experience

2000 - 20014 - Culinary Arts Instructor- Food Service Director

Mount Prospect Academy
350 Main Street
Plymouth ,NH 03264

Development and implementation of a comprehensive culinary arts program with a focus on job readiness within the hospitality industry. Meeting the dietary needs of residents and students based on the Board of Education's nutritional guidelines and The Healthy Hungry Free Kids Act.

2014- present -Adult and Transitional Living Coordinator

Mount Prospect Academy
350 Main Street
Plymouth NH 03264

Implementing and expanding the adult living curriculum to meet or exceed the NH Department of Education's requirements as to measurable life skills, secondary school readiness, and realistic transitional planning for an independent life outside of residential care.

2015- present- Bridge House Weekend Manager

The Bridge House Shelter
260 Highland Street
Plymouth NH 03264

Supporting participants with their basic needs and providing assistance for a successful transition to independence. Development and supervision of weekly menus. Providing emergency intake when necessary.



dcastonguay

Objective: To pursue a challenging career in a Social Service field.

Experience: 2003-Present Bridge House Inc. Plymouth, NH
Manager (July 1, 2005)

- * Participant Care Worker- July 03-05
- * Manage the daily operation of a 20 bed homeless shelter in Plymouth, NH.
- * Work with area social services, charities, mental health, law enforcement, landlords and employers.
- * Screen, admit and conduct intakes with incoming participants.
- * Deal with all aspects of plant operation, purchasing and maintenance.

1998-2005 Lakes Region Comm. Svcs. Council Plymouth, NH
Direct Support Provider

- * Develop day program activities.
- * Complete daily and monthly reports.
- * Participate in Individual Service Plans
- * Assist with Activities of Daily Living.
- * Consumer employment support.
- * Have worked in all areas LRCSC.

**Education,
Training and
Accomplishments**

- * Medication administration under HeM-1201
- * Reality Therapy & Choice Theory
- * Defensive Driving Course
- * Mental Health Education classes
- * HMIS- Homeless Management Information System
- * Outreach- with transitioned former participants & homeless community
- * CPR/AED certified
- * Writing Progress Notes & Quarterly Reports
- * Liaison between Medical Professionals & Clients
- * Community Integration
- * Rescue & Foster Dogs from High kill shelters
- * Wrote 501 (c) (3) for Rescue
- * Write grants for rescue
- * TCI trained

Reference's available upon request

Nancy J. Cole

[REDACTED]

[REDACTED]

Objectives

I have a strong desire to make people who are experiencing homelessness feel comfortable and safe. Making people feel wanted and a sense of community is my wish in the workplace.

Education

Stoughton High School, Stoughton, Mass.
New England Sinai Hospital (CAN certification)
Environmental Services Certification (Level1)

Experience

September 2007 - Present
Bridge House, Inc. 260 Highland Street Plymouth NH 03264
603-536-7631

September 2012 - 2014
Hunter School (Therapeutic Boarding School)
768 Dow Town Road Rumney NH 03266

Skills

- Motivational Interviewing
- CPR/AED certification
- JIRA certification (therapeutic restraint technique)
- Recovery Coach -2017
- Choice Theory/Reality Therapy
- Outreach with transitioned former homeless participants
- Writing progress notes, daily notes
- Conflict resolution



JUDITH DRAKE TAUTENHAN

RELEVANT PROFESSIONAL EXPERIENCE

- Grant Writing Assistant – THE BRIDGE HOUSE, *Plymouth, NH*** 9/2019 to present
- > Advocacy for people experiencing homelessness with a unique priority for Veterans
 - > Assist the Executive Director in grant writing/fundraising
 - > Liaise directly with various organizations, businesses, staff, and individuals to meet the mission of Bridge House
- Volunteer Supervisor – COURT APPOINTED SPECIAL ADVOCATES (CASA), *Plymouth, NH*** 9/2009 to 7/2011
- > Recruit, train, supervise and retain CASA volunteers
 - > Serve as a liaison between various agencies and the NH court system
 - > Work with staff and volunteers to promote agency growth and change through networking and fundraising
- Assistant Project Manager – LUTHERAN SOCIAL SERVICES, *Concord, NH*** 11/2007 to 8/2009
- > Promptly respond to referrals from Case Managers
 - > Meet with consumers to assess their needs and create plan of care
 - > Responsible for 50+ consumers in helping them identify, hire and train
 - > Actively participate in community forums and agencies to provide quality services to consumers
 - > Assume Case Manager responsibilities to coordinate services to consumers to enable them to stay at home
 - > Complete yearly evaluations, provide supervision and Human Resources support for 80+ in-home workers
- Employment Counselor - NH EMPLOYMENT SECURITY, *Manchester, NH*** 6/2006 to 11/2007
- > Evaluate customer characteristics to identify and overcome barriers to employment
 - > Administer and interpret interest and aptitude tests to assist in determining appropriate career goals
 - > Refer individuals to other supportive agencies and determine program eligibility
 - > Maintain accurate individual counseling records
 - > Proven placement record with 20+ customers per month becoming employed
 - > Researched and developed Diversity Training program for NH Employment Security staff
 - > Trained in use of specialized software to help clients become reemployed
- CFS, RTC - FLORIDA MENTAL HEALTH INSTITUTE, University of South Florida, *Tampa, FL*** 2003 to 2005
- Coordinator-Information/Public Services (March 2004 to January 2005)**
Responsible for the development, implementation and maintenance of tracking systems for knowledge dissemination activities, including:
- > product design and publication
 - > evaluation and data analysis
 - > marketing and grant support
 - > technical reports, copyediting, & literature reviews
- Coordinator-Education/Training Programs (March 2004 to January 2005)**
- > Worked with service providers in Spanish-speaking community to implement training program
 - > Assisted in the development of the curriculum/training module for implementation in local schools
 - > Designed and administered field tests on the curriculum and training materials
- Assistant-Department of Communications (March 2003- March 2004)**
- > Coordinated research papers submitted & provided on-site support to coordinators at research conference
 - > Edited research conference proposals for grammar and conceptual clarity
 - > Procured missing documents for federal funding agency
 - > Independently handled a variety of issues and problems as they arose
- Young Adult Specialist - HAVEN POE RUNAWAY CENTER, *Tampa, FL*** 2000 to 2003
- > Served as a positive role model for teens experiencing difficulties and resolved conflicts among clients
 - > Fulfilled the duties outlined by Dept. of Children's Services in the care and discipline of clients
 - > Tutored clients as necessary in math, reading, English, FCAT/SAT test preparation
 - > Served as a Spanish interpreter on an as needed basis
- Team Leader - AMERICORPS/HILLSBOROUGH READS, *Tampa, FL*** 1999 to 2000

TRAINING/CERTIFICATIONS/AWARDS

2017 Unsung Hero Parent Award, NH Children's Trust; The Health Insurance Portability and Accountability Act (HIPAA), Lutheran Social Services; Conflict Resolution, Thirteenth Judicial Circuit's Mediation/Diversion Services; Elderly Sensitivity Training, West Central Florida Area Agency on Aging, Inc.; Emergency Shelter Management, American Red Cross; Diversity Awareness, University of

South Florida; Trainer, Project Re-Compute, Recycling Task Force of Hillsborough County; Recipient, Lingerfelt Business Ethics Award, (UT)

EDUCATION

Bachelor of Arts Degree in Sociology, The University of Tampa (UT); conferred 2003

SKILLS

Excellent computer skills; Internet research; highly organized and professional;
freelance proofreading; conversational Spanish

Michael Doyle/

Objective: With Housing First as a model I wish to continue assisting/serving the homeless population 110%. Learning, incorporating, following through with new skills/techniques to aide this population - supporting at a high level; mind, body, soul. I will put all my attention, passion, and efforts toward meeting the needs - with a smile.

Education: 1998-2001 Bachelor in Science of Social Work (BSW)
Plymouth State College

Internship- Plymouth Senior Center. Responsibilities: assisting the social worker in daily activities; coordinating/organizing health forum focusing on prevention & awareness & maintenance through the aging process, meals on wheels, life-line installations, daily socialization with seniors & disabled adult populations.

Experience: Bridge House Inc. 2000-present- Overnight House Supervisor/ Social Worker
Case Management Responsibilities- documentation, outreach, guidance & referrals, 1 on 1 weekly meetings consisting of; services & programs, employment, housing, counseling; coping/life skills mentoring, organization /goal oriented, motivated, Overall instilling the desire to be as independent and as healthy as possible.

Overnight Supervisor Responsibilities- Secure participants safety and security within Bridge House property, medication supervision and distribution, encourage Bridge House rules & regulations, socialization and interaction with participants, emergency respondent, varying transportation needs, conflict resolution, documentation and reporting to team on a daily basis.

Hunter School: 2009-2013 Teacher Aide/ Houseparent/ Life skill teacher

Teacher Aide Responsibilities- Substitute teach, lesson plan coordination, supervision, mentoring, teaching 1 on 1, discipline, teaching coping skills & de-escalation techniques, furthermore assisting school administration with any need that may arise.

House parent Responsibilities- activity coordination, meal preparation, supervision, enforcement of house rules & guidelines, conflict resolution, transportation, coping skills, conflict resolution, daily socialization.

Life skills teacher- transportation, off campus activities, life skill development; bank accounts open & manage, grocery shopping, laundry, appropriate social functioning.

Friend's of Shorty Inc.

02/10/06-4/11/07-House Supervisor

Responsibilities- Physical Therapy, Occupational Therapy, Activity Coordination, Transportation, Home Care, Life Skills Development.

Recent trainings- Energetic Mindful educational practice, First Aid/CPR/AED, Therapeutic Restraint Training/CPI, Choice Therapy, Depression/Suicide, Recovery Coach training

CONTRACTOR NAME
The Bridge House

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Cathy Bentwood	Executive Director	\$48,000	50%	\$24,000
Holly Cormiea	Shelter Manager	\$43,680	50%	\$21,840
Mike Doyle	Participant Advocate	\$33,280	50%	\$17,680
Nancy Russell	Evening Staff	\$33,280	50%	\$17,680
Denise Castonguay	Sunday Double Shift	\$13,312	50%	\$7,072
Tricia Murphy	Homeless Outreach & Prevention	\$33,280	50%	\$17,680
Judy Tautenhan	BH Outreach support to Boulder Point Veterans Housing	\$10,400	50%	\$5,200
			TOTAL	\$111,152



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Community Action Partnership of Strafford County, (hereinafter referred to as ("the Contractor"), a nonprofit, with a place of business at 577 Central Avenue Suite 10, Dover, NH 03820.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$6,588.
2. Modify P-37, General Provision Block 1.3 to read:
Community Action Partnership of Strafford County
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.1.
 - 2.1.1. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
 - 2.1.1.1. Assessing individuals and families' needs for well-being and obtaining housing, and developing an individualized plan to meet those needs.
 - 2.1.1.2. Developing an individualized plan with the types of services and assistance programs to meet their needs in securing permanent housing.
 - 2.1.1.3. Assisting individuals and families with applying for and accessing permanent housing.
 - 2.1.1.4. Assisting individuals and families with applying for mainstream benefits, including, but not limited to, SSI, TANF, SNAP, Medicaid, Veteran and other State or Federal benefits.
 - 2.1.1.5. Assisting individuals and families with accessing community providers and supports, for, including but not limited to, mental health services, substance use treatment, medical care, employment, veterans benefit, financial and food assistance, and education supports.
4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



entirety.

6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:

2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.

7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1, to read:

3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

June 17, 2020
Date

Christine Santaniello
Name: Christine L. Santaniello
Title: Director Division of Economic & Housing Stability

Community Action Partnership of Strafford County

6/16/20
Date

Betsy Andreas Parker
Name: Betsy Andreas Parker
Title: CEO



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/25/20

Date

Catherine Pinos

Name:

Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:

Title:

State of New Hampshire

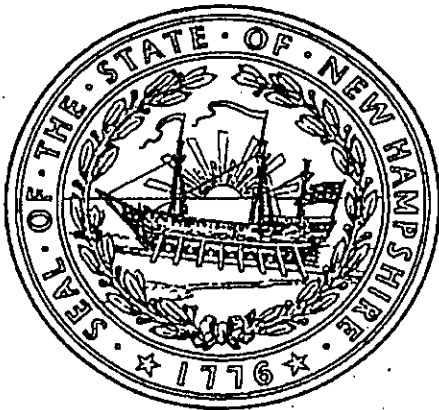
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 25, 1965. 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: 65583

Certificate Number: 0004881688



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 2nd day of April A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Jean Miccolo, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Community Action Partnership of Stratford County
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on Sept. 18, 2019, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Betsey Andrews Parker (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Community Action Partnership of Stratford County
(Name of Corporation/ LLC) to enter into contracts or agreements with the State

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for thirty (30) days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6/16/20

Jean L. Miccolo
Signature of Elected Officer
Name: Jean Miccolo
Title: Secretary



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/30/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CGI Business Insurance 171 Londonderry Turnpike Hooksett NH 03106	CONTACT NAME: Teri Davis PHONE (A/C, No, Ext): (866) 841-4600 FAX (A/C, No): (603) 822-4618 E-MAIL ADDRESS: TDavis@CGIBusinessInsurance.com
INSURED	Community Action Partnership of Strafford County, DBA: Strafford CAP PO Box 160 Dover NH 03821-1060	INSURER(S) AFFORDING COVERAGE INSURER A: Hanover Insurance Company NAIC #: 22282 INSURER B: Eastern Alliance (fmr Great Falls) INSURER C: Victor O Schinnerer & Co Inc INSURER D: INSURER E: INSURER F:

COVERAGES

CERTIFICATE NUMBER: 19-20 Master

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	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> Physical/Sexual Abuse Incl GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			ZHVA192135	12/31/2019	12/31/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COM/PROP AGG \$ Included Professional Liability \$ 1,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			AWVA158930	12/31/2019	12/31/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist \$ 1,000,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ Zero			UHVA192138	12/31/2019	12/31/2020	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
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	N/A	03-0000133794-02	12/31/2019	12/31/2020	<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
C	Directors & Officers			PHSD1445251	06/24/2019	06/24/2020	Per Occurrence 3,000,000 Aggregate 6,000,000

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

Workers Comp 3A State: NH

CERTIFICATE HOLDER

CANCELLATION

State of New Hampshire DHHS
129 Pleasant St

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

© 1988-2015 ACORD CORPORATION. All rights reserved.

MISSION

To educate, advocate and assist people
in Strafford County to help meet
their basic needs and promote
self-sufficiency



VISION

Working to eliminate poverty in
Strafford County

Financial Statements

COMMUNITY ACTION PARTNERSHIP OF
STRAFFORD COUNTY

FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017
AND
INDEPENDENT AUDITORS' REPORTS

*Leone,
McDonnell
& Roberts*
PROFESSIONAL ASSOCIATION

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

DECEMBER 31, 2018 AND 2017

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Cash Flows	6
Statements of Functional Expenses	7 - 8
Notes to Financial Statements	9 - 17
Supplementary Information:	
Schedule of Expenditures of Federal Awards	18
Notes to Schedule of Expenditures of Federal Awards	19
Schedule of Revenue and Expenditures – Electrical Assistance Program	20
Independent Auditors' Reports on Internal Control and Compliance	21 - 24
Schedule of Findings and Questioned Costs	25 - 27
Summary Schedule of Prior Audit Findings	28

**Leone,
McDonnell
& Roberts**

CERTIFIED PUBLIC ACCOUNTANTS
WOLFEBORO • NORTH CONWAY
DOVER • CONCORD
STRATHAM

To the Board of Directors of
Community Action Partnership of Strafford County
Dover, New Hampshire

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action Partnership of Strafford County (a New Hampshire nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Partnership of Strafford County as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2019, on our consideration of Community Action Partnership of Strafford County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action Partnership of Strafford County's internal control over financial reporting and compliance.

Leon, McDonnell + Roberts
Professional Association

September 11, 2019
Wolfeboro, New Hampshire

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
CURRENT ASSETS			
Cash and cash equivalents		\$ 749,630	\$ 361,179
Accounts receivable		1,106,724	1,094,461
Contributions receivable		63,800	115,800
Tax credits receivable		250,000	172,000
Inventory		13,420	11,532
Prepaid expenses		<u>58,266</u>	<u>9,609</u>
Total current assets		<u>2,241,840</u>	<u>1,764,581</u>
NONCURRENT ASSETS			
Security deposits		5,350	5,350
Property, net of accumulated depreciation		3,827,963	1,195,445
Other noncurrent assets		<u>27,500</u>	<u>12,500</u>
Total noncurrent assets		<u>3,860,813</u>	<u>1,213,295</u>
TOTAL ASSETS		<u>\$ 6,102,653</u>	<u>\$ 2,977,876</u>
	<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES			
Demand note payable		\$ 165,432	\$ 105,377
Accounts payable		408,959	217,582
Accrued payroll and related taxes		161,566	137,448
Accrued compensated absences		94,084	100,965
Refundable advances		415,335	391,376
Other current liabilities		<u>79,421</u>	<u>20,789</u>
Total current liabilities		1,324,797	973,537
NONCURRENT LIABILITIES			
Long term debt		<u>2,814,690</u>	<u>-</u>
Total liabilities		<u>4,139,487</u>	<u>973,537</u>
NET ASSETS			
Without donor restrictions		1,307,042	1,568,159
With donor restrictions		<u>656,124</u>	<u>436,180</u>
Total net assets		<u>1,963,166</u>	<u>2,004,339</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 6,102,653</u>	<u>\$ 2,977,876</u>

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CHANGE IN NET ASSETS			
REVENUES AND OTHER SUPPORT			
Grant revenue	\$ 7,846,142	\$ -	\$ 7,846,142
Fees for service	1,773,136	-	1,773,136
Rent revenue	25,109	-	25,109
Public support	189,972	228,410	418,382
In-kind donations	645,330	-	645,330
Interest	2,582	-	2,582
Fundraising	34,146	-	34,146
Total revenues and support	10,516,417	228,410	10,744,827
NET ASSETS RELEASED FROM RESTRICTIONS	<u>8,466</u>	<u>(8,466)</u>	<u>-</u>
Total revenues, support, and net assets released from restrictions	<u>10,524,883</u>	<u>219,944</u>	<u>10,744,827</u>
EXPENSES			
Program services			
Child services	3,890,640	-	3,890,640
Community services	861,420	-	861,420
Energy assistance	2,746,649	-	2,746,649
Housing	514,700	-	514,700
Weatherization	1,610,027	-	1,610,027
Workforce development	135,528	-	135,528
Total program services	9,758,964	-	9,758,964
Supporting activities			
Management and general	956,693	-	956,693
Fundraising	70,343	-	70,343
Total expenses	<u>10,786,000</u>	<u>-</u>	<u>10,786,000</u>
CHANGE IN NET ASSETS	(261,117)	219,944	(41,173)
NET ASSETS, BEGINNING OF YEAR	<u>1,568,159</u>	<u>436,180</u>	<u>2,004,339</u>
NET ASSETS, END OF YEAR	<u>\$ 1,307,042</u>	<u>\$ 656,124</u>	<u>\$ 1,963,166</u>

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CHANGES IN UNRESTRICTED NET ASSETS			
REVENUES AND OTHER SUPPORT			
Grant revenue	\$ 7,454,864	\$ -	\$ 7,454,864
Fees for service	333,487	-	333,487
Rent revenue	19,472	-	19,472
Public support	147,071	342,260	489,331
In-kind donations	735,069	-	735,069
Interest	127	-	127
Fundraising	87,215	-	87,215
Other revenue	<u>(2,106)</u>	<u>-</u>	<u>(2,106)</u>
Total revenues and support	8,775,199	342,260	9,117,459
NET ASSETS RELEASED FROM RESTRICTIONS	<u>9,360</u>	<u>(9,360)</u>	<u>-</u>
Total revenues, support, and net assets released from restrictions	<u>8,784,559</u>	<u>332,900</u>	<u>9,117,459</u>
EXPENSES			
Program services			
Child services	3,973,078	-	3,973,078
Community Services	780,471	-	780,471
Energy assistance	2,154,833	-	2,154,833
Housing	409,543	-	409,543
Weatherization	391,107	-	391,107
Workforce development	<u>150,178</u>	<u>-</u>	<u>150,178</u>
Total program services	7,859,210	-	7,859,210
Supporting activities			
Management and general	790,496	-	790,496
Fundraising	<u>78,112</u>	<u>-</u>	<u>78,112</u>
Total expenses	<u>8,727,818</u>	<u>-</u>	<u>8,727,818</u>
CHANGE IN NET ASSETS	56,741	332,900	389,641
NET ASSETS, BEGINNING OF YEAR	<u>1,511,418</u>	<u>103,280</u>	<u>1,614,698</u>
NET ASSETS, END OF YEAR	<u>\$ 1,568,159</u>	<u>\$ 436,180</u>	<u>\$ 2,004,339</u>

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (41,173)	\$ 389,641
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	116,390	84,399
(Increase) decrease in assets:		
Accounts receivable	(12,263)	97,494
Contributions receivable	52,000	(115,800)
Tax credits receivable	(78,000)	(164,000)
Inventory	(1,888)	(2,808)
Prepaid expenses	(48,657)	10,068
Security deposits	-	18,790
Other noncurrent assets	(15,000)	
Increase (decrease) in liabilities:		
Accounts payable	191,377	(145,482)
Accrued payroll and related taxes	24,118	(4,305)
Accrued compensated absences	(6,881)	21,475
Refundable advances	23,959	(46,909)
Other current liabilities	<u>58,632</u>	<u>20,789</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>262,614</u>	<u>163,352</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(80,315)</u>	<u>(352,793)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(80,315)</u>	<u>(352,793)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Return of deposit on building	200,000	-
Cash paid for debt issuance costs	(53,903)	-
Net borrowings on demand note payable	<u>60,055</u>	<u>32,704</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>206,152</u>	<u>32,704</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	388,451	(156,737)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>361,179</u>	<u>517,916</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 749,630</u>	<u>\$ 361,179</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 40,830</u>	<u>\$ 6,251</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Property and equipment financed by long term debt	<u>\$ 2,867,874</u>	<u>\$ -</u>

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STAFFORD COUNTY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Child Services	Community Services	Energy Activities	Housing	Weatherization	Workforce Development	Total Program Expenses	Intermediate (Allocation) Fees	Management and General	Contributions	Total
Payroll	\$ 2,004,709	\$ 799,007	\$ 331,614	\$ 47,950	\$ 69,726	\$ 79,077	\$ 2,780,712	\$ 103,113	\$ 519,114	\$ 27,189	\$ 2,407,421
Payroll taxes	177,481	26,757	50,414	5,494	3,970	8,261	249,281	9,926	11,029	2,119	202,349
Fringe benefits	154,396	25,018	41,477	5,642	6,951	8,771	241,449	11,859	32,291	3,107	205,527
Weatherization material, fuel and client assistance	31,706	35,332	2,314,015	168,221	1,976,916	10,302	4,367,976	-	-	-	4,367,976
Travel expenses	113,054	214,610	3,315	1,050	-	-	329,029	2,245	-	4,003	316,335
Contractors and contract labor	127,380	11,315	1,629	172,626	771	719	299,622	12,124	97,044	263	360,051
Community supplies	155,875	91,771	6,838	12,183	1,681	3,141	275,608	31,915	14,964	1,412	293,960
Rent	230,182	34,570	52,702	29,877	2,392	26,118	355,169	(134,347)	57,402	2,129	130,274
Repairs and maintenance	1,214	7,524	7,121	333	27	1,210	10,830	116,877	24,103	7,575	108,675
Utilities	10,443	8,776	9,354	10,938	1,762	3,735	32,108	(2,063)	13,256	430	44,014
Insurance	26,110	5,775	1,040	5,019	2,496	1,203	32,103	11,743	12,210	195	43,051
Meals, events and training	83,690	10,324	1,170	100	1,700	-	95,640	327	14,372	1,200	111,539
Depreciation	51,157	25,327	391	1,955	-	2,320	79,150	-	22,436	476	102,159
Travel	87,435	11,624	2,435	836	3,339	1,310	102,678	(12,541)	11,224	-	89,356
Office and postage	4,015	2,006	5,026	75	297	130	12,172	52	1,610	5,080	17,130
Renewals	12,743	1,321	1,220	416	218	179	16,096	337	5,736	31	21,727
Equipment and computer	2,311	30,015	112	26,195	9,076	70	71,571	29,682	-	1,114	101,363
Interest expense	-	363	-	-	5,093	-	5,456	-	34,787	-	40,243
Indirect costs	-	-	-	-	-	-	-	-	44,219	-	44,219
Other program support	1,567	5,543	131	3	-	-	7,244	172	1,617	12,573	21,109
Total expenses	\$ 3,050,640	\$ 861,479	\$ 2,746,649	\$ 314,700	\$ 1,990,027	\$ 125,539	\$ 8,756,504	\$ -	\$ 967,603	\$ 70,213	\$ 10,726,000

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Child Services	Community Services	Energy Assistance	Housing	Weatherization	Workforce Development	Total Program Services	Intermediate (Allocation) Fees	Management And General	Foundation	Total
Payroll	\$ 1,061,837	\$ 331,785	\$ 208,317	\$ 87,922	\$ 17,324	\$ 28,621	\$ 2,054,799	\$ 113,137	\$ 519,173	\$ 27,893	\$ 3,314,102
Payroll taxes	156,402	22,972	21,060	8,722	1,891	2,367	210,415	8,710	30,468	5,990	265,962
Energy benefits	171,365	25,623	40,030	5,367	1,278	11,624	253,287	12,164	31,427	7,805	320,216
Weatherization material, Air conditioning material, Air conditioning equipment	65,640	12,359	1,251,251	107,243	102,029	12,201	2,317,562	-	-	-	2,317,562
Utility expenses	100,627	199,056	-	23,041	5,393	-	328,117	-	-	11,003	348,120
Consultants and contract labor	232,578	9,493	6,364	106,118	620	571	346,744	10,107	61,692	271	418,815
Consultants and supplies	202,050	90,220	2,192	1,650	1,060	4,890	302,062	11,156	17,505	2,521	333,244
Rent	725,035	22,416	20,557	4,331	1,626	25,201	799,146	281,104	36,130	3,520	1,040,226
Repairs and maintenance	10,630	11,520	10,318	6,137	-	841	39,446	66,571	22,481	1,152	129,056
Utilities	94,707	8,330	10,042	12,094	1,170	1,044	127,387	10,370	17,975	104	155,830
Insurance	86,445	5,657	1,792	3,778	3,140	1,245	100,057	11,401	16,356	1,117	131,716
Materials, costs and mailing	70,075	10,466	2,352	337	7,909	23	91,861	-	-	-	91,861
Depreciation	52,337	25,910	86	3,732	-	2,010	84,075	-	-	-	84,075
Travel	60,120	5,811	1,121	477	1,615	337	69,483	(11,042)	11,115	3,324	74,947
Copying and postage	11,400	7,583	9,317	20	60	147	28,427	10	10,265	5,147	43,811
Equipment	12,860	2,149	1,129	429	475	247	17,290	281	7,030	-	24,620
Equipment and computer	7,094	16,351	1,026	21	801	93	25,566	12,537	4,934	54	43,112
Interest expense	-	3,314	-	-	2,037	-	5,351	-	(34,707)	-	(29,356)
Other program support	2,431	3,121	173	-	10	-	5,735	-	22	7,854	13,642
Total expenses	\$ 3,913,078	\$ 750,471	\$ 2,151,831	\$ 409,343	\$ 381,237	\$ 149,178	\$ 7,659,216	\$ -	\$ 790,490	\$ 78,112	\$ 9,527,816

See Notes to Financial Statements

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Community Action Partnership of Strafford County (the Agency) is a 501(c)(3) private New Hampshire non-profit organization established under the provisions of the Equal Opportunity Act of 1964. Without services provided by the Agency, many local residents would be without a means to provide for their basic needs, including food, education, child care, utilities assistance, transportation, housing, emergency shelter and access to other services. The mission of the Agency is to educate, advocate and assist people in Strafford County to help meet their basic needs and promote self-sufficiency. The vision of the Agency is to eliminate poverty in Strafford County through compassion, education, self-sufficiency, transparency, accountability, team work, client focus and professionalism.

In addition to its administrative office located in Dover, the Agency maintains its outreach capacity by operating program offices in Farmington, Milton, Rochester, Dover and Somersworth. The Agency is funded by Federal, state, county and local funds, as well as United Way grants, public utilities, foundation and charitable grant funds, fees for service, private business donations, and donations from individuals. The Agency is governed by a tripartite board of directors made up of elected officials, community leaders from for-profit and non-profit organizations and residents who are low income. The board is responsible for assuring that the Agency continues to assess and respond to the causes and conditions of poverty in its community, achieve anticipated family and community outcomes, and remain administratively and fiscally sound. The Agency administers a wide range of coordinated programs to more than 15,000 people annually, and the programs are designed to have a measurable impact on poverty and health status among the most vulnerable residents: those under the age of 6, the elderly and those living in poverty. This coordinated approach is accomplished by providing a broad array of services that are locally defined, planned and managed with community agencies.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) of the United States.

Financial Statement Presentation

The financial statement presentation follows the recommendations of the Accounting Standard Codification No. 958-210, *Financial Statements of Not-For-Profit Organizations*. Under FASB ASC No. 958-210, the Agency is required to report information regarding its financial position and activities according to the following net asset classifications:

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 Agency. These net assets may be used at the discretion of the Agency's management and board of directors.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

At December 31, 2018 and 2017, the Agency had net assets without donor and with donor restrictions.

Refundable Advances

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services are performed or expenditures are incurred.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restriction. However, if a restriction is fulfilled in the same period in which the contribution is received, the Agency reports the support as unrestricted.

Contributed Services

Donated services are recognized as contributions in accordance with FASB ASC No. 958, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills and would otherwise be purchased by the Agency.

Volunteers provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under FASB ASC No. 958 were not met.

Fair Value of Financial Instruments

Accounting Standard Codification No. 825, "Financial Instruments," requires the Agency to disclose estimated fair value for its financial instruments. The carrying amounts of cash, accounts receivable, inventory, prepaid expenses, accounts payable, accrued expenses, and refundable advances approximate fair value because of the short maturity of those instruments.

Inventory

Inventory materials are fixtures for installation and recorded at cost or contributed value, using the first-in, first-out method.

Property and Depreciation

Property and equipment, which have a cost greater than \$5,000, are capitalized at cost or, if donated, at the approximate fair value at the date of donation. Specific grants and awards may have a threshold lower than this amount and that program will abide by those guidelines. Assets are depreciated over their estimated useful lives using the straight-line method as follows:

Buildings and improvements	15 - 40 years
Furniture, equipment and machinery	3 - 10 years
Vehicles	5 - 7 years

Depreciation expense aggregated \$116,390 and \$84,398 for the years ended December 31, 2018 and 2017, respectively.

Accrued Earned Time

The Agency has accrued a liability of \$94,084 and \$100,965 at December 31, 2018 and 2017, respectively, for future compensated leave time that its employees have earned and which is vested with the employee.

Income Taxes

The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Agency to be other than a private foundation. The Agency is also exempt from the New Hampshire Business Enterprise Tax.

Accounting Standard Codification No. 740, "Accounting for Income Taxes", establishes the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Agency's tax position taken on its information returns for the years 2015 through 2018 and has concluded that no additional provision for income taxes is necessary in the Agency's financial statements.

Cash and Cash Equivalents

The Agency considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising Expenses

The Agency expenses advertising costs as they are incurred. Total advertising costs for the years ended December 31, 2018 and 2017 amounted to \$22,000 and \$22,984, respectively.

Debt Issuance Costs

As required under FASB Accounting Standards Update No. 2015-03, amortization expense of \$719 has been included with interest expense in the statement of activities for 2018. There were no debt issuance costs for 2017. The unamortized deferred financing costs have been included as a reduction of the long term debt (See Note 9).

In-kind Donations

The Agency pays below-market rent for the use of certain facilities. In accordance with generally accepted accounting principles, the difference between amounts paid for the use of the facilities and the fair value of the rental space has been recorded as an in-kind donation and as an in-kind expense in the accompanying financial statements. The estimated fair value of the donation was determined to be \$255,313 and \$232,667 for the years ended December 31, 2018 and 2017, respectively.

The Agency also receives contributed professional services that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these services was determined to be \$150,442 and \$86,313 for the years ended December 31, 2018 and 2017, respectively.

The Agency also receives contributed food commodities and other goods that are required to be recorded in accordance with FASB ASC No. 958. The estimated fair value of these food commodities and goods was determined to be \$181,461 and \$58,114, respectively, for the year ended December 31, 2018. For the year ended December 31, 2017, the estimated fair value of these food commodities and goods was determined to be \$121,757 and \$294,332, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, costs have been allocated among the program services and supporting activities benefited. Occupancy costs have been grouped and allocated to the programs as a line item. Such allocations have been determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of allocation</u>
Salaries and benefits	Time and effort
Occupancy	Square footage/revenues
Depreciation	Square footage
All other expenses	Approved indirect rate

NOTE 2. PROPERTY

As of December 31, 2018 and 2017, property consisted of the following:

	<u>2018</u>	<u>2017</u>
Land, buildings and improvements	\$ 3,993,017	\$ 1,268,065
Furniture, equipment and machinery	562,450	539,213
Vehicles	<u>249,779</u>	<u>249,779</u>
Total	4,805,246	2,057,057
Less accumulated depreciation	<u>977,283</u>	<u>861,612</u>
Net property	<u>\$ 3,827,963</u>	<u>\$ 1,195,445</u>

NOTE 3. AVAILABILITY AND LIQUIDITY

The following represents the Agency's financial assets as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Financial assets at year end:		
Cash	\$ 749,630	\$ 361,179
Accounts receivable	1,106,724	1,094,461
Contributions receivable	63,800	115,800
Tax credits receivable	<u>250,000</u>	<u>172,000</u>
Total financial assets	2,170,154	1,743,440
Less amounts not available to be used within one year:		
Board restricted assets	<u>307,315</u>	<u>307,315</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,862,839</u>	<u>\$ 1,436,125</u>

The Agency's goal is generally to maintain financial assets to meet 30 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at December 31, 2018 and 2017. The Agency has no policy for charging interest on overdue accounts.

NOTE 5. CONTRIBUTIONS RECEIVABLE

Contributions receivable represent promises to give, which have been made by donors but have not yet been received by the Agency. The Agency considers contributions receivable to be fully collectible; accordingly, no allowance for contributions receivable has been recorded. Total unconditional promises to give were as follows at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Within one year	\$ 28,300	\$ 52,400
In two to five years	35,500	26,400
Thereafter	<u>-</u>	<u>37,000</u>
	<u>\$ 63,800</u>	<u>\$ 115,800</u>

NOTE 6. TAX CREDIT PROGRAM

The New Hampshire Community Development Finance Authority's Tax Credit Program allows New Hampshire businesses to contribute to not-for-profit community, housing and economic development projects and receive a 75% New Hampshire state tax credit that can be applied against New Hampshire business profits, business enterprise and insurance premium taxes. Through this Tax Credit Program, the Agency recognized contribution revenue of \$78,000 and \$164,000 for the years ended December 31, 2018 and 2017, respectively. The total cumulative contribution revenue raised to date is \$250,000 as of December 31, 2018. At December 31, 2018 and 2017, the Agency had tax credits receivable of \$250,000 and \$172,000, respectively.

NOTE 7. PLEDGED ASSETS

As described in Note 8, all assets of the Agency are pledged as collateral under the Agency's demand note payable agreement. As described in Note 9, the building of the Agency is pledged as collateral under the Agency's mortgage note payable agreement.

NOTE 8. DEMAND NOTE PAYABLE

The Agency has available a revolving line of credit with a bank in the amount of \$250,000. The note is payable upon demand, but in the absence of demand, is due in September 2019. Interest is stated at the prime rate plus 1% which resulted in an interest rate of 6.50% and 5.50% at December 31, 2018 and 2017, respectively. The note is collateralized by all the assets of the Agency.

NOTE 9. LONG TERM DEBT

The long term debt at December 31, 2018 consisted of the following:

4.90% mortgage payable to Kennebunk Savings Bank with interest only payments for 36 months followed by principal and interest payments for 264 months for the first ten years. In 2028 principal and interest payments will adjust to 1.50% above the highest five-year Federal Home Loan Bank of Boston. The mortgage note payable is collateralized by the building and leases and rents of 577 Central Ave. \$ 2,347,874

5.00% mortgage payable to the New Hampshire Community Loan Fund of interest only payments at for 36 months followed by principal and interest payments for 264 months. The mortgage note payable is collateralized by the building and leases and rents of 577 Central Ave. 520,000

Total long term debt before unamortized debt
issuance costs 2,867,874
Unamortized deferred financing costs 53,184

Total long term debt \$ 2,814,690

The schedule of maturities of long term debt at December 31, 2018 is as follows:

<u>Year Ended</u> <u>December 31</u>	<u>Amount</u>
2019	\$ -
2020	-
2021	18,343
2022	75,657
2023	79,448
Thereafter	<u>2,641,242</u>
Total	<u>\$ 2,814,690</u>

NOTE 10. NET ASSETS

At December 31, 2018 and 2017, net assets with donor restrictions consisted of the following:

	<u>2018</u>	<u>2017</u>
Summer Meals	\$ 51,621	\$ 3,094
Building Campaign - Pledges	238,385	121,908
Building Campaign - Tax Credits	250,000	172,000
Security deposits	32,145	18,425
New Hampshire Charitable Foundation	-	58,024
Revolving loan fund	52,736	-
Fuel assistance	23,566	-
Weatherization	7,671	-
Other programs	<u>-</u>	<u>62,729</u>
Total	<u>\$ 656,124</u>	<u>\$ 436,180</u>

At December 31, 2018 and 2017, net assets without donor restrictions consisted of the following:

	<u>2018</u>	<u>2017</u>
Undesignated	\$ 999,727	\$ 1,260,844
Board designated	<u>307,315</u>	<u>307,315</u>
Total net assets without donor restrictions	<u>\$ 1,307,042</u>	<u>\$ 1,568,159</u>

NOTE 11. LEASE COMMITMENTS

Facilities occupied by the Agency for its community service programs are rented under the terms of various leases. For the years ended December 31, 2018 and 2017, the annual lease/rent expense for the leased facilities was \$119,142 and \$155,065, respectively. Certain equipment is leased by the Agency under the terms of various leases.

The approximate future minimum lease payments on the above leases are as follows:

<u>Year Ended</u> <u>December 31</u>	<u>Amount</u>
2019	\$ 111,847
2020	108,067
2021	19,633
2022	<u>15,698</u>
Total	<u>\$ 255,245</u>

NOTE 12. RETIREMENT PLAN

The Agency maintains a 403(b) Plan and Trust (the Plan) covering substantially all employees. Employee contributions to the Plan are made at predetermined rates elected by employees. Additionally, the Agency provides a matching contribution equal to 25% of the employee's contribution up to 5% of the employee's compensation. Effective April 1, 2016, the Agency instituted an auto enrollment feature mandating a minimum 1% employee contribution; however, employees reserve the right to decline the auto enrollment. Employer matching contributions for the years ended December 31, 2018 and 2017 totaled \$21,727 and \$25,570, respectively.

NOTE 13. CONCENTRATION OF RISK

A large percentage of the Agency's total revenue was received from two contractors, the Federal Government and the State of New Hampshire. It is always considered to be at least reasonably possible that either contractor could be lost in the near term; however, Management feels this risk is of no particular concern at this time.

NOTE 14. CONCENTRATION OF CREDIT RISK

The Agency maintains its cash balances at several financial institutions in New Hampshire. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Agency maintains an agreement with its primary financial institution to collateralize the balances in excess of \$250,000.

NOTE 15. CONTINGENCIES

The Agency receives grant funding from various sources. Under the terms of these agreements, the Agency is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Agency might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed as of December 31, 2018 and 2017.

NOTE 16. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date but arose after that date. Management has evaluated subsequent events through September 11, 2019, the date the December 31, 2018 financial statements were available for issuance.

[illegible]

See Also: 3. *Methods of Measurement of Fuelled Inputs*

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Community Action Partnership of Strafford County under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community Action Partnership of Strafford County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

Community Action Partnership of Strafford County has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. FOOD DONATION

Nonmonetary assistance is reported in the Schedule at the fair value of the commodities received and disbursed.

NOTE 5. SUBRECIPIENTS

Community Action Partnership of Strafford County had no subrecipients for the year ended December 31, 2018.

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE ELECTRICAL ASSISTANCE PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2018**

Revenues	\$ 170,862
Expenditures	
Payroll	\$ 96,235
Payroll taxes	6,526
Fringe benefits	15,532
Weatherization material, fuel and client assistance	301
Consumable supplies	876
Indirect costs	24,021
Insurance	335
Equipment and computer	3,674
Occupancy	15,828
Consultants and contract labor	3,414
Repairs and maintenance	7
Travel	1,179
Meetings, events and training	2,725
Copying & postage	1,152
Retirement	485
PR service	958
	<u>\$ 173,248</u>

Note:

For the year ended December 31, 2018, the Electric Assistance Program, which is funded through the New Hampshire Public Utilities Commission with funds from the utility companies operating in the State of New Hampshire, was tested for compliance with the requirements of laws and regulations applicable to the contract with the Public Utilities Commission. In our opinion, Community Action Partnership of Strafford County complied, in all material respects, with the requirements outlined in the contract for the year ended December 31, 2018.

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Community Action Partnership of Strafford County
Dover, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Action Partnership of Strafford County (a New Hampshire nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows, and the related notes to the financial statements, and have issued our report thereon dated September 11, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Action Partnership of Strafford County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Action Partnership of Strafford County's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Action Partnership of Strafford County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material

weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Action Partnership of Strafford County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Community Action Partnership of Strafford County's Response to Findings

Community Action Partnership of Strafford County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Community Action Partnership of Strafford County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Leone, McDonnell & Roberts
Professional Association

September 11, 2019
Wolfeboro, New Hampshire

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Community Action Partnership of Strafford County
Dover, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Community Action Partnership of Strafford County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Action Partnership of Strafford County's major federal programs for the year ended December 31, 2018. Community Action Partnership of Strafford County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Community Action Partnership of Strafford County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Action Partnership of Strafford County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Action Partnership of Strafford County's compliance.

Opinion on Each Major Federal Program

In our opinion, Community Action Partnership of Strafford County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of Community Action Partnership of Strafford County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Action Partnership of Strafford County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Action Partnership of Strafford County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Leone, McDonnell + Roberts
Professional Association*

September 11, 2019
Wolfeboro, New Hampshire

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Community Action Partnership of Strafford County were prepared in accordance with GAAP.
2. Two significant deficiencies disclosed during the audit of the financial statements are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Community Action Partnership of Strafford County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Community Action Partnership of Strafford County expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as major were: U.S. Department of Health and Human Services, Low-Income Home Energy Assistance Program, CFDA 93.568, and Head Start, CFDA 93.600.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Community Action Partnership of Strafford County was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

2018-001 General Ledger Close and Adjusting Journal Entries

Condition: A significant quantity of adjusting journal entries were provided by the Organization during the audit. Significant adjusting entries related to the following areas: cash, accrued payroll, pledges receivable and property. The adjusting entries were provided by management, and in certain cases, identified by the auditor.

Criteria: Internal controls should be in place to ensure that the activity of the Organization is being recorded in a timely and accurate manner.

Cause: Controls are not in place to ensure all required month and year end journal entries are being recorded in a timely and accurate manner.

Effect: Financial information utilized by management in making decisions may not be timely or accurate.

Recommendation: Procedures should be implemented to ensure all required month and year end journal entries are being recorded in a timely and accurate manner.

Views of Responsible Officials and Planned Corrective Action: It is our sad duty to report that Doug Surina, Finance Director, passed away in April 2019. He had been ill for two years and was in the process of transitioning his responsibilities to the new Finance Director when he passed. He was an important part of our team and projects. As a result of the timing of his illness and passing, some of the journal entries and general ledger close processes were not conducted in a timely manner in 2018.

CAPSC has transitioned to a new Finance Director, has a full complement of staff in the Finance Department and has taken steps to strengthen month end and year end processes including, but not limited to, additional documentation of completion, backups recorded to 365 (our secure server), and review of entries to ensure timely and accurate journal entries.

2018-002 Monthly Reconciliations

Condition: Various statement of financial position accounts were not being reconciled to their subsidiary ledgers on a monthly basis.

Criteria: Internal controls should be in place to ensure that all statement of financial position accounts are reconciled on a monthly basis.

Cause: Internal controls are currently not in place to ensure monthly reconciliations are being completed on a consistent basis.

Effect: Financial information utilized by management in making decisions may not be timely or accurate.

Recommendation: Procedures should be implemented to ensure all monthly reconciliations are being performed.

Views of Responsible Officials and Planned Corrective Action: It is our sad duty to report that Doug Surina, Finance Director, passed away in April 2019. He had been ill for two years and was in the process of transitioning his responsibilities to the new Finance Director when he passed. He was an important part of our team and projects. As a result of the timing of his illness and passing, monthly reconciliations were not conducted in a timely manner in 2018.

CAPSC hired an outside bookkeeper on the recommendation of our auditor who, in conjunction with the Finance Department, brought the agency into compliance with reconciliations for 2019. Monthly reconciliations are on track and completed by the Finance Department as part of the monthly close out procedures. The auditor completed a visit with CAPSC to review reconciliation progress as well as the system put in place to continue timely reconciliations. The Finance Committee of the Board of Directors also receives updates at the finance meetings on the progress and any outstanding issues.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

None

COMMUNITY ACTION PARTNERSHIP OF STRAFFORD COUNTY

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018**

A. FINDINGS – FINANCIAL STATEMENTS AUDIT

2017-001 General Ledger Close and Adjusting Journal Entries

Condition: A significant quantity of adjusting journal entries were provided by the Organization during the audit. Significant adjusting entries related to the following areas: cash, accrued payroll, pledges receivable, and pledge contributions. The adjusting entries were provided by management and in certain cases identified by the auditor.

Criteria: Internal controls should be in place to ensure that the activity of the Organization is being recorded in a timely and accurate manner.

Cause: Controls are not in place to ensure all required month and year end journal entries are being recorded in a timely and accurate manner.

Effect: Financial information utilized by management in making decisions may not be timely or accurate.

Recommendation: Procedures should be implemented to ensure all required month and year end journal entries are being recorded in a timely and accurate manner.

Current status: This finding was a repeat finding in 2018. See finding 2018-001 on pages 25-26.



2020 Board of Directors

Hope Morrow Flynn, Chair
Alan Brown, Vice Chair
Kristen Collins, Treasurer
Jean Miccolo, Secretary
Alison Dorow
Marci Theriault
Petros Lazos
Terry Jarvis
Thomas Levasseur
Jason Thomas
Becky Sherburne
Cindy Brown
Don Chick
Alli Morris
Maureen Staples

Lauren Jan Berman

Professional Experience

2015-Present

Program Director, Community Action Partnership of Strafford County, NH

- Manage programs, Outreach Services, Coordinated Entry, Emergency Solutions Grant(ESG) Homeless outreach, Weatherization
- Prepare and develop budgets
- Write grants for current and new programs
- Employ and manage staff, lead staff meetings, trained and supervised, participated in employee reviews and supported staff in all aspects of their jobs.

2010-2015

Welfare Officer, City of Somersworth, Somersworth, NH

- Administer the general assistance program in accordance with the written City of Somersworth Assistance Guidelines
- Adhere to the RSA:165
- Establish and maintain relationships with other agencies and organizations in the community to ensure that services are not duplicated.
- Work with applicants to ensure that all necessary information is submitted to determine the eligibility.
- Make referrals when necessary, i.e Homeless shelters, food pantries.
- Updated the current City Guidelines 2015
- Maintain records, notes and confidently.

2004-2010

Founder and Partner, Good Works Employment Services York County

- Co-founder and partner of Gook Work Employment Services (GWES), a locally-run company committed to assisting individuals in finding gainful employment, continuing their education and/or securing volunteer opportunities, housing, or other community supports per requests from referral sources. Clients referred to GWES by Bureau of Vocational Rehabilitation (VR), DHHS ASPIRE and Child Protective Services, school districts and private insurers.
- Prepared, balanced and oversaw budget and financial records
- Educated referrals in the area of job development, creating resumes, interviewing skills, career exploration and provide job coaching for successful employment outcomes.
- Maintained knowledge of local resources, made referrals for community supports, attended team meetings and Region 1 VR provider meetings.
- Completed requirements for 3-year certification to provide services via Bureau of Vocational Rehabilitation, (DOL)

Lauren Jan Berman

2003-04 Vocational Resource Specialist, Work Opportunities Unlimited, Saco, ME

- Assisted clients referred by the Bureau of Vocational Rehabilitation in job development, creating resumes, interviewing skills and job coaching for successful employment outcomes.
- Completed necessary daily paperwork, including progress notes and monthly and quarterly reports.
- Participated in management training programs.

2002-03 Physical Therapy Assistant, HealthSouth Corp., Boston, MA

- Provided physical therapy services to individuals with spinal cord injury, brain injury, cancer, stroke, and cardiac health-related issues.
- Co-led running exercise groups and personal exercise programs.

2001-02 Supervisor, Starbucks Coffee Corp, Brighton, MA

- Supervised employees and managed the store to ensure efficient customer service.
- Placed weekly orders with account vendors; balanced daily cash receipts and coordinated daily deployment duties.
- Trained new employees.

Lauren Jan Berman

Education & Professional Development

1995 B.S. Therapeutic Recreation Ithaca College Ithaca, NY

2013-2015 Board of Directions for Strafford County Community Action

**2010 Ticket to Work Training and Support for Maine Employment Networks,
USM, Muskie School, Augusta, ME**

2009 Domestic Violence Training, Community Counseling Center Portland, ME

**2009 Building Relationships with Businesses Training, USM, Muskie School,
Lewiston, ME**

**2008 Positive Employment Practices for Vocational Rehabilitation Training, ICI
UMASS/Boston**

**2008 Certificate for Mentoring in a Job Development Training Program
UMASS/Boston**

**2008 Best Practices in Employment Services for People with Co-Occurring Mental
Illness and Substance Abuse Training, ICI, UMASS/Boston**

**2007 MaineCare Eligibility Workshop, Consumers for Affordable Health Care
Sanford, ME**

2007 Neuro-Linguistic Programming Training, Univ. of Maine, Biddeford, ME

2007 ACRE Certificate, ICI, UMASS/Boston

2004 Certificate Effective Job Development, Institute on Disability, UNH

2004 Certificate Assistive Technology in the Workplace, Institute on Disability UNH

2004 Management Training Work Opportunities, Saco, ME

Sharon A. Tarleton

Education

Bachelor of Arts in Psychology and Sociology

University of New Hampshire Durham, NH

May 2014

- Summa cum laude
- Minors: Classics and Political Science
- Office of Student Leadership and Involvement Movers & Shakers Award recipient

Related Experience

Workforce Development/ Case Management

- Administration of assessments geared toward identifying a career pathway
- Proficient in public speaking including delivering workplace trainings
- Development of new work experience internship host sites based on job seeker interests
- Cultivation of employment opportunities through city, community and state resources
- Creation and revision of curriculum utilizing Microsoft Word, Excel, Access, Powerpoint
- Familiarity with publications pertaining to regional economic development
- Assistance with grant administration & dissemination of funds

Collegiate Enhancement

- Adaptation of departmental policy through collaboration with faculty and graduates
- Representation of the department at NEASC delegation
- Recruitment of undergraduates to publish their research
- Solicitation of internal opinions in order to increase appeal for potential new majors
- Forthrightly expressed concerns in order to sufficiently address them

Education and Community Outreach

- Navigation of new school-wide academic portal including creation of student profiles
- Fostering a person-centered environment leading to genuine relationships
- Mentorship through afterschool enrichment activities and tutoring
- Professional development surrounding psychology of learning and buy-in strategies
- Participation in staff committees to improve learning, social culture and credentialing

Customer Service

- Expedient assessment and fulfillment of customer needs
- Communicative of extensive knowledge of products and services
- Development of substantial customer base through rapport building
- Ability to act quickly and professionally under strict time constraints

Employment and Volunteer History

- | | | |
|---------------------------|------------------------------|--------------------|
| • CAP – Strafford County | Agency Case Manager | Dec 2017-present |
| | NHEP Program Specialist | July 2016-Dec 2017 |
| • SAU 56 – Somersworth | Title I Literacy Coach | Oct 2014-June 2016 |
| | Substitute Teacher | Oct 2013-Oct 2014 |
| • UNH Sociology Dept. | Undergraduate Representative | Sept 2012-May 2014 |
| • Momma D's Casa di Pasta | Server/Host | July 2012-Oct 2013 |

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Lauren Berman	Program Director	66,000	0	0
Sharon Tarleton	Housing Manager	47,000	5%	3008

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Concord Coalition to End Homelessness, (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 238 North Main Street, Concord, NH 03301.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:

\$68,709.

2. Modify P-37, General Provisions, Block 1.3 to read:

Concord Coalition to End Homelessness

3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.1.

2.1.1. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:

2.1.1.1. Assessing individuals and families' needs for well-being and obtaining housing, and developing an individualized plan to meet those needs.

2.1.1.2. Developing an individualized plan with the types of services and assistance programs to meet their needs in securing permanent housing.

2.1.1.3. Assisting individuals and families with applying for and accessing permanent housing.

2.1.1.4. Assisting individuals and families with applying for mainstream benefits, including, but not limited to, SSI, TANF, SNAP, Medicaid, Veteran and other State or Federal benefits.

2.1.1.5. Assisting individuals and families with accessing community providers and supports, for, including but not limited to, mental health services, substance use treatment, medical care, employment, veterans benefit, financial and food assistance, and education supports.

4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.

6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to Concord Coalition to End Homelessness

RFA-2020-DEHS-01-STATE-04-A01

Amendment #1

Page 1 of 4

Contractor Initials

[Signature]

Date

6/19/20

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



read:

- 2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1, to read:
 - 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.



**New Hampshire Department of Health and Human Services
State Grant In Aid Homeless Assistance Program**

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

6/23/20
Date

Christine Santanillo
Name: Christine Santanillo
Title: Director, DHS

Concord Coalition to End Homelessness

6/19/20
Date

Ellen Goh
Name: Ellen Goh
Title: Executive Director

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

07/01/20

Date

Catherine Pinos

Name: Catherine Pinos, Attorney
Title:

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

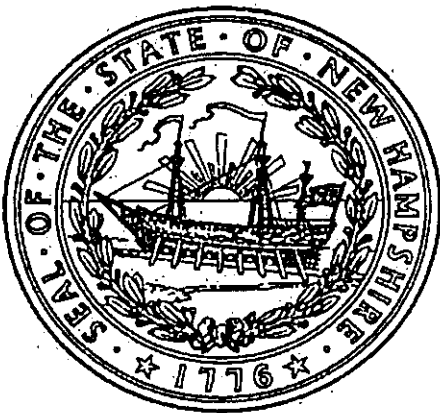
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CONCORD COALITION TO END HOMELESSNESS is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on June 27, 2008. 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: 598764

Certificate Number: 0004905377



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 1st 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 AUTHORITY

I, Michael Leuchtenberger, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of the Concord Coalition to End Homelessness
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on May 28, 2019, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Ellen Groh, Executive Director (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of the Concord Coalition to End Homelessness to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30) days** from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6/19/2020



Signature of Elected Officer

Name: Michael Leuchtenberger

Title: Chair of the Board of Directors



**Granite State Healthcare
and Human Service Trust**

PO Box 4197
Concord, NH 03302-4197

Issue Date: Jun 22, 2020

This certificate is issued as a matter of information only
and confers no rights upon the certificate holder.

This certificate does not amend, extend or alter
the coverage afforded by the policies below.

Certificate Holder

Ellen Groh
Concord Coalition to End Homelessness
PO Box 3933
Concord, NH 03301

Certificate of Insurance

Companies Affording Coverage

Company Granite State HC&HS Trust
Letter A

Company Midwest Employers Casualty Corp.
Letter B

This policy is effective at 12:00 am on 02/24/2020, and will expire at 12:01 am on 02/01/2021.

This policy will automatically be renewed unless notified by either party by October 1st of any fund year.

Coverages

This is to certify that the Workers' Compensation and Employer's Liability Insurance has 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:

Type of Insurance/Carrier	Policy Number	Effective Date	Expiration Date	LIMITS
A: Workers' Compensation & Employer's Liability				
Granite State HC&HS Trust	HCHS20200000260	02/24/2020	02/01/2021	E.L. Each Accident \$1,000,000
				E.L. Disease-Pol Limit \$1,000,000
				E.L. Disease-Each Emp \$1,000,000
B: Excess Insurance				
Midwest Employers Casualty Corp.	ewc009477	02/24/2020	02/01/2021	Workers' Compensation Statutory
				Employer's Liability \$1,000,000

Description of Operations

☐ Officers Excluded

Member

Ellen Groh
Concord Coalition to End Homelessness
238 North Main Street
Concord, NH 03301

Cancellation

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.



The
**LAWSON
GROUP**
Thinking. Without the box.

Authorized Representative

Jun 22, 2020
Date



TOEN000001

DBEAUDOUIN

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/23/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Davis & Towle Morrill & Everett, Inc. 115 Airport Road Concord, NH 03301	CONTACT NAME:		
	PHONE (A/C, No, Ext): (603) 225-6611	FAX (A/C, No): (603) 225-7935	
INSURED Concord Coalition to End Homelessness PO Box 3933 Concord, NH 03302	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Philadelphia Insurance Company		23850
	INSURER B: Granite State Health Care & Human Services Self Insured Group		
	INSURER C:		
	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	ADDL INSD	SUBR WYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER: <input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			PHPK2004883	7/1/2020	7/1/2021	EACH OCCURRENCE \$ 1,000,000
		DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000					
		MED EXP (Any one person) \$ 5,000					
		PERSONAL & ADV INJURY \$ 1,000,000					
		GENERAL AGGREGATE \$ 3,000,000					
		PRODUCTS - COM/PROP AGG \$ 3,000,000					
		COMBINED SINGLE LIMIT (Ea accident) \$					
		BODILY INJURY (Per person) \$					
		BODILY INJURY (Per accident) \$					
		PROPERTY DAMAGE (Per accident) \$					
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N/A If yes, describe under DESCRIPTION OF OPERATIONS below			HCHS20200000260	2/24/2020	2/1/2021	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
		E.L. EACH ACCIDENT \$ 1,000,000					
		E.L. DISEASE - EA EMPLOYEE \$ 1,000,000					
		E.L. DISEASE - POLICY LIMIT \$ 1,000,000					

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

Workers Compensation Information

3A State: NH

Michael Leuchtenberger, Ben Folsom, and Tim McLaughlin are excluded from coverage.

CERTIFICATE HOLDER

CANCELLATION

State of NH DHHS
129 Pleasant Street
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

Donna P. Beaudo

Concord Coalition to End Homelessness (CCEH)

Mission Statement

(adopted June 20, 2018)

Our Mission

The mission of CCEH is to end homelessness in the greater Concord community.

We do this by working with our community to:

- Eliminate chronic homelessness;
- Support and quickly re-house people who have recently become homeless; and,
- Build a system that effectively responds to the diverse needs of people experiencing homelessness.

Our Core Beliefs - *We believe that...*

- Every person has value and deserves a home regardless of their circumstances.
- Ending homelessness is possible!
- Ending homelessness and maintaining a strong safety net benefit the entire community.
- We cannot do this alone. We must work in partnership with others.

Our Strategies - *At CCEH we use three core strategies to advance our mission.*

We...

1. **Speak up!** We elevate the voices and concerns of people who are experiencing, or are at risk of, homelessness and advocate for a community where everyone has a home.
2. **Provide housing, supports and services for people who are homeless or at risk of homelessness.** We work directly with people who are homeless or at risk of homelessness. We address their immediate needs and focus on increasing their access to permanent housing.
3. **Play a leadership role in creating a robust homeless response system.** We spearhead efforts to bring people together to address gaps in services and housing, and create the system we need to truly end homelessness.

**CONCORD COALITION
TO END HOMELESSNESS**

**FINANCIAL STATEMENTS &
INDEPENDENT ACCOUNTANTS'
REVIEW REPORT**

**FOR THE YEARS ENDED
JUNE 30, 2019 AND 2018**

CONCORD COALITION TO END HOMELESSNESS

TABLE OF CONTENTS

	Page
Independent Accountants' Review Report.....	1
Statements of Financial Position.....	2
Statement of Activities.....	3
Statement of Functional Expenses.....	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6 – 11

Hennessey & Vallee, PLLC

Certified Public Accountants



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Concord Coalition to End Homelessness
Bow, New Hampshire

We have reviewed the accompanying financial statements of Concord Coalition to End Homelessness (a New Hampshire nonprofit organization), which comprise the statement of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

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

Accountants' Conclusion

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

Hennessey & Vallee, PLLC
Concord, New Hampshire

March 17, 2020

CONCORD COALITION TO END HOMELESSNESS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current Assets		
Cash	\$ 268,469	\$ 270,962
Accounts receivable	7,323	4,092
Campaign pledges receivable, current	53,368	73,785
Prepaid expenses	6,024	8,216
Total current assets	<u>335,184</u>	<u>357,055</u>
Restricted Deposits		
Operating reserve	48,375	-
Total restricted deposits	<u>48,375</u>	<u>-</u>
Property and Equipment		
Buildings and improvements	742,863	603,741
Furniture and equipment	7,080	4,500
Total property and equipment	749,943	608,241
Less: accumulated depreciation	(23,060)	(2,943)
Property and equipment- net	<u>726,883</u>	<u>605,298</u>
Other Assets		
Campaign pledges receivable, long-term	4,609	36,000
Less: time value discount	(1,524)	(3,618)
Total other assets	<u>3,085</u>	<u>32,382</u>
TOTAL ASSETS	<u>\$ 1,113,527</u>	<u>\$ 994,735</u>
LIABILITIES AND NET-ASSETS		
Current Liabilities		
Accounts payable	\$ 2,686	\$ 9,596
Accrued expenses	14,404	3,036
Deferred revenue	18,157	-
Current portion of long term debt	-	14,111
Total current liabilities	<u>35,247</u>	<u>26,743</u>
Long Term Liabilities		
Note payable - property	-	199,000
Note payable - NHHFA	250,000	-
Loan payable - MCSB	-	86,920
Total long term liabilities	<u>250,000</u>	<u>285,920</u>
Net Assets		
Without donor restrictions	808,280	661,182
With donor restrictions	20,000	20,890
Total net assets	<u>828,280</u>	<u>682,072</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,113,527</u>	<u>\$ 994,735</u>

See accompanying notes and independent accountants' review report.

CONCORD COALITION TO END HOMELESSNESS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(With summarized financial information for the year ended June 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
REVENUE AND SUPPORT				
Government grants	\$ 75,000	\$ -	\$ 75,000	\$ 75,000
Contributions	403,412	-	403,412	663,599
Events	64,454	-	64,454	76,133
In-kind goods	5,000	-	5,000	-
In-kind services	2,126	-	2,126	2,277
Other revenue	5,959	-	5,959	1,891
Total revenue and support	<u>555,951</u>	<u>-</u>	<u>555,951</u>	<u>818,900</u>
Net assets released from restrictions	890	(890)	-	-
EXPENSES				
Program expenses	358,406	-	358,406	305,585
Management and general	23,682	-	23,682	20,448
Fundraising	27,655	-	27,655	28,030
Total expenses	<u>409,743</u>	<u>-</u>	<u>409,743</u>	<u>354,062</u>
CHANGE IN NET ASSETS	147,098	(890)	146,208	464,838
NET ASSETS - Beginning of the Year	<u>661,182</u>	<u>20,890</u>	<u>682,072</u>	<u>217,234</u>
NET ASSETS - End of the Year	<u>\$ 808,280</u>	<u>\$ 20,000</u>	<u>\$ 828,280</u>	<u>\$ 682,072</u>

See accompanying notes and independent accountants' review report.

CONCORD COALITION TO END HOMELESSNESS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

(With summarized information for the year ended June 30, 2018)

	Program Services	General and Administrative	Fund Raising	2019 Total	2018 Total
WAGES AND RELATED					
Salaries and wages	\$ 169,800	\$ 11,447	\$ 9,539	\$ 190,787	\$ 166,479
Employee benefits	33,544	2,261	1,885	37,690	10,661
Payroll taxes	12,588	849	707	14,144	12,584
Total wages and related	<u>215,933</u>	<u>14,557</u>	<u>12,131</u>	<u>242,621</u>	<u>189,724</u>
OTHER EXPENSES					
Other program expenses	54,539	3,677	3,064	61,280	49,331
Occupancy expense	19,988	1,347	1,123	22,458	48,765
Depreciation	17,904	1,207	1,006	20,117	643
Accounting fee	12,120	817	681	13,618	12,886
Office expenses	9,874	666	555	11,094	6,045
Insurance	9,273	625	521	10,419	7,646
Food	-	-	5,533	5,533	7,345
In-kind goods	5,000	-	-	5,000	-
Telephone and internet	4,246	286	239	4,771	3,899
Supplies	-	-	2,387	2,387	3,645
Payroll service charge	1,928	130	108	2,166	1,726
In-kind accounting services	2,126	-	-	2,126	2,277
Travel	1,834	124	103	2,061	1,286
Client aid housing	845	57	47	949	1,191
Dues and subscriptions	785	53	44	882	189
Professional development	654	44	37	735	2,433
Credit card processing	471	32	26	529	511
Volunteer appreciation	338	23	19	380	134
Other	300	20	17	337	76
Professional fees	249	17	14	280	14,310
Total other expenses	<u>142,474</u>	<u>9,125</u>	<u>15,524</u>	<u>167,122</u>	<u>164,338</u>
TOTAL EXPENSES	<u>\$ 358,406</u>	<u>\$ 23,682</u>	<u>\$ 27,655</u>	<u>\$ 409,743</u>	<u>\$ 354,062</u>

See accompanying notes and independent accountants' review report.

CONCORD COALITION TO END HOMELESSNESS
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

(With summarized financial information for the year ended June 30, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 146,208	\$ 464,838
Depreciation	20,117	643
Realized loss (gain) on investments	(375)	-
Present value deduction	(2,094)	2,272
(Increase) decrease in assets:		
Accounts receivable	(3,231)	(4,092)
Campaign pledges receivable	51,808	(73,640)
Prepaid expenses	2,192	(4,409)
Increase (decrease) in liabilities:		
Accounts payable	(6,910)	8,143
Accrued expenses	11,368	365
Deferred revenue	18,157	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>237,240</u>	<u>394,120</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Transfer to investments	(48,000)	-
Construction of building	<u>(141,702)</u>	<u>(586,553)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(189,702)</u>	<u>(586,553)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term debt	(300,031)	-
Proceeds from long term debt	<u>250,000</u>	<u>300,031</u>
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	<u>(50,031)</u>	<u>300,031</u>
INCREASE (DECREASE) IN CASH	(2,493)	107,598
CASH - Beginning of the Year	<u>270,962</u>	<u>163,364</u>
CASH - End of the Year	<u>\$ 268,469</u>	<u>\$ 270,962</u>

See accompanying notes and independent accountants' review report.

CONCORD COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE A - NATURE OF BUSINESS

Concord Coalition to End Homelessness ("the Coalition") is a nonprofit organization incorporated under the laws of New Hampshire. The purpose of the Coalition is to end homelessness in the greater Concord area through collaboration with other agencies and by providing direct service programs. The Coalition operates three direct service programs.

The first is a daytime Resource Center where people experiencing homelessness can meet their immediate needs, including free use of shower and laundry facilities, receipt of mail, phone and internet access, and assistance from a caseworker to connect with other mainstream resources.

The second program is Housing First Concord, a permanent supportive housing program for chronically homeless individuals, which provides rental assistance and intensive caseworker support.

The third program is an Emergency Winter Shelter, which operates December through March each year. The shelter is a "low barrier" shelter that serves adults, including those with active addictions and felony convictions, so that those in need can sleep inside during dangerously cold winter months. The shelter serves adults only, both men and women, and has 40 beds. The Coalition is also the lead agency to convene the Steering Committee for Concord's Plan to End Homelessness, and the Homeless Service Provider Network, for information sharing and collaboration on efforts to end homelessness.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Coalition are prepared in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. Generally Accepted Accounting Principles (GAAP) in these footnotes are to the FASB Accounting Standards Codification.

The financial statements of the Coalition are prepared using the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows generally accepted accounting principles for nonprofit organizations which require that resources be classified for accounting and reporting purposes in accordance with donor-imposed restrictions. Net assets are presented as follows:

Net assets without donor restrictions – Includes both undesignated and designated net assets, which are revenues not restricted by outside sources and revenues designated by the Board of Directors for special purposes and their related expenses.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations. At June 30, 2019 and 2018, net assets with donor restrictions were \$20,000 and \$20,890, respectively.

CONCORD COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019 AND 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Coalition considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Promises Receivable

The Coalition has received promises of future payments which are on the financials as pledges receivable. The contributions are recorded as temporarily restricted revenue at the time pledges are made. At year-end the balance is adjusted to reflect the actual amount of pledges anticipated to be received. Pledges receivable at June 30, 2019 and 2018 were \$57,977 and \$109,785, respectively.

Pledges are expected to be realized in the following periods:

	2019	2018
In one year or less	\$ 53,368	\$ 73,785
Between one year and five years	4,609	36,000
	57,977	109,785
Present value discount	(1,524)	(3,618)
Total	<u>\$ 56,453</u>	<u>\$ 106,167</u>

Fair Value of Financial Instruments

Accounting Standard Codification No. 825, "Financial Instruments", requires the Coalition to disclose estimated fair values for its financial instruments. The carrying amounts of cash, accounts receivable, prepaid expenses, accounts payable, and accrued expenses approximate fair value because of the short maturity of those instruments.

Property and Equipment

Property and equipment are carried at cost. Maintenance, repairs and minor renewals are expensed as incurred, and renewals and betterments are capitalized. Depreciation is computed using the straight-line method to absorb the costs over the estimated useful lives of the assets as follows:

Building and improvements	39
Equipment	5 - 10

Depreciation expense for the years ended June 30, 2019 and 2018, was \$20,117 and \$643, respectively.

Revenue Recognition

The Coalition is supported primarily through donor contributions. Promises to give that are expected to be collected in future years are measured at fair value using the present value of their estimated future cash flows. When a restriction expires (a time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restriction.

CONCORD COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

All contributions are considered available for unrestricted use unless specifically restricted by the donor and accepted as such by the Coalition with written documentation of the restrictions. Amounts received that are restricted for future periods or for specific purposes are reported as temporarily restricted and permanently restricted support, depending on the nature of the restriction.

Functional Expenses

The cost of providing the various programs has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on an estimate of time.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported periods. Actual results could differ from those estimates.

Income Taxes

The Internal Revenue Service has determined that the Coalition is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Coalition complies with the *Accounting for Uncertainty in Income Taxes* standard. Accordingly, management has evaluated its tax positions and has concluded that the Coalition has maintained its tax-exempt status, has fully disclosed its unrelated business income and has taken no uncertain tax positions that require adjustment or disclosure in its financial statements. With few exceptions, the Coalition is no longer subject to income tax examinations by the U.S. Federal or State tax authorities for years before 2015.

CONCORD COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE C – CAPITAL CAMPAIGN – Safe Spaces

Safe Spaces I

The Coalition received pledges and donations towards a three-year campaign, Safe Spaces, whose goal was to raise sufficient funds to purchase property, build the shelter accessory building, and operate all programs for three years. Funds include grants, fundraising events, private donations and pledges, and contributions through the New Hampshire Community Development Finance Authority (CDFA) and the New Hampshire Housing Finance Authority (NHHFA). The Coalition completed construction of the Emergency Winter Shelter in December 2018, and began operating at its new location on December 17, 2018, with a capacity to serve up to 40 homeless individuals per night throughout the winter. The Coalition closed on the permanent financing from New Hampshire Housing Finance Authority (NHHFA) on December 19, 2018, and paid off the construction loan provided by Merrimack County Savings Bank. The total project was approximately \$766,400 and was financed by \$345,000 from contributions through the Community Development Finance Authority (after CDFA fees), \$250,000 from a deferred payment, 0% interest, forgivable loan from NH HFA, and \$171,400 from private donations to CCEH.

Safe Spaces II

In November 2019, the Coalition launched another major fundraising campaign – Safe Spaces II: The Next Step. With pledges and donations from this campaign, the Coalition aims to purchase and renovate a building downtown into four apartments, providing safe and supported homes to people who have lived in shelters, cars and the woods. The campaign will also help the Coalition keep its essential programs operating for another three years, and provide seed money for future projects. The Coalition's goal is to raise \$2.25 million.

NOTE D – RESTRICTED CASH

The following cash balances are restricted for the following purposes:

	2019	2018
Operating Reserve for Winter Shelter –		
Federated Treasury Obligations Fund	\$ 48,375	\$ -

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2019 and 2018 consisted of the following:

	2019	2018
Direct aid to clients	\$ -	\$ 890
2019 costs	-	20,000
2020 costs	20,000	-
Total	<u>\$ 20,000</u>	<u>\$ 20,890</u>

CONCORD COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019 AND 2018

NOTE F - CONCENTRATION OF CREDIT RISK

The Coalition maintains cash balances at a financial institution located in New Hampshire. Balances at this institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2019 the Coalition's cash balances were fully insured. The Coalition believes it is not exposed to any significant risk on cash and cash equivalents.

NOTE G - DONATED GOODS AND SERVICES

Community members volunteer their time and efforts to the Coalition to further the mission to end homelessness. Volunteer support received by the Coalition includes in-kind administrative and technical support, and hundreds of hours of volunteer support on fundraising events. Donated services are reported at their fair value as contributions in the financial statements if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Coalition. The value of this time and effort, while significant and necessary, are not specialized services and do not meet the criteria for recognition under generally accepted accounting principles.

The value of donated goods, record as in-kind, are included in the Statement of Activities with the corresponding program expense. For the year ended June 30, 2019, the estimated value of donated goods was estimated at \$5000.

NOTE H - NOTES AND LOANS PAYABLE

The Coalition had the following notes payable as of June 30, 2019 and 2018:

	2019	2018
Note payable to Thomsonburger Ventures, LLC with zero interest. Payment in full is due on or before August 24, 2019. The loan is secured by real estate at 238-240 North Main Street, Concord, NH.	\$ -	\$ 199,000
Construction loan payable to Merrimack County Savings Bank at a rate of 4.25%. Monthly payments of interest only are due through August, 2021. This loan is secured by real estate at 238-240 North Main Street, Concord, NH.	-	86,920
Loan payable to New Hampshire Housing Finance Authority not subject to interest or principal amortization, and will be forgiven in 2028, provided that the property is used as a temporary shelter to the homeless.	250,000	14,111
	250,000	300,031
Less: amounts due within one year	-	(14,111)
Long term debt	<u>\$ 250,000</u>	<u>\$ 285,920</u>

CONCORD COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE I - SUBSEQUENT EVENTS

The Coalition has evaluated events through March 17, 2020, the date the financial statements were available to be issued. Management has determined that there were no material subsequent events that require disclosure.

Ellen G. Groh

EDUCATION

Master of Public Health, Harvard University School of Public Health, Boston, MA 2002
(G.P.A. 3.95)

J.D. with High Honors, University of North Carolina at Chapel Hill School of Law, Chapel Hill, NC 1990 (Class Rank: 14/231; Top 7%)

B.S. Elementary Education, State University of New York, Oswego NY 1983 (Valedictorian; , G.P.A. 3.9)

EXPERIENCE

Executive Director, Concord Coalition to End Homelessness (CCEH), Concord NH,
2/2014- present

Overseeing and managing all aspects of the Coalition, and supervision of CCEH programs, including Resource Center, Housing First Concord, and the Emergency Winter Shelter. Serving as lead agency to facilitate the implementation of Concord's Plan to End Homelessness; convening executive level Steering Committee, key provider agencies, and other stakeholders to attain the goals set out in the Plan. Coordinating education, outreach and communication activities with the broader community. Developing and implementing measurement systems to assess CCEH effectiveness with regard to mission and goals, and identifying opportunities for improvement. Engaging in fundraising and grant writing to support CCEH. In November 2018, completed successful development of a new facility for an Emergency Winter Shelter, including grant writing, private donation campaign, and overall responsibility for construction process.

Coordinator, Healthy Eating Active Living (HEAL) Initiative, Manchester NH Health Department, 8/2011-12/2012

Took primary responsibility of two grant-funded initiatives to foster healthier lifestyles through policy and environmental change in Manchester's poorest inner city neighborhoods. Engaged and collaborated with residents, other city departments, and non-profit partners in design, implementation and evaluation of the grant initiatives.

1. Increased access to healthy food by designing and implementing a *Healthy Corner Store* pilot program, where store owners agreed to carry and promote healthier food options, and received incentives for participation (e.g., repairs, shelving, promotions).

- Designed and implemented components of program
- Recruited store owners to participate and created strong working relationships
- Conducted outreach to residents
- Evaluated program impact through surveys, sales tracking and interviews

2. Increased opportunities for physical activity through initiative to improve the "built environment." Analyzed a *walkability audit* for potential improvements; conducted outreach to engage residents in choosing a project; collaborated with city agencies and HEAL Committee to finalize project plans to upgrade a city park and basketball court.

3. Developed on-line "Neighborhood Profiles" to encourage and enable residents, non-profits and city agencies to engage in community initiatives. Compiled indicators of social determinants of health (e.g., poverty levels, educational levels) and resources (e.g., community gardens, bus route access) for each census tract in Manchester.

Founding Board Member and Treasurer of nonprofit Souhegan Valley Transportation Collaborative (SVTC)(Souheganvalleyrides.org), Milford area, NH, 2005-2011

Actively led SVTC to create an affordable ride service that takes residents of Amherst, Milford, Brookline and Hollis, NH to medical appointments in Nashua, and to five different grocery shopping locations, social service offices, municipal offices and senior activity centers.

- Identified the need for an affordable, door-to-door, wheelchair-accessible ride service for non-emergency medical appointments and other essential activities to enable people to continue to live independently in this semi-rural geographic area.
- Successfully solicited private donations for a pilot project.
- Negotiated with transportation provider and launched the service in 2008.
- Collaborated with four Boards of Selectmen, local agencies, and citizens groups to build support and to obtain local government funding for the service.
- Worked with Nashua Regional Planning Commission on further strategic planning, and successfully obtained Federal funding to expand the service from three days to five days a week, and add additional destinations.
- As of March 2013, SVTC has provided 9,645 rides to residents who can remain independent in their own homes.

Partner, Women's Health Educational Consultants (WHEC), Chapel Hill, NC, 1995-1999

Managed and delivered direct services in this innovative consultancy that teaches health-care providers how to empower their women patients, using a holistic approach. Instructed hundreds of students at four North Carolina medical and nursing schools in the proper techniques for performing pelvic and breast examinations, and taught respectful, sensitive, communication skills. This training and feedback has promoted physical and psychological comfort for patients, and a respectful partnership between thousands of patients and their practitioners.

Trainer / Coordinator Legacy Center / Lifespring Trainings, Raleigh area, NC, 1995-1999

Coordinated enrollment in goal-oriented trainings on leadership development and personal empowerment. Served as a mentor/coach for adult participants, facilitated evening workshops, and coordinated volunteers in organizing training workshops.

Ropes Course Facilitator, Cary Parks and Recreation, Cary, NC, 1997-1999

Facilitated groups in outdoor challenge courses designed to build teamwork skills and encourage personal risk.

Development Specialist, United Equities/Mills Construction Company, Raleigh, NC, 1997-1999

Created and negotiated financing packages for affordable multifamily rental housing for low-income families using government loan programs, conventional financing, and equity under the Low Income Housing Tax Credit program.

Housing Production Officer, North Carolina Housing Finance Agency, Raleigh, NC, 1994-97

Facilitated affordable rental housing development for low-income people in state-wide agency. Negotiated among private and public lenders and developers to craft complex financial packages including construction and permanent financing, operating. Developed funding policies, including application requirements and performance criteria.

Attorney, Pamlico Sound Legal Services, Greenville, NC, 1991-94

Represented low-income clients in civil matters. Areas of concentration included subsidized housing, unemployment benefits, and community economic development.

Mediator, Mediation Center of Pitt County, Greenville, NC, 1992-1994

Mediated a wide range of disputes between individuals, some referred from the court system.

Teacher, Carolina Friends School, Durham, NC, 1986-1987

Team-taught in a multi-age classroom of second-to-fourth graders.

Personal

Married, two children. Interests: Kundalini Yoga (certified instructor), outdoors sports (National Outdoor Leadership School training, Kenya, Africa.)

Objective:

To support children/adolescent/adults/families in need and advocate what is in the best interest of the individual and their family while utilizing the skills of mental health counseling.

Education:

New England College
Master of Science
Mental Health Counseling
May 2016

Henniker, NH
2014- 2016

New England College
Bachelor of Arts in Education Studies
Bachelor of Arts in Sociology
Minor: Social Work
May 2007

Henniker, NH
2003 - 2007

Hopkinton High School
Educational Studies

Hopkinton, NH
1999 - 2003

Work Experience:

Concord Coalition to End Homelessness
Resource Center Clinical Case Manager

Concord, NH
June 2018- present

- Provide case management to homeless individuals on a walk-in basis. Work as part of team with staff from to assist people struggling with homelessness. Working as part of team, including CCEH's Housing First Concord program and Winter Shelter program. Assist guests in gathering necessary documentation and connecting with available resources, employment and housing placements as appropriate. Identifying chronically homeless individuals for referral to housing programs. Assisting clients to identify their own networks of support and divert from entry into shelter as appropriate.

Julie Ann Green
julie@concordhomeless.org

Second Start
Student Assistance Program Counselor

Concord, NH
2016-2018

- SAP services include universal, selective, and indicated prevention interventions. These include and are not limited to education and support, identification, assessment, early intervention, crisis intervention, and referral services for students and their families. The program is available to all students, but particularly targets those who are beginning to exhibit behavioral and academic problems, have experienced substance misuse within the family, or who show signs of stress that could result in substance abuse or other self-destructive behaviors.

Cypress Center
Clinical Mental Health Intern

Manchester, NH
2015-2016

- Clinical Mental Health Graduate level internship which encompassed of over 700 hours, a year long internship. Responsibilities included individual and group counseling/crisis stabilization interventions in a milieu setting. Leader of psychoeducational groups for development of coping skills and management of symptoms. The knowledge and use of connecting patients with available community resources in aftercare planning, conducting the occasional family meeting with patients and loved ones prior to discharge. As well as providing resources on symptom management and evidence-based practices in treating patients with acute mental illness and co-occurring disorders; all while working with a multi-disciplinary team to effectively care for client/unit needs and tasks.

Spaulding Youth Center
Admissions Coordinator

Northfield, NH
2012-2015

- Working directly with the Director of Admissions and the clinical intake team to facilitate the admission of students into Spaulding's academic day, residential and community based (ISO/CHS) programs. This process includes recruiting students by developing and maintaining referral sources; and working with referring professionals, families, and students in the admission process to assess goodness of fit. Responsibilities included tours of campus; reviewing clinical paperwork and conducting clinical/family interviews, completing necessary documentation. Attending marketing and conference events throughout the State of NH also included. Providing additional support to the ISO, Community Based Program team as deemed fit and appropriate (Acted as Case Manager on the first school based referral for ISO In Home Supports 6/2014-12/2014).

Child and Family Services of New Hampshire
Individual Case Worker

Concord, NH
2008-2012

Julie Ann Green
julie@concordhomeless.org

- Working with court appointed youth and other clients in the Therapeutic Day Treatment Program. Coordinate and deliver direct service programs for clients that promote and reinforce healthy lifestyle choices, coordinate and plan specific groups targeting issues such as drugs and alcohol, anger management, life skills and others. Prepare reports in a timely manner; develop and facilitate treatment team meetings, facilitate therapeutic groups, and incorporate families in each treatment plan. Work together with the Juvenile Probation Officer, families, and other outside agencies. Work close with clients, families, and other providers in regards to discharge planning to ensure that when clients transition to the community they have all the appropriate supports and resources to continue being successful.

ISO Case Manager- Permanency Solutions Program

- Working with court appointed youth, DCYF, biological and foster care families. Coordinate and delivery of direct service programs for clients and their families to encourage healthy lifestyles. Providing a high-intensity program that is specially designed to serve the identified client and their family. Delivering a variety of therapeutic, social and community-based services to help create a safe, stable and positive home environment for each child; through established goals and objectives. Working together as a team with all service providers and referral agencies. In addition, provided 24-7 On Call Services to individuals on case load, weekly, and additional ISO cases during the week-end on call rotation. Completion of psychosocial assessments, treatment plans, and additional documentation. Preparation and participation in DCYF/JJS audits on a routine basis or as needed.

YWCA of Manchester
Prevention Specialist

Manchester, NH
2007-2008

- Coordinate gender-specific direct service programs for girls that promote and reinforce healthy lifestyle choices throughout middle childhood and adolescents; design written materials and quarterly family education forums to engage parents of YWCA site-based program participants in understanding gender-specific health risks related to early ATOD; and in working in partnership with the YWCA.

Program Coordinator of the Girls' Program Center

2007-2008

- Coordinate school age child care programs for after school care, vacation camps, summer camps including staff supervision and development (hiring, training, supervising both staff and volunteers), program development and implementation, budget management and community networking. Prepare grant reports as required by grantors. Maintain program records and statistics sufficient to meet the needs of the program and the program funders. Develop and maintain relationships with school districts, community partners and parents.

Julie Ann Green
julie@concordhomeless.org

Antrim Girls Shelter
Residential Counselor/Charge Staff /Recovery

Antrim, NH
2005 - 2007

- Responsible for ensuring the day to day emotional and physical safety of each resident and treatment within our short term facility. Plan and coordinate all activities during the shift; supervise all residential counselors (assist in training and overseeing of staff duties). Charge staff is crucial in assisting Team Facilitator and Program Manager in ensuring the coherence and integrity of our program. Supervised 4-6 additional staff during shifts and provided feedback as appropriate. Acted and participated as the Boy Scout Leader for the Antrim Girls Shelter during the time that program was offered to the girls in placement. Supported and provided additional support to the awake overnight staff as needed or covered when awake overnight staff could not fulfill their regular scheduled shift.

Community Bridges
In Home Support/Respite Provider

Bow, NH
2004 - 2007

- Working with disabled and autistic individuals, in their home and community setting, teaching life skills, support educational plan and providing support to both the individual and their families. Worked closely with individual clients and their other clinical providers by helping develop short term and long term goals. Coordinated with families and outside services to provide the least restrictive environment for each client.

Related Educational Activities:

- Tutor for students at Hopkinton Middle and High School.
- T.E.A.C.H. (Taking Education Across Children's Horizons).
- Community Bridges; Respite Family Support.
- New student Orientation Leader for New England College.
- Antrim Girls Shelter; Residential Counselor/Charge Staff/Recovery
- Phi Theta Kappa National Honor Society

Leslie M. Fincke

~~Leslie M. Fincke~~
~~1-800-444-9301~~
~~1-800-444-9301~~
~~1-800-444-9301~~

Mission statement: use my years of marketing, project & team management and client services experience to help a non-profit grow.

*This is a very different kind of résumé because it's more of a story - a "resumoir" if you will.
Hopefully it's more enjoyable to read than the traditional résumé.*

Once upon a time...

...there was an **English major** at **Georgetown University** who didn't know how to apply her B.A. to the real world. Somehow, in a bleak job market, she scored a \$5/hour (!) internship at a boutique D.C. Public Relations firm which turned into an **Account Manager** job at a fancy-schmancy downtown firm called **Shandwick Public Affairs**. One day, whilst walking (sweating) by the White House on her way to work in the blistering D.C. summer heat, she had an epiphany: politics were consuming her consciousness and she didn't like where that may lead.

In an uncharacteristically "irresponsible" (as it seemed to her, despite encouragement from all who knew and loved her) move, she ventured off to Steamboat Springs, CO for a year that changed her life. She's still so grateful for the fun she had as a wine sales clerk at **The Bottleneck**, learning to telemark and snowboard, the job taking pics of skiers at Hot Shots, hiking the Rockies, and all incredible people she met. A year in ski country opened her eyes to how much exploring there was to be done. Her "path" in life was no longer conventional and preordained (good school --> good job --> good life?).

Next stop, San Francisco - the first place she'd ever needed a résumé to get a waitressing job. Serving brunch and early dinners to wealthy Marina/Presidio neighborhood stalwarts at **Liverpool Lil's** and slinging/serving 'za at family-owned **Giorgio's** in the Richmond satisfied her innate desire to help people. It wasn't long before the momentum of the mid-90's dot-com boom landed her a job with international high-tech publishing house, **IDG** (PC World, Computerworld, MacWorld). As an **Account Manager** there, she assisted in the creation and launch of IDG's online advertising network, building a team to service the biggest advertisers of the day.

A year in a high-tech job in San Francisco in the 90's was the equivalent of five years anywhere else. After two years at IDG, she was lured to a twenty-person start-up, **Flycast Communications**, which was building a massive network of websites to package and sell to advertisers and agencies. Flycast grew leaps and bounds at a record pace, and within a year, she was managing a customer service team while liaising with sales and engineering to develop and deliver the product the customers needed. As **Director of Client Services**, and then **Sr. Product Manager**, she spent an unheard-of four full years with Flycast, living through the company's IPO and sale to dot-com darling, CMGI. After the sale of Flycast, she absorbed an East Coast customer service team and managed a bi-coastal team of 25 people. Needing a new challenge, she moved to Product Management where she worked with engineering, marketing and sales to design, develop and promote new products and services.

As with many start-ups of that era, the gravy train ended in the Summer of 2001. As this didn't come as a surprise, she was prepared and was able to spend the next year volunteering in a local Middle School and taking classes in retail merchandising, both in an effort to see what she wanted to do next. In June of 2002, she decided to return to New England where she officially launched her retail career. In a bizarre coincidence, she interviewed for an **Assistant Manager** job at

a Boston wine shop while in New York City for the U.S. Open tennis tournament. She got the job, and spent a year at **Best Cellars** in Boston, then as the **Manager** of their Brookline shop.

Realizing that she wasn't passionate enough about how wine was produced, but just passionate about the culture and taste, she moved from wine to fashion. At this point, she had a goal: open her own retail clothing shop (keep in mind that this had been something she'd talked about since she was a teenager). She ended up meeting her mentor, working as a **Manager** at **Poor Little Rich Girl** in Davis Square, Somerville. At the time the consignment shop was just 400 sq. ft. and tucked away on Highland Ave. Two years later, the shop would move to a 4000 sq. ft. space smack dab in the main square; she had complete insight into the business operations thanks to the owner's mentorship. During this time, she was drawn to corporate retail, and landed a job at **TJX Companies'** highly-regarded **Buyer Training Program** in Framingham, MA. Why not get paid to learn how to buy for 900 stores? Certainly that could help with learning to run your own store. Four years later, now a **Planning Manager** in the Men's Division, she was ready to leave the security of the retail giant, but wasn't quite ready for her very own retail business.

For a brief time, she was involved in advertising again, as an **Account Supervisor** at a boutique branding agency in Waltham, MA, called **FORGE Worldwide**. Her client list included several universities in the Boston area, a regional bank, and a medical devices company. Alas, she missed retail. So, she spent time back at **Poor Little Rich Girl** as a **Manager**, while establishing herself as an independent retail marketing consultant for eCommerce clients.

Finally, in 2009, the stars were aligned. The right space became available and **FRANCIE'S BOUTIQUE** was born (named after her then-90-year-old maternal Grandma). The shop offered high-quality consigned women's modern and vintage clothing and accessories in a quintessential New England suburb (Topsfield, MA) that reminded her of where she grew up (Harvard, MA). In 2010 she opened her second boutique in Rockport, MA, and in 2012 she opened **FRANCIE'S Home** featuring consigned home furnishings and decor. In order to focus more on the new Home store, she sold her Rockport boutique in November 2012. The business was a true labor of love - guerilla marketing, building relationships with neighboring businesses, putting together local events and private parties, all with the goal of building a successful independent retail business.

The business was such a success that on April 1, 2018, she was able to sell her flagship store to a loyal customer and start a new chapter set in Concord, NH. This chapter happened to include getting married and the excitement of a new career. With the goal of helping a local independent business grow, in February of 2019 she joined the **Concord Food Co-op** as a **Marketing Specialist** to launch their product demo program and create new partnerships and design events with other local businesses. She is also charged with expanding the Co-op's social media presence. In addition, Leslie has several "micro-business" Concord-based clients for her **branding and marketing consulting business, ClientSpeak**.

So, that's the work history - in a nutshell. There are some other jobs sprinkled throughout. Clearly, client services, project management and marketing are major themes. Lest you think she's all work and no play, she managed to travel all over the country and throughout the world since graduating from Georgetown (Thailand, Panama, Italy, Croatia, South Africa, Argentina, Poland, London to name a few places) and will continue to explore; she and her husband just returned from three weeks in Australia and New Zealand in February 2020. She's **volunteered** at urban schools and in a Zulu village in South Africa, as the **Treasurer of the Friends of the Topsfield Library** (because she loves books), and with the **Massachusetts Association for the Blind**. In Concord, she is a volunteer **Concord Homeless Resource Center**, and in July was elected to the **Concord Coalition to End Homelessness's Board of Directors**, and **chairs their Communications Committee**. She also volunteers at the **Concord Regional Visiting Nurses Association's Hospice House**. She'll never say no to checking out live music and needs to be outside as much as humanly possible (a big reason for her move closer to the mountains of NH). Leslie and her husband are lovers of tennis, and they like to joke that the Memorial Field tennis courts in Concord are kind of like their second home.

~~6625 Highway 2, Oakley, Oregon Unit 192, Oakley, OR 97024-9711, 503-796-2845, fullbun@ymail.com~~

Versatile candidate bringing valuable experience for industry-related organizations. Possessing uncompromising work ethic, time management, organization and prioritizing qualities.

- Crisis intervention
- Conflict resolution
- Policy and procedure improvements
- Technologies Integration
- Leadership skills
- Flexible
- Interpersonal communications
- Assessments
- Job readiness training
- Problem-solving
- Clear public speaking skills
- Employment plan development
- Record-keeper
- Excellent reading comprehension
- Positive atmosphere promotion
- Community resource intelligence
- Regulatory compliance
- Compassionate
- Relationship building
- Data entry
- Professional demeanor
- Program coordination
- Opportunities identification
- Organization and efficiency

- Worked with multidisciplinary healthcare team to provide comprehensive mental, physical and emotional support to diverse population of clients
- Maintained contact within the community to locate and provided needed and potential resources when clients were in need of housing
- Enhanced clients wellbeing by supporting participation in recreational activities, and assisted with promoting job growth and employment opportunities
- Helped clients adjust routines and thrive in structured environments
- Worked to improve client outlook and daily living through compassionate care, and connecting them with appropriate resources available in their communities
- Completed data entries in charts and log books to document clients progress with accuracy
- Assisted disabled individuals to foster independence while still closely monitoring safety at all times
- Developed strong and trusting rapport with each client to facilitate best possible care and assistance
- Maintained professionalism in emergency situations, assisting staff members in corrective actions and monitoring patients
- Recorded and closely monitored clients behaviors and progress to effectively identify changes needing attention
- Maintained calendar of social, recreational and educational events to enhance client services

01/2007 to 09/2009
Conway, NH

- Fostered relationships with residents, and worked with new residents to optimize acclimation and ease transition to new living environment
- Counseled and assisted transition for residents to be able to live independently . Liaison between residents and community programs and organizations
- Conducted rounds of rooms and the building to check on compliance and safety issues
- Developed and deepened relationships with residents and fellow staff
- Conducted weekly meetings with directors and assessed and advocated resident needs; recommended solutions and strategies to improve resident care and satisfaction
- Completed daily resident welfare checks and coordinated with facility staff to ensure resident needs were met
- Helped residents living with mental health disorders and parolees with personal needs
- Responded to crisis situations in a speedy, knowledgeable and level-headed manner
- Interfaced with residents to address and resolve complaints or grievances
- Led campus tours, new resident orientation and ongoing educational sessions
- Provided feedback on individual actions, behaviors and verbal responses
- Compiled and produced documents , reports, and filed, copied or faxed required papers to appropriate parties
- Translated operational directives into program road maps
- Managed and controlled office supply inventory to ensure timely ordering or requisition of depleted or low-level stock
- Provided continuous evaluation of program operations as compared with established mission and set parameters

Education and Training

Associate of Science: Paralegal

New Hampshire Career Institute

Concord, NH

- Summa cum lauded graduate
- Ranked in Top 2 % of class
- 3.9 GPA

Two Semesters in Human Services

Lakes Region Community College

Laconia, NH

- President of C.A.R.E program

CONTRACTOR NAME:
Concord Coalition to End Homelessness
(SGIA Contract Amendment June 2020)

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Lisa Rowley	Housing Stability Specialist	\$18.54 per hour (approx. \$38,563 per year, excluding taxes and benefits)	100%	\$38,563
Julie Green	Clinical Director of Case Management	\$20.00 per hour (approx. \$41,600 per year excluding taxes and benefits)	25%	\$10,400
Leslie Fincke	Chief Operating Officer	\$47,000 annual salary (excluding taxes and benefits)	10%	\$4700
Ellen Groh	Executive Director	\$56,000 (excluding taxes and benefits)	3%	\$1,600



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Cross Roads House Inc., (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 600 Lafayette Road, Portsmouth, NH 03801.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$766,784.
2. Modify P-37, General Provisions, Block 1.3 to read:
Cross Roads House, Inc.
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
 - 2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
4. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
 - 2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
6. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
 - 2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
8. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1,



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

to read:

- 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

4/23/20
Date

Christine Santanello
Name: Christine Santanello
Title: Director, DEHS

Cross Roads House, Inc.

6/17/20
Date

Martha Stone
Name: Martha Stone
Title: Executive Director



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/25/20

Date _____

Catherine Pinos

Name: _____

Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date _____

Name:

Title:

State of New Hampshire

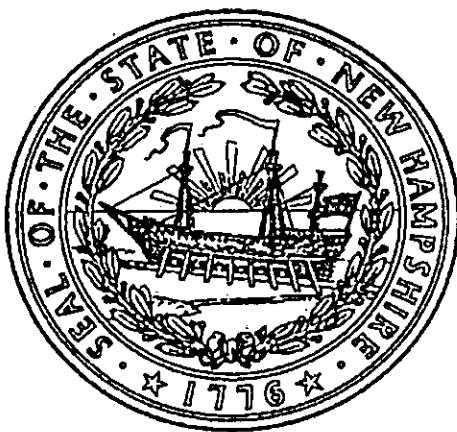
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that CROSS ROADS HOUSE, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on March 24, 1982. 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: 62166

Certificate Number: 0004907288



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 4th day of May A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Ben St. Jean, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Cross Roads House, Inc.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on May 28, 2019, at which a quorum of the Directors/shareholders were present and voting.

(Date)


VOTED: That Martha Stone (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Cross Roads House, Inc. to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30) days** from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6-17-2020



Signature of Elected Officer
Name: Ben St. Jean
Title: CRH Board President



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/05/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER RSC Insurance Brokerage, Inc. One New Hampshire Avenue Suite 125 Portsmouth NH 03801		CONTACT NAME: Melisa Meeks PHONE (A/C, No, Ext): (603) 778-8985 FAX (A/C, No): E-MAIL ADDRESS: mmeeks@risk-strategies.com	
INSURED Cross Roads House, Inc. 600 Lafayette Rd Portsmouth NH 03801		INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Indemnity Insurance Company INSURER B: Market/FirstComp INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 27626	

COVERAGES **CERTIFICATE NUMBER:** 20-21 Master **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	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> 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"/> PROJECT <input type="checkbox"/> LOC OTHER:			PHPK2083243	01/10/2020	01/10/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 5,000 MED EXP (Any one person) \$ 1,000,000 PERSONAL & ADV INJURY \$ 3,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 Damage to Premises \$ 1,000,000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2083243	01/10/2020	01/10/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB707533	01/10/2020	01/10/2021	EACH OCCURRENCE \$ 6,000,000 AGGREGATE \$ 6,000,000
	<input checked="" type="checkbox"/> 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 Y	N/A	WC010284011	01/10/2020	01/10/2021	<input checked="" type="checkbox"/> PER STATUTE E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

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

CERTIFICATE HOLDER State of New Hampshire Department of Health & Human Services 129 Pleasant Street Concord NH 03301-3857	CANCELLATION 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
---	--

© 1988-2015 ACORD CORPORATION. All rights reserved.

CROSS ROADS HOUSE, INC.

Mission Statement

At Cross Roads House:

We protect men, women and children of the Greater Seacoast area experiencing homelessness from exposure and hunger.

We provide secure, transitional shelter for those seeking to break the cycle of homelessness.

We support individuals and families by providing them with the opportunity to move with dignity and purpose to stable and decent housing.

CROSS ROADS HOUSE, INC.

FINANCIAL STATEMENTS

Year Ended June 30, 2019
with Summarized Financial Information
for the Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements.	8

Sanders & Karcher
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cross Roads House, Inc.
Portsmouth, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of Cross Roads House, Inc. (a nonprofit organization) as of June 30, 2019 which comprise the statements of financial position and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

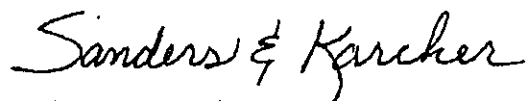
Board of Directors
Cross Roads House, Inc.
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cross Roads House, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Cross Roads House, Inc.'s financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Sanders & Karcher
Portsmouth, New Hampshire
September 16, 2019

CROSS ROADS HOUSE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30,

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 321,023	\$ 296,061
Accounts receivable	4,988	3,886
Grants receivable	134,294	135,467
Unconditional promises to give	135,678	194,075
Prepaid expenses	97,934	44,853
Total current assets	<u>693,917</u>	<u>674,342</u>
PROPERTY & EQUIPMENT, net of accumulated depreciation of \$1,701,060 & \$1,537,549, respectively	4,771,523	4,935,034
OTHER ASSETS		
Closing costs, net of accumulated amortization of \$1,664 & \$1,502, respectively	2,935	3,097
Cash and marketable securities, long-term reserve	837,157	757,367
Beneficial interest in assets held by others	132,451	134,758
Cash and cash equivalents, operating reserve	126,560	126,746
Total other assets	<u>1,099,103</u>	<u>1,021,968</u>
TOTAL ASSETS	\$ <u>6,564,543</u>	\$ <u>6,631,344</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 38,272	\$ 32,133
Deferred income	10,000	25,000
Long-term debt, current portion	21,689	23,672
Security deposits-Greenleaf Apartments	6,728	-
Accrued payroll items	67,367	52,530
Total current liabilities	<u>144,056</u>	<u>133,335</u>
LONG-TERM DEBT, net of current portion	<u>579,544</u>	<u>601,639</u>
Total liabilities	723,600	734,974
NET ASSETS		
Without donor restrictions		
Board Designated	963,717	884,113
Undesignated	4,744,775	4,791,499
With donor restrictions	132,451	220,758
Total net assets	<u>5,840,943</u>	<u>5,896,370</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>6,564,543</u>	\$ <u>6,631,344</u>

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF ACTIVITIES
Years ended June 30,

	<u>2019</u>	<u>2018</u>
PUBLIC SUPPORT AND REVENUES:		
PUBLIC SUPPORT		
Government grants	\$ 588,763	\$ 535,348
Donations	636,763	589,882
Rental income	94,981	-
Fundraising, net of direct expenses of \$ 45,547 and \$63,137, respectively	<u>421,010</u>	<u>465,703</u>
Total public support	1,741,517	1,590,933
REVENUES		
Investment return	<u>51,134</u>	<u>59,788</u>
Total revenues	<u>51,134</u>	<u>59,788</u>
Total public support and revenues	1,792,651	1,650,721
EXPENSES		
Program services	1,298,764	1,198,072
General and administrative	265,879	288,636
Fundraising	<u>117,456</u>	<u>98,360</u>
Total expenses	<u>1,682,099</u>	<u>1,585,068</u>
CHANGE IN OPERATING NET ASSETS BEFORE DEPRECIATION	110,552	65,653
Less depreciation and amortization	<u>163,673</u>	<u>155,727</u>
DECREASE IN OPERATING NET ASSETS	(53,121)	(90,074)
BUILDING SUPPORT	<u>86,000</u>	<u>85,000</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	32,879	(5,074)
NET ASSETS WITH DONOR RESTRICTIONS		
Public support	572,255	463,090
Restrictions satisfied by use	(658,255)	(548,090)
Investment return	2,872	9,338
Distributions	(5,178)	(5,105)
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	(88,306)	(80,767)
DECREASE IN NET ASSETS	(55,427)	(85,841)
NET ASSETS, Beginning of year	<u>5,896,370</u>	<u>5,982,211</u>
NET ASSETS, End of year	\$ <u>5,840,943</u>	\$ <u>5,896,370</u>

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

CROSS ROADS HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30,

	2019				2018
	Program Services	General and Admin	Fund- Raising	Total	Total
Management salaries	\$, 43,991	\$ 128,293	\$ 25,575	\$ 197,859	\$ 239,783
Salaries and wages	574,931	28,120	56,074	659,125	586,933
Employee benefits	103,515	28,841	1,002	133,358	117,697
Payroll taxes	50,992	11,249	4,568	66,809	67,000
Professional fees	2,434	14,108	-	16,542	16,662
Bad debt	1,110	-	5,347	6,457	2,975
Advertising and promotion	-	-	2,205	2,206	2,903
Office and administration	10,653	27,600	10,387	48,640	49,150
Heat	26,747	3,592	999	31,338	19,988
Electricity	31,196	1,648	1,747	34,591	35,301
Water and sewer	28,331	1,179	1,178	30,688	27,948
Repairs and maintenance	91,902	1,844	4,871	98,616	97,404
Interest	31,606	704	704	33,014	14,083
Insurance	28,572	1,596	1,587	31,755	31,747
Food	26,130	-	-	26,130	37,063
Direct services	234,894	-	-	234,894	217,139
Telephone	4,245	6,667	1,212	12,124	10,106
Volunteer development	81	7,650	-	7,731	2,926
Staff and program development	7,434	2,788	-	10,222	8,260
TOTALS BEFORE DEPRECIATION AND AMORTIZATION	1,298,764	265,879	117,456	1,682,099	1,585,068
Depreciation and amortization	146,800	9,161	7,712	163,673	155,727
TOTALS	\$ 1,445,564	\$ 275,040	\$ 125,168	\$ 1,845,772	\$ 1,740,795

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30,

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from public support	\$ 1,663,854	\$ 1,410,801
Cash received from investment return	48,828	64,021
Cash paid to employees and suppliers	(1,649,904)	(1,524,091)
Cash paid for interest	(<u>33,014</u>)	(<u>13,361</u>)
Net cash provided (used) by operating activities	29,764	(62,630)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net unrealized investment gain	19,276	39,988
Cash paid for property and equipment	<u>-</u>	(<u>454,596</u>)
Net cash provided (used) by investing activities	19,276	(414,608)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from borrowings	-	625,000
Cash paid for debt reduction	(<u>24,078</u>)	(<u>211,979</u>)
Net cash provided (used) by financing activities	(24,078)	413,021
Net increase (decrease) in cash	24,962	(64,217)
Cash at beginning of year	<u>296,061</u>	<u>360,278</u>
CASH AT END OF YEAR	\$ <u>321,023</u>	\$ <u>296,061</u>

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

CROSS ROADS HOUSE, INC.
STATEMENTS OF CASH FLOWS (continued)
Years Ended June 30,

	<u>2019</u>	<u>2018</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Decrease in net assets	\$ (55,427)	\$ (85,841)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net unrealized investment gain	(19,276)	(39,988)
Depreciation expense	162,009	155,522
Amortization expense	1,664	205
(Increase) decrease in:		
Accounts receivable	(1,102)	(1,457)
Grants receivable	1,173	(68,117)
Unconditional promises to give	58,397	48,600
Prepaid expenses	(53,081)	9,435
Beneficial interest in assets held by others	2,307	(4,233)
Cash and cash equivalents, operating reserve	186	(1,288)
Cash and marketable securities, long-term reserve	(79,790)	(84,441)
Increase (decrease) in:		
Accounts payable	6,139	13,618
Security deposits-Greenleaf Apartments	6,728	-
Deferred income	(15,000)	(16,449)
Accrued payroll items	<u>14,837</u>	<u>11,804</u>
Total adjustments	<u>85,191</u>	<u>23,211</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>29,764</u>	\$ (<u>62,630</u>)

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

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cross Roads House, Inc. (Cross Roads House), was organized March 24, 1982, but was essentially activated January 1, 1984. The purpose of the organization is to provide safe and supportive emergency and transitional shelter to individuals and families experiencing homelessness in southeastern New Hampshire.

Use of Estimates

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

Income Taxes

Cross Roads House received a letter of determination dated July 28, 1986 from the Internal Revenue Service advising it that it qualified as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, it is not subject to income tax. Cross Roads House is classified as other than a private foundation.

Financial Statement Presentation

Cross Roads House reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The Organization accounts for contributions as either with or without donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose of the restriction.

Cash and Cash Equivalents

For purposes of these financial statements all non-custodial highly liquid investments with an initial maturity of less than three months or investments with a per share value constant at one dollar are considered to be cash equivalents. Cash equivalents were \$148,835 and \$126,804 as of June 30, 2019 and 2018.

Accounts Receivable

Accounts receivable consist primarily of amounts due from the State in support of homeless operations. An allowance for doubtful accounts is established based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. As of June 30, 2019 and 2018 management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED) ;
Year Ended June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

Income and expenses are reported on the accrual basis, which means that income is recognized as it is earned and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

Subsequent Events

Subsequent events have been evaluated through September 16, 2019 the date the financial statements were available to be issued.

Promises to Give/Contributions

Cross Roads House accounts for contributions without donor restrictions and with donor restrictions, depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restrictions. An allowance for uncollectible unconditional promises is established based on historical experience and management's evaluation of outstanding unconditional pledges at the end of each year. As of June 30, 2019, management considers all pledges to be fully collectible.

All unconditional promises to give are current and consist of the following, as of June 30,

	2019	2018
Capital campaign	\$ -	\$ 86,000
Wentworth Gala event	<u>135,678</u>	<u>108,075</u>
TOTALS	\$ <u>135,678</u>	\$ <u>194,075</u>

Functional Allocation of Expenses

The costs of the various programs and other activities have been summarized on a functional basis. Accordingly, costs have been allocated among the programs and supporting services benefited.

Investment Valuation and Income Recognition

The Organization's investments as of June 30, 2019 are stated at fair value. Shares of the separate investment accounts are valued at quoted market prices, which represent the net value of shares held by the Organization at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. As of June 30, 2019, investments have a market value of \$963,717, cost basis of \$944,441 and unrealized gains of \$19,276.

CROSS ROADS HOUSE, INC. /
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are recorded at cost for those items which have been purchased, and at estimated fair market value for those items which have been donated. The cost of buildings and improvements is recovered using the straight-line method over estimated useful lives of 10 to 33 years. The cost of furniture, fixtures and equipment is recovered using the straight-line method over estimated useful lives of 2 to 7 years. Property and equipment as of June 30, 2019 consisted of the following:

Land and improvements	\$ 217,266
Buildings and improvements	6,065,715
Furniture and equipment	<u>189,602</u>
Total property and equipment	6,472,583
Less accumulated depreciation	<u>1,701,060</u>
Property and equipment, net	\$ <u>4,771,523</u>

Donated Services

Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended June 30, 2019 and 2018, there were no amounts for donated services.

Donated Materials

Donated marketable securities and property and equipment are valued at fair market value. Marketable securities are immediately sold and are included in the statement of activities as donations. Donated securities were received and valued as follows during the years ended June 30,

	<u>2019</u>	<u>2018</u>
Marketable securities	\$ 34,564	\$ 31,970

NOTE B - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Cross Roads House is a beneficiary of an agency endowment fund at The New Hampshire Charitable Foundation. Pursuant to the terms of the resolution establishing this fund, property contributed to The New Hampshire Charitable Foundation is held as a separate fund designated for the benefit of Cross Roads House. In accordance with its spending policy, the Foundation makes distributions from the fund to Cross Roads House. The distributions are 4.03% of the market value of the fund per year.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2019

NOTE B - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (continued)

Activity in this endowment fund consisted of the following for the years ended June 30,

	2019	2018
Beginning, fair value, 7/1	\$ 134,758	\$ 130,525
Total return	3,778	10,227
Foundation fee	(907)	(889)
Distributions	(5,178)	(5,105)
Ending, fair value, 6/30	\$ <u>132,451</u>	\$ <u>134,758</u>

Distributions represent amounts distributed to Cross Roads House and are shown as unrestricted dividends.

NOTE C - INVESTMENTS AT FAIR VALUE

Cross Roads House records its marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets, in the statement of activities.

Following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the plan at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization reports under the Fair Value Measurements, which established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2019

NOTE C - INVESTMENTS AT FAIR VALUE (continued)

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Investments, all at level 1, at fair value as of consisted of the following:

	2019	2018
Cash & equivalents	\$ 148,835	\$ 126,804
Domestic equities	531,565	369,057
Domestic fixed income	283,317	271,664
International fixed income	-	116,588
TOTALS	\$ <u>963,717</u>	\$ <u>884,113</u>

NOTE D - ACCRUED PAYROLL ITEMS

Accrued payroll items consisted of the following as of the years ended June 30,

	2019	2018
Payroll and payroll taxes	\$ 20,194	\$ 4,382
Earned time	47,173	48,148
Totals	\$ <u>67,367</u>	\$ <u>52,530</u>

NOTE E - COMMITMENTS AND CONTINGENCIES

Cross Roads House receives money under various state and federal grants. Under the terms of these grants, Cross Roads House is required to use the money within the grant period for purposes specified in the grant proposal. If expenditures of the grant were found not to have been made in compliance with the proposal, Cross Roads House may be required to repay the grantor's funds.

NOTE F - LINE OF CREDIT

The organization has established a \$300,000 line of credit with Provident Bank with a current interest rate of 5.25%. The interest rate is directly tied to the Wall Street Journal Prime Rate with no margin. Accordingly, any changes to this rate will change the organization's line of credit rate. There was no outstanding balance as of June 30, 2019.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

NOTE G - LONG-TERM DEBT

	<u>Current</u>	<u>Long-term</u>	<u>Total</u>
Note payable, Provident Bank, monthly payment is \$1,293, 4.69% interest; secured by property and equipment; note matures August 2037.	\$ 6,832	\$ 181,684	\$ 188,516
Note payable, Provident Bank, monthly payment is \$2,070, 5.62% interest; secured by property and equipment; note matures March 2038.	8,982	277,439	286,421
Note payable, Provident Bank, monthly payment is \$942, 6.29% interest; secured by property and equipment; note matures May 2038.	3,673	120,421	124,094
Note payable, NH Community Development Authority, monthly payment is \$443, 2.00% interest; secured by property; note matures November 2019.	<u>2,202</u>	<u>-</u>	<u>2,202</u>
Total long-term debt	\$ <u>21,689</u>	\$ <u>579,544</u>	\$ <u>601,233</u>

Future principal loan payments are as follows for the years ended,

June 30,	2020.	\$ 21,689
	2021.	20,571
	2022.	21,715
	2023.	22,924
	2024.	24,200
	Thereafter. . .	490,134

NOTE H - CONCENTRATION OF CREDIT RISK

As of June 30, 2019, Cross Roads House has a cash balance held by a bank that is insured by the Federal Deposit Insurance Corporation for \$250,000, any amount in excess is fully covered by the Massachusetts Depositors Insurance Fund.

Cross Roads House has a cash balance held by an investment brokerage firm that is insured by the Securities Investor Protection Corporation.

Cross Roads House derived 34% of its operating revenue from government agencies.

CROSS ROADS HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2019

NOTE I - GREENLEAF APARTMENTS

Cross Roads House purchased a 12-unit single room occupancy building in Portsmouth, NH in April 2018. Applicants must meet certain requirements as defined in a Tenant Selection Plan to qualify for these low-income units. Rental income was \$94,981 and rental expenses totaled \$81,331 for the year ended June 30, 2019. Rental expenses are included in the statement of functional expenses as program expenses.

NOTE J - LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of Cross Roads House's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the organization invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the organization has a committed line of credit in the amount of \$300,000, which it could draw upon. The organization also has a Board designated reserve of \$963,717. Although, the organization does not intend to spend from its reserve other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its reserve could be made available if necessary.

Name	Affiliation*	Committees	Term Began	Term Ends
Adams, Michael	Architect	Building	2016	2022
Allison, Tim	CCSNH	Development	2012	2022
Bresette, Suzanne	Stratöge Partners	Executive, Program, Development	2007	2022
Brown, Bob Treasurer	Self employed/consultant	Finance	2011	2020
Campbell, Eric	Bottomline Technologies, Inc.	Program	2015	2021
Cloutier, Denis	CSNH	Program, Building	2012	2022
Cohen, Ken	Psychiatrist	Program	2013	2022
Dillon, Denis	McLane Middleton	Nominating & Governance, Development	2004	2021
Drew, Kathryn	Merrill Lynch Wealth Management/Bank of America Corp.	Nominating & Governance	1999	2021
Goddard, Steve	Retired	Development	2019	2021
Martindale, Vivan	Retired	Program	2006	2022
Mathews, Shaun	Retired	Finance, Program	2019	2021
Moore, Vanda Secretary	Sprague Energy	Executive, Development	2013	2022
Scourby, Lex	Chicken of the Sea Frozen Foods	Executive, Finance, Nominating & Governance, Development	2003	2021
Silva, Chuck Vice President	Albany International, Corp.	Executive, Nominating & Governance	2015	2021
St. Jean, Ben President	Clipper Strategic Consulting, LLC	Executive, Finance, Building	2015	2021
Worboys, Mary Lee	Retired	Program	2011	2020

Martha E. Stone

EXPERIENCE

7/13 – present **Executive Director**, Cross Roads House, Portsmouth, NH

Chief executive of 96 bed not-for-profit homeless shelter. Oversee and manage annual budget and shelter operations. Maintain relationships with state and municipal authorities, and ensure regulatory compliance. Manage federal, state, municipal and private grant solicitations, contract compliance, and reporting. Direct fundraising activities and supervise development staff. Provide executive-level advocacy with medical, social service, and government agencies.

1/04 – 7/13 **Development Director**, Cross Roads House, Portsmouth, NH

Raise \$600,000+ annually to support shelter operations. Responsible for planning and implementing all fundraising activities including individual and corporate giving, direct mail appeals, special events, corporate & foundation grants, and planned giving. Oversee volunteer activities, donor database management, and gift processing. Plan and execute donor stewardship activities and events. Design and produce marketing materials. Represent organization at community events and manage public relations activities. Work closely with Board of Directors to set and achieve fundraising goals. From 2007- 2009 managed a \$5 million capital campaign to fund the design and construction of a new shelter facility.

7/94-1/04 **Co-Owner**, Stone Signs & Designs, Portsmouth, NH

Manage all financial records including accounts payable and receivable; involved in strategic planning and goal setting; created and maintained customer database.

7/94-1/04 **Co-Owner and Property Manager**, Stone Properties, Greenland, NH

Own and operate multiple residential and commercial properties in the Seacoast; maintain financial records including accounts payable and receivable, schedule and coordinate all aspects of maintenance for buildings, interview and process all tenant applications; handle tenant needs.

3/92-6/94 **Marketing Manager**, Healthsource, Concord, NH

Supervised staff of eleven; oversaw the servicing and retention of over 400 accounts by closely monitoring all account renewal activities; created marketing strategies to increase annual membership; designed and developed service program including manuals for client use; trained new Account Managers in all aspects of the position including: negotiating, presentation skills, and conflict resolution; regularly conducted presentations for clients explaining health benefits and policy changes.

10/89-3/92 **Marketing Representative**, Healthsource, Concord, NH

Accountable for renewing and retaining 75 accounts; executed enrollment activities by: gathering underwriting data, presenting benefit plans to both employers and employees in group settings, and negotiating annual contracts; sold health insurance products to new employers.

3/89-10/89 **Marketing Representative**, Beacon Health, Greenland, NH

Serviced existing accounts by coordinating enrollment activities including: developing annual rates, conducting group presentations, and designing marketing materials; sold HMO product to employer groups; actively participated in management team meetings; supervised administrative assistant.

5/87-3/89 Marketing Assistant, Hardenburgh-Marks Inc., Boston, MA

Imported and marketed high end gift merchandise; supervised public relations activities; designed and produced literature for new products; prepared for and traveled to trade shows; sold directly to buyers; provided customer service to retail clients.

EDUCATION

Bachelor of Arts, Communications: May 1987

Boston College, Chestnut Hill, MA Honors: Magna Cum Laude

Temple University, London, England

Spring Semester Abroad, Communications and Theater Program 1986

COMPUTER SKILLS

Word, Excel, PowerPoint, Outlook, Constant Contact, Raiser's Edge fundraising software

VOLUNTEER ACTIVITIES

2/04- present School Board Member, Greenland Central School, Greenland, NH

3/08-present Committee Member, Seacoast Half Marathon, Portsmouth, NH

9/ 00-6/03 President & VP, Greenland Central School Parent Organization, Greenland, NH

1998-99 Co-Leader, Mothers & More, Portsmouth, NH

1998-99 Fundraising & Hospitality Committees, Seacoast Parenting Conference, Portsmouth, NH

SANDRA L. BEAUDRY
Licensed Marriage and Family Therapist, NH #22

EDUCATION

Master of Science, December, 1992
Marriage and Family Therapy
University of New Hampshire

Bachelor of Science, September, 1987
Human Services
University of Southern New Hampshire

CLINICAL AND SOCIAL SERVICE MANAGEMENT EXPERIENCE

CROSS ROADS HOUSE

Portsmouth, NH

January 2014 to present

Program Director

- Supervise Shelter and Community-Based Clinical Case Management program
- Responsible for enhancement of programming to support residents physical and emotional well-being, self-sufficiency, and move to permanent housing
- Establish inter-agency partnerships
- Seek diverse funding, including government and private grants and the provision of reimbursable services
- Identify and meet direct and clinical service staff training needs

CHILD AND FAMILY SERVICES

Manchester, Concord, Portsmouth, NH

February 1997 to January 2014

Program Director

October 2008 to January

2014

Program Leadership and Supervision

- Directed statewide counseling and adolescent/young adult substance abuse treatment programs and a federally-funded mentoring/family support program for youth being released from the Sununu Youth Services Center (joint project with Goodwill of NNE)
- Supervised 14 direct report clinical staff and two interns
- Supported implementation of Trauma-Focused Cognitive Behavioral Therapy and trauma-informed care
- Provided supervision and clinical support to the Seacoast Street Outreach Program mental health clinician and oversaw the mental health subcontract with the Healthcare for the Homeless program at Families First
- Developed and maintain procedure manuals for counseling and substance abuse treatment programs
- Oversaw quality assurance of clinical records and implementation of evidence-based practices
- Developed, monitored and maintained program budgets that have ranged from a total of \$1 million to \$1.4 million annually
- Supervised and coordinated the statewide CFS Deployment Cycle Support Program, which provided home-based counseling and support to military service members and their families before, during, and after deployment, through a subcontract with Easter Seals
- Directed the Family Intervention Program, state-contracted barrier-resolution services for TANF recipients in the New Hampshire Employment Program across the state, including four sub-contracts with Family Resource Centers
- Provided administrative and clinical support to Healthy Marriage Responsible Fatherhood federal grant project serving fathers in the state prison system and their families

Grants and Contracts

- Managed or co-managed four multi-year federal grants from SAMHSA, OJJDP, and ACF, including data collection and reporting, continuation applications, annual progress reports, and no-cost extension requests
- Managed state contracts with BDAS, DOC, and DFA, including proposal writing and submission, data collection and reporting, and budget development
- Wrote or contributed to grant proposals to foundations, including grants received from Peoples United Bank for Seacoast office-based family counseling and Healthcare Gives for mobile mental health services in the Street Outreach Program
- Developed proposals and received funding from United Way agencies across the state
- Wrote proposals to municipalities, including the city of Portsmouth, and presented to town selectman or budget meetings
- Facilitated agency contracts with managed care companies for counseling and substance abuse treatment services and the credentialing of CFS clinical staff
- Provided the CFS agency administrator function for WITS, the web-based treatment, data, pay-for-performance, and billing center for Access to Recovery and BDAS treatment contracts

Board and Community Involvement

- Served as the staff liaison to the CFS Seacoast Regional Advisory Board, facilitating monthly meetings and their work in fundraising, including the RiverWoods Gala and the Lonza golf tournament
- Facilitated a multi-disciplinary advisory board for the CFS Adolescent Substance Abuse Treatment program with representatives from prevention, treatment, school and juvenile justice service providers
- Represented CFS on the following boards: *New Hampshire Alcohol and Other Drug Service Providers Association*, *Health First* (Laconia and Franklin), and *Community Resource Network* (Seacoast)
- Serve as Board Secretary and Conference Registrar for the *New Hampshire Association for Infant Mental Health*
- Arranged professional conferences in ethics and motivational interviewing for CFS and community clinical/social work staff

Program Manager

June 2007 to October 2008

Managed Family Intervention Program

Marriage and Family Therapist

February 1997 to June 2007

Provided assessment and psychotherapy services to individuals, couples and families in a variety of Seacoast area settings, including community-based therapy to individuals and families experiencing homelessness or housing insecurity in conjunction with the *Healthcare for the Homeless* program, consultation to *Community Child Care Center*, and critical incident response with the state *Disaster Behavioral Health Response Team*. Served on the board of *SeaCare Health Services* for nine years as the mental health representative.

COMMUNITY PARTNERS

Rochester, NH

Home-Based Clinician

May 1992 to February 1997

Provided home-based family therapy, case management, and provider consultation services to multi-problem families in Strafford County. Taught Child Impact seminar for divorcing parents.

RESIDENTIAL AND CASE MANAGEMENT EXPERIENCE IN DEVELOPMENTAL DISABILITIES

Service Coordinator

October 1988 to August 1991

Provided service coordination and individual support to developmentally disabled adults and their families.

Merrimack Valley Case Management Team, Mass. Dept. of Mental Retardation, Haverhill, MA

Case Manager

April 1987 to September 1988

Obtained and coordinated community services for developmentally disabled adults.

One Sky, Portsmouth, NH

Coordinator of Community Residences

December 1984 to April 1987

Supervised the operation of four licensed community residences for developmentally disabled adults

Group Home Coordinator

February 1983 to

December 1984

Established and managed group home for four deinstitutionalized men.

Sullivan County Developmental Services, Claremont, NH

Assistant Residential Program Supervisor

March 1982 to January 1983

ACCESS, Conshohocken, PA

Resident Manager

November 1980 to March 1982

River Crest Center, Mont Clare, PA

PROFESSIONAL MEMBERSHIP AND EDUCATION

Clinical Member and Approved Supervisor, American Association of Marriage and Family Therapy

Adjunct Professor

January 2013 to May 2015

Spring Semester Marriage and Family Therapy Graduate Practicum, University of New Hampshire

Teaching Assistant

September 1991 to May 1992

Introduction to Human Development course, University of New Hampshire

Susan Darling Duchesney

Experience 2002-Current

Finance Director Cross Roads House

Manage accounting including payroll, government reporting and audit preparation as well as human resources functions for major seacoast nonprofit.

1996- Current AA Associates Portsmouth, NH *Accounting Consultant*

Manage small business accounting in various industries. Types of businesses include construction, property management, restaurants, athletic clubs, and personal service corporations.

Consult with clients regarding budgeting, corporate development, general operations, and equity analysis.

Set up and provide technical assistance on Quickbooks systems.

Prior to 1996-

Fiscal Director of major nonprofit organizations

including North Shore Elder Services, Preterm Clinic, Manchester VNA and the Seacoast YWCA.

Adjunct Faculty at Seacoast Colleges including Granite State College and Southern NH University

Education	1991	Passed all parts of the CPA exam
	2009	Graduate Certificate in Fraud Examination
	2005	Southern New Hampshire University <i>M.S. in Accounting</i>
	1990	McIntosh College <i>A.A. in Accounting (3.9 average)</i>
	1973-1975	University of NH, graduate work in business administration
	1964	University of NH <i>B.A in History cum laude</i>

Honors & Affiliations CPA candidate(test passed, absence of public accounting experience)
Associate member of AICPA
Certified Fraud Examiner, Member of ACFE

Skills

Excel, Quickbooks, most accounting software and 1040 tax software

References

Available upon request

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Martha Stone	Executive Director	100,000	0	
Sandra Beaudry	Program Director	68,078	0	
Susan Duchesney	Finance Director	55,055	0	



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and FIT/NHNH, Inc. (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 122 Market Street, Manchester, NH 03101.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$1,658,284.
2. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1, to read:
3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

June 26, 2020
Date

Christine Santaniello
Name: Christine Santaniello
Title: Director, DEHS

June 25, 2020
Date

FIT/NH, Inc.
Maria Devlin
Name: Maria Devlin
Title: President

New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/26/20
Date

Catherine Pinos
Name:
Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

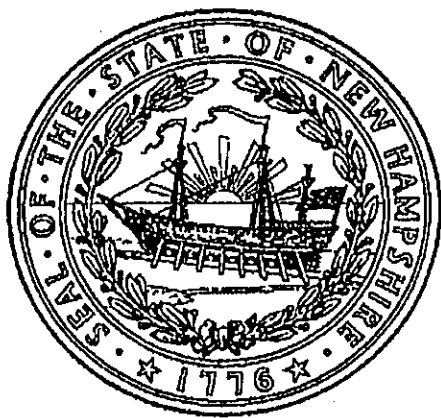
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FIT/NHNNH, INC is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 13, 1994. 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: 207982

Certificate Number: 0004885897



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 7th day of April A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Scott Ellison, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected ~~Clerk/Secretary~~ Officer of FIT/NHNNH, Inc.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on June 25, 2020, at which a quorum of the Directors/shareholders were present and voting.
(Date)

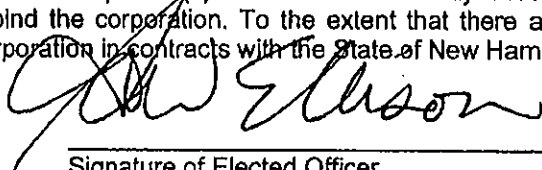
VOTED: That Maria Devlin, President (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of FIT/NHNNH, Inc. to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30) days** from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: June 25, 2020



Signature of Elected Officer
Name: Scott Ellison
Title: Board of Director, Chair



FAMIINT-01

DBEAUDOUIN

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/24/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Davis & Towle Morrill & Everett, Inc. 115 Airport Road Concord, NH 03301	CONTACT NAME:	
	PHONE (A/C, No, Ext): (603) 225-6611 FAX (A/C, No): (603) 225-7935	
INSURED FIT/NHH, Inc. 122 Market St Manchester, NH 03101	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Philadelphia Insurance Company	23850
	INSURER B: Granite State Health Care & Human Services Self Insured Group	
	INSURER C:	
	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	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:		PHPK2077895	1/1/2020	1/1/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMPOP AGG \$ 3,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		PHPK2077898	1/1/2020	1/1/2021	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 type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTIONS \$ 10,000		PHUB705694	1/1/2020	1/1/2021	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	HCHS20200000187	2/1/2020	2/1/2021	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> 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 Liabili		PHPK2077895	1/1/2020	1/1/2021	Each Occurrence 1,000,000
A	Professional Liabili		PHPK2077895	1/1/2020	1/1/2021	Aggregate 3,000,000

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

CERTIFICATE HOLDER

CANCELLATION

State of New Hampshire, Department of Health & Human Services
129 Pleasant Street
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

Donne P. Beaudois



Families in Transition

Providing a Home Building Hope.

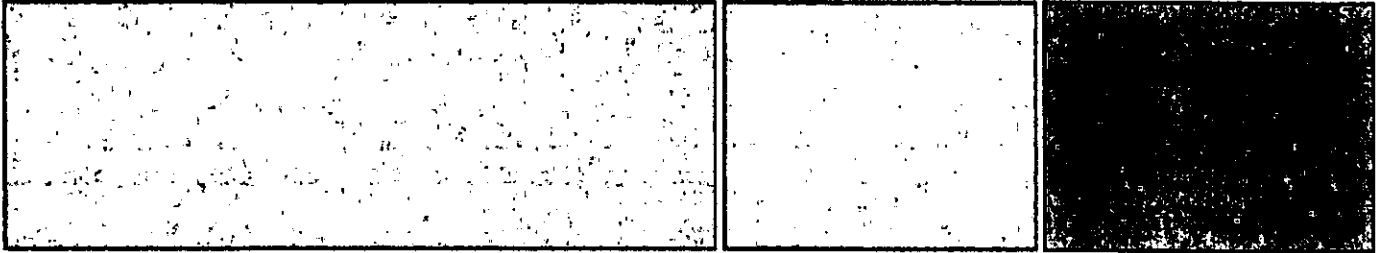


FOR NEW HAMPSHIRE, INC.

SOUP KITCHEN • FOOD PANTRY • HOMELESS SHELTERS

Our Mission

The mission of FIT/NHNNH is to provide hunger relief, emergency shelter, safe affordable housing, and supportive services to individuals and families who are homeless or in need, enabling them to gain self-sufficiency and respect.



CONSOLIDATED FINANCIAL STATEMENTS

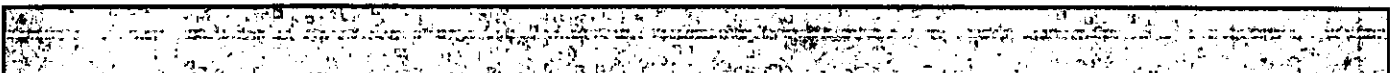
and

SUPPLEMENTARY INFORMATION

December 31, 2019

(With Comparative Totals for 2018)

With Independent Auditor's Report





INDEPENDENT AUDITOR'S REPORT

Board of Directors
FIT/NHNN, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of FIT/NHNN, Inc. and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of December 31, 2019 and the related consolidated statements of activities, functional expenses and cash flows for the year 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; 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 audit. We conducted our audit 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 consolidated financial position of the Organization as of December 31, 2019, and the consolidated changes in their net assets and their consolidated cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited the Organization's 2018 consolidated financial statements and, in our report dated March 18, 2019, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, which consists of the consolidating statement of financial position as of December 31, 2019, and the related consolidating statements of activities and functional expenses for the year then ended, is presented for purposes of additional analysis, rather than to present the financial position and changes in net assets of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Changes in Accounting Principles

As discussed in Note 1 to the consolidated financial statements, in 2019 the Organization adopted new accounting guidance, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-18, *Restricted Cash*, and FASB ASU No. 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
March 31, 2020

FIT/NHNH, INC. AND SUBSIDIARIES

Consolidated Statement of Financial Position

December 31, 2019

(With Comparative Totals for December 31, 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,522,454	\$ 1,598,033
Accounts receivable	67,501	52,211
Grants and contributions receivable	589,218	786,343
Prepaid expenses	65,612	80,007
Due from related parties	-	35,613
Other current assets	<u>59,367</u>	<u>48,110</u>
Total current assets	3,304,052	2,600,317
Replacement reserves	428,390	336,578
Reserve cash designated for properties	1,012,597	718,154
Investments	1,123,413	1,336,584
Investment in related entity	1,000	1,000
Asset held for sale	-	429,779
Property and equipment, net	32,788,053	28,530,819
Development in process	155,686	3,605,450
Other assets	<u>80,638</u>	<u>198,473</u>
Total assets	\$ <u>38,893,829</u>	\$ <u>37,757,154</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	\$ 317,739	\$ 1,116,180
Accounts payable	167,557	249,907
Accrued expenses	372,038	348,095
Due to related entity	-	35,613
Line of credit	-	145,000
Other current liabilities	<u>59,671</u>	<u>82,475</u>
Total current liabilities	917,005	1,977,270
Long-term debt, net of current portion and unamortized deferred costs	<u>15,610,670</u>	<u>13,604,017</u>
Total liabilities	<u>16,527,675</u>	<u>15,581,287</u>
Net assets		
Without donor restrictions - controlling interest	19,284,224	17,778,833
Without donor restrictions - noncontrolling interest	<u>2,602,333</u>	<u>3,209,398</u>
Total without donor restrictions	21,886,557	20,988,231
With donor restrictions	<u>479,597</u>	<u>1,187,636</u>
Total net assets	<u>22,366,154</u>	<u>22,175,867</u>
Total liabilities and net assets	\$ <u>38,893,829</u>	\$ <u>37,757,154</u>

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

FIT/NHNH, INC. AND SUBSIDIARIES

Consolidated Statement of Activities

Year Ended December 31, 2019

(With Comparative Totals for the Year Ended December 31, 2018)

	Without Donor Restrictions - Controlling Interest	Without Donor Restrictions - Noncontrolling Interest	Total Without Donor Restrictions	With Donor Restrictions	Total 2019	Total 2018
Revenue and support						
Federal, state and other grant support	\$ 4,285,382	\$ -	\$ 4,285,382	\$ 344,161	\$ 4,629,543	\$ 6,116,164
Rental income, net of vacancies	2,359,730	-	2,359,730	-	2,359,730	2,021,485
Thrift store sales	573,355	-	573,355	-	573,355	818,686
Public support	2,050,951	-	2,050,951	-	2,050,951	855,830
Tax credit revenue	268,238	-	268,238	-	268,238	80,000
Special events	518,237	-	518,237	-	518,237	528,910
Developer fees	101,645	-	101,645	-	101,645	68,483
VISTA program revenue	75,388	-	75,388	-	75,388	93,734
Unrealized gain (loss) on investments	252,431	-	252,431	-	252,431	(188,848)
Gain (loss) on disposal of assets	210,190	-	210,190	-	210,190	(10,115)
Interest income	19,326	-	19,326	-	19,326	38,834
In-kind donations	105,484	-	105,484	-	105,484	14,429
Investment income	21,969	-	21,969	-	21,969	99,783
Forgiveness of debt	131,267	-	131,267	-	131,267	131,267
Medicaid reimbursements	674,861	-	674,861	-	674,861	621,967
Other income	226,640	-	226,640	-	226,640	279,420
Net assets released from restrictions	752,336	-	752,336	(752,336)	-	-
Total revenue and support	12,827,290	-	12,827,290	(408,165)	12,219,125	10,294,648
Expenses						
Program activities						
Housing	9,524,438	-	9,524,438	-	9,524,438	8,390,826
Thrift store	417,963	-	417,963	-	417,963	686,374
Total program activities	9,942,401	-	9,942,401	-	9,942,401	9,077,300
Fundraising	1,000,388	-	1,000,388	-	1,000,388	1,131,941
Management and general	1,078,712	-	1,078,712	-	1,078,712	887,234
Total expenses	12,021,501	-	12,021,501	-	12,021,501	11,106,478
Excess (deficiency) of revenue and support over expenses	806,789	-	806,789	(408,165)	197,644	(841,827)
Grants and contributions for capital projects	-	-	-	-	-	560,790
Net assets released for capital projects	299,854	-	299,854	(299,854)	-	-
Effect of consolidation of affiliate	-	-	-	-	-	3,430,951
Partnership distributions	(6,685)	(732)	(7,317)	-	(7,317)	-
Transfer of noncontrolling interest resulting from dissolution of a Limited Partnership	220,105	(220,105)	-	-	-	-
Change in net assets	1,119,163	(220,837)	898,326	(708,039)	190,287	3,149,914
Change in net assets attributable to noncontrolling interest in subsidiaries	388,228	(388,228)	-	-	-	-
Change in net assets after reclassification of portion attributable to noncontrolling interest	1,505,391	(607,065)	898,326	(708,039)	190,287	3,149,914
Net assets, beginning of year	17,778,833	3,209,398	20,988,231	1,187,638	22,175,867	19,025,953
Net assets, end of year	\$ 19,284,224	\$ 2,882,333	\$ 21,886,557	\$ 479,597	\$ 22,366,154	\$ 22,175,867

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

FIT/NHNH, INC. AND SUBSIDIARIES

Consolidated Statement of Functional Expenses

Year Ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	<u>Program Activities</u>			<u>Management and General</u>	<u>2019 Total</u>	<u>2018 Total</u>
	<u>Housing</u>	<u>Thrift Store</u>	<u>Fundraising</u>			
Salaries and benefits						
Salaries and wages	\$ 4,042,182	\$ 248,403	\$ 400,818	\$ 603,736	\$ 5,295,139	\$ 4,682,814
Employee benefits	430,575	11,728	41,883	62,042	546,228	517,504
Payroll taxes	<u>299,750</u>	<u>19,882</u>	<u>30,036</u>	<u>44,292</u>	<u>393,960</u>	<u>353,589</u>
Total salaries and benefits	4,772,507	280,013	472,737	710,070	6,235,327	5,553,907
Other expenses						
Advertising	21,315	29,076	2,441	3,662	56,494	59,032
Application and permit fees	522	-	52	4,341	4,915	1,620
Bad debts	13,402	-	-	-	13,402	28,100
Bank charges	7,982	7,466	872	5,554	21,874	20,865
Condominium association fees	12,072	-	-	-	12,072	-
Consultants	37,115	2,714	4,168	5,377	49,374	29,481
Depreciation	1,024,398	10,304	131,224	73,404	1,239,330	1,111,930
Events	1,789	385	145,581	-	147,755	167,049
Food	124,060	-	-	-	124,060	-
General insurance	146,654	2,331	15,214	11,245	175,444	155,880
Grant expense	-	-	-	-	-	59,149
Interest expense	218,845	660	1,615	538	221,658	229,713
Management fees	6,724	-	-	-	6,724	6,622
Meals and entertainment	3,498	-	466	783	4,747	6,122
Membership dues	6,728	-	757	1,136	8,621	15,989
Merger expenses	110,014	-	-	36,672	146,686	137,747
Office supplies	176,001	8,895	21,594	32,098	238,588	370,155
Participant expenses	139,602	-	-	-	139,602	117,718
Postage	12,557	8	1,493	2,182	16,240	13,365
Printing	35,759	982	4,311	6,309	47,361	40,717
Professional fees	158,731	4,000	12,014	37,895	212,640	169,823
Rental subsidies	332,635	-	-	-	332,635	332,270
Repairs and maintenance	576,605	26,813	73,992	43,911	721,321	462,762
Shelter expense	-	-	-	-	-	166,891
Staff development	34,768	200	4,376	6,538	45,882	39,034
Taxes	365,503	1,709	-	-	367,212	315,920
Technology support	169,707	525	20,752	30,914	221,898	244,811
Telephone	111,116	2,618	9,421	13,981	137,136	112,921
Travel	37,152	2,326	4,881	7,299	51,658	54,172
Utilities	534,278	22,308	60,222	26,851	643,659	613,495
VISTA program	208,887	-	-	-	208,887	320,859
Workers' compensation	<u>123,512</u>	<u>14,630</u>	<u>12,205</u>	<u>17,952</u>	<u>168,299</u>	<u>148,356</u>
Total expenses	\$ <u>9,524,438</u>	\$ <u>417,963</u>	\$ <u>1,000,388</u>	\$ <u>1,078,712</u>	\$ <u>12,021,501</u>	\$ <u>11,106,475</u>

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

FIT/NHNN, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Year Ended December 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 190,287	\$ 3,149,914
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,253,461	1,125,127
Grants and contributions for capital projects	-	(560,790)
Effect of consolidation of affiliate, net of cash held by consolidated affiliate of \$326,551	-	(3,104,400)
Forgiveness of debt	(131,267)	(131,267)
Unrealized (gain) loss on investments	(252,431)	168,848
(Gain) loss on disposal of assets	(210,190)	10,115
(Increase) decrease in:		
Accounts receivable	(16,290)	42,130
Grants and contributions receivable	197,125	(334,679)
Prepaid expenses	14,496	(39,301)
Other assets	106,578	(119,810)
(Decrease) increase in:		
Accounts payable	(82,350)	(21,258)
Accrued expenses	23,943	84,808
Due to related party	(35,613)	35,613
Other current liabilities	(22,804)	32,971
Net cash provided by operating activities	<u>1,035,944</u>	<u>338,019</u>
Cash flows from investing activities		
Repayments from (advances to) related parties	35,613	(35,613)
Proceeds from sale of investments	465,602	275,024
Investment in development in process	(523,132)	(1,515,419)
Proceeds from disposal of assets	846,634	-
Acquisition of property and equipment	(1,730,333)	(2,476,109)
Net cash used by investing activities	<u>(905,616)</u>	<u>(3,752,117)</u>
Cash flows from financing activities		
Grants and contributions for capital projects	-	560,790
Net (repayments on) borrowings from line of credit	(145,000)	145,000
Proceeds from long-term borrowings	2,127,975	3,507,201
Payment of financing costs	(31,409)	-
Payments on long-term debt	(771,218)	(223,019)
Net cash provided by financing activities	<u>1,180,348</u>	<u>3,989,972</u>
Net increase in cash and cash equivalents	1,310,676	575,874
Cash, cash equivalents and restricted cash, beginning of year	<u>2,652,765</u>	<u>2,076,891</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 3,963,441</u>	<u>\$ 2,652,765</u>
Breakdown of cash, cash equivalents and restricted cash, end of year		
Cash and cash equivalents	\$ 2,522,454	\$ 1,598,033
Replacement reserves	428,390	336,578
Reserve cash designated for properties	<u>1,012,597</u>	<u>718,154</u>
	<u>\$ 3,963,441</u>	<u>\$ 2,652,765</u>
Supplemental disclosure		
Property and equipment transferred from development in process	<u>\$ 3,972,896</u>	<u>\$ 2,222,138</u>
Interest paid	<u>\$ 221,658</u>	<u>\$ 229,713</u>

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

FIT/NHNNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019
(With Comparative Totals for December 31, 2018)

Organization

In May 1994, Families in Transition, Inc. was incorporated as a New Hampshire nonprofit to provide housing and comprehensive social services to individuals and families who are homeless or at risk of becoming homeless in certain areas of southern New Hampshire.

Effective January 1, 2018, Families in Transition, Inc. merged with New Horizons for New Hampshire, Inc. (NHNH) to form FIT/NHNNH, Inc. (FIT/NHNNH or the Organization). As a result of the merger, FIT/NHNNH created an integrated system of care that provides an increased supply of affordable housing for those most in need, sustains positive outcomes through the incorporation of evidence based practices proven to meet identified needs and goals, identifies areas for systemic and programmatic improvements through the use of consistent and accurate data to regularly measure success, and provide an integrated system of care to prevent homelessness when possible and rapidly rehouse those who become homeless, including both the chronically homeless and families with children. The merger resulted in a contribution of net assets in 2018 as follows:

Cash and cash equivalents	\$ 326,551
Other current assets	63,438
Cash surrender value of life insurance	33,676
Investments	1,780,456
Property and equipment, net	1,396,197
Accounts payable and accrued payroll	(95,950)
Notes payable	<u>(73,417)</u>
Fair value of net assets acquired	<u>\$ 3,430,951</u>

The fair value of the identifiable assets exceeded the fair value of the liabilities assumed; as a result, a contribution was recognized. There was no consideration transferred from NHNNH.

The Organization directly owns and operates housing programs in facilities located on Amherst Street, Spruce Street, Lake Avenue and Douglas Street in Manchester, New Hampshire. Additional housing facilities are owned and operated by several limited partnerships of which the Organization, or one of its subsidiaries, is the sole general partner. These limited partnerships include Bicentennial Families Concord Limited Partnership (Bicentennial), located at Bicentennial Square in Concord, New Hampshire; Family Bridge Limited Partnership (Family Bridge), located on Second Street in Manchester, New Hampshire; and Family Willows Limited Partnership (Family Willows), located on South Beech Street in Manchester, New Hampshire (collectively referred to as the Limited Partnerships).

During 2019, Bicentennial reached the end of its initial 15-year low-income housing tax credit compliance period. Effective September 20, 2019, New Hampshire Housing Equity Fund 2002 Limited Partnership and JPMorgan Chase, the limited partners, and Bicentennial Families Concord, Inc., the general partner, dissolved Bicentennial. As a result, the non-controlling interest was eliminated and the assets and liabilities of Bicentennial were transferred to the general partner. The general partner's parent, FIT/NHNNH, then caused the assets to be contributed to, and the liabilities assumed by, Housing Benefits, Inc. (Housing Benefits), a subsidiary of FIT/NHNNH.

FIT/NHNNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019

(With Comparative Totals for December 31, 2018)

In 2008, the Organization created Housing Benefits, a Community Development Housing Organization, to identify and develop new housing units and refurbish existing units to meet the persistent need of combating homelessness. Completed housing units are located on School & Third Street, Lowell Street, Belmont Street, Market Street (Millyard I and Millyard II), Spruce Street and Hayward Street, in Manchester, New Hampshire as well as additional housing facilities located on Central Avenue in Dover, New Hampshire (Dover), Lehner Street in Wolfeboro, New Hampshire (Hope House), and at Bicentennial Square in Concord, New Hampshire (Bicentennial).

On April 12, 2019, HB-AH, LLC (HB-AH) was legally formed as a limited liability company organized under the laws of the State of New Hampshire which is treated as a disregarded entity for federal income tax purposes. HB-AH's purpose is to acquire, own, rent, operate and manage 23 residential apartments located in Manchester, New Hampshire. HB-AH is to operate exclusively to further the charitable purpose of Housing Benefits, HB-AH's sole member.

In 2012, the Organization became the sole member of Manchester Emergency Housing, Inc. (MEH), a New Hampshire nonprofit corporation providing immediate shelter to homeless families in the Manchester, New Hampshire area. MEH is the only family shelter in Manchester, New Hampshire.

The Organization also owns 100% of Family Outfitters, LLC (Outfitters), a limited liability corporation. At December 31, 2019, Outfitters operated an independent thrift store in Manchester, New Hampshire with the sole purpose of generating an alternate funding stream for the Organization. During 2018, management made the decision to close a Concord, New Hampshire thrift store location.

In 2012, the Organization became the sole member of The New Hampshire Coalition to End Homelessness (NHCEH), a statewide entity, whose mission is to "eliminate the causes for homelessness through research, education and advocacy."

On May 25, 2018, the Organization organized Wilson Street Condominium Association (the Association). The Association was established for the purpose of maintaining and preserving a five unit premise located on Wilson Street in Manchester, New Hampshire. The Organization is the majority owner of the Association.

The Organization has several wholly-owned corporations which include Second Street Family Mill, Inc. (Family Mill), and Big Shady Tree, Inc. (Big Shady Tree) (collectively referred to as the General Partners), all of which are New Hampshire corporations. These wholly-owned corporations represent the .01% sole general partners in the Limited Partnerships, whereby Family Mill is a general partner of Family Bridge and Big Shady Tree is a general partner of Family Willows.

FIT/NHNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019

(With Comparative Totals for December 31, 2018)

1. Summary of Significant Accounting Policies

Newly Adopted Accounting Principle and Reclassifications

In 2019, the Organization adopted Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-18, *Restricted Cash*. This ASU requires an entity to present restricted cash with cash on the statement of cash flows. The impact of adoption on the consolidated statement of cash flows for the year ended December 31, 2018 is a decrease in cash used by investing activities of \$40,338, and an increase in cash and restricted cash, beginning of the year of \$1,014,394.

In July 2018, FASB issued 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 No. 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 for the year ended December 31, 2019. Adoption of the ASU did not have a material impact on the Organization's financial reporting.

Principles of Consolidation

Since the General Partners have control of the Limited Partnerships, in accordance with FASB ASC Topic 810-20-25, *Consolidation*, the financial statements of the Limited Partnerships are required to be consolidated with the Organization's consolidated financial statements. The limited partners' ownership interest is reported in the consolidated statement of financial position as noncontrolling interest.

The consolidated financial statements include the net assets of the Organization, the Limited Partnerships, Housing Benefits, HB-AH, MEH, Outfitters, NHCEH, the Association, and the General Partners. All significant inter-entity balances and transactions are eliminated in the accompanying consolidated financial statements.

Comparative Information

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Accordingly, such information should be read in conjunction with the Organization's December 31, 2018 consolidated financial statements, from which the summarized information was derived.

FIT/NHNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019

(With Comparative Totals for December 31, 2018)

Use of Estimates

The preparation of 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 financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with U.S. GAAP, which require the Organization to report information regarding to its consolidated financial position and activities according to the following net asset classification:

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.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will 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. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

All contributions are considered to be available for general use 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 support with donor restrictions that increases net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. The Organization records donor-restricted contributions whose restrictions are met in the same reporting period as support without donor restrictions in the year of the gift.

The Organization reports contributions of land, buildings or equipment as support without donor restrictions, unless a donor places explicit restriction on its use. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions and reclassified to net assets without donor restrictions when the assets are acquired and placed in service.

FIT/NHNNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019

(With Comparative Totals for December 31, 2018)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. Management regularly monitors the financial institutions, together with their respective cash balances, and attempts to maintain the potential risk at a minimum. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on these accounts.

Reserves are those deposits of cash and cash equivalents not generally available for operating costs, but restricted to particular uses including operating and replacement reserves for rental properties as well as certain other social services and programs.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at estimated fair market value at the date of donation, less accumulated depreciation. The Organization's capitalization policy requires the capitalization of capital expenditures greater than \$1,000, while ordinary maintenance and repairs are charged to expense. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, ranging from 5 to 30 years. Assets not in service are not depreciated.

Rental Income

Rental revenue is recognized pro rata over each tenant's period of occupancy. A contract is entered into with a tenant and covers a period of twelve months. All rents are collected at the beginning of each month and are nonrefundable. A tenant has an option to cancel a lease at any time with a minimum of 30 days notice, at which time the Organization will prorate the final rent payment through a tenant's expected move-out date.

When a contract is entered into with a tenant, the Organization collects a security deposit. The security deposits are maintained in a separate cash account and a corresponding liability is recognized. Upon termination of a tenant's contract, the Organization assesses the condition of the unit being vacated. If it is determined a unit is vacated in a condition equivalent to when the tenant occupied the unit, the security deposit is refunded to the tenant. If a unit is determined to be vacated in a condition less than equivalent to when the tenant occupied the unit, the security deposit is retained and recognized as revenue.

FIT/NHNN, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019

(With Comparative Totals for December 31, 2018)

Volunteer Services

A number of volunteers have donated their time to the Organization's various programs and administrative services. The value of these services has not been included in the accompanying consolidated financial statements since the volunteers' time does not meet criteria for recognition. The estimated value of donated time for the years ended December 31, 2019 and 2018 is approximately \$1,030,000 and \$780,000, respectively.

Functional Expense Allocation

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include salaries and benefits, depreciation, amortization, office and other expenses, which are allocated based on direct payroll hours by functional cost centers.

Income Taxes

The Organization is a tax-exempt Section 170(b)(1)(A)(vi) public charity as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is 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 financial statements.

The standards for accounting for uncertainty in income taxes require the Organization to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of December 31, 2019 and 2018, the Organization determined that it had no tax positions that did not meet the more-likely-than-not threshold of being sustained by the applicable tax authority. The Organization files an informational return in the United States. This return is generally subject to examination by the federal government for up to three years.

No provision for taxes on income is made in the Limited Partnerships' financial statements since, as partnerships, all taxable income and losses are allocated to the partners for inclusion in their respective tax returns.

The Association is not exempt from income taxes; however, the Code categorizes any profits realized by the Association from its member activities as reductions of members' contributions towards the operation of the condominium property and not as taxable income of the Association or its members. Accordingly, no provision for income taxes has been made in these consolidated financial statements.

FIT/NHNNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019

(With Comparative Totals for December 31, 2018)

2. Availability and Liquidity of Financial Assets

As of December 31, 2019, the Organization has working capital, excluding current assets with donor restrictions of \$454,597, of \$1,932,450 and average days (based on normal expenditures) cash and cash equivalents on hand of 85.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on mortgage notes payable, and capital acquisitions not funded through replacement reserves or financed with debt, were as follows:

	<u>2019</u>	<u>2018</u>
Financial assets:		
Cash and cash equivalents	\$ 2,522,454	\$ 1,598,033
Accounts receivable	67,501	52,211
Grants and contributions receivable	589,218	786,343
Due from related parties	-	35,613
Investments	<u>1,123,413</u>	<u>1,336,584</u>
Total financial assets	4,302,586	3,808,784
Donor-imposed restrictions:		
Restricted funds	<u>(479,597)</u>	<u>(1,187,636)</u>
Financial assets available at year end for current use	\$ <u>3,822,989</u>	\$ <u>2,621,148</u>

The Organization also has a line of credit available to meet short-term needs, as described in Note 5.

The Organization has replacement reserves and designated cash reserves for properties as part of its debt financing with New Hampshire Housing Finance Authority (NHHFA) which are only available when approved by NHHFA. As a result, these replacement reserves and designated cash reserves for properties are not considered available for general expenditure within the next year and are not reflected in the amount above. The goal for the Organization is to maintain a balanced budget while meeting the requirements of the various financing authorities.

FIT/NHNN, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019

(With Comparative Totals for December 31, 2018)

3. Property and Equipment

Property and equipment consisted of the following:

	<u>2019</u>	<u>2018</u>
Land	\$ 3,764,378	\$ 3,646,598
Land improvements	650,360	602,600
Buildings and improvements	39,119,498	34,123,494
Furniture and fixtures	920,936	731,590
Equipment	604,426	558,032
Vehicles	361,153	347,711
Construction in progress	<u>850</u>	<u>12,229</u>
	45,421,600	40,022,254
Less: accumulated depreciation	<u>12,633,547</u>	<u>11,491,435</u>
Property and equipment, net	<u>\$ 32,788,053</u>	<u>\$ 28,530,819</u>

At December 31, 2019 and 2018, the Organization held \$37,087,574 and \$31,959,920, respectively, of land, land improvements, and buildings and improvements for the purpose of leasing to individuals. Accumulated depreciation on the land improvements, buildings and building improvements at December 31, 2019 and 2018 was \$9,284,428 and \$8,344,904, respectively.

4. Development In Process

At December 31, 2019, development in process consisted of various projects in process related to all of the properties owned by the Organization. As December 31, 2018, development in process consisted of costs related to the following:

Family Willows Recovery Housing Program

In response to the rising rates of opioid and other substance use issues throughout Manchester, New Hampshire and the State of New Hampshire, FIT/NHNN and Housing Benefits established The Manchester Recovery and Treatment Center (the Facility), a large-scale facility to curb the tide of substance misuse.

The Facility provides areas for agencies to provide substance use disorder treatments or services to those at varying stages of recovery. The Facility also includes Housing Benefit's Family Willows Recovery Housing Program (the Program) on the 2nd and 3rd floors. This Program provides 19 units of sober recovery housing, and accommodates approximately 40-50 women and their children. Residents in the Program have access to case management, continued outpatient treatment, self-help groups, employment workshops, and social events. Funding for the Facility was secured from the City of Manchester, NHHFA, Franklin Savings Bank, the Community Development Finance Authority (CDFA) and private foundations. Construction was completed and the Facility was placed into service in 2019.

FIT/NHNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019

(With Comparative Totals for December 31, 2018)

5. Line of Credit

The Organization has an unsecured line of credit agreement, renewed annually, with a financial institution in the amount of \$350,000. During the term of the agreement, the interest rate on any outstanding principal balance shall be equal to the base rate, as defined by the financial institution, with a floor of 4% (4.75% at December 31, 2019). As of December 31, 2018, the outstanding balance was \$145,000. There was no outstanding balance as of December 31, 2019.

6. Long-Term Debt

Long-term debt consisted of the following:

	<u>2019</u>	<u>2018</u>
A mortgage loan payable to NHHFA in monthly payments of \$680, including interest at 1% and an escrow of \$289. The loan is collateralized by real estate located on Amherst Street, Manchester, New Hampshire. The loan is due and payable in full in January 2033.	\$ 50,142	\$ 53,707
A note payable to NHHFA. The note is noninterest bearing and is collateralized by real estate located on Amherst Street, Manchester, New Hampshire. The note is due and payable upon sale or refinancing of the property or in June 2042.	163,283	163,283
A mortgage loan payable to St. Mary's Bank in monthly payments of \$883, including interest at 5.00% for five years. After five years, the interest rate adjusts to match the then current Federal Home Loan Bank of Boston 5-year, 20-year amortizing rate plus 2.50%. The loan is collateralized by real estate on Spruce Street, Manchester, New Hampshire and is due and payable in full in May 2034. The Organization refinanced this note in 2019.	104,019	113,185
A mortgage loan payable to TD Bank, N.A. in monthly payments of \$1,359, including interest at 4.1%. The loan is collateralized by real estate at Beech Street, Manchester, New Hampshire. The loan is due and payable in full in November 2023.	48,028	59,226
A mortgage loan payable to RBS Citizens Bank in monthly payments of \$2,126, including interest at 7.18%. The loan is collateralized by real estate on Douglas Street, Manchester, New Hampshire. The loan is due and payable in full in April 2024.	207,307	217,397

FIT/NHNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019
(With Comparative Totals for December 31, 2018)

A mortgage note payable by Housing Benefits to NHHFA, collateralized by Bicentennial property. Monthly payments of \$1,095 include interest at 4.75% per annum until the principal and interest are fully paid with the final installment due and payable on May 1, 2034.	135,156	141,664
A noninterest bearing note payable by Housing Benefits to NHHFA, collateralized by Bicentennial property and various financing instruments. Annual payments of 50% of surplus cash are due. The note is due and payable on May 28, 2034. This is nonrecourse.	85,018	85,018
A noninterest bearing note payable by Housing Benefits to NHHFA, collateralized by Bicentennial property and various financing instruments. Annual payments of 25% of surplus cash are due. The note is due and payable on May 28, 2033. This note is nonrecourse and is subordinate to the \$85,018 note payable.	336,955	336,955
A noninterest bearing note payable by Housing Benefits to Merrimack County, collateralized by Bicentennial property and various financing instruments. The note is due and payable in full in May 2033.	260,000	260,000
A noninterest bearing note payable by Housing Benefits to NHHFA, collateralized by Millyard II property and various financing instruments. Annual payments of 25% of surplus cash are due. The note is due and payable upon sale or refinancing of the property or in May 2031. This loan is nonrecourse.	445,068	449,877
A mortgage note payable by Housing Benefits to NHHFA, collateralized by Millyard II property. Monthly payments of \$1,729 include principal and interest at 3.5% per annum. The final installment is due and payable on September 1, 2032.	207,057	220,274
A note payable by Housing Benefits to the City of Manchester, New Hampshire, collateralized by Millyard II property and various financing instruments. A payment of interest shall be made annually no later than August 1 each year based on 42.5% of the net cash flow, as defined. In any year where the Debt Coverage Ratio, as defined, exceeds 1.15 to 1, principal payments shall be made no later than August 1 in an amount that will result in a 1.15 to 1 Debt Coverage Ratio. All unpaid amounts are due and payable in full on August 1, 2031. This note is nonrecourse.	226,725	226,725

FIT/NHNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019

(With Comparative Totals for December 31, 2018)

A noninterest bearing note payable by Housing Benefits to the New Hampshire Community Loan Fund, Inc. (NHCLF), collateralized by Millyard II property. Payment of principal is due and payable on December 31, 2031. This note is nonrecourse.	250,000	250,000
A mortgage note payable by Housing Benefits to the City of Manchester Community Improvement Program, collateralized by Millyard Families I real estate. The note is noninterest bearing and is due and payable in January 2027.	230,000	230,000
A second mortgage note payable by Housing Benefits to CDFA, collateralized by Millyard Families I real estate. Monthly payments of \$1,121 include principal and interest at 2% per annum. The final installment is due and payable on June 15, 2022.	32,773	45,430
A mortgage note payable by Family Bridge to NHHFA, collateralized by real estate and personal property. The note bears no interest and is to be repaid from 50% of available surplus cash annually with all remaining principal due on August 30, 2034.	850,000	850,000
A promissory note payable by Family Bridge to TD Bank, N.A., collateralized by real estate. Monthly payments of \$3,953 include principal and interest at 4.33%. The note is payable in full in November 27, 2023 and is guaranteed by FIT/NHNH, Inc. and Family Mill.	415,323	432,921
A promissory note payable by Family Bridge to the City of Manchester, New Hampshire. The note is noninterest bearing with annual payments of 50% of net cash flow payable by October 1. The outstanding principal is due by October 1, 2034. The note is collateralized by real estate and is nonrecourse.	600,000	600,000
A mortgage note payable by Family Willows to NHHFA, collateralized by real estate and personal property. The note bears no interest and is to be repaid from 50% of available surplus cash annually with all remaining principal due on July 9, 2037.	516,277	543,384
A note payable by Family Willows to the City of Manchester, New Hampshire. The note is noninterest bearing and has an annual payment of \$9,091 payable on October 1. All outstanding principal is due by October 2029. The note is collateralized by real estate and is nonrecourse.	81,817	90,908

FIT/NHNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

**December 31, 2019
(With Comparative Totals for December 31, 2018)**

A note payable by Family Willows to RBS Citizens Bank, collateralized by real estate. Monthly payments of \$1,882 include principal and interest at 4.75%, based on the prime rate capped at 6%. The note is payable in full on June 27, 2033 and is guaranteed by FIT/NHNH, Inc. and Big Shady Tree.	251,100	263,103
A mortgage note payable by Housing Benefits to NHHFA, collateralized by School & Third Street real estate and personal property. Monthly payments of \$2,775 include principal and interest at 8% per annum. The note is due in February 2021.	40,664	69,285
A second mortgage note payable by Housing Benefits to NHCLF, collateralized by School & Third Street real estate and personal property. The note bears no interest and monthly payments of \$2,775 will commence on April 15, 2021 and continue until maturity in October 2039.	617,613	617,613
A mortgage note payable by Housing Benefits to NHHFA, collateralized by Belmont Street real estate and personal property. The non-interest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full by December 2040.	413,735	413,575
A privately-financed mortgage note collateralized by property located at South Main Street in Concord, New Hampshire. Monthly payments of \$3,158 include principal and interest at 6.25% per annum. The property was sold and the note was paid in 2019.	-	332,432
A mortgage note payable from Housing Benefits to NHHFA, collateralized by Lowell Street real estate and personal property. The non-interest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full in August 2040.	34,628	34,628
A second, noninterest bearing, mortgage note payable from Housing Benefits to the City of Manchester, New Hampshire, collateralized by Lowell Street real estate. Annual payments equal to the greater of 25% of net cash flow, as defined, or \$4,000 commenced in October 2012 and continue until the maturity date in June 2041.	160,022	168,022

FIT/NHNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019

(With Comparative Totals for December 31, 2018)

A noninterest bearing promissory note payable from Housing Benefits to NHHFA collateralized by a mortgage and security agreement on Lowell Street real estate. The note is to be forgiven 1/15th annually over the low-income housing tax credit compliance period which ends in 2026, subject to compliance with certain requirements. During 2019 and 2018, \$131,267 was recognized as revenue and support in the consolidated statement of activities.	853,230	984,497
A mortgage note payable from Housing Benefits to NHHFA, collateralized by Dover real estate and personal property. The noninterest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full by June 2028.	216,148	216,672
A noninterest bearing mortgage note payable to the City of Manchester Community Improvement Program, collateralized by real estate located at 393-395 Spruce Street. Annual payments of the greater of 25% of net cash flow, as defined, or \$5,000 are due annually by October 1. The note is due in full by October 1, 2045.	572,808	582,808
A mortgage note payable to TD Bank, N.A., collateralized by real estate located at 167 Lake Avenue and personal property located at 161 South Beech Street, Unit 2. Monthly payments of \$2,137 include principal and interest at 4.35%. The note is due in full by April 2024. The Organization refinanced this note in 2019.	386,216	388,731
A vehicle loan payable in monthly payments of \$488, including interest at 4.06%. The loan is due in September 2020 and is collateralized by the related vehicle.	4,237	9,892
A vehicle loan payable in monthly payments of \$760, including interest at 5.374%. The loan is due in November 2020 and is collateralized by the related vehicle.	5,989	13,979
A vehicle loan payable in monthly payments of \$308, including interest at 4.75%. The loan is due in October 2023 and is collateralized by the related vehicle.	12,930	-

FIT/NHNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019

(With Comparative Totals for December 31, 2018)

A mortgage note payable to NHHFA, collateralized by the real estate at Lake Avenue, Manchester, New Hampshire. The non-interest bearing note requires annual payments in amounts equal to 50% of surplus cash. The note is payable in full by June 2045.	750,000	750,000
A mortgage note payable to TD Bank, N.A., collateralized by real estate located at 641 Hayward Street, Manchester, New Hampshire. Monthly payments of \$1,091 include principal and interest at 4.25%. The note is due in full by January 2040.	177,428	183,916
A mortgage note payable to Peoples United Bank, collateralized by Hope House. Monthly payments of \$2,270 include principal and interest at 4.94%. The note is due in full by January 2027.	373,411	382,018
A construction loan payable to Franklin Savings Bank, collateralized by real estate located at 267 Wilson Street, Manchester, New Hampshire. Housing Benefits has the ability to draw up to \$825,000 on the promissory note. Monthly payments including principal, interest and escrow of \$7,003 are due over a 30 year period starting September 2018 at 4.90% interest.	724,146	770,113
A noninterest bearing construction loan payable to NHHFA, collateralized by real estate located at 267 Wilson Street, Manchester, New Hampshire. The note has a borrowing limit of \$720,000. Annual payments in amounts equal to 25% of surplus cash. The note is due in full by November 1, 2047.	720,000	692,891
Three vehicle loans collateralized by an activity bus payable to Ford Credit in monthly payments of \$392 at 5.90% annual interest rate. The loan is due and payable in March 2022.	28,611	40,633
A noninterest bearing mortgage note payable to the City of Manchester Community Improvement Program, collateralized by real estate located at 267 Wilson Street, 2nd Floor. The note has a borrowing limit of \$1,655,323. As costs are incurred Housing Benefits is to be reimbursed by the City of Manchester. Annual payments of the greater of 25% of net cash flow, as defined, or \$5,000 are due by October 1 commencing October 1, 2019. The note is due in full by October 1, 2047.	1,458,182	1,133,816

FIT/NHHH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019

(With Comparative Totals for December 31, 2018)

A noninterest bearing mortgage note payable to the City of Manchester, collateralized by real estate located at 267 Wilson Street, 3rd Floor. The note is funded by the City of Manchester's Community Improvement Program and the City of Manchester's Affordable Housing Trust Funds. The note has a borrowing limit of \$531,252. As costs are incurred, Housing Benefits is to be reimbursed by the City of Manchester. Annual payments in the amount of 25% of net cash flow, as defined, are due by October 1 commencing October 1, 2019. The note is due in full by December 1, 2047.	531,252	495,225
A noninterest bearing construction loan payable to NHHFA, collateralized by real estate located in Wolfeboro, New Hampshire. The note has a borrowing limit of \$780,000. Annual payments in amounts equal to 25% of surplus cash. The note is due in full by December 1, 2047.	780,000	780,000
A mortgage note payable to NHHFA and is collateralized by the real estate and personal property. The mortgage is insured by the U.S Department of Housing and Urban Development through the Housing Finance Agency Risk Sharing Program authorized by Section 542(c) of the Housing and Community Development Act of 1992. Monthly payments of \$6,745 are due for principal and interest at 4.20%. All remaining principal is due on May 1, 2059.	1,558,090	-
A technical assistance note payable to NHHFA to provide support to the Organization for renovations at Angie's Shelter. If the renovation project is approved, NHHFA is expected to be the lead lender on renovations. If the renovation project is not approved NHHFA will forgive the borrowings. The noninterest bearing note payable is due at the time of closing on the construction loan.	41,627	13,879
A noninterest bearing note payable to the City of Manchester Community Improvement Program through the Affordable Housing Trust Funds, collateralized by real estate located at 199 Manchester Street. Annual payments of \$6,000 are due by October 1 commencing October 1, 2010. The note was paid off in 2019.	-	6,000

FIT/NHNNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

**December 31, 2019
(With Comparative Totals for December 31, 2018)**

A note payable to CDFA, collateralized by real estate located at 199 Manchester Street, Manchester, New Hampshire. Principal only payments are due for the first 18 months, at which time monthly payments include principal and interest at 2.0% will be required until December 2021.

	<u>28,924</u>	<u>46,767</u>
	15,985,939	14,760,449
Less current portion	317,739	1,116,180
Less unamortized deferred costs	<u>57,530</u>	<u>40,252</u>
	<u>\$ 15,610,670</u>	<u>\$13,604,017</u>

Surplus cash for the purposes of these disclosures is as defined in the respective loan agreements.

Principal maturities of the above notes over the next five years and thereafter are as follows:

2020	\$ 317,739
2021	245,311
2022	223,202
2023	544,247
2024	663,538
Thereafter	<u>13,991,902</u>
	<u>\$ 15,985,939</u>

Interest expense charged to operations, including amortization of deferred costs of \$14,131, was \$221,658 and \$229,713 in 2019 and 2018, respectively.

FIT/NHNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

**December 31, 2019
(With Comparative Totals for December 31, 2018)**

7. Net Assets

At December 31, 2019 and 2018, net assets without donor restrictions are fully available to support operations of the Organization.

Net assets with donor restrictions were as follows:

	<u>2019</u>	<u>2018</u>
Investments to be maintained in perpetuity, income is to support general operations	\$ <u>25,000</u>	\$ <u>25,000</u>
Funds maintained with donor restrictions temporary in nature:		
The Family Place - services	81,933	53,540
Scholarships	8,764	8,264
VISTA program	-	48,118
Housing programs	37,500	-
Direct care for clients	88,784	95,410
Community Gardens	-	10,333
Hope House	21,067	131,440
Family Willows Recovery Housing Program	-	264,238
NHNH merger	12,779	345,003
Substance use disorder services	119,760	170,677
NHNH programs	17,344	35,613
Passage of time	<u>66,666</u>	<u>-</u>
Total funds maintained with donor restrictions temporary in nature	<u>454,597</u>	<u>1,162,636</u>
Total net assets with donor restrictions	\$ <u>479,597</u>	\$ <u>1,187,636</u>

FIT/NHNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019
(With Comparative Totals for December 31, 2018)

Net assets released from net assets with donor restrictions were as follows:

	<u>2019</u>	<u>2018</u>
Satisfaction of purpose restrictions:		
Operating releases		
The Family Place - services	\$ 26,607	\$ -
Scholarships	-	3,500
VISTA program	48,116	57,325
Direct care for clients	71,083	84,324
Community Gardens	2,000	-
Hope House	107,176	-
NHNH merger	122,810	96,706
Substance use disorder services	374,438	45,324
NHNH programs	<u>107</u>	<u>5,746</u>
	<u>752,336</u>	<u>292,925</u>
Capital project releases		
Hope House	-	216,016
Family Willows Recovery		
Housing Program	264,238	143,796
NHNH programs	<u>35,616</u>	<u>-</u>
	<u>299,854</u>	<u>359,812</u>
	<u>\$ 1,052,190</u>	<u>\$ 652,737</u>

8. Commitments

Under the terms of the Limited Partnerships' Regulatory Agreements with NHHFA, each Limited Partnership is required to make deposits to various escrow accounts to fund expected future costs.

Each Limited Partnership has entered into a Land Use Restriction Agreement with NHHFA, as a condition of the allocation of low-income housing tax credits by NHHFA. Pursuant to the covenant, the Limited Partnerships are required to remain in compliance with Code Section 42 for the compliance period and an extended use period, unless terminated sooner.

FIT/NHNH, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019
(With Comparative Totals for December 31, 2018)

9. Retirement Plan

The Organization has a tax deferred retirement plan which is available to all employees working greater than 25 hours a week. All employees are eligible to participate and are fully vested with the first contribution. The Organization matches contributions at 100% up to 3% of compensation. The Organization contributed \$71,543 and \$63,053 during the years ended December 31, 2019 and 2018, respectively.

10. Noncontrolling Interest

Noncontrolling interest, as shown in the consolidated statement of financial position, represents investments by limited partners in the Limited Partnerships as follows:

<u>Limited Partner</u>	<u>Property</u>	<u>2019</u>	<u>2018</u>
New Hampshire Housing Equity Fund, Inc.	Bicentennial	\$ -	\$ 105,749
JP Morgan Chase	Bicentennial	-	213,791
BCCC, Inc.	Family Bridge	10	10
Boston Capital Corporate	Family Bridge	766,943	970,818
BCCC, Inc.	Family Willows	10	10
Boston Capital Midway	Family Willows	<u>1,835,370</u>	<u>1,919,020</u>
		<u>\$ 2,602,333</u>	<u>\$ 3,209,398</u>

11. Uncertainty

Subsequent to December 31, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (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 meetings. Most sectors are experiencing disruption to business operations and may feel further impacts related to delayed government reimbursement, volatility in investment returns, and reduced philanthropic support. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impacts to the Organization as of March 31, 2020, management believes that a material impact on the Organization's consolidated financial position and results of future operations is reasonably possible.

12. Subsequent Events

For purposes of the preparation of these consolidated financial statements in conformity with U.S. GAAP, the Organization has considered transactions or events occurring through March 31, 2020, which was the date the consolidated financial statements were available to be issued. Management has not evaluated subsequent events after that date for inclusion in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

FITFINNH, INC. AND SUBSIDIARIES
Consolidating Statement of Financial Position
December 31, 2019

	ASSETS										
	Families In Transition - Operating	Limited Partnerships	Housing Benefits	Family Outlets	New Horizons for New Hampshire	Manchester Emergency Housing	New Hampshire Coalition to End Homelessness	Wilson Street Condominium Association	With Donor Restrictions	Eliminations	Total
Current assets											
Cash and cash equivalents	\$ 1,101,620	\$ 48,800	\$ 174,887	\$ 79,805	\$ 638,881	\$ 7,983	\$ 81,537	\$ 1,250	\$ 387,931	\$ -	\$ 2,522,454
Accounts receivable	82,058	12,778	36,398	-	-	-	-	8,448	-	(72,174)	87,501
Grants and contributions receivable	420,456	-	-	-	84,286	7,800	-	-	88,866	-	583,218
Prepaid expenses	23,824	14,837	17,710	6,478	680	375	742	1,358	-	-	85,512
Due from related party	1,271,127	-	58,401	77,118	71,313	-	2,038	-	-	(1,479,987)	-
Other current assets	4,128	15,612	33,829	-	-	-	-	-	-	-	88,367
Total current assets	2,903,009	88,724	328,835	163,401	805,180	18,138	87,317	11,052	454,597	(1,552,171)	3,304,052
Replacement reserves	87,352	111,828	228,852	-	-	-	-	20,180	-	-	428,390
Reserve cash designated for properties	64,622	263,218	794,857	-	-	-	-	-	-	-	1,012,597
Related party notes receivable	1,725,799	-	-	-	-	-	-	-	-	(1,725,799)	-
Accrued interest receivable on related party note	1,152,963	-	-	-	-	-	-	-	-	(1,152,963)	-
Investments	-	-	-	-	1,098,413	-	-	-	25,000	-	1,123,413
Investment in related entities	1,196,347	-	26,051	-	-	-	-	-	-	(1,220,396)	1,000
Property and equipment, net	3,896,868	7,564,974	19,944,489	19,017	1,540,891	1,685	2,004	18,148	-	-	32,788,053
Development in process	165,886	-	-	-	-	-	-	-	-	-	165,886
Other assets	-	-	50,000	-	30,628	-	-	-	-	-	80,628
Total assets	\$ 10,952,343	\$ 8,018,842	\$ 21,280,134	\$ 182,418	\$ 3,474,822	\$ 17,723	\$ 89,821	\$ 49,399	\$ 479,897	\$ (5,651,331)	\$ 38,893,829
	LIABILITIES AND NET ASSETS										
Current liabilities											
Current portion of long-term debt	\$ 104,728	\$ 53,156	\$ 136,518	\$ 5,989	\$ 18,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 317,739
Accounts payable	36,140	78,907	48,096	2,007	68,489	3,551	1,813	2,628	-	(72,174)	187,557
Accrued expenses	221,588	719,517	486,286	17,156	68,289	12,155	-	-	-	(1,152,863)	372,038
Due to related entities	49,429	87,486	1,184,010	-	2,846	162,770	-	13,846	-	(1,479,987)	-
Other current liabilities	4,572	17,419	38,823	-	-	-	755	-	-	-	89,871
Total current liabilities	416,467	864,486	1,870,833	25,152	157,772	168,476	2,868	16,274	-	(2,705,134)	917,005
Long-term debt, net of current portion and unamortized deferred costs	1,691,762	3,687,871	11,846,260	-	10,879	-	-	-	-	(1,725,799)	16,810,679
Total liabilities	2,108,229	4,552,357	13,817,093	25,152	168,651	168,476	2,868	16,274	-	(4,430,933)	16,827,675
Net assets											
Net assets without donor restrictions - controlling interest	8,844,114	764,143	7,463,039	157,288	3,306,574	(160,753)	87,183	33,096	-	(1,220,396)	19,284,224
Net assets without donor restrictions - noncontrolling interest	-	2,692,333	-	-	-	-	-	-	-	-	2,692,333
Total net assets without donor restriction	8,844,114	3,368,476	7,463,039	157,288	3,306,574	(160,753)	87,183	33,096	-	(1,220,396)	21,886,567
Net assets with donor restrictions	-	-	-	-	-	-	-	-	479,897	-	479,897
Total net assets	8,844,114	3,368,476	7,463,039	157,288	3,306,574	(160,753)	87,183	33,096	479,897	(1,220,396)	22,366,164
Total liabilities and net assets	\$ 10,952,343	\$ 8,018,842	\$ 21,280,134	\$ 182,418	\$ 3,474,822	\$ 17,723	\$ 89,821	\$ 49,399	\$ 479,897	\$ (5,651,331)	\$ 38,893,829

PIT/MHNN, INC. AND SUBSIDIARIES

Consolidating Statement of Activities

Year Ended December 31, 2019

	Families in Transition - Operations	Limited Partnerships	Housing Benefits	Family Outlets	New Horizons for New Hampshire	Manchester Emergency Housing	New Hampshire Coalition to End Homelessness	Wilson Street Condominium Association	Eliminations	Without Donor Restrictions Total	With Donor Restrictions	Total
Revenue and support												
Federal, state and other grant support	\$ 3,834,888	\$ -	\$ 327,427	\$ -	\$ 887,713	\$ 148,178	\$ 4,000	\$ -	\$ (417,844)	\$ 4,285,382	\$ 344,151	\$ 4,629,513
Rental income, net of vacancies	277,624	815,439	1,285,731	-	24,533	11,491	-	101,810	(157,098)	2,359,730	-	2,359,730
Thrift store sales	-	-	-	573,355	-	-	-	-	-	573,355	-	573,355
Public support	1,053,732	-	18,887	-	971,788	-	6,744	-	-	2,050,951	-	2,050,951
Tax credit revenue	268,238	-	-	-	-	-	-	-	-	268,238	-	268,238
Special events	238,073	-	-	-	280,164	-	-	-	-	518,237	-	518,237
Property management fees	818,048	-	-	-	-	-	-	-	(818,048)	-	-	-
Developer fees	101,645	-	-	-	-	-	-	-	-	101,645	-	101,645
VIETA program revenue	76,368	-	-	-	-	-	-	-	-	76,368	-	76,368
Unrealized gain on investments	-	-	-	-	252,431	-	-	-	-	252,431	-	252,431
Gain (loss) on disposal of assets	212,848	(1,871)	-	(745)	-	158	-	-	-	210,190	-	210,190
Interest income	99,194	4,738	11,282	-	-	-	-	2	(95,880)	19,329	-	19,329
In-kind donations	83,579	-	4,893	-	7,210	-	-	-	-	105,484	-	105,484
Investment income	-	-	-	-	21,969	-	-	-	-	21,969	-	21,969
Forgiveness of debt	-	-	131,267	-	-	-	-	-	-	131,267	-	131,267
Medicaid reimbursements	874,881	-	-	-	-	-	-	-	-	874,881	-	874,881
Other income	164,882	25,488	119,895	18,983	29,881	33,240	2,927	588	(169,174)	226,540	-	226,540
Net assets released from restrictions for operations	782,339	-	-	-	-	-	-	-	-	782,339	(702,339)	-
Total revenue and support	8,385,123	843,784	1,629,814	691,693	2,278,599	184,067	13,871	192,810	(1,658,054)	12,827,290	(408,185)	12,218,105
Expenses												
Program activities	8,052,871	1,230,070	2,002,397	432,890	1,448,523	270,842	11,242	89,582	(1,593,718)	9,842,401	-	9,842,401
Fundraising	507,545	-	228,885	-	203,859	-	-	-	-	1,000,388	-	1,000,388
Management and general	859,813	-	102,831	-	180,528	-	-	-	(84,339)	1,078,712	-	1,078,712
Total expenses	7,480,029	1,230,070	2,333,933	432,890	1,831,057	270,842	11,242	89,582	(1,658,054)	12,021,501	-	12,021,501
Excess (deficiency) of revenue and support over expenses	885,097	(386,276)	(404,949)	158,803	444,532	(76,875)	2,429	12,828	-	606,789	(408,185)	197,604
Net assets released for capital projects	264,238	-	-	-	35,816	-	-	-	-	299,854	(299,854)	-
Partnership distributions	-	(7,317)	-	-	-	-	-	-	-	(7,317)	-	(7,317)
Equity transferred resulting from dissolution of Limited Partnership	-	(559,858)	559,858	-	-	-	-	-	-	-	-	-
Change in net assets	\$ 1,149,335	\$ (953,843)	\$ 125,607	\$ 158,803	\$ 480,148	\$ (76,875)	\$ 2,429	\$ 12,828	\$ -	\$ 899,329	\$ (709,039)	\$ 190,297

FIT/HHH, INC. AND SUBSIDIARIES
Consolidating Statement of Functional Expenses
Year Ended December 31, 2019

	Program Activities												
	Families In Transition - Quarantine	Limited Partnerships	Housing Benefits	Family Outlets	New Horizons for New Hampshire	Manchester Emergency Housing	New Hampshire Coalition to End Homelessness	Wilson Street Condominium Association	Program Activities Total	Fundraising	Management and General	Eliminations	Total
Salaries and benefits													
Salaries and wages	\$ 2,427,122	\$ -	\$ 689,449	\$ 248,403	\$ 796,026	\$ 149,585	\$ -	\$ -	\$ 4,290,585	\$ 400,818	\$ 603,736	\$ -	\$ 5,295,139
Employee benefits	267,221	-	89,637	11,726	63,312	10,985	-	-	442,901	41,893	62,042	-	548,228
Payroll taxes	179,538	-	47,392	18,852	61,740	11,163	-	-	318,632	29,838	44,232	-	393,900
Total salaries and benefits	2,873,881	-	806,815	280,013	921,078	171,733	-	-	6,052,520	472,737	710,070	-	6,235,327
Advertising	18,309	-	-	29,078	2,506	-	500	-	50,391	2,441	3,662	-	58,494
Application and permit fees	-	-	-	-	522	-	-	-	522	52	4,341	-	4,815
Bad debts	3,245	3,323	6,834	-	-	-	-	-	13,402	-	-	-	13,402
Bank charges	6,542	899	-	7,496	-	129	238	77	15,448	872	6,554	-	21,874
Condominium association fees	-	-	70,656	-	-	-	-	-	70,656	-	-	(58,486)	12,072
Consultants	12,312	-	2,269	2,714	20,142	2,392	-	-	39,829	4,169	6,377	-	48,374
Depreciation	152,477	368,631	444,128	10,304	67,775	204	1,019	166	1,034,702	131,224	73,404	-	1,239,330
Events	-	-	-	385	-	-	480	1,309	2,174	145,581	-	-	147,755
Food	-	-	22,863	-	101,187	-	-	-	124,050	-	-	-	124,050
General insurance	27,104	41,632	41,048	2,331	18,019	6,823	742	11,568	148,985	16,214	11,245	-	176,444
Interest expense	46,614	107,445	159,728	660	747	-	-	-	318,396	1,615	638	(96,890)	221,858
Management fees	83,135	211,076	538,305	-	-	-	-	24,903	637,479	-	-	(860,765)	6,724
Meals and entertainment	3,494	-	-	-	-	-	-	-	3,494	498	783	-	4,747
Membership dues	5,681	-	280	-	287	-	600	-	8,728	757	1,136	-	8,821
Merger expenses	110,014	-	-	-	-	-	-	-	110,014	-	36,872	-	146,886
Office supplies	144,365	1,896	5,826	6,896	23,748	69	231	64	184,899	21,504	32,098	-	238,588
Participant expenses	76,919	2,639	2,834	-	9,884	43,148	4,000	-	139,802	-	-	-	139,802
Postage	7,604	-	144	8	4,374	11	24	-	12,665	1,493	2,182	-	16,240
Printing	22,809	-	-	982	12,716	-	72	62	36,741	4,311	6,308	-	47,361
Professional fees	60,656	42,176	19,929	4,000	4,858	776	500	4,036	162,731	12,014	37,696	-	212,640
Related entity expenses	1,380,585	-	(932,737)	(19,947)	-	-	-	-	634,311	-	-	(334,311)	-
Rent	-	-	-	34,274	-	-	-	-	34,274	-	64,338	(98,612)	-
Rental subsidies	306,386	-	-	-	26,249	-	-	-	332,635	-	-	-	332,635
Repairs and maintenance	48,605	142,438	237,679	26,813	113,593	18,596	-	38,894	623,418	73,992	43,911	(20,000)	721,321
Staff development	31,270	-	-	200	2,093	-	1,405	-	34,968	4,378	6,536	-	45,882
Taxes	48,933	118,489	197,931	1,700	-	75	75	-	367,212	-	-	-	367,212
Technology support	142,830	2,841	2,637	625	17,292	2,650	1,357	-	170,232	20,752	30,914	-	221,898
Telephone	61,884	719	31,920	2,618	12,108	3,082	-	1,694	113,734	9,421	13,981	-	137,136
Travel	35,316	-	-	2,325	1,737	-	99	-	39,478	4,581	7,299	-	51,558
Utilities	32,814	162,809	228,800	22,306	69,879	18,947	-	10,029	656,586	60,222	26,851	-	843,689
VISTA program	206,331	2,553	-	-	-	-	-	-	208,887	-	-	-	208,887
Workers' compensation	79,238	-	17,904	14,633	28,789	8,813	-	-	129,157	12,205	17,952	-	168,299
Total expenses	\$ 9,932,971	\$ 1,230,970	\$ 2,002,397	\$ 432,690	\$ 1,416,523	\$ 279,942	\$ 11,242	\$ 89,582	\$ 11,536,117	\$ 1,000,389	\$ 1,143,050	\$ (1,659,054)	\$ 12,021,991

Families in Transition/New Horizons New Hampshire Board of Directors

Board of Directors

Scott W. Ellison, Chair

COOK, LITTLE, ROSENBLATT & MANSON, PLLC, Partner

Board member since 2018

Roy Tilsley, Vice Chair

Bernstein Shur, Shareholder

Board member since 2018

Robert Bartley, Treasurer

President, CPA, CFP, Bartley Financial Advisor

Board member since 2018

Frank Saglio, Asst. Treasurer

Howe, Riley & Howe, PLLC.

Board member since 2018

Kristi Scarpone, Secretary

First, Corporate and Foundation Relations

Board member since 2018

Dick Anagnost, At Large

President, Anagnost Companies

Board member since 2018

Heather Whitfield, At Large

Vice President, Commercial Lending, People's United Bank

Board member since 2018

David Cassidy, Past Co-Chair

Senior Vice President, Eastern Bank

Board member since 2018

Charla Bizios Stevens, Past Co-Chair

Director, Litigation Department and Chair of Employment Law Practice Group

McLane Middleton, Professional Association Esquire

Board member since 2018

Colleen Cone,

Sr. Director Employee Relations Greater Boston Area, Comcast

Board member since 2018

Alison Hutcheson

Merchants Fleet Management, Associate Director of Sales Administration

Board member since 2018

AnnMarie French
Executive Director, NH Fiscal Policy Institute
Board member since 2018

Brian Hansen
Team Engineering, Project Manager
Board member since 2018

Brian Mikol
Spectrum Marketing, Co-Owner
Board member since 2018

Jack Olson
Retired
Board member since 2018

Kitten Stearns
Realtor, Coldwell Banker Residential Brokerage
Board member since 2018

Mary Ann Aldrich
Dartmouth Hitchcock, Sr. Advisor Community & Relations
Board member since 2018

Peter Telge
Owner, Stark Brewing Company
Board member since 2018

Roy Ballentine
Executive Chairman, Ballentine Partners, LLC
Board member since 2019

Sarah Jacobs
Manchester School District Coordinator
Board member since 2018

Sean Leighton
Captain – Investigative Division Commander, City of Manchester Police Department
Board member since 2019

Wayne McCormick, CFP
Steward Partners Managing Director Wealth Manager
Board member since 2018

Rev. Gayle Murphy
Minister At Large
Board member since 2020

Michael McCormick
*Anthem- Chief of Staff & Sales Effectiveness Director,
Commercial Business Division, Manchester NH*
Board member since 2020

Stephanie Allain Savard, MSW, LICSW

Education:

- Masters in Social Work, Boston University, 1996.
- Bachelor of Arts – Honors in Psychology, Keene State College, 1992.
- Associate of Science in Chemical Dependency, Keene State College, 1992.

Licensure and Certification:

- New Hampshire Licensed Independent Clinical Social Worker, #941, April, 2000 - Present.
- Boston University Trauma Certificate Program, 2006.
- Low Income Housing Tax Credit Certified Credit Compliance Professional (C3P), 2000.

Awards & Honors:

- New Futures Thomas Fox Memorial Treatment Scholarship – Recognized for Treatment Work in Substance Use Field, 2013.
- Greater Manchester Chamber of Commerce "Leadership Greater Manchester Program," Class of 2011.
- Union Leader and Business Industry Association "40 Under 40" Leaders of New Hampshire, Class of 2004.
- NH Homeless Service Providers Award, NH Department of Health & Human Services, Office of Homeless & Housing Services, 2003.

Professional Experience:

Chief Operating Officer, Families in Transition, Manchester, NH, December 1996 – Present.

- Oversight of agency operations to ensure seamless systems, fiscal responsibility, quality control and best practices across departments. Provide oversight of development and revision of, adherence to agency policy and procedures.
- Oversee and manage supportive services department with up to 25 staff providing housing (emergency, transitional and permanent) and supportive services with capacity to serve 200 homeless individual and families. Supportive services encompass individual case management, therapy, psycho-educational workshops, pro-social family activities and crisis intervention.
- Collaborate with Board of Directors and Management Team in non-profit development and program growth. Develop and provide clinical oversight of a specialized gender-specific intensive outpatient substance use treatment program specializing in co-occurring disorders, with a focus on trauma histories. Program recognized as the Treatment Provider of the Year by the NH Alcohol and Other Drug Providers Association, 2013.
- Develop and provide clinical oversight of an innovative therapeutic pre-school program for children and families who are homeless with strength-based and family-focused services.
- Provide clinical and administrative supervision for clinical program managers. Oversee a 24-hour crisis line.
- Collaborate with senior management staff in daily operations of Families in Transition, including financial decisions, program and housing development and human resources. Assume responsibilities and decision-making for agency in the absence of the President. Collaborate with President, Board of Directors and management team on strategic planning and implementation for the agency.
- Served on Families in Transition Board of Directors Programs Committee and the primary liaison to Committee chair for agency.

Family Service Worker/Counselor, NFI Midway Residential Shelter, Manchester, NH, 1993 – 1996.

- Provided support and treatment planning with families of children in judicial system. Conducted family assessments and counseling during stay at short-term residential facility.
- Supervised 15 adolescent males utilizing behavior management and normative culture techniques.
- Managed all shifts; development and facilitation of summer activity program.

Clinical Social Worker Intern, CASPAR Emergency Service Center, Cambridge, MA, 1995-1996,

- Assisted in providing treatment services to transitional living program provided within emergency housing program for single adults.
- Completed assessments and provided individual and group therapy to adults who were homeless in early recovery from substance use. Provided case management for substance use, HIV/AIDS and housing needs.

Clinical Social Worker Intern, WorkSource of Work, Inc., Quincy, MA, 1994-1995.

- Provided case management, counseling and crisis intervention to people with chronic mental health disorders.

VISTA Volunteer, Center for Human Services, Seattle, WA, Aug. 1992- Aug. 1993.

- Developed and supervised volunteer program, assisted in agency fundraising and grant writing; designed marketing materials; assisted in coordinating Board of Directors and chaired Board committees.

Professional Expertise and Trainer Experience:

- Brazelton Touchpoints Community Trainer, New Hampshire's Brazelton Touchpoints Site with Families in Transition, 2011 – present.
- "Avoiding Third Degree Burns: A Professional First Aid Kit for Preventing Burnout" Conference Workshop, New Hampshire Division of Children, Youth and Families State-wide Conference, 2014; State of NH Bureau of Housing and Homelessness NH Homeless Provider Conference, 2013; Families in Transition Clinical Department, 2011.
- "Raising Voices: Strategies for Engaging Homeless & Formerly Homeless People in Local and National Advocacy Efforts" Conference Workshop, Institute for Children, Poverty and Homelessness, Beyond Housing: A National Conversation on Child Homelessness and Poverty Conference, NYC, 2014.
- "Dealing with Difficult Conversations" Training, Families in Transition VISTA Program, 2011-2013; Leadership Staff, 2012.
- "Direct Service Training for Volunteers", Families in Transition, 2013.
- "Understanding Homelessness & Poverty" Presentation, St. Anselm's College – Sociology Department, 2011 & 2012.
- "Ethics in Professional Practice" Presentation, Families in Transition, 2009.
- "Relational-Cultural Model with the People Experiencing Homelessness" Conference Workshop, State of NH Bureau of Housing and Homelessness – NH Homeless Providers Conference, 2002.
- Confident public speaker and community collaborator through active participation in multiple community groups, coalitions and associations.

Service in Professional Societies, Government and Local Organizations:

- Appointed Member, NH Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment and Recovery, March 2010 – Present.
- Chair and member, Governor's Commission on Alcohol and Drug Abuse Treatment Taskforce, 2009 – Present.
- Board of Directors Member, National Association of Social Workers –NH Chapter, 2004-2008
 - Vice-President 2006 – 2008
 - Executive Council Member at Large 2004-2005
 - Member 1996-Present.
- Member, Lazarus House Transitional Housing Advisory Council, Lawrence, MA, 2004-2008.
- Board of Directors Member, NH Coalition to End Homelessness, 2000- 2002.
- Member, Manchester Continuum of Care, 2000-2007;
 - Chair – 2000-2001;
 - Community Awareness Committee Chair, 2003-2004 & 2006-2007.

Timothy Prince

OBJECTIVE: Seeking a job with growth and stability.

SKILLS & ACCOMPLISHMENTS

FACILITIES MAINTENANCE:

- Coordinated repairs and maintenance of office buildings, apartments, group homes operated by a large community mental health facility
- Managed maintenance on 185 acre campground with over 250 campsites
- Remained on-call overnight and weekends ability to handle all situations as they occurred
- Replaced defective electric switches and other fixtures
- Repaired plumbing
- Repaired plaster, sheet rock, concrete and some painting
- Performed dam management and maintenance mandated by State of New Hampshire
- Worked on a five year project with contractors and engineers to place 5 leach fields and individual hookups to 200 existing sites
- Worked with IT hooking up new computers and running network cables
- Trained in procedures for removal and disposal of Bio-Hazardous material

EQUIPMENT OPERATION:

- Equipment backhoe, excavator, fork lift, walkie stacker, scissor lift, small hydrostat tractors, snow removal equipment, blowers, mowers and trimmers
- Power tools chain saw, concrete saw, drills, etc.
- All hand tools-carpentry, electrical and plumbing

ADMINISTRATIVE/MANAGEMENT:

- Coordinated scheduling of contractors, including electricians, painters, plumbers and HVAC
- Managed small maintenance crews
- Requisitioned supplies for maintenance department, store and individual buildings
- Obtained job permits for projects from local government offices
- Oversaw camp security and worked closely with local law enforcement
- Assisted customers and clients with requests and problem resolution
- Reconciled register and did daily bank deposits

WORK ETHIC

- Dedicated, loyal and hard working
- Reliable and adaptable
- Work well independently or as part of a team

WORK EXPERIENCE

Receiving Associate, Walmart, Dunnellon, FL

2007-2008

Service Facility Worker Greater Manchester Mental Health, Manchester NH

2004-2006

Maintenance Manager/Assistant Manager, Silver Sands RV Resort Chester, NH

1991-2003

Ann-Elise Bryant

Objective

Seeking a position as Case Manager

Education

Gordon College

Bachelor of Arts in Psychology and Sociology

GPA 3.57

Wenham, MA

May 2010

Honors: *Barrington Scholar; for academic performance in, and impact on, the Psychology department and campus- one student from each department chosen; Dean's List; graduated cum laude*

Experience

Housing Advocate

Families In Transition, Manchester, NH

October 2015- Present

- Responsible for an active case load of 33 individuals who were formerly homeless and are now striving to increase self-sufficiency through addressing barriers such as substance use disorders, mental health diagnoses, and trauma related symptoms while moving towards permanent, stable, independent housing
- Promote participants' growth in achieving goals related to the above mentioned barriers, in addition to those related to increasing financial, employment, and/or education related successes, through providing support in home and community, advocacy, and inter-agency and community referrals
- Encourage appropriate community building through facilitating monthly dinners and other social events
- Document timely records of all participant and collaborative meetings and maintain necessary file documentation such as up-to-date Action Plans, Case Management Needs Identifiers, and Releases of Information

Supportive Services Case Manager

Somerville Homeless Coalition, Somerville, MA

March 2014- October 2015

- Managed an active case load of 12-18 individuals who were formerly homeless and in recovery from substance abuse addiction and/or mental health diagnoses
- Provided services in home and community as outlined on an Individual Service Plan (ISP) in conjunction with supports to promote retention of permanent housing, sobriety, and symptom management
- Responded to crisis situations (including relapse) and utilized Harm Reduction tactics to promote client safety
- Produced documentation of all client interactions and maintained up-to-date ISPs and assessments

Supported Employment Specialist

Genesis Behavioral Health, Laconia, NH

January 2013- February 2014

- Supported an active case load of 25-30 individuals with Severe and Persistent Mental Illness (SPMI) primarily with employment search and school related activities in the community using an Individualized Service Plan (ISP) to provide optimal treatment within a team approach
- Documented all interactions with clients to maintain continuity of care within and, if necessary, outside of agency
- Provided emergency services such as Crisis Intervention, support to local hospital emergency rooms, and/or contact of local authorities when necessary

- Facilitated more effective, streamlined processes for working in conjunction with local agencies, as well as within the Supported Employment team in the areas of service provision to clients and new hire training

Research Data Coordinator

Institute for Community Inclusion, Boston, MA

November 2010- December 2011

- Conducted research related activities (e.g. interviews, transcribing, literature reviews) on two projects focused on aiding individuals with disabilities
- Worked as a member of a research team and attended, and sometimes led, team meetings

Teaching Assistant

Gordon College, Wenham, MA

August 2008- March 2010

- Lead small group meetings ranging from six to twelve students and was responsible for grading students' papers and providing extra help, advice, and instruction
- Attended preparation and follow-up meetings

Private Babysitter

North Shore of Boston, MA

December 2007- May 2010

- Provided care for children ages 3 months- 10 years old through such activities as creating productive playtime, aiding with homework help, and meeting basic needs (mealtime, bathing, laundering)

Food Program and Groceries Intern

Rosie's Place, Boston, MA

September 2008- December 2008

- Completed internship through Gordon College's Boston Urban Semester primarily assisting women with their grocery selections in the food pantry while learning about the services provided through this organization (e.g. legal, housing, and health services)

References available upon request

Education:

Keene State College
229 Main Street
Keene, NH 03435
Bachelor of Arts in Psychology
Graduated May 2011
2007-2011

Experience:

Families in Transition-New Horizons
122 Market Street
Manchester, NH 03101
603-641-9441
February 2013-Present

Current Job Title: Family Place & 24/7 Program Manager

Job Description: Oversight of family shelter operations and staffing including 14 employees across 24/7 programs. Oversight of onboarding and training of new employees. Oversight of case management and service provision within family shelter setting. Builds and maintains relationships with community providers. Provides crisis intervention and conflict resolution. Participates in on call rotation. Active member on Trauma Committee and Board of Directors for Catholic Medical Center's Healthcare for the Homeless program.

Supervisor: Kristen McGuigan

Dates: October 2019- Present

Job Title: Angie's Shelter Program Manager

Job Description: Manage and oversee shelter operations, supervises 16 employees across three 24/7 programs and provides supervision to those employees. Provides intensive individual case management to 17 single women living in shelter to address barriers to self-sufficiency and permanent housing including mental health and/or substance use, employment, education, apartment cleanliness, access to community resources, financial management. Provides crisis intervention and conflict resolution. Participates in on call rotation. Builds and maintains relationships with community providers. Maintains documentations and monthly reports for shelter and 24/7 teams. Active member on Trauma Informed Committee as well as Board of Directors for Healthcare for the Homeless through Catholic Medical Center.

Supervisor: Stephanie Savard

Dates: April 2018-October 2019

Job Title: Family Place Program Manager

Job Description: Manage and oversee all operations for family shelter and resource center, supervise 20 employees across three 24/7 programs and provide supervision to those employees, build and maintain relationships with community providers, manage and maintain documentation and reports for shelter and resource center. Facilitates Direct Service Training for new staff/interns/volunteers. Sits on several teams, committees, Catholic Medical Centers Healthcare for the Homeless board of directors.

Supervisor: Kelly Paquette

Dates: September 2015-April 2018

Job Title: Housing Advocate

Job Description: provides individual case management to homeless families and individuals to address several barriers to self-sufficiency including, but not limited to, obtaining permanent housing, mental health and/or substance use, employment, education, apartment cleanliness, accessing community resources, and financial management. Conducts drug and alcohol screening; Develops and facilitates workshops; provides crisis intervention and crisis line back-up; Manages and maintains caseload, all documentation and reporting. Active participant in team meetings, LADC supervision, and other program related activities. Facilitates Direct Service Training for new staff/interns/volunteers.

Supervisor: Carolyn Towne

Dates: August 2013-September 2015

Job Title: Day Time Program Aide at Manchester Emergency Housing

Job Description: provide case management to families within the shelter and housing program; general shelter oversight; screen calls for clinical hotline; maintains caseload documentation and reporting.

Supervisor: Stephanie Savard

Dates: February 2013-August 2013

Child and Family Services

464 Chestnut Street

Manchester, NH 03105

603-518-4000

Job Title: Parent Aide

Job Description: In home support services for children and families in which a case has been founded as abuse and/or neglect. Models appropriate boundaries, parenting skills, and supports safe and healthy interactions. Travel required.

Supervisor: Maria Berube

Dates: August 2011-February 2013

Skills:

Extensive computer skills, very familiar with Microsoft Office, positive attitude, quick learner, open minded, eager to learn, works well independently and also in group/team setting. Crisis Management, First Aid and CPR Certified. Trained in Crisis Prevention and Intervention, Managing of Aggressive Behaviors (MOAB) Facilitator, Motivational Interviewing, Managing of teams, Public Speaking.

References:

Available upon request.

CONTRACTOR NAME
FIT/NHNE, Inc. SGIA 2020-2021

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Stephanie Savard	COO	112,924	0%	-
Tim Prince	Assistant Manager	56,650	20%	11,330
Ann-Elise Bryant	Program Manager	50,000	30%	15,000
Katelyn Gagnon	Program Manager	50,000	90%	45,000

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and The Friends Program, Inc., (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 202 North State Street, Concord, NH 03301.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$174,710.
2. Modify P-37, General Provisions, Block 1.3 to read:
The Friends Program, Inc.
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
 - 2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
4. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
 - 2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
6. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
 - 2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
8. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1,

nmf
6/20/20

**New Hampshire Department of Health and Human Services
State Grant In Aid Homeless Assistance Program**



to read:

- 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.

Handwritten initials: JNP
Handwritten date: 6/22/20



**New Hampshire Department of Health and Human Services
State Grant In Aid Homeless Assistance Program**

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

4/23/20
Date

Constance Santanietto
Name: Constance Santanietto
Title: Director, DEHS

The Friends Program, Inc.

6/22/2020
Date

Nancy M Paul
Name: Nancy M Paul
Title: Executive Director

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/25/20
Date

Catherine Pinos
Name: Catherine Pinos, Attorney
Title:

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

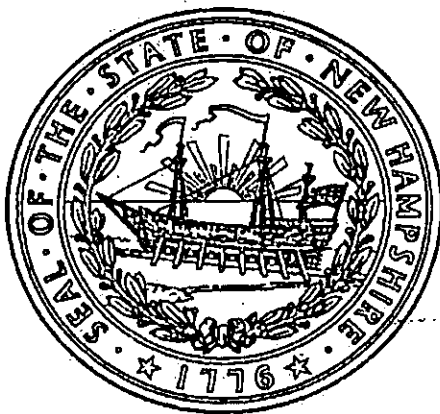
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE FRIENDS PROGRAM, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on April 05, 1976. 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: 60670

Certificate Number: 0004903781



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 29th day of April A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Joanne M. Gagnon, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of The Friends Program, Inc.

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on May 30, 2019, at which a quorum of the Directors/shareholders were present and voting.

VOTED: That Nancy Paul, Executive Director, is duly authorized on behalf of The Friends Program, Inc. to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: June 22, 2020

Joanne Gagnon

Signature of Elected Officer
Name: Joanne M. Gagnon
Title: President



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/26/2019

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 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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER THE ROWLEY AGENCY INC. 45 Constitution Avenue P.O. Box 511 Concord NH 03302-0511		CONTACT NAME: Sarah Fifield PHONE (A/C No. Ext): (603) 224-2562 FAX (A/C No): (603) 224-8012 E-MAIL ADDRESS: sfifield@rowleyagency.com	
INSURED The Friends Program Inc. 202 No. State Street Concord NH 03301		INSURER(S) AFFORDING COVERAGE INSURER A: Hanover Ins - Bedford INSURER B: Hanover Insurance Co. INSURER C: Worldwide Facilites, LLC INSURER D: INSURER E: INSURER F:	
		NAIC # 22292	

COVERAGES

CERTIFICATE NUMBER: 19/20 Master

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	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			ZHV888056707	10/1/2019	10/1/2020	EACH OCCURRENCE	\$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
							MED EXP (Any one person)	\$ 10,000
							PERSONAL & ADV INJURY	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	\$ 3,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG	\$
	OTHER:						Employee Benefit Liability	\$ 1,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident)	\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB			UHV888056808	10/1/2019	10/1/2020	EACH OCCURRENCE	\$ 1,000,000
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE	\$ 1,000,000
	DED	RETENTION \$						\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			3A States: NH WC201900017672 Excluded Officers - Board of Directors	8/13/2019	8/13/2020	PER STATUTE	OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A				E.L. EACH ACCIDENT	\$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	\$ 500,000
							E.L. DISEASE - POLICY LIMIT	\$ 500,000

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

Attesting to liability coverages.

CERTIFICATE HOLDER

CANCELLATION

State of NH, DHHS 129 Pleasant Street 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 Sarah Fifield/SEF <i>Sarah Fifield</i>

© 1988-2014 ACORD CORPORATION. All rights reserved.



Organization Mission Statement

The Friends Program, Inc. is a non-profit, social service organization that ***strengthens communities by building relationships that empower people, encourage community service, and restore faith in the human spirit.***

Financial Statements

THE FRIENDS PROGRAM, INC.

**FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018
AND
INDEPENDENT AUDITORS' REPORT**

**Leone,
McDonnell
& Roberts**
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

THE FRIENDS PROGRAM, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019 AND 2018

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statement of Activities	4
Statements of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7 - 18

To the Board of Trustees of
The Friends Program, Inc.
Concord, New Hampshire

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of The Friends Program, Inc. (a New Hampshire nonprofit organization), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of cash flows for the years then ended, and the related statements of activities and functional expenses for the year ended September 30, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Friends Program, Inc. as of September 30, 2019 and 2018, and its cash flows for the years then ended, and the changes in its net assets for the year ended September 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited The Friends Program, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Leone McDowell & Roberts,
Professional Association*

December 10, 2019
Wolfeboro, New Hampshire

THE FRIENDS PROGRAM, INC.

**STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 35,892	\$ 9,813
Other receivables	41,566	52,047
Prepaid expenses	<u>15,136</u>	<u>24,485</u>
Total current assets	<u>92,594</u>	<u>86,345</u>
PROPERTY, PLANT AND EQUIPMENT		
Land	37,800	37,800
Buildings	237,633	237,633
Building improvements	478,105	470,586
Furniture, fixtures and equipment	<u>96,835</u>	<u>96,835</u>
Total property, plant and equipment	850,373	842,854
Less accumulated depreciation	<u>(682,584)</u>	<u>(659,530)</u>
Net property, plant and equipment	<u>167,789</u>	<u>183,324</u>
OTHER ASSETS		
Investments	506,637	584,623
Unemployment savings account	<u>40,823</u>	<u>54,588</u>
Total other assets	<u>547,460</u>	<u>639,211</u>
TOTAL ASSETS	<u>\$ 807,843</u>	<u>\$ 908,880</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 8,248	\$ 15,431
Accrued payroll and related taxes	42,276	41,095
Deferred revenue	28,491	6,479
Current portion of long-term debt	<u>2,235</u>	<u>2,235</u>
Total current liabilities	81,250	65,240
LONG TERM LIABILITIES		
Long-term debt, less current portion shown above	<u>8,940</u>	<u>11,175</u>
Total liabilities	<u>90,190</u>	<u>76,415</u>
NET ASSETS		
Without donor restrictions		
Without donor restrictions, undesignated	181,392	155,830
Without donor restrictions, board designated	<u>331,898</u>	<u>479,543</u>
Total without donor restrictions	513,290	635,373
With donor restrictions	<u>204,363</u>	<u>197,092</u>
Total net assets	<u>717,653</u>	<u>832,465</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 807,843</u>	<u>\$ 908,880</u>

See Notes to Financial Statements

THE FRIENDS PROGRAM, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Totals</u>	<u>2018 Totals</u>
CHANGES IN NET ASSETS				
Support and Revenue				
Government grants				
Federal	\$ 625,039	\$ -	\$ 625,039	\$ 725,104
State	177,225	-	177,225	208,727
United Way	56,592	-	56,592	60,406
Town and county income	139,700	-	139,700	149,533
Other grants	46,750	-	46,750	53,000
Contributions	563,411	-	563,411	441,924
Other revenue	13,940	-	13,940	9,248
Investment income	11,228	6,804	18,032	54,848
Total support and revenue	<u>1,633,885</u>	<u>6,804</u>	<u>1,640,689</u>	<u>1,702,790</u>
EXPENSES				
Program services				
Youth mentoring	234,223	-	234,223	238,764
Emergency housing	362,040	-	362,040	366,106
Foster grandparents	635,294	-	635,294	691,274
Retired senior volunteers	290,422	-	290,422	303,731
Total program services	<u>1,521,979</u>	<u>-</u>	<u>1,521,979</u>	<u>1,599,875</u>
Supporting activities				
Administrative	207,471	-	207,471	168,977
Fundraising	28,286	-	28,286	13,143
Total supporting activities	<u>235,757</u>	<u>-</u>	<u>235,757</u>	<u>182,120</u>
Total expenses	<u>1,757,736</u>	<u>-</u>	<u>1,757,736</u>	<u>1,781,995</u>
CHANGE IN NET ASSETS BEFORE FORGIVENESS OF DEBT	<u>(123,851)</u>	<u>6,804</u>	<u>(117,047)</u>	<u>(79,205)</u>
FORGIVENESS OF DEBT	<u>2,235</u>	<u>-</u>	<u>2,235</u>	<u>2,235</u>
CHANGE IN NET ASSETS	<u>(121,616)</u>	<u>6,804</u>	<u>(114,812)</u>	<u>(76,970)</u>
NET ASSETS, BEGINNING OF YEAR	<u>634,906</u>	<u>197,559</u>	<u>832,465</u>	<u>909,435</u>
NET ASSETS, END OF YEAR	<u>\$ 513,290</u>	<u>\$ 204,363</u>	<u>\$ 717,653</u>	<u>\$ 832,465</u>

See Notes to Financial Statements

THE FRIENDS PROGRAM, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (114,812)	\$ (76,970)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	23,053	22,876
Net unrealized gain loss on investments	3,172	(18,051)
Net realized gain on investments	(13,838)	(23,490)
Forgiveness of debt	(2,235)	(2,235)
(Increase) decrease in assets:		
Other receivables	10,481	40,557
Prepaid expenses	9,349	(1,438)
Unemployment savings account	13,765	(6,693)
Increase (decrease) in liabilities:		
Accounts payable	(7,183)	11,443
Accrued payroll and related taxes	1,181	5,812
Deferred revenue	<u>22,012</u>	<u>(9,999)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(55,055)</u>	<u>(58,188)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(42,091)	(201,528)
Proceeds from sale of investments	130,744	172,074
Purchase of property, plant and equipment	<u>(7,519)</u>	<u>(6,768)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>81,134</u>	<u>(36,222)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term debt	-	(1,417)
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>(1,417)</u>
NET INCREASE (DECREASE) IN CASH	26,079	(95,827)
CASH, BEGINNING OF YEAR	<u>9,813</u>	<u>105,640</u>
CASH, END OF YEAR	<u>\$ 35,892</u>	<u>\$ 9,813</u>

See Notes to Financial Statements

THE FRIENDS PROGRAM, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Youth Mentoring</u>	<u>Emergency Housing</u>	<u>Foster Grandparents</u>	<u>Retired Senior Volunteers</u>	<u>Program Total</u>	<u>Administration</u>	<u>Fundraising</u>	<u>2019 Totals</u>	<u>2018 Totals</u>
Payroll									
Salaries and wages	\$ 126,987	\$ 233,273	\$ 135,267	\$ 134,691	\$ 630,218	\$ 109,650	\$ -	\$ 739,868	\$ 736,604
Employee benefits	17,460	19,682	28,824	25,267	91,233	11,358	-	102,591	103,493
Payroll taxes	9,227	17,334	9,483	9,598	45,642	8,159	-	53,801	53,567
Other									
Stipends	-	-	260,590	-	260,590	21	-	260,611	297,575
In-kind expenses	49,644	33,173	37,136	74,530	194,483	12,926	-	207,409	215,586
Volunteer expenses	715	-	103,636	2,707	107,058	15	-	107,073	90,219
Occupancy	11,862	25,009	16,424	15,764	69,059	19,906	-	88,965	80,016
Postage and printing	694	164	2,129	680	3,667	1,412	28,286	33,365	9,969
Professional fees and contracts	941	2,127	14,963	2,581	20,612	10,857	-	31,469	25,699
Supplies	7,621	2,484	5,506	3,624	19,235	7,929	-	27,164	41,164
Repairs and maintenance	2,741	3,306	2,307	4,103	12,457	10,790	-	23,247	22,234
Depreciation	-	19,046	-	-	19,046	4,007	-	23,053	22,876
Insurance	3,390	4,690	3,390	3,390	14,860	4,132	-	18,992	18,301
Local transportation	340	88	6,556	7,672	14,656	456	-	15,112	14,349
Recognition expenses	892	-	6,208	3,214	10,314	1,546	-	11,860	8,871
Telephone	1,587	1,289	2,198	2,076	7,150	2,825	-	9,975	9,322
Dues and subscriptions	122	-	150	22	294	985	-	1,279	1,486
Staff development	-	19	267	285	571	196	-	767	1,230
Conferences	-	-	260	218	478	100	-	578	2,476
Advertising	-	356	-	-	356	-	-	356	7,811
Other	-	-	-	-	-	201	-	201	19,147
Total expenses before indirect allocation	234,223	362,040	635,294	290,422	1,521,979	207,471	28,286	1,757,736	1,781,995
Allocation of indirect costs									
Support services	29,547	65,913	90,915	40,912	227,287	(227,287)	-	-	-
Total expenses	\$ 263,770	\$ 427,953	\$ 726,209	\$ 331,334	\$ 1,749,266	\$ (19,816)	\$ 28,286	\$ 1,757,736	\$ 1,781,995

See Notes to Financial Statements

THE FRIENDS PROGRAM, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Friends Program, Inc. (the Organization) is an independent not-for-profit corporation organized in the State of New Hampshire. The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code (Code). In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a)(2) of the Code. The Organization's primary purpose consists of the following program services:

Youth Mentoring – mentor program, matching volunteer mentors with at-risk children and teens.

Emergency Housing – short-term housing for homeless families.

Foster Grandparents – mentor program that places income eligible senior citizen volunteers in schools and child day care centers to work with special and at-risk children.

Retired Senior Volunteers – volunteer program targeting individuals 55 years of age or older who become engaged in a variety of volunteer roles.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Support is recorded when received or pledged. Revenue is recorded when services are rendered. Expenses are recorded when the obligation has been incurred.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 board of directors.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

Donated Materials and Services

The Organization recognizes the value of volunteer services and expenses when there is an objective basis available to measure their value, relative to its various activities.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, petty cash funds and investments with a maturity of three months or less, and exclude amounts whose use is limited by Board designation. As of September 30, 2019 and 2018, the Organization had no cash equivalents.

Investments

Investments consist of various equities, mutual funds and interest bearing investments and are stated at fair value on the statements of financial position based on quoted market prices. The Organization's investments are subject to various risks, such as interest rate, credit and overall market volatility, which may substantially impact the fair value of such investments at any given time.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to activities and a credit to a valuation allowance based on historical account write-off patterns by the payer, adjusted as necessary to reflect current conditions.

Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Organization has no policy for charging interest on overdue accounts nor are its accounts receivable pledged as collateral. Management has estimated accounts receivable to be fully collectible as of September 30, 2019 and 2018.

Property, Plant, Equipment and Depreciation

The Organization capitalizes property, plant and equipment purchased or donated at a value greater than \$1,000. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

Buildings	20 years
Building improvements	7 – 20 years
Furniture, fixtures and equipment	5 years

Depreciation expense for the years ended September 30, 2019 and 2018 amounted to \$23,053 and \$22,876, respectively.

Costs for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

The Organization reviews the carrying value of property, plant and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimating future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, as well as the effects of obsolescence, demand, competition and other economic factors.

As of September 30, 2019 and 2018, the Organization found no reason for impairment of any assets.

Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

Deferred Revenue

The Organization recognizes revenues when earned. Amounts received in advance of the period in which service is rendered are recorded as a liability under "deferred revenue."

Vacation Pay and Fringe Benefits

Vacation pay is accrued and charged to the appropriate program expense when earned by the employee. Fringe benefits are allocated to the appropriate program expense based on the percentage of program salaries to total salaries.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation.

Management has evaluated the Organization's tax positions and concluded that the Organization has maintained its tax-exempt status and has taken no uncertain tax positions that would require adjustment to the financial statements. The Organization is no longer subject to income tax examinations by the United States Federal or State tax authorities prior to 2015.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, costs have been allocated among the program services and supporting activities benefited. Occupancy costs have been grouped and allocated to the programs as a line item. Such allocations have been determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of allocation</u>
Salaries and benefits	Time and effort
Occupancy	Square footage
Depreciation	Square footage
All other expenses	Direct assignment

Advertising

The Organization expenses advertising costs as incurred.

NOTE 2**LIQUIDITY AND AVAILABILITY**

The following represents the Organization's financial assets as of September 30, 2019 and 2018:

Financial assets at year-end:	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 35,892	\$ 9,813
Other receivables	41,566	52,047
Investments	506,637	584,623
Unemployment savings account	<u>40,823</u>	<u>54,588</u>
Total financial assets	<u>\$ 624,918</u>	<u>\$ 701,071</u>
Less amounts not available to be used within one year:		
Unemployment savings account	\$ 40,823	\$ 54,588
Net assets with donor restrictions	204,363	197,092
Less net assets with purpose and time restrictions to be met in less than a year	<u>(5,000)</u>	<u>-</u>
Amounts not available within one year	<u>240,186</u>	<u>251,680</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 384,732</u>	<u>\$ 449,391</u>

It is the Organization's goal to maintain financial assets to meet 90 days of operating expenses, which approximates \$377,000 and \$381,000 respectively, at September 30, 2019 and 2018.

NOTE 3**OTHER RECEIVABLES**

Other receivables consist of the following at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Town	\$ 500	\$ 2,500
Grants	<u>41,066</u>	<u>49,547</u>
Total other receivables	<u>\$ 41,566</u>	<u>\$ 52,047</u>

NOTE 4**LINE OF CREDIT**

The Organization has available a \$150,000 revolving line of credit with a local bank, due upon demand. The credit line is secured by all assets. Bank advances on the credit line are payable on demand and carry an interest rate at prime (5% and 5.25% at September 30, 2019 and 2018, respectively). There was no outstanding balance at September 30, 2019 and 2018.

NOTE 5**ENDOWMENT**

The Organization's endowment consists of a gift restricted by a donor for long-term support of the Organization's youth mentoring program, and the accumulated investment returns on this gift. The accumulated investment returns consist of endowment net investment return that has not been appropriated by the Board of Trustees for expenditure to support operating and non-operating activities of the Organization.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

The Organization's policy is to appropriate for distribution each year 0-6% of a 12 quarter moving average of the fund's total market value based upon the finance committee's annual recommendation and approved by the Board of Trustees. Distribution of funds shall not occur until after the fund has accumulated a value of \$100,000. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of 5 percent annually.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, there were no deficiencies of this nature that are reported in unrestricted net assets as of September 30, 2019 and 2018.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide additional funding to the youth mentoring program while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a weighted ratio on alternative, equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Endowment net asset composition by type of fund as of September 30, 2019:

	<u>Purpose Restricted</u>	<u>Restricted in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds	\$ <u>17,440</u>	\$ <u>50,947</u>	\$ <u>68,387</u>
Endowment net assets, beginning of year	\$ <u>14,960</u>	\$ <u>50,947</u>	\$ <u>65,907</u>
Investment return:			
Investment income	5,440	-	5,440
Net appreciation (realized and unrealized)	<u>(2,960)</u>	<u>-</u>	<u>(2,960)</u>
Total investment return:	<u>2,480</u>	<u>-</u>	<u>2,480</u>
Endowment net assets, end of year	\$ <u>17,440</u>	\$ <u>50,947</u>	\$ <u>68,387</u>

Endowment net asset composition by type of fund as of September 30, 2018:

	<u>Purpose Restricted</u>	<u>Restricted in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds	\$ <u>14,960</u>	\$ <u>50,947</u>	\$ <u>65,907</u>
Endowment net assets, beginning of year	\$ <u>13,051</u>	\$ <u>50,947</u>	\$ <u>63,998</u>
Investment return:			
Investment income	708	-	708
Net appreciation (realized and unrealized)	<u>1,201</u>	<u>-</u>	<u>1,201</u>
Total investment return:	<u>1,909</u>	<u>-</u>	<u>1,909</u>
Endowment net assets, end of year	\$ <u>14,960</u>	\$ <u>50,947</u>	\$ <u>65,907</u>

NOTE 6**LONG TERM DEBT**

Long term debt consisted of the following at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Interest free note payable to the City of Concord with payments deferred until July 31, 2024 and collateralized by property of the Organization. Each year 5% of the original principal amount is forgiven. If the project does not meet certain covenants during the loan term, the remaining loan balance is payable in full.	\$ 11,175	\$ 13,410
Less current portion due within one year	<u>(2,235)</u>	<u>(2,235)</u>
Total long term debt	<u>\$ 8,940</u>	<u>\$ 11,175</u>

As part of the note payable agreement with the City of Concord, 5% of the original principal balance was reduced without payment in the amount of \$2,235 for the years ended September 30, 2019 and 2018.

The scheduled maturities of long term debt at September 30, 2019 were as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2020	\$ 2,235
2021	2,235
2022	2,235
2023	2,235
2024	<u>2,235</u>
	<u>\$ 11,175</u>

NOTE 7**DEFERRED REVENUE**

Deferred revenue consists of the following at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Town	\$ -	\$ -
Grants	<u>28,491</u>	<u>6,479</u>
Total deferred revenue	<u>\$ 28,491</u>	<u>\$ 6,479</u>

NOTE 8**CONCENTRATION OF RISK**

The Organization received approximately 38% and 42% of its total support for the years ended September 30, 2019 and 2018, respectively, from the Corporation for National and Community Service. The Corporation for National and Community Service consisted of approximately 27% of other receivables at September 30, 2018. No amounts were in receivables at September 30, 2019.

NOTE 9**NET ASSETS**

Net assets with donor restrictions were as follows for the years ended September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Special Purpose Restrictions:		
Emergency housing	\$ 153,416	\$ 146,145
Restricted in Perpetuity:		
Youth mentoring	<u>50,947</u>	<u>50,947</u>
Total net assets with donor restrictions	<u>\$ 204,363</u>	<u>\$ 197,092</u>

Net assets without donor restrictions for the years ended September 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Undesignated	\$ 181,392	\$ 155,830
Board designated	<u>331,898</u>	<u>479,543</u>
Total net assets without donor restrictions	<u>\$ 513,290</u>	<u>\$ 635,373</u>

Net assets released from net assets with donor restrictions are as follows:

	<u>2019</u>	<u>2018</u>
Satisfaction of Purpose Restrictions:		
Emergency housing	\$ -	\$ 4,100
Total net assets released	<u>\$ -</u>	<u>\$ 4,100</u>

NOTE 10**LEASE COMMITMENTS**

The Organization has entered into various operating lease agreements to rent certain facilities and office equipment. The terms of these leases range from five to six years. Rent expense under these agreements aggregated \$56,193 and \$55,621 for the years ended September 30, 2019 and 2018, respectively.

The future minimum lease payments on the above leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2020	\$ 56,144
2021	31,244
2022	<u>3,022</u>
Total	<u>\$ 90,410</u>

NOTE 11**INVESTMENTS**

The Organization's investments are presented in the financial statements in the aggregate at fair value and consisted of the following as of September 30, 2019 and 2018:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Investments				
Cash and cash equivalents	\$ 14,302	\$ 14,302	\$ 12,617	\$ 12,617
Alternate Equities	19,361	19,845	25,822	25,462
Fixed income securities	250,247	310,883	292,367	366,850
	<u>161,090</u>	<u>161,607</u>	<u>188,775</u>	<u>179,694</u>
Total	<u>\$ 445,000</u>	<u>\$ 506,637</u>	<u>\$ 519,581</u>	<u>\$ 584,623</u>

Investments in common stock and U.S. government securities are valued at the closing price reported in the active market in which the securities are traded. Management considers all investments to be long term in nature.

Components of investment return:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 12,092	\$ 18,384
Investment fees	(4,726)	(5,077)
Gain (loss) – unrealized	(3,172)	18,051
Gain – realized	<u>13,838</u>	<u>23,490</u>
Total investment return	<u>\$ 18,032</u>	<u>\$ 54,848</u>

NOTE 12**FAIR VALUE MEASUREMENTS**

FASB ASC Topic No. 820-10 provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with *FASB ASC 820-10*, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, *ASC Topic 820* establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under *ASC Topic 820* are described as follows:

Level 1 - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The Organization's financial instruments consist of cash, short-term receivables and payables, and refundable advances. The carrying value for all such instruments, considering the terms, approximates fair value at September 30, 2019 and 2018.

The table below segregates all financial assets and liabilities as of September 30, 2019 and 2018 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

<u>2019</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Cash and cash equivalents	\$ 14,302	\$ -	\$ -	\$ 14,302
Alternative	19,845	-	-	19,845
Equities	310,883	-	-	310,883
Fixed income securities	<u>161,607</u>	<u>-</u>	<u>-</u>	<u>161,607</u>
Total investments at fair value	<u>\$ 506,637</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506,637</u>

<u>2018</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Cash and cash equivalents	\$ 12,617	\$ -	\$ -	\$ 12,617
Alternative	25,462	-	-	25,462
Equities	366,850	-	-	366,850
Fixed income securities	<u>179,694</u>	<u>-</u>	<u>-</u>	<u>179,694</u>
Total investments at fair value	<u>\$ 584,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 584,623</u>

NOTE 13 RECLASSIFICATIONS

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These classifications had no effect on the previously reported change in total net assets, or total net assets amounts.

NOTE 14 SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 10, 2019, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date. The Friends Program, Inc. did not identify any subsequent events that would require disclosure in the financial statements.

The Friends Program
FY2020 Board of Trustees (Updated 05/01/2020)

Residence/Preferred E-Mail	Professional Affiliation	Committee(s)	Term Ends
Kathleen Ames Since: 1/13/2016	Community Supporter	<i>Vice President</i> Finance Personnel Foster Grandparent Advisory Chair	2021
Celia Chase Since: 10/11/2017	VP of Marketing Global Rescue 85 Mechanic Street Lebanon, NH 03766 Tel.: 603-443-5400	Development	2020
Allen Desbiens Since: 9/10/2014	Senior Corporate Analyst Eversource Energy 780 N. Commercial Street Manchester, NH 03101 Tel. 603-634-2524	<i>Treasurer</i> Finance Chair Executive EH Task Force	2021
Catherine Devaney Since: 9/12/2012	Regional Director of Case Management Encompass Health 19 Buckingham Drive Bow, NH 03304 Tel. 603-275-7444	Personnel Chair Executive	2021
Joanne Gagnon Since: 9/14/2011	VP – Commercial Banker Bank of New Hampshire 167 North Main Street Concord, NH 03301 Tel. 603-230-4228	<i>President</i> Executive	2019
Susan Geiger Since: 9/12/2018	Attorney Orr & Reno, P.A. 45 South Street Concord, NH 03302 Tel. 603-223-9154 sgeiger@orr-reno.com	Development	2021
Lindsay Gonzalez Since: 11/9/2016	Director of Community Relations Granite Ledges of Concord 151 Langley Parkway Concord, NH 03301 Tel: 603-224-0777	Program	2019

Residence/Preferred E-Mail	Professional Affiliation	Committee(s)	Term Ends
Robyn Guarino Since: 9/12/2018	Attorney The Stein Law Firm, PLLC One Barberry Lane Concord, NH 03301 Tel: 603-228-1109 rguarino@steinlawpllc.com	Personnel	2021
Jason LaCombe Since: 12/14/2016	Principal SMP Architecture 30 So. Main Street, Building Two Concord, NH 03301 Tel: 603-228-8880	Program EH Task Force	2019
Laura Miller Since: 3/8/2017	Owner Marketplace New England, Inc. 7 North Main Street Concord, NH 03301 Tel: 603-227-6297	Program	2020
Donna Rice Since: 10/9/2013	Commercial Realtor and Business Manager Premiere Properties 255 South Main Street Concord, NH 03301 Tel: 603-224-3373	Development Chair Nominating Executive	2019
Chris Senko Since: 2/9/2018	Medical Administrator Community Supporter	Secretary Executive Program	2021
Angela Strozewski Since: 1/13/2016	Senior Vice President Operations Officer New Hampshire Mutual Bancorp 89 No. Main Street Concord, NH 03301 Tel. 603-223-2691	Program Chair Finance Executive	2020
Nancy Paul npaul@friendsprogram.org	Executive Director The Friends Program 202 N. State Street Concord, NH 03301 Tel. 603-228-7606		

202 N. State Street
Concord, NH 03301

Cheryl Hunt

(603) 228-1193

SUMMARY

Focus on individualized goals, rehabilitation, benefits and housing. Facilitate support groups, creative activities and didactic presentations to build skills and effective problem solving. Experienced and educated for enrichment of mental health, cognitive reinforcement and behavioral supports and interventions.

AREAS OF EXPERTISE

- Evidence Based Practice, vocational development, referral of community services
- Develop a genuine rapport to assist clients and meet their individual goals
- Staff meetings, employee evaluations, scheduling, continuum of care
- Case management, evaluate needs for specific services for individualized needs/goals

EXPERIENCE

NHEP Workplace Success

Community Job Specialist

03/2018-1/2019

- Guide individuals setting career goals, competitive employment with internships and job readiness
- Team collaboration, NHEP/WPS services, classroom supports, reports and documentation

Angie's (New Horizons for NH)

House Manager/Case Manager/Supervisor

12/2013-9/2017 & 5/2008-9/2009

- Facilitate interviews for hire, evaluations, staff scheduling and staff meetings
- Intake and referral, goal setting for integrated services to support program participants
- Continuum of Care affiliation and chairing individualized committees

Mental Health Center of Greater Manchester

03/2011-12/2013

Individual Placement Specialist

- Supportive services for Co-occurring Diagnosis, Evidence Based Supported Employment, Motivational Interviewing, Behavioral Analysis, benefits, housing and education support

Easter Seals Farnum Center, NH

Residential Instructor

9/2009-03/2011

- Perform duties supporting substance use diagnosis for treatment goals, facilitating groups and activities
- Medication support, documentation, facility orientation and crisis intervention
- Didactic presentations, facilitating groups, craft and creative activities

Keystone Hall, Nashua, NH

Milieu Manager

3/2007 -5/2008

- Complete intakes, screenings, crisis intervention, facility monitoring and leading educational groups
- Guidance to individuals seeking, support, treatment and referral services for substance use disorder

Easter Seals NH, Manchester, NH

10/2001-3/2007

Job Placement Specialist

- Assess each client's work history, skills, set goals for employment and networking with area businesses
- Contracted through Vocational Rehabilitation and resourcing to expand services to clients

EDUCATION

Springfield College, Manchester, NH

Human Services and Addiction Studies B.S. 2009

University of Maine, Farmington, ME

Special Education and Performing Arts 1994-1996

ADDITIONAL TRAININGS

Illness Management Recovery, Dialectical Behavior Therapy, Motivational Interviewing, Integrated Treatment for Co-Occurring Disorders, Cognitive Behavioral Therapy, Microsoft Word/Excel, Outlook, HMIS

VOLUNTEER/COMMITTEE MEMBER

NH Massabesic Audubon Center **2015-Present**

Greater Manchester Council Against Domestic and Sexual Violence **2015-2017**

Lorrie Brown

Objective: To continue working in my present capacity, utilizing my communication, training, and client support skills.

Education

1995-1996: Computer Technical School, Associates in Computer Software, repair, Programming, and Network.

1986-1988: Franklin Peirce College, Business Management

Employment

2012 – Present: Friends Emergency Housing – Program Director

Responsible for the day to day operation of the Friends Emergency Housing Program and for assisting in the contribution of the formulation, development, recommendation, implementation and administration of the agency program's policies, procedures, and business goals.

Responsible for the supervision of all program staff, program activities, building maintenance, and client case management.

2011 – 2012 – Outfitters Boutique – Associate

Responsible for customer services, receiving donations, sorting, loading and unloading of furniture.

2008: Franklin Career Academy – Technology Instructor, Office Secretary.

Responsible for supervision of students, course planning, reporting to DOE, preparing and reporting of budget reports to board meetings, inventory, and assisting with permanent closing of school.

2005-2006: Premium Gas, Convenient Store/gas station – Owner/Operator

Responsible for overall operations of business; including payroll, budgeting, ordering, scheduling, accounting, customer service.

1999 – 2000: Crotched Mountain Residential – Program Coordinator

Responsible for budgeting, scheduling, payroll, supervision of 10 staff, house maintenance, direct care of residents, hiring, working closely with residential nurse, client physicians, and families/guardians to ensure best medical care.

1990 -1999 Mentor – Program Coordinator (Company's contract was taken over by Crotched Mountain. My position stayed the same, but I transferred employer).

Responsible for budgeting, scheduling, payroll, supervision of 10 staff, house maintenance, direct care of residents, hiring, working closely with residential nurse, client physicians, and families/guardians to ensure best medical care.

Volunteer Work

Volunteered as Assistant Computer Instructor –Franklin Middle School.

Years of PTA,PTO, and other school committee/classroom involvement.

Served on a Committee designated to hire Franklin School District Administration.

Years of service to Youth tball/baseball.

NANCY M. PAUL

202 N. State Street • Concord, NH 03301 • (603) 228-7606 • npaul@friendsprogram.org

SUMMARY

Effectively manage staff and volunteers. Successful cultivating sponsors, securing, and administering grants. Experienced non-profit and outreach manager. Proven ability to manage complex projects with dispersed teams. Excellent trainer, presenter and facilitator.

EXPERIENCE

FRIENDS PROGRAM – CONCORD, NH

Executive Director, December 2017 – Present

- Responsible for overall operations and management of a human services non-profit with four programs and 24 staff

Director of Senior Programs, January 2016 – December 2017

- Lead two volunteer-driven National Service programs for 625 older adults, providing educational support, supportive services for the elderly and disabled, and capacity building for nonprofits, schools, and public agencies
- Manage team of six program coordinators
- Oversee two federal grants totaling more than \$700,000 in annual funding
- Administered all aspects of 34 separate grants, including application, reporting, and invoicing
- Created a comprehensive outreach plan to build program recognition and awareness in the state
- Facilitated the creation of a community advisory group in support of program success
- Increased volunteer recruitment and engagement across both programs within one year

FIRST – MANCHESTER, NH

Partner Services Team Lead FTC, October 2013 – December 2015

Partner Services Manager FTC, March 2010 – December 2015

- Recruit, train and manage universities, non-profits and science centers to operate volunteer educational outreach program in 30 regions
- Expanded international youth program from 3 countries to 16 countries
- Create strategy for, plan and execute annual volunteer leadership conference
- Lead successful national implementation of new event tier with a budget of \$450,000 to build capacity
- Proactively identify regions in need of special assistance and implement improvement plans to achieve highest level of program execution
- Primary daily contact for senior leadership of sponsoring organization and key foundation relationship
- Drive connections between sponsor organizations and local program operators to maximize employee engagement
- Administer domestic and international grants of up to \$500,000, from proposal development through final reporting

International Program Manager FLL, April 2009 – March 2010

- Ensure consistent program operation in 60 countries globally
- Collaborate with program team at LEGO Education, Denmark, and LEGO Education Territory Managers around the world
- Create content for, plan and execute annual volunteer leadership conferences held in Europe and Asia
- Serve as primary contact at FIRST for program operators outside of the US and Canada
- Develop strategy and create content for new international website with small web development team

Partner Services Team Lead FLL, May 2008 – April 2009

- Resolve regional issues elevated from other Partner Services team members
- Supervise day-to-day work of Partner Services team

NANCY M. PAUL

202 N. State Street • Concord, NH 03301 • (603) 228-7606 • npaul@friendsprogram.org

- Coordinate a cross-functional team to achieve department goals

Partner Services Manager FLL, May 2006 – May 2008

- Cultivate relationships with local tournament organizers and upgrade relationships to full official program operation status
- Create content for, plan and execute annual volunteer leadership conferences held at *FIRST*

Partner Coordinator FLL, October 2004 – May 2006

- Recruit, train and manage program operators in North America
- Serve as primary source of communication between *FIRST* and program operators
- Provide volunteer management support for international championship

NH MARCH OF DIMES – CONCORD, NH

Community Director, January 2004 – October 2004

- Enlist and oversee volunteer committees organizing fundraising events in five cities in Southern New Hampshire
- Cultivate and proactively manage relationships with major corporate fundraising partners of the March of Dimes
- Create and present sponsorship proposals to, and secure sponsorships from, local companies for WalkAmerica walkathon events

THE ENGINEERING CENTER – BOSTON, MA

Administrative Manager, October 2001 – July 2003

- Oversee membership initiative programs for a trade association and a professional society
- Coordinate all phases of event planning, from site inspection and negotiation through invoicing, for more than 70 meetings and seminars annually, representing more than \$200,000 in revenue, and more than 5,000 total attendees
- Represent The Engineering Center for inaugural Massachusetts Construction Career Days Committee, creating a two-day outreach event for 1100 high school students
- Facilitate annual event including luncheon for 500, seminars and a career fair with Engineers Week – Boston Committee

Membership Coordinator, November 1999 – October 2001

EDUCATION AND PROFESSIONAL DEVELOPMENT

TOASTMASTERS INTERNATIONAL

Top of the Town Club President 2014-2015

INTERACTION INSTITUTE FOR SOCIAL CHANGE

Courses in Facilitative Leadership and Essential Facilitation

UNITED STATES CHAMBER OF COMMERCE INSTITUTE FOR ORGANIZATION MANAGEMENT

2000, 2001, 2002

SOUTHERN NEW HAMPSHIRE UNIVERSITY, MANCHESTER, NH 2014 – PRESENT

Currently enrolled in B.S.B.A. Program

COLLEGE OF NEW ROCHELLE, NEW ROCHELLE, NY

Completed 57 credits toward Bachelor of Arts degree in Political Science 1989 – 1991

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Nancy Paul	Executive Director	77,750	25% spent on shelter	Unknown; contract amount supports approximately 21% of shelter operating costs
Lorrie Brown	Program Director	45,000	100% spent on shelter	Unknown; contract amount supports approximately 21% of shelter operating costs
Cheryl Evans-Hunt	Case Manager	33,150	100% spent on shelter	Unknown; contract amount supports approximately 21% of shelter operating costs

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Helping Hands Outreach Ministries, Inc., (hereinafter referred to as ("the Contractor"), a nonprofit, with a place of business at 50 Lowell Street, Manchester, NH, 03101.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$209,516.
2. Modify P-37, General Provisions, Block 1.3 to read:
Helping Hands Outreach Ministries, Inc.
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
 - 2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
 - 2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
 - 2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1,

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



to read:

- 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

Christine Santaniello

June 25, 2020

Date

Name: Christine Santaniello
Title: Director, DEHS

Helping Hands Outreach Ministries

6/18/2020

Date

Lawrence Nice
Name: Lawrence Nice
Title: Executive Director



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/25/20
Date

Catherine Pinos
Name:
Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting).

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

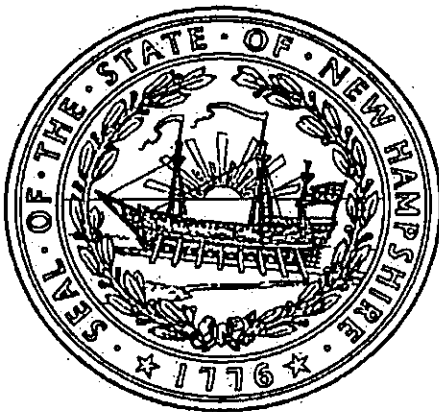
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that HELPING HANDS OUTREACH MINISTRIES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on January 11, 1988. 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: 125185

Certificate Number: 0004929529



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 11th day of June A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Dana Teufel, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am the duly elected Treasurer of Helping Hands Outreach Ministries, Inc.,
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on June 17, 2020, at which a quorum of the Directors/shareholders were present and voting.

VOTED: That Lawrence Nice, Executive Director,
(Name and Title of Contract Signatory)

is duly authorized on behalf of Helping Hands Outreach Ministries, Inc. to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for thirty (30) days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: June 17, 2020


Signature of Elected Officer

Name: Dana Teufel

Title: Treasurer, Board of Directors



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

06/18/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Janice Jobin
FIAI/Cross Insurance	PHONE (A/C, No, Ext): (603) 669-3218
1100 Elm Street	FAX (A/C, No): (603) 645-4331
	E-MAIL ADDRESS: jjobin@crossagency.com
Manchester NH 03101	INSURER(S) AFFORDING COVERAGE
	INSURER A: Harleysville Worcester Ins Co
	INSURER B: Harleysville Ins Co
	INSURER C: NorGuard Ins Co
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES

CERTIFICATE NUMBER: 20-21 All Lines

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	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			MPA00000099914Y	01/01/2020	01/01/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000 Professional Liability \$ 1,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY			BA 00000099916Y	01/01/2020	01/01/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$ 5,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED RETENTION \$			CMB00000099915Y	01/01/2020	01/01/2021	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 PER STATUTE <input checked="" type="checkbox"/> OTH-ER <input type="checkbox"/>
C	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	N/A	HEWC197854 (3a.) NH	04/17/2020	04/17/2021	E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

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

CERTIFICATE HOLDER

CANCELLATION

State of New Hampshire, Department of Health and Human Services 129 Pleasant Street 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 <i>Archie Pirotsakis</i> AAI, CRIS
--	---

© 1988-2015 ACORD CORPORATION. All rights reserved.

Helping Hands Outreach Ministries, Inc.

Mission: Helping Hands Outreach Center exists to provide a safe, sober living environment for men who are motivated to recover from substance use issues and help them to discover and employ the tools necessary to live responsible and productive lives. This includes assisting them in finding their own suitable permanent housing.

HELPING HANDS OUTREACH MINISTRIES, INC.

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Information	6-10

JOHN RILEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANT

P.O. Box 431

LACONIA, NEW HAMPSHIRE 03247

Cell 603-731-9854 johnrileycpa@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Helping Hands Outreach Ministries, Inc.
Manchester, New Hampshire

We have audited the accompanying financial statements of Helping Hands Outreach Ministries, Inc. which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

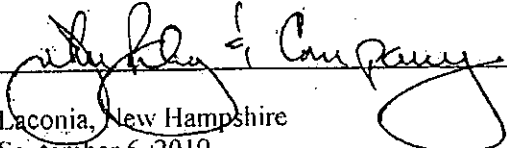
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Helping Hands Outreach Ministries, Inc. as of June 30, 2019, and the results of its operations, changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Laconia, New Hampshire
September 6, 2019

HELPING HANDS OUTREACH MINISTRIES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

CURRENT ASSETS

Cash and equivalents	\$ 27,397
Accounts and grants receivable	
	<u>27,397</u>

PROPERTY AND EQUIPMENT, at cost

Land and buildings	892,912
Building improvements	76,842
Furniture and equipment	72,993
	<u>1,042,747</u>
Less accumulated depreciation	<u>(326,317)</u>
	<u>716,430</u>
	<u>\$ 743,827</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Note payable, bank	\$ 24,828
Current maturities of long-term debt	27,627
Accounts payable and accrued expenses	6,567
	<u>59,022</u>

OTHER LIABILITY, long-term debt less current maturities	<u>515,626</u>
---	----------------

NET ASSETS

Unrestricted net assets	169,179
Temporarily restricted net assets	
	<u>169,179</u>
	<u>\$ 743,827</u>

See Notes to Financial Statements

HELPING HANDS OUTREACH MINISTRIES, INC.
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2019

UNRESTRICTED NET ASSETS

Revenue and Support:	
Support - individuals, corporations and churches	\$ 12,645
Rents	6,000
Program service revenues	179,754
Fundraising	9,383
Interest income	7
	<u>207,789</u>
Net assets released from restrictions	<u>134,669</u>
	<u>342,458</u>
Functional expenses:	
Program services	271,358
Management and general	6,322
Fundraising	4,123
	<u>281,803</u>
Increase in unrestricted net assets	<u>60,655</u>

TEMPORARILY RESTRICTED NET ASSETS

Support - public agencies	89,669
Support - corporations	45,000
Net assets released from restrictions	
Satisfaction of donor-imposed restrictions	<u>(134,669)</u>
Increase in temporarily restricted net assets	<u>-</u>
Operating income	60,655
NET ASSETS, beginning of year	<u>108,524</u>
NET ASSETS, end of year	<u>\$ 169,179</u>

See Notes to Financial Statements

HELPING HANDS OUTREACH MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

	Program Services	Management & General	Fundraising	Total
Automobile expense	\$ 1,864	\$ -	\$ -	\$ 1,864
Salaries and wages	114,139	-	-	114,139
Payroll taxes	9,522	-	-	9,522
Depreciation and amortization	22,198	-	-	22,198
Employee benefit - health insurance	1,348	-	-	1,348
Insurance - worker compensation	2,452	-	-	2,452
Outside services	224	80	-	304
Occupancy:				
Insurance - building	9,834	-	-	9,834
Repairs and maintenance	9,694	-	-	9,694
Utilities	45,579	-	-	45,579
Equipment rental	1,434	-	-	1,434
Office supplies and expense	1,242	1,241	-	2,483
Bank service charges	116	116	-	232
State & local fees	1,461	-	-	1,461
Advertising	57	-	-	57
Professional dues	55	-	-	55
Professional fees	-	4,885	-	4,885
Shelter supplies	12,966	-	-	12,966
Cellphone House supplies	4,841	-	-	4,841
Interest expense	28,452	-	-	28,452
Telephone & internet	1,783	-	-	1,783
Special events	-	-	4,123	4,123
Staff appreciation	418	-	-	418
Other direct program expenses:	1,679	-	-	1,679
	<u>\$ 271,358</u>	<u>\$ 6,322</u>	<u>\$ 4,123</u>	<u>\$ 281,803</u>

See Notes to Financial Statements

HELPING HANDS OUTREACH MINISTRIES, INC.
 STATEMENT OF CASH FLOWS
 Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 60,655
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Depreciation	22,198
(Decrease) in accounts payable and accrued expenses	<u>(19,607)</u>
Net cash provided by operating activities	<u>63,246</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for equipment additions	<u>(1,378)</u>
Net cash (used in) investing activities	<u>(1,378)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of note payable	(4,902)
Repayments of long-term debt	<u>(31,806)</u>
Net cash (used in) financing activities	<u>(36,708)</u>

Net (decrease) in cash and cash equivalents	25,160
Cash and cash equivalents, beginning of year	<u>2,237</u>
Cash and cash equivalents, end of year	\$ <u>27,397</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash payments for:	
Interest	\$ <u>28,452</u>

See Notes to Financial Statements

HELPING HANDS OUTREACH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization:

Helping Hands Outreach Ministries, Inc. (the Ministry) is a New Hampshire nonprofit corporation organized to provide services to the needy such as transitional housing, food, clothing and other services so as to provide relief from poverty and distress in the community. The Ministry is supported primarily through donor contributions and grants.

Significant Accounting Policies

Basis of accounting:

The financial records of the Ministry are maintained on the accrual basis of accounting.

Financial Statement Presentation:

The Ministry adheres to the Presentation of Financial Statements for Not-for-Profit Organizations topic of the FASB Accounting Standards Codification as expressed in FASB ASC 958-205. Under ASC 958-205, the Ministry is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. As of June 30, 2017, the Ministry had no permanently restricted net assets.

The Ministry accounts for contributions received in accordance with FASB ASC 958-605. In accordance with ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. ASC 958-310 requires that unconditional promises to give (pledges) be recorded as receivables and recognized as revenues.

Cash and Cash Equivalents:

For purpose of the statement of cash flows, the Ministry considers cash and cash equivalents to include only cash on hand, cash in checking accounts, and certain savings accounts, certificates of deposit and money market accounts if readily available for current operations.

Promises to Give:

Contributions are recognized when the donor makes a promise to give to the Ministry, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets if restrictions expire within the fiscal year in which the contribution is recognized. All other donor-restricted contributions are reported as temporarily or permanently restricted net assets depending upon the nature of the restrictions. When a restriction expires, temporarily restricted assets are reclassified to unrestricted net assets.

HELPING HANDS OUTREACH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2019

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status:

The Ministry is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, any income from activities not directly related to the Ministry's tax-exempt purpose is subjected to taxation as unrelated business income. In addition, the Ministry qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Code, and has been classified as an organization that is not a private foundation under Section 509(a).

Property and Equipment:

Property and equipment are recorded at cost if purchased or, if contributed, at fair market value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets of 5 to 39 years.

The Ministry's policy is to capitalize property and equipment acquisitions and improvements that either increase the value of an asset or increase the estimated useful life of an asset.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Materials, Facilities and Services:

Donated materials and facilities are recorded as contributions and as property and equipment or expense in the period received at fair value. SFAS 116 requires unconditional promises to give materials and facilities to be recorded as contributions even though the Ministry may not receive the assets or benefits until a future period.

HELPING HANDS OUTREACH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Shelter Furnishings:

Furnishings for the shelter operated by the Ministry consist primarily of donated furniture and fixtures. No amounts for donated shelter furnishings have been reflected on the statement of financial position, as the Ministry does not deem such amounts to be materially sufficient to warrant capitalization. Purchased shelter furnishings are generally expensed in the year of purchase.

Functional Expenses:

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

Accounts Receivable:

Accounts receivable do not include an allowance for doubtful accounts since the Ministry believes all amounts to be collectible.

NOTE 2. IN-KIND DONATIONS

A substantial number of volunteers have donated significant amounts of time to the Ministry's programs and support services. However, no amounts have been reflected in the statement of activities for contributed services as no objective basis is available to measure the value of such services. Contributed services include services in such areas as counseling, distribution of food, clothing and household goods, computer programming and maintenance, management, accounting and finance, legal and professional, fundraising and administrative support.

In accordance with generally accepted accounting principles, no amounts are reflected in the statements of operations for donated goods that are received by the Ministry and redistributed to the ultimate beneficiaries. Donated services of \$820 have been reflected in the financial statements, relating to professional fees valued at \$3,320 for which the Ministry was billed \$2,500.

NOTE 3. RESTRICTIONS ON NET ASSETS

As of June 30, 2019, there were no temporarily restricted net assets.

HELPING HANDS OUTREACH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 4. NOTE PAYABLE AND LONG-TERM DEBT

Details of the Ministry's note payable and long-term debt are as follows:

Current note payable:

Demand note payable, bank, with interest at 4.25%, at June 30, 2019, collateralized by real estate, matures August 20, 2019	<u>\$ 24,828</u>
---	------------------

Long-term debt:

Note payable, bank, with interest at 7.5%, due in monthly installments of \$1,148 through August 20, 2019, collateralized by real estate	\$ 91,667
Note payable, bank, with interest at 5.55%, due in monthly installments of \$3,196 through September 2027, collat- eralized by real estate	250,628
Note payable, other financing entity, with interest at 0%, due in annual installments of \$14,985 beginning January 1, 2023 through April 2036	<u>200,958</u> <u>543,253</u>
Less: current maturities	(27,627)
Long-term debt	<u>\$ 515,626</u>

The Ministry has a line of credit arrangement with TD Banknorth (Manchester, NH) in the amount of \$50,000. At June 30, 2019, borrowings against this line amounted to \$24,828. At June 30, 2019, the Ministry was substantially in compliance with the terms and conditions with its debt covenants with respect to the line of credit.

At June 30, 2019, the Ministry's debt with TD Bank consisted of a demand note payable in the amount of \$24,828 and a mortgage in the amount of \$91,667. These notes matured on August 20, 2019. The Ministry is in the process of refinancing these loans with Eastern Bank (Manchester, NH). Management believes that these notes will be successfully refinanced.

Future maturities of long-term debt are as follows:

<u>Year ending June 30:</u>	
2020	\$ 27,627
2021	29,596
2022	31,705
2023	41,457
2024	51,370
Thereafter	<u>361,498</u> <u>\$ 543,253</u>

The City of Manchester (New Hampshire) has agreed to temporarily defer repayment of its loan in the outstanding amount of \$200,958. Repayment in the annual amount of \$14,985 will re-commence in January 2023 until repaid. This note carries a 0% rate of interest.

HELPING HANDS OUTREACH MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2019

NOTE 5. ECONOMIC DEPENDENCY

The Ministry receives a substantial portion of its support from federal and state government entities. A significant reduction in the level of this support, if it were to occur, might have an effect on the Ministry's ability to deliver its programs and conduct its activities.

NOTE 6. CONTINGENCIES

The facility from which the Ministry operates is not in technical compliance with the Federal Code Requirements of the Americans with Disabilities Act (ADA). Management has estimated that a cost of \$65,000 would be required to bring the facility up to code standards. The Ministry's ability to receive future grant awards could be negatively impacted should the Ministry's facility not be brought into compliance with the ADA in the near future.

The Ministry has adopted FASB Interpretation No. 48, *Accounting for Uncertainties in Income Taxes* (FASB ASC 740). Accordingly, management has evaluated the Ministry's tax positions and has concluded that the Ministry has maintained its tax-exempt status, does not have any significant unrelated business taxable income and has taken no uncertain tax positions that require adjustment or disclosure in the financial statements at June 30, 2019.

The Ministry files Form 990. With few exceptions, the Ministry is no longer subject to U.S. federal tax examinations for years prior to 2015.

NOTE 7. SUBSEQUENT EVENTS

The Ministry has evaluated subsequent events through September 6, 2019, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date. No subsequent events were identified that would require disclosure in the financial statements for the period ended June 30, 2019.

HELPING HANDS OUTREACH CENTER
BOARD OF DIRECTORS

2020

- Stephen Mitchell, Chairman began 11/8/2017 603-505-1518 c
395 Lowell Street
Manchester, NH 03104
Network Solutions Architect, Netscout Corp.
310 Littleton Rd,
Westford, MA 01880

- Terry Smith, Secretary began 5/1/2018 603-647-2631 h
Secretary 603-770-3947 c
Real Estate/Business Consultant, currently unemployed
TerryGlynnSmith@gmail.com
34 Palomino Lane
Bedford, NH 03110

- Mr. Dana Teufel, Treasurer began 11/16/2017 603-548-6532 c
DHTeufel10@gmail.com
Computer Engineer, retired
22L Phillip Road
Derry, NH 03038

- Ms. Mary Chevalier, began 7/11/2018 603-512-1571 c
Director, 1269 Café, Manchester, NH and Manager CPIN, 10 Tinker Ave.
Suite C, Londonderry, NH 03053
CMChevalier@msn.com
25 Coteville Road
Londonderry, NH 03053

- Mr. Jock Dyer, began 9/12/2019 207-450-9473 c
Jock1943@yahoo.com
Retired engineer, business owner, Dyer Engineering
11 Baron's Way
Stratham, NH 03885

- Lawrence Nice, began working 8/1/2017 603-533-0621 c
Executive Director Helping Hands Outreach (non-voting)
Larry@Helpinghandoutreach.net
443 Laurel Street
Manchester, NH 03103

2019-2020 Meeting Dates: 7/10/19, 8/22/19, 9/11/19, 10/9/19, 11/13/19, 2/12/20,
3/11/20, 4/8/20, 5/1/20, 6/10/20

LAWRENCE W. NICE

CAREER GOAL

Application of evidence-based practices in a sober setting to assist motivated adults with substance use issues in societal re-integration by promoting pro-social decision making.

EMPLOYMENT

2017-2020 Executive Director of Helping Hands Outreach Ministries - Daily oversight of a homeless shelter for 36 men, and a transitional living home for 17 men. Supervises a full-time LADC, part-time Case Manager, contracted accountant, part-time House Manager, part-time volunteer Life Coach. Duties include financial management, fund raising, grant writing, maintenance, team building, decision-making regarding incoming residents as well as those being discharged, and program oversight.

1988-2017 New Hampshire Department of Corrections, Concord, NH
Corrections Counselor, Case Manager - Assisting inmates with societal re-integration including counseling, co-facilitating treatment groups with Master LADC, teaching evidence-based classes - Thinking for a Change, job development, resume writing, referral to community treatment providers, health insurance enrollment.
As the Institutional Parole Officer at NH State Prison for Men, enabled men to secure employment, housing, mental health and substance mis-use treatment. Re-Entry expert at the Calumet Halfway House for 16 years and 2 years at the Manchester Probation Parole Office further enhancing societal re-integration through teamwork with Greater Manchester agencies.

1984-1988 Trinity Evangelical Church, North Reading, Massachusetts
Assistant Pastor, supervised Christian Education, youth programs, visitation

1976-1980 Christian Fellowship School, Laconia, NH
Taught all High School subjects, Coached Soccer

1974-1976 The New Hampton School, New Hampton, NH
Instructor of Chemistry, Physics, SAT Math Prep
Coached Cross Country, Nordic Skiing, Dorm Advisor

EDUCATION

1980-1982 Oral Roberts Theological Seminary, Tulsa, Oklahoma
Master of Divinity, emphasis in counseling

1969-1973 Tufts University, Medford, Massachusetts
B.A., Double Major, History and Religion

Resume —Terry Ickes

EMPLOYMENT

Helping Hands Outreach Center, 50 Lowell Street, Manchester, NH 03103

House Manager: Live-in position, 20 hours per week, supervises 25-35 men in a temporary residence, supervises volunteer cooking and office staff. Deals with disciplinary issues.

Safe Station Respite (Serenity Place) 6/1/17-2/1/18

140 Central Street, Manchester, NH 03101

Assistant Manager: 12 am to 9 am, did laundry, set up coffee and breakfast for morning and cover shifts as needed.

Safe Station Respite (Helping Hands) 10/14/16-6/1/17

140 Central Street

Manchester, NH 03101

Assistant Manager: Work 12 am to 9 am, do laundry, set up coffee and breakfast for morning and cover shifts as needed.

Reason for leaving: Responsibility shifted from Helping Hands to Serenity Place

Ellis Crowe Solutions 09/15/2015-11/23/15

1001 Elm Street Suite 202, Manchester, NH 03104

Phone fundraiser: Call phone lists and solicit people for donations

Callogix 08/26/2013-01/17/2014

540 Commercial St, Manchester, NH 03103

Customer Service Representative: Answered phones for multiple clients and took orders for certain clients and troubleshoot issues and resolved issues for the customer. Made notes in computer of steps taken to resolve issues and comments from customers on orders or issues.

Dunkin Donuts 5/13/2013-8/16/2014

570 Mast Road, Manchester, NH 03103

Cashier: Made and served coffee, cleaned the restaurant as a team member

EDUCATION

Key West High School, High School Diploma, General Studies, Key West, Florida

GUY L. TORGERSEN
Associates Degree in Addiction Counseling Candidate

CAREER OBJECTIVE: Utilizing my recovery coaching and case management experience, to help those that struggle with substance use disorders so they can build a life-time of long-term recovery.

PROFESSIONAL EXPERIENCE

Helping Hands Outreach Ministries
LADC

June 2016-Present

Provide complete and holistic case management services for 38 men in the Helping Hands Transitional Shelter and 16 men in long term sober housing at the Gendron House in Manchester, New Hampshire.

- Responsible for intake biopsychosocial assessment, benefits and needs assessment, goal setting, treatment planning, and progress monitoring of residents.
- Bi-weekly meetings with residents to ensure they are following their recovery plans.
- Advocate, coordinate, and refer residents to third party agencies including recovery services, social services, and faith-based services.
- Implement life skill plans including trigger/craving management, anger management, time management, money management, stress management, resume writing, continuing education and job search skills.
- Coordinate and communicate with New Hampshire Department of Corrections case managers to help paroled inmates have a safe and sober place to live when released.
- Lead a men's bible study for those in transitional housing.

Hope for New Hampshire Recovery Community Center
Recovery Coach/CRSW

October 2015-Present

- Responsible for peer recovery coaching and intakes for members of Hope for New Hampshire Recovery.
- Facilitate All Recovery and Smart Recovery meetings.
- Designed and implemented a new Home Comers curriculum for men and women released from prison.
- Lead facilitator for prison Home Comers group.
- New Hampshire licensed Certified Recovery Support Worker June 2016.
- Counseled inbound substance abuse and recovery calls via State 211 service.

EDUCATION

NHTI, Concord's Community College, Associate Degree in Addiction Counseling
Master of Business Administration in Finance, DePaul University, Chicago, IL
Bachelor of Science in Management, DePaul University, Chicago, IL

Expected 2018
1985
1981

PROFESSIONAL DEVELOPMENT-NAADAC

Working with Individuals Diagnosed with Personality Disorders, January 10, 2018
Acceptance-Commitment Therapy in Addiction Treatment and Relapse Prevention, December 20, 2017
Issues of Complicated Grief: Effectively Working with Families After a Death, May 19, 2017
Opiate Addiction and Treatment Options, March 29, 2017
Narcan Train the Trainers, February 2016
Certified Recovery Support Worker-State of New Hampshire-June 2016
HIV Trends and Treatment-New Hampshire Training Institute on Addictive Disorders-February 2016
Substance Abuse Counseling Skills and Core Functions-New Hampshire Training Inst. on Addictive Disorders-February 2016
Mental Health First Aid USA-National Council for Community Behavioral Health-February 2016
Smart Recovery Facilitator Training-Certification January 14, 2016

Helping Hands Outreach Ministries, Inc.

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Lawrence Nice	Executive Director	\$52,000	40	\$9,150
Guy Torgersen	LADC	\$38,220	40	\$6,405
Terry Ickes	House Manager	\$11,440	40	\$4,576



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Hundred Nights, Inc., (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 17 Lamson Street, Keene NH, 03431.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:

\$220,854.

2. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:

2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:

3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:

2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:

4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:

2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.

7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1, to read:

3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.

**New Hampshire Department of Health and Human Services
State Grant In Aid Homeless Assistance Program**



All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

6/17/20
Date

Christine Santanuello
Name: Christine Santanuello
Title: Director, DEHS

Hundred Nights, Inc.

6/17/2020
Date

Melinda (Mindy) Cambrian
Name:
Title:



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/25/20

Date _____

Catherine Pinos

Name: Catherine Pinos, Attorney
Title:

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____

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 HUNDRED NIGHT'S, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on August 24, 2011. 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: 657855

Certificate Number: 0004931295



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 16th day of June A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Teresa Starkey, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of HUNDRED NIGHTS, INC.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on June 17, 2020, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Mindy (Melinda) Cambiar (may list more than one person)
(Name and Title of Contract Signatory) Executive Director

is duly authorized on behalf of Hundred Nights Inc to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for thirty (30) days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: June 17, 2020

Teresa Starkey
Signature of Elected Officer
Name: Teresa J. Starkey
Title: Secretary, Board of Directors



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/17/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Masllo Insurance Agency, Inc. An Optisure Risk Partner 69A Island Street, Suite 1 Keene NH 03431		CONTACT NAME: Janice Sargent PHONE (A/C, No. Ext): (603) 283-1847 E-MAIL ADDRESS: janice.sargent@optisure.com FAX (A/C, No):	
INSURED Hundred Nights Inc PO Box 833 ATTN Mindy Camblar Keene NH 03431		INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Indemnity Insurance Company INSURER B: Ace American Insurance Company INSURER C: AmWINS Brokerage of New England LLC INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 20-21 Certificate **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	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:			PHPK2098850	02/15/2020	02/15/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Professional Liability E & \$ 1,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
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 <input checked="" type="checkbox"/> N	N/A	6S62UB5B92659-3-20	04/06/2020	04/06/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
C	Directors & Officers			NDO2550245H	01/19/2020	01/19/2021	Occurrence/Aggregate \$1,000,000 EPLI \$1,000,000

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

Homeless Shelter

CERTIFICATE HOLDER

CANCELLATION

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

Janice Sargent

ORGANIZATION OVERVIEW

OUR MISSION

The Mission of Hundred Nights, Inc. is to provide shelter and crisis related services to the displaced or homeless. Our goal is to collaborate with and enable the community to see, hear, and support those among us who are equally deserving of dignity, but who currently lack the means to live independently. Our dream is a community where all people, regardless of means, are equally valued and supported.

OUR VISION

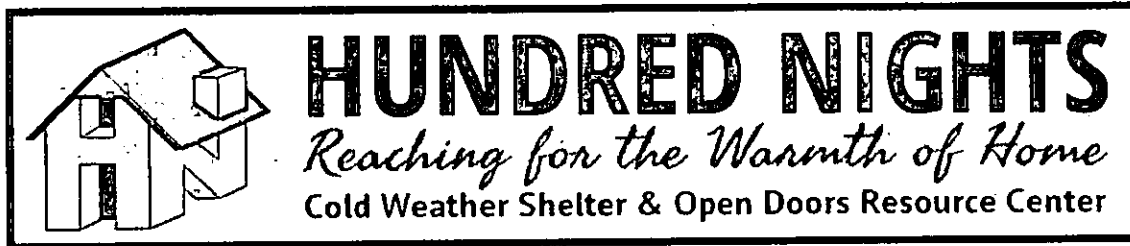
Every individual in the Cheshire County area will have access to appropriate, stable housing so they can live safe, productive and satisfying lives and be respected members of their community.

OUR OPERATING PRINCIPLES

1. Hundred Nights, Inc. believes that self-sufficiency can only be realized for those suffering from mental illness, substance abuse, illiteracy, chronic unemployment, or incarceration when the public and the business community come together to treat people with respect and support.
2. Hundred Nights, Inc. believes that all people are worthy, have a story to tell, and should be heard.
3. Hundred Nights, Inc. operates to minimize the devastating impact that homelessness creates for individuals and the community by providing a continuum of shelter options, housing referrals, health care, and educational services.
4. Hundred Nights, Inc. acts to build and maintain the strength of our leadership, the skills and motivation of our staff, and the active engagement of our guests as essential ingredients in order to strengthen our communities.

OUR CORE VALUES

1. Results: We are accountable for achieving excellence through measurable, thoughtful, and meaningful outcomes.
2. Integrity: We foster an environment of transparency and honesty that is built on respect and openness.
3. Community: We seek locally driven solutions that incorporate the views of our various stakeholders and audiences, building on diversity as a strength, and working in partnership with others to achieve results.
4. Effectiveness: We are resourceful, responsible stewards, leveraging resources to maximize impact.



REVIEWED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

ANDERSON & GILBERT, INC.
295 PARK AVENUE
KEENE, NH 03431
603.357.1928
WWW.AGTAXFOLKS.COM

To the Board of Directors

HUNDRED NIGHTS, INC.
PO BOX 833
17 LAMSON STREET
KEENE NH 03431

We have reviewed the accompanying statement of financial position of Hundred Nights, Inc. as of December 31, 2018, and the related statements of operations and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Hundred Nights, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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

Susan L. Gilbert, CPA

Keene, New Hampshire
July 29, 2019

HUNDRED NIGHTS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

Assets

	2018	2017
Current Assets		
Cash & Cash Equivalents	\$ 88,978	\$ 80,816
Prepaid Expenses	<u>\$ 840</u>	<u>\$ -</u>
Total Current Assets	\$ 89,818	\$ 80,816
Property and Equipment		
Furniture and Equipment	\$ 34,140	\$ 25,141
Leasehold Improvements	\$ 9,362	\$ 9,362
Less: Accumulated Depreciation	<u>\$ (17,078)</u>	<u>\$ (14,288)</u>
Net Property and Equipment	\$ 26,424	\$ 20,215
Other Assets		
Long Term Investments	<u>\$ 303</u>	<u>\$ 374</u>
Total Other Assets	\$ 303	\$ 374
Total Assets	<u>\$ 116,544</u>	<u>\$ 101,405</u>

Liabilities and Net Assets

	2018	2017
Current Liabilities		
Accounts Payable & Accrued Expenses	\$ 4,957	\$ 3,591
Deferred Revenue	<u>\$ 10,000</u>	<u>\$ 9,950</u>
Total Current Liabilities	<u>\$ 14,957</u>	<u>\$ 13,541</u>
Total Liabilities	\$ 14,957	\$ 13,541
Net Assets		
Unrestricted Net Assets, Beginning of the Year	\$ 87,864	\$ 98,160
Change in Net Assets	\$ 13,794	\$ (10,306)
Unrealized Gain (Loss) on Investments	<u>\$ (71)</u>	<u>\$ 10</u>
Total Net Assets	<u>\$ 101,587</u>	<u>\$ 87,864</u>
Total Liabilities and Net Assets	<u>\$ 116,544</u>	<u>\$ 101,405</u>

HUNDRED NIGHTS, INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Revenue		
Contributions	\$ 158,776	\$ 118,856
Grants	43,563	11,500
Monadnock United Way	38,370	45,118
Government	45,950	40,352
Special Events	29,989	27,011
Gifts in Kind	117,171	54,103
Investment/Interest Income	<u>74</u>	<u>123</u>
 Total Revenue	 \$ 433,893	 \$ 297,063
 Operating Expenses		
Salaries & Benefits	\$ 181,087	\$ 145,993
Occupancy	60,237	57,149
Program Supplies	116,831	53,608
Office & Facility Supplies	13,828	8,386
General & Administrative Expense	10,999	9,096
Fundraising Expenses	8,368	8,591
Professional Fees	8,080	5,291
Telephone & Communications	5,297	8,631
Insurance	10,301	5,864
Depreciation Expense	2,790	2,763
Client Assistance & Support	<u>2,282</u>	<u>1,997</u>
 Total Operating Expenses	 \$ 420,099	 \$ 307,369
 Change in Net Assets	 \$ 13,794	 \$ (10,306)

HUNDRED NIGHTS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash Flows from Operating Activities		
Change in Net Assets		
Change in Net Assets	\$ 13,794	\$ (10,306)
Total Change in Net Assets	\$ 13,794	\$ (10,306)
Adjustments to Change in Net Assets		
Adjustments to reconcile Change in Net Assets to Net Cash:		
Depreciation Expense	\$ 2,790	\$ 2,763
Unrealized Gain (Loss) on Investments	\$ (71)	\$ 10
(Increase) Decrease in the Following Assets:		
Prepaid Expenses	\$ (840)	\$ -
Increase (Decrease) in the Following Liabilities:		
Accounts Payable & Accrued Expenses	\$ 1,367	\$ (12)
Deferred Revenue	\$ 50	\$ (50)
Total Adjustments	\$ 3,296	\$ 2,711
Net Cash Provided By (Used In) Operating Activities	\$ 17,090	\$ (7,595)
Cash Flows from Investing Activities		
Capital Expenditures, Net of Disposals	\$ (8,999)	\$ (2,120)
(Increase) Decrease in Long Term Investments	\$ 71	\$ (374)
Net Cash Provided By (Used In) Investing Activities	\$ (8,928)	\$ (2,494)
Net Increase (Decrease) in Cash	\$ 8,162	\$ (10,089)
Cash at Beginning of the Year		
Cash at Beginning of the Year	\$ 80,816	\$ 90,905
Total Cash at Beginning of the Year	\$ 80,816	\$ 90,905
Cash at End of the Year	\$ 88,978	\$ 80,816

HUNDRED NIGHTS, INC.
NOTES TO FINANCIALS STATEMENTS
DECEMBER 31, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with short-term maturities, excluding any assets limited as to use. For the year ending December 31, 2018 and 2017 cash and cash equivalents includes a checking and two savings accounts. The Board designated \$20,000 to be held in reserve in a savings account, the funds can only be used upon a board vote and requires two signatures.

Assets Limited As to Use

Assets limited as to use consist of assets designated by the board and restricted by donors. For the year ended December 31, 2018 and 2017 there were no restricted assets.

HUNDRED NIGHTS, INC.
NOTES TO FINANCIALS STATEMENTS
DECEMBER 31, 2018 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

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

NOTE 2 – FUNCTIONAL EXPENSES

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

	2018	2017
Program Expenses	\$ 322,855	\$ 220,210
Administrative and General	75,451	71,498
Fundraising Expenses	21,793	15,661
Total	<u>\$ 420,099</u>	<u>\$ 307,369</u>

NOTE 3 – COMMITMENT AND CONTINGENCIES

The Organization leases its office, shelter and resource center facilities from Timoleon and Kiriaky Chakalos under a lease agreement updated as of June 2018. The lease was extended as of July 1, 2018 for a 1 year term ending June 30, 2019. The lease payments for 2018 are \$4000 per month for a total of \$48,000. On May 22, 2019 the lease was again extended at the same lease payment for an additional year ending June 30, 2020. The future minimum lease payments for 2019 are \$48,000.

HUNDRED NIGHTS, INC.
NOTES TO FINANCIALS STATEMENTS
DECEMBER 31, 2018 and 2018

NOTE 4 – DEFERRED REVENUE

Deferred Revenue consists of funds received to be used for future expenses, activities and events. As of December 31, 2018 and 2017 this amount is \$10,000 and \$9,950, respectively and is primarily funds designated for operations in the following year.

NOTE 5 – DONATED GOODS AND SERVICES

The Organization receives significant donations of volunteer time which are not recognized in these statements. For the year ending December 31, 2018 and 2017 there was volunteer labor with an estimated at value of \$196,675 and \$268,084, respectively. Additionally, there are significant donations of food, supplies and clothing, which have been recorded as Gifts in Kind at their fair market value. The total of program supplies donated in 2018 and 2017 is \$116,831 and \$53,609, respectively. Also recorded as Gifts in Kind are discounted services provided of \$340 and \$495, for the year ended December 31, 2018 and 2017, respectively. The food, clothing and supplies are also listed in these financial statements as Program Supplies.

NOTE 6 – RETIREMENT PLAN

The Organization adopted a Simple IRA plan for its employees who work more than 30 hours per week. The Organization matches 100% of the employee contributions up to 3% of compensation. For the year ended December 31, 2018 and 2017 the matching contribution to eligible employees amounted to \$2,354 and \$2,378, respectively.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 29, 2019, which is the date the financial statements were available to be issued. The Organization does not believe that any events requiring recognition or disclosure occurred between December 31, 2018 and July 29, 2019.

Hundred Nights, Inc. - BOARD OF DIRECTORS LIST – June 2020

Branwen Gregory
on Board til 2020

Doug Iosue
on Board til 2020

Dick Newton
on Board til 2021

Treasurer until 2020

Roberta Heinonen
on Board til 2020

Teresa Starkey
on Board til 2020

Secretary until 2020

Jim Duffy
on Board til 2022

Jan Manwaring
on Board until 2022

Chuck Mobilia Board Vice Chair til 2021
on board til 2021

Jan Peterson
on Board til 2021

Board Chair til 2021

Brian Conefrey
on Board til 2022

Peter Starkey
on Board til 2022

Nancy Newton
on Board til 2022

Terry Fecto
on Board until 2023

Andrew Madison
on Board until 2023

Nikki Sauber
On Board until 2023

SIERRA HUBBARD

Experience

Hundred Nights Inc., Data/Case Manager (Keene, NH)

May 2020 - Present

- Arrange meetings with shelter guests and resource center visitors to determine needs
- Help guests apply for housing assistance, food stamps and health insurance; make any necessary appointments; track down identifying documents; and conduct any other business they need to ultimately secure housing and be successful
- Enter guests' information and case notes into the Hundred Nights database and HMIS

Hundred Nights Inc., Overnight Supervisor (Keene, NH)

April 2020 - May 2020

- Ensured shelter guests' comfort and safety overnight
- Prepared coffee and woke guests each morning, ensuring everyone left the building on time

The Keene Sentinel, Reporter (Keene, NH)

January 2018 - March 2020

- Wrote multiple stories per week for The Keene Sentinel, specializing in covering city government and housing/homelessness

Cobb County Courier and other publications, Freelance Reporter (Metro Atlanta, GA)

May 2017 - December 2017

- Wrote stories for multiple publications in the Atlanta area during final semester of college
- Covered arts and entertainment events, local government and police, and breaking news in three Georgia communities

The Kennesaw State University Sentinel, Editor-in-Chief (Kennesaw, GA)

October 2013 - July 2017

- As editor-in-chief from June 2016 to July 2017 of The KSU Sentinel (a weekly newspaper at a metro Atlanta university with 36,000 students), oversaw the publication's budget, distribution, advertising, content and staff of 12 student editors and designers
- As news editor from February 2015 to June 2016, edited stories and determined layout
- As a staff writer from October 2013 to February 2015, wrote stories for the news section

GameStop, Senior Game Adviser (Hiram, GA)

September 2013 - January 2016

- Worked as a store clerk for two years before being promoted to Senior Game Adviser, a management position, in September 2015

Kirkland's, Assistant Store Manager (Hiram, GA)

August 2013 - September 2015

- Worked as a store clerk for just over a year before being promoted to assistant store manager in the fall of 2014; duties included opening and closing the store, counting down the drawers, and running the stock crew
- Became the interim senior assistant store manager in the summer of 2015; duties included overseeing the staff, ensuring the proper execution of product displays, and scheduling shifts in the store manager's absence

Education

Kennesaw State University, Kennesaw, GA (Aug. 2013 - Dec. 2017)

- Bachelor's in communication
- Certificate in multi-platform news reporting

Skills

- Excellent interpersonal communication skills
- Experienced dealing with the public in multiple capacities, including customer service, management and journalism
- Skilled writer with excellent grasp of grammar and clarity
- Proficient with many computer programs, including all Word and Google suite software and HMIS database entry
- Able to learn quickly and adapt to new environments

MICHAEL J HITCHCOCK

PAST EMPLOYERS

Hundred Nights, Inc. Shelter Manager (Jeff Nass) – Keene, NH (603)3525197 – From: 6/2020 to Present

To ensure the safety and wellbeing of shelter guest, staff and volunteers. Data entry, cleaning and following all procedures

Hundred Nights, Inc. Overnight Shelter Assistant (Jeff Nass) – Keene, NH (603)352-5197
From 1/2020- Present

To ensure the safety and wellbeing of overnight guests including keeping daily log and communication with supervisors

MasterDry Cleaning and Restoration (Jim Milburn) – Montverde, FL – (407)469-3953 – From: 06/2018 To: 11/2018

Carpet Cleaning with understanding of motored equipment

Veranda Apartments(Crystal Kennedy) – Mt Dora, FL – (888)515-2577 – From: 08/2017 To: 06/2018

Groundskeeper – responsible for upkeep and maintained property

Service Master (Bob Foley) - Keene, NH - (603)352-6101 - From: 06/2012 To: 09/2016

Cleaning – General office cleaning of carpets and floors

EXPERIENCE

Crew Chief/Supervisor -Fork lift operator- Water/Fire damage restoration – Mold remediation – Commercial office cleaning – Commercial/Residential truck-mount carpet/upholstery cleaning – Strip/wax/buff floors – Post-construction clean ups – Auto detailing – Organizing cleaning schedules for work crews – Use of industrial floor sweepers/scrubbers – Scissor lift operation- Power wash exterior house cleaning – Warehouse – shipping/receiving – Inventory – Delivery driver (non-CDL) – Merchandising – Communication with coworkers

EDUCATION

Keene High School – Keene, NH – Received diploma in June, 1994

REFERENCES

Josh Ripley / professional: (603)313-1865

Verne Gage / professional: (603)256-3000

Bob Foley / professional: (603)352-6102

MICHAEL MERRILL

EXPERIENCE

01/2020 – CURRENT

RESOURCE CENTER MANAGER, HUNDRED NIGHTS, INC.

Helping guests with basic needs, preparing food and serving, maintaining records and database entries

12/2020 – 01/2020

MAINTENANCE, HUNDRED NIGHTS, INC. Volunteer

Maintaining building including drywall repairs, painting, changing light fixture and general upkeep.

07/2019 – 08/2019

PREP COOK, VINO'S ITALIAN RESTAURANT

Supporting other cooks, preparing food and proper food handling skills

10/2012 – 11/2014

SELF EMPLOYED

Painting and light remodeling

EDUCATION

12 2012

GED, KENNETT HIGH SCHOOL

Received GED

SKILLS

- Attention to detail
- Data entry
- Communication
- Adaptability

MELINDA CAMBIAR

RFA-2020-DEHS-01-STATE 3.2.3. RESUME

EXPERIENCE

Executive Director, Hundred Nights, Inc.

2013 – Present

General Position Description:

The Executive Director is responsible for the overall management of the organization, including program development, resource allocation, and business operations. The Director inspires and leads a diverse team of staff, advises and informs the board of directors, and champions the organization's vision, goals, and values.

Key Responsibilities Include:

Lead the strategic operation and administration of the organization. Oversee development, implementation, quality, measurement, and promotion of programs, products and services.

Serve as spokesperson for the organization and promote its mission, programs, and values. Establish and build strong collaborative relationships with community groups, donors, volunteers, clients, government officials, and the press. Collaborate with organizations providing complementary services.

Lead and inspire staff to accomplish the goals of the organization and understand and fully embrace the mission and values.

Work with Board of Directors to ensure adequate funds from diverse, ongoing revenue streams to sustain and further the organization's mission and programs.

Spearhead fundraising efforts, including motivating staff and volunteers to embrace and support fundraising goals and efforts.

Build strong relationships with the Board of Directors and work together with the board in governance best practices, responsibilities, board composition, risk management, finance, legal, and fundraising.

Update the board on programs and funding and communicate any issues with potential to affect the organization and its mission, provide reports to the Board as directed.

Work with Board of Directors on the development, implementation, and periodic assessment of a strategic plan including goals, objectives, and timelines.

Direct staff, finance committee, and board in budget preparation, effectively manage resources within budget guidelines.

Ensure the organization is compliant with required nonprofit regulations at the federal, state and local levels and is transparent and accurate in all its records and documents.

Implement and maintain best practices for planning, programs, fundraising, finance, risk management, and HR.

Stay current in developments and trends in the nonprofit sector and issues relevant to the mission and make recommendations as appropriate.

Professional Photographer

With former University of Michigan professor Dr. Sarah Aciego **2010 – Present**

- Traveled to research field sites and photographed scientists in the field in Alaska, Canadian Rockies, Iceland and Greenland.

Founder, Executive Director, The Community Kitchen

1982 - 2006

- Started a local "soup kitchen" and food distribution site for people in need.

EDUCATION

1998 Honorary PHD In Humane Letters

Franklin Pierce University
Rindge, NH 03461

1986 Master of Science in Community Economic Development

New Hampshire College, now Southern NH University
Manchester, NH 03101

1983 Bachelor of Arts, Independent Major in History and Economics

Keene State College
Keene, NH 03431

Additional Knowledge, Skills:

Dedication and commitment to the organization's mission and values.

Progressive experience in management at a leadership level.

Broad experience in planning, budgeting, managing, and working with a board of directors.

Extensive experience in fundraising including planning, prospect development, donor stewardship, and grants.

Demonstrated ability to build donor and community relationships.

Leadership experience in strategic planning.

Solid knowledge of nonprofit accounting principles and financial procedures.

Exceptional interpersonal, verbal and written communication skills, including public speaking.

Outstanding leadership, networking, and motivational skills.

An innovative, strategic thinker with initiative and passion.

Has personal knowledge of and oversight of staff in all aspects of case management.

JEFFREY E NASS

RFA-2020-DEHS-01-STATE 3.2.3.

OBJECTIVE

To aid the people of our community experiencing homelessness by providing shelter and resources.

SKILLS & ABILITIES

Assess individuals' and families' needs for well-being and obtaining housing.

Develop an individualized plan with the types of services and assistance programs to meet their needs

Assist individuals and families with accessing emergency shelter.

Assist individuals and families with applying for and accessing permanent housing.

Assist individuals and families with applying for mainstream benefits, including, but not limited to, SSI, TANF, SNAP, Medicaid, Veteran and other State or Federal benefits.

Assist individuals and families with accessing community providers and supports, for, including but not limited to, mental health services, substance use treatment, medical care, employment, veterans benefit, financial and food assistance, and education supports.

Certification, knowledge and use of HMIS

EXPERIENCE

Shelter Administrator, Hundred Nights, Inc.

2014 – 2016

Keene, NH

2017 - present

- To provide overnight safe shelter and collection of personal information for case planning and data entry.

Resource Center Manager, Hundred Nights, Inc.

2016 – 2017

Keene, NH

- To provide a safe environment to anyone in need of resources, including food and day shelter.

EDUCATION

Hunterdon Central High School – NJ – Diploma

- You might want to include your GPA here and a brief summary of relevant coursework, awards, and honors.

COMMUNICATION

- Ability to speak to groups or individuals clearly in person, on the telephone, or via email to express the mission and needs of Hundred Nights, Inc.

Jeffrey Nass

LEADERSHIP

- Former Boy Scout Leader and served on Scouting committees for over 10 years
- Supervisor at Hundred Nights, Inc. over 5 years

REFERENCES

Courtney Fairbrother
Personal Reference
802-376-6990

Anthony Capestany
Personal Reference
978-549-7557

Timothy Peloquin
Personal/Professional Reference
603-381-5333

Diana Worcester

Employment History

11/2019 - Present Hundred Nights Inc/Assistant Shelter Intake Manager
11/2011 - 4/2019 Hundred Nights Inc/Volunteer – Shelter intakes and overnights
7/2012 - Present Cheshire Medical Center/Conifer Health Solutions - Finance, Accounts
Receivables, Billing and Insurance Representative
12/2009 - 7/2012 Monadnock Community Hospital - Billing and Insurance Rep
2004-8/2009 Connecticut River Bank - Client Service Manager for Infinex
Investments

Profile

- Extensive background working with people in team environments.
- Experienced with computers and office procedures.
- Demonstrated success in personnel development.
- Acquired customer service and marketing skills.
- Versatile, cooperative and dedicated.

Summary of Experience

Management – Administrative – Personnel

- Follow and implement policies and procedures
- Implemented new services to generate increase in revenue
- Supervised services to assure quality and completeness.
- Collaborated with marketing groups to promote and build sales.
- Maintained positive customer relations.
- Managed inventory and ordering.
- Experience using Windows and Microsoft office, word ,excel, internet
- Established and implemented computerized system to streamline processes
- Screened, interviewed and hired personnel; experience in terminating employees.
- Trained personnel and monitored progression of their work.
- Coordinated work schedules to assure complete coverage,
- Conducted employee evaluations.

Education

Berlin Vocational Technical College, Berlin NH
Completed Food Service Management.
Penn State University, State College, PA
Completed Dietetic Technician.
Keene State College, Keene NH
Completed Business Management

Professional Skills:

- Exceptional interpersonal, analytical, time management and multi-tasking skills.
- Reliable and goal driven with a dedicated team player attitude, ability to work under pressure and meet goal quotas.
- Have worked in all areas of client/customer service from in person to telephone and computer, always in a most courteous, confidential and professional manner. General office duties from accounts receivable, schedules, deliveries, multi phone and computer skills needed as well as various levels in financial /banking business. Ability to work with groups or independently to meet work needs.

Community Involvement:

Active volunteer with several organizations in the community over the last twenty years: Center Stage Cheshire County, the Samaritans, Women's Crisis Center, Hospice, hospital visitations with the United Church of Christ, Monadnock United Way, The Community Kitchen, the Monadnock Humane Society, the Colonial Theatre of Keene. Always willing to help and go the extra step to meet the needs of others.

PAMELA MALISKA

EXPERIENCE

11/2016 – CURRENT

ASSISTANT MANAGER RESOURCE CENTER, HUNDRED NIGHTS, INC.

Helping guests with basic needs, safe food handling practices, preparing food and serving, maintaining records and database entries

11/2016 – CURRENT

JANITORIAL, HUNDRED NIGHTS, INC.

Laundry, vacuuming, disinfecting, and general cleaning of the facilities.

1/2014 – 1/2015

Sander/Repairer, Porto-Lite

Sanding and repairing shutters and house blinds.

1/2011 – 12/2013

Home Healthcare Relative provider, HCS

Provide essential needs including transportation, medical needs, companionship

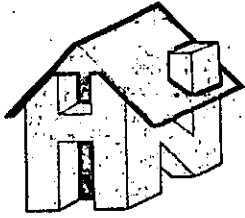
EDUCATION

Monadnock Regional High School

Graduated in 1980 with Diploma

SKILLS

- Attention to detail
- Able to multitask
- Data entry
- Communication
- Quick learner
- Adaptability



HUNDRED NIGHTS INC.

Reaching for the Warmth of Home

Cold Weather Shelter & Open Doors Resource Center

P.O. Box 833

17 Lamson Street

Keene, NH 03431

(603) 352-5197

www.hundrednightsinc.org

Tax ID: 45-2798171

Key Personnel List

Name	Job Title	Salary	% Paid from this Contract	Amount paid from this contract
Melinda Cambiar (Mindy)	Executive Director	\$55,080	0%	\$0
Jeff E. Nass	Director of Operations	\$30,000	25%	\$7,500

Hourly Wages

Sierra Hubbard	Case Manager	\$15/hr 35 hours/wk	100%	\$27,300
Michael Hitchcock	Shelter Intake Manager	\$15/hr (\$29,250) 37.5 hours/wk	50%	\$14,625
Diana Worcester	Asst Shelter In. Mngr.	\$13/hr 11 hrs/wk	100%	\$6,292
Michael Merrill	Resource Center Manager	\$14/hr (\$29,120) 40 hrs/week	50%	\$14,560
Pam Maliska	Asst RC Manager Janitorial Staff	\$13/hr (\$20,280) 30 hours/wk	50%	\$10,140

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Lakes Region Community Developers, (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 658 Union Avenue, Laconia, NH 03246.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$88,761.
2. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1, to read:
3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.

CP

6/23/20



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

6/24/20
Date

Christina P
Name: Christina Santaniello
Title: Director, DEHS

Lakes Region Community Developers

6/23/20
Date

C. Lorentz
Name: Carmen R. Lorentz
Title: Executive Director

State of New Hampshire

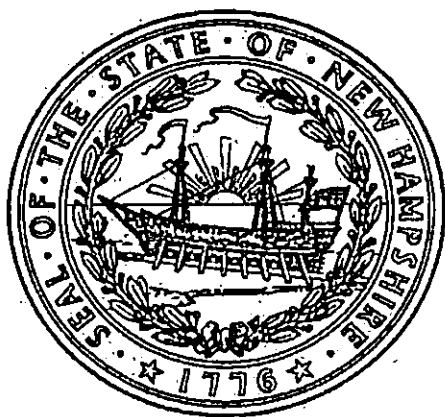
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that LAKES REGION COMMUNITY DEVELOPERS is a New Hampshire Trade Name registered to transact business in New Hampshire on October 20, 2017. 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; and the attached is a true copy of the list of documents on file in this office.

Business ID: 781051

Certificate Number: 0004935662



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 23rd day of June A.D. 2020.

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

William M. Gardner
Secretary of State



State of New Hampshire

Department of State



Business Name : LAKES REGION COMMUNITY DEVELOPERS

Business ID : 781051

Filing History

Filing#	Filing Date	Effective Date	Filing Type	Annual Report Year
0003662536	10/20/2017	10/20/2017	Trade Name Registration	N/A

Trade Name Information

Business Name	Business ID	Business Status
---------------	-------------	-----------------

Name History

Name	Name Type
No Name Changes found for this business.	

Principal Information

Name	Title
	Applicant

CERTIFICATE OF AUTHORITY

I, Caitlin McCurdy, hereby certify that:
(Name of the elected Officer of the Corporation/LLC: cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Laconia Area Community Land Trust, Inc. dba Lakes Region Community Developers
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on June, 22, 2020, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Carmen R. Lorentz (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Laconia Area Community Land Trust, Inc. dba Lakes Region Community Developers to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for **thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6/23/2020

Caitlin G. McCurdy
Signature of Elected Officer
Name: Caitlin McCurdy
Title: Chair



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

06/23/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Melcher & Prescott Insurance 426 Main Street Laconia NH 03246		CONTACT NAME: Jill Martineau PHONE (A/C No. Ext.): (603) 524-4535 E-MAIL ADDRESS: jmartineau@melcher-prescott.com FAX (A/C No.):	
INSURED Laconia Area Community Land Trust Inc. dba Lakes Region Community Developers 193 Court Street Laconia NH 03246-3642		INSURER(S) AFFORDING COVERAGE INSURER A: Cincinnati Insurance Co. NAIC # 10677 INSURER B: Cincinnati Insurance Co. INSURER C: Security National Ins Company 19879 INSURER D: INSURER E: INSURER F:	

COVERAGES**CERTIFICATE NUMBER:** CL2022804481**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	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			ECP 0364381	01/01/2019	01/01/2022	EACH OCCURRENCE \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:		DAMAGE TO RENTED PREMISES (Ea occurrence) \$				
			MED EXP (Any one person) \$ 10,000				
			PERSONAL & ADV INJURY \$ 1,000,000				
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY			ECP 0364381	01/01/2019	01/01/2022	GENERAL AGGREGATE \$ 2,000,000
			PRODUCTS - COMPOP AGG \$ 2,000,000				
			BI Excp To Poll Excl \$				
			COMBINED SINGLE LIMIT (Ea accident) \$				
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			EPP 0121600	01/01/2018	01/01/2021	BODILY INJURY (Per person) \$
			BODILY INJURY (Per accident) \$				
			PROPERTY DAMAGE (Per accident) \$				
C	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			SWC1266856	01/01/2020	01/01/2021	EACH OCCURRENCE \$ 1,000,000
	Y/N <input checked="" type="checkbox"/> N		AGGREGATE \$ 1,000,000				

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

Statutory State: NH. No officers are excluded from Workers Compensation coverage

CERTIFICATE HOLDER**CANCELLATION**

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 Statement

We create opportunities for the Lakes Region to thrive by developing healthy homes, creating vibrant community assets, and engaging residents.

Laconia Area Community Land Trust, Inc.
d/b/a Lakes Region Community Developers

Financial Report and
Supplementary Information

December 31, 2019 and 2018

Nesseralla & Company, LLC
A Public Accounting Firm

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
TABLE OF CONTENTS
DECEMBER 31, 2019 AND 2018

Independent Auditor's Report	1 - 2
Financial Statements:	
Statement of Financial Position	3 - 4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 29
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30 - 31
Schedule of Findings and Responses	32 - 33
<u>Supplemental Schedules</u>	
Supplemental Schedule of Rental Income and Expenses	34 - 35

NESSERALLA & COMPANY, LLC
A Public Accounting Firm

Phone (603) 369-3812

Email accountants@nesscocpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Laconia Area Community Land Trust, Inc.
d/b/a Lakes Region Community Developers
Laconia, New Hampshire

Report on the Financial Statements

We have audited the accompanying statement of financial position of Laconia Area Community Land Trust, Inc. (a non-profit corporation) d/b/a Lakes Region Community Developers, as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Laconia Area Community Land Trust, Inc. d/b/a Lakes Region Community Developers as of December 31, 2019, and the changes in its net assets, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Report on Summarized Comparative Information***

We have previously audited Laconia Area Community Land Trust, Inc. d/b/a Lakes Region Community Developers' December 31, 2018 financial statements, and expressed an unmodified opinion on those financial statements in our report dated March 27, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Additional Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 25, 2020 on our consideration of Laconia Area Community Land Trust, Inc. d/b/a Lakes Region Community Developers' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Laconia Area Community Land Trust, Inc. d/b/a Lakes Region Community Developers' internal control over financial reporting and compliance.

Nesseralla & Company, LLC

Plymouth, Massachusetts
March 25, 2020

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019
(with comparative totals for the year ended December 31, 2018)

ASSETS	2019	2018
Current Assets		
Cash (Note 1)	\$ 1,416,123	\$ 1,332,232
Tenant rents and subsidy receivable (Notes 1 & 16)	86,170	22,056
Grants and contributions receivable	904,066	502,606
Other receivables	6,344	540
Prepaid expenses	64,657	72,262
Total Current Assets	<u>2,477,360</u>	<u>1,929,696</u>
Restricted Cash		
Cash - permanently restricted (Note 13)	63,041	57,604
Restricted reserves (Note 3)	520,537	675,286
Tenant security deposits held in trust	59,016	81,392
Total Restricted Cash	<u>642,594</u>	<u>814,282</u>
Property and equipment, at cost - net of accumulated depreciation (Note 4)	<u>6,356,819</u>	<u>8,458,573</u>
Noncurrent Assets		
Projects under development (Note 5)	676,297	98,584
Investments in marketable securities at fair market value (Note 6)	347,394	289,170
Developer fees receivable (Note 7)	352,147	397,593
Notes and operating advances receivable - related parties (Note 7)	1,355,636	989,392
Investments in related partnerships (Note 7)	100	100
Total Noncurrent Assets	<u>2,731,574</u>	<u>1,774,839</u>
Total Assets	<u>\$ 12,208,347</u>	<u>\$ 12,977,390</u>

See accompanying notes

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019
(with comparative totals for the year ended December 31, 2018)

LIABILITIES AND NET ASSETS	2019	2018
Current Liabilities		
Current portion of long-term debt (Note 9)	\$ 69,452	\$ 109,488
Equity equivalent investment (Note 8)	110,000	110,000
Accounts payable	32,383	42,247
Due to related party	15,723	-
Prepaid rent	7,080	10,602
Accrued wages and other expenses	18,912	16,156
Total Current Liabilities	<u>253,550</u>	<u>288,493</u>
Long-term Liabilities		
Long-term debt, net of current portion and debt issuance costs (Notes 9 & 11)	4,004,046	5,914,475
Line of credit payable (Note 10)	55,148	-
Tenant security deposits payable	58,503	81,197
Total Long Term Liabilities	<u>4,117,697</u>	<u>5,995,672</u>
Total Liabilities	<u>4,371,247</u>	<u>6,284,165</u>
Net Assets		
Without donor restrictions	5,133,188	4,551,380
With donor restrictions (Note 12)	2,703,912	2,141,845
Total Net Assets	<u>7,837,100</u>	<u>6,693,225</u>
Total Liabilities and Net Assets	<u>\$ 12,208,347</u>	<u>\$ 12,977,390</u>

See accompanying notes

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
STATEMENT OF ACTIVITIES
DECEMBER 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Other Operating Programs	Real Estate Development	Total Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
Revenue and Other Support						
Contributions	\$ 36,354	\$ -	\$ 36,354	\$ -	\$ 36,354	\$ 28,856
In-kind donations (Note 14)	4,700	-	4,700	-	4,700	5,550
Grants (Note 15)	271,863	-	271,863	1,563,173	1,835,036	1,286,538
Resident service fees (Note 7)	25,376	-	25,376	-	25,376	24,544
Rental income and land lease revenue (Note 19)	891,678	-	891,678	-	891,678	912,912
Subsidy income (Note 16)	329,948	-	329,948	-	329,948	463,840
Developer fees (Note 7)	-	260,221	260,221	-	260,221	290,400
Management incentive fees (Note 7)	-	2,281	2,281	-	2,281	3,524
Net assets released from restrictions (Note 12):	1,001,106	-	1,001,106	(1,001,106)	-	-
Total Revenue and Support	2,561,025	262,502	2,823,527	562,067	3,385,594	3,016,164
Functional Expenses (Note 17)						
Program Services:						
Transitional Services	16,776	-	16,776	-	16,776	28,557
Tenant Support	83,403	-	83,403	-	83,403	63,926
Affordable Housing Production	-	278,244	278,244	-	278,244	304,398
Rental Properties	1,225,324	-	1,225,324	-	1,225,324	1,477,507
Asset Management	72,322	-	72,322	-	72,322	113,162
Community Building	53,509	-	53,509	-	53,509	88,972
Supporting Services:						
Fundraising	99,023	-	99,023	-	99,023	66,116
General and Administrative	172,298	-	172,298	-	172,298	125,203
Total Functional Expenses	1,722,655	278,244	2,000,899	-	2,000,899	2,267,841
Change in Net Assets Before Non-operating Income and Expenses	838,370	(15,742)	822,628	562,067	1,384,695	748,323
Non-operating Income (Expenses)						
Capital distributions (Note 7)	5,158	-	5,158	-	5,158	4,079
Unrealized gain (loss) on investment (Note 6)	64,265	-	64,265	-	64,265	(11,709)
Realized gain on investment (Note 6)	1,438	-	1,438	-	1,438	889
Investment income	46,591	-	46,591	-	46,591	38,981
Forgiveness of debt income	-	-	-	-	-	389,010
Loss on disposal of fixed assets (Note 4)	(8,227)	-	(8,227)	-	(8,227)	-
Discount on notes receivable (Note 7)	(350,045)	-	(350,045)	-	(350,045)	(270,025)
Total Non-operating Income (Expenses)	(240,820)	-	(240,820)	-	(240,820)	151,225
Change in Net Assets	597,550	(15,742)	581,808	562,067	1,143,875	899,548
Net Assets, beginning of year	4,551,380	-	4,551,380	2,141,845	6,693,225	5,793,677
Transfers	(15,742)	15,742	-	-	-	-
Net Assets, end of year	\$ 5,133,188	\$ -	\$ 5,133,188	\$ 2,703,912	\$ 7,837,100	\$ 6,693,225

See accompanying notes

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2019
(with comparative totals for the year ended December 31, 2018)

	Program Services										2019	2018
	Transitional Housing	Tenant Support	Real Estate Development	Rental Properties	Asset Management	Community Building & Engagement	Total Program Services	Fundraising	General and Administrative	Total Functional Expenses	Total Functional Expenses	
Salaries and wages	\$ 9,729	\$ 39,006	\$ 180,837	\$ -	\$ 49,929	\$ 36,592	\$ 316,093	\$ 66,799	\$ 117,514	\$ 500,406	\$ 492,817	
Payroll taxes and benefits	2,505	10,042	46,556	-	12,854	9,420	81,377	17,197	30,254	128,828	132,441	
Training and education	148	2,226	4,605	-	310	244	7,533	480	798	8,811	12,533	
Insurance	303	1,256	2,254	63,103	635	499	68,050	983	1,635	70,668	68,711	
Advertising	-	-	-	1,395	-	-	1,395	264	-	1,659	3,057	
Professional fees	1,089	4,521	8,117	11,948	2,288	1,798	29,761	3,541	5,883	39,185	54,197	
Management fees	-	-	-	100,892	-	-	100,892	-	-	100,892	116,205	
Depreciation (Note 4)	419	1,740	3,123	178,039	880	692	184,893	1,362	2,264	188,519	202,198	
Interest - amortization of debt issuance costs	-	-	2,333	2,141	-	-	4,474	-	-	4,474	2,335	
Bad debt expense	-	-	-	24,379	-	-	24,379	-	-	24,379	34,114	
Interest expense	453	1,881	3,377	49,924	952	748	57,335	1,473	2,447	61,255	83,828	
Repairs and maintenance	275	1,142	2,050	405,062	578	454	409,561	894	1,487	411,942	565,317	
Utilities	240	996	1,788	94,338	504	396	98,262	780	1,295	100,337	106,418	
Snow and trash removal	40	165	297	51,900	84	66	52,552	129	214	52,895	57,937	
Property taxes	267	1,109	1,991	152,776	561	441	157,145	869	1,444	159,458	169,371	
Water and sewer	36	150	270	82,408	76	60	83,000	118	195	83,313	77,411	
Miscellaneous	573	14,682	6,225	7,019	1,204	946	30,649	1,863	3,097	35,609	26,444	
Postage	77	318	570	-	161	126	1,252	249	412	1,913	1,302	
Dues and subscriptions	111	463	831	-	234	184	1,823	362	602	2,787	1,977	
Supplies	324	1,344	2,414	-	680	535	5,297	1,053	1,749	8,099	6,922	
Telephone	150	622	1,116	-	315	247	2,450	487	809	3,746	5,080	
Grant expense (Note 7)	-	-	-	-	-	-	-	-	-	-	35,821	
Discount on note payable (Note 9)	-	-	7,050	-	-	-	7,050	-	-	7,050	6,779	
Travel	37	1,740	2,440	-	77	61	4,355	120	199	4,674	4,626	
Total Functional Expenses	\$ 16,776	\$ 83,403	\$ 278,244	\$ 1,225,324	\$ 72,322	\$ 53,509	\$ 1,729,578	\$ 99,023	\$ 172,298	\$ 2,000,899	\$ 2,267,841	

See accompanying notes

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(with comparative totals for the year ended December 31, 2018)

	2019	2018
Cash Flows From Operating Activities		
Change in Net Assets Before Non-operating Income and Expenses	\$ 1,384,695	\$ 748,323
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	188,519	202,198
Amortization of debt issuance costs	4,474	2,335
Discount on note payable	7,050	6,779
(Increase) decrease in the following assets:		
Tenant rents and subsidy receivable	(75,680)	10,391
Grants and contributions receivable	(401,460)	(311,350)
Other receivables	(5,804)	(540)
Prepaid expenses	(22,072)	(9,891)
Tenant security deposits	987	(951)
Increase (decrease) in the following liabilities:		
Accounts payable and accrued expenses	(6,845)	427
Due to related party	15,723	-
Prepaid rents	(3,339)	4,017
Tenant security deposits	(3,284)	913
Net Cash Provided By Operating Activities	<u>1,082,964</u>	<u>652,651</u>
Cash Flows From Investing Activities		
Projects under development	(577,713)	(67,242)
Capital distributions	5,158	4,079
Purchase of mutual funds	-	(299,990)
Sale of mutual funds	7,479	-
Investment income	46,591	38,981
Purchase of property, equipment and other assets	(850,715)	(423,809)
Sale of assets to related party	(197,171)	4,421
Net Cash Used In Investing Activities	<u>(1,566,371)</u>	<u>(743,560)</u>
Cash Flows From Financing Activities		
Receipt (deferral) of development fees	45,446	(85,585)
Receipt of related party advances and loans	5,437	46,927
Advances and loans to related parties	(721,726)	(319,485)
Proceeds from mortgages and notes	1,103,994	35,107
Repayment of mortgages and notes	(70,313)	(92,429)
Proceeds from line of credit	55,148	-
Debt issuance costs	-	(7,000)
Net Cash Provided By (Used In) Financing Activities	<u>417,986</u>	<u>(422,465)</u>
Net Decrease In Cash and Restricted Cash	(65,421)	(513,374)
Cash and Restricted Cash, beginning of year	<u>2,065,122</u>	<u>2,578,496</u>
Cash and Restricted Cash, end of year	<u>\$ 1,999,701</u>	<u>\$ 2,065,122</u>
Breakdown of Cash and Restricted Cash, end of year:		
Cash	\$ 1,479,164	\$ 1,389,836
Restricted reserves	520,537	675,286
	<u>\$ 1,999,701</u>	<u>\$ 2,065,122</u>
Cash Paid During The Year For:		
Interest (including \$12,913 capitalized in 2019)	<u>\$ 72,466</u>	<u>\$ 83,922</u>

See accompanying notes

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies

Program Mission

Laconia Area Community Land Trust, Inc. ("LACLT"), doing business as Lakes Region Community Developers ("LRCD"), is incorporated under the laws of the State of New Hampshire as a non-profit corporation. LRCD's mission is to create opportunities for the Lakes Region to thrive by developing healthy homes, creating vibrant community assets, and engaging residents.

Program Services

LRCD develops and supports its operations through strategic management of critical functions. Through staff effort and board oversight, the functions of accounting, fundraising, accountability to and support from the community and funding sources, and organization management and development are maintained to ensure the organization's integrity and sustainability. LRCD serves the community through six programs as follows:

Transitional Housing

LRCD's Transitional Housing Program serves families and individuals who are homeless or at imminent risk of homelessness. Rents are subsidized by LRCD while the households work to address barriers to permanent housing, stabilize their health, and secure employment.

Tenant Support

LRCD residents who desire support services are provided with a full range of support and life skills training. A resident services coordinator assists families to retain their housing, strengthen family stability and enhance economic self-sufficiency.

Real Estate Development

LRCD develops a range of real estate to respond to housing and community development needs in the New Hampshire Lakes Region. This includes affordable rental homes for households of low-income, affordable starter homes for households of moderate income, supportive housing facilities for targeted low-income populations, and community facilities for non-profit organizations meeting critical needs in the community.

Rental Properties

LRCD retained the services of a third-party management agent for its portfolio of properties effective April 1, 2006.

Asset Management

LRCD provides asset management services related to its portfolio of properties.

Community Building & Engagement

LRCD works with residents to develop leadership skills, help them obtain living wage jobs, and partner with them to strengthen protective factors at the family and community level to increase every family's chance at a successful life.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation

Financial statement presentation follows recommendations of the Financial Accounting Standards Board in its Accounting Standards Codifications (ASC) 958-205, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958-205, LRCD is required to classify and report net assets in two groups - net assets with donor restrictions and net assets without donor restrictions - based on the existence or absence of donor-imposed restrictions and the nature of those restrictions.

Organizational Structure

LACLT is incorporated under the laws of the State of New Hampshire as a non-profit corporation. LACLT is exempt from federal income taxes under Internal Revenue Code section 501(c)(3).

LACLT Corporation is incorporated under the laws of the State of New Hampshire as a for-profit corporation. It is a wholly owned subsidiary of LRCD.

EASTLACLT, LLC is formed under the laws of the State of New Hampshire as a for-profit limited liability company. LRCD owns a 51% share of the LLC.

Winni River Housing Corp is incorporated under the laws of the State of New Hampshire as a for-profit corporation. It is a wholly owned subsidiary of LRCD.

GVK3 Housing Corp is incorporated under the laws of the State of New Hampshire as a for-profit corporation. LRCD owns an 88% share of the corporation.

HHA Housing Corp is incorporated under the laws of the State of New Hampshire as a for-profit corporation. It is a wholly owned subsidiary of LRCD.

Revenue Recognition

The accompanying financial statements were prepared using the accrual basis of accounting, the purpose of which is to record revenues when they are earned or awarded and record expenses when they are incurred.

Cash and Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less. Restricted cash is not considered cash equivalents.

Rents Receivable – Recognition of Bad Debts

LRCD considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies (continued)

Advertising

LRCD expenses advertising costs as they are incurred.

Uncertainty in Income Taxes

LRCD is not a taxpaying entity for federal or state income tax purposes; accordingly, a provision for income taxes has not been recorded in the accompanying financial statements; no reserves for uncertain income tax positions were recorded; and LRCD did not record a cumulative effect adjustment related to the adoption of ASC 740.

Subsequent Events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of LRCD through March 25, 2020 and concluded that, except for the donation discussed in Note 8 and pandemic impact discussed in Note 26, no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Fair Value Measurements

LRCD determines the fair market values of its financial assets and liabilities, as well as non-financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis, based on the fair value hierarchy established in the accordance with generally accepted accounting principles for *Fair Value Measurement* ASC 820.

Level 1: Quoted prices in active markets for identical assets or liabilities. LRCD's Level 1 assets include short- and long-term investments that are measured at fair value on a recurring basis.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. LRCD currently has no Level 2 assets or liabilities that are measured at fair value on a recurring basis.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include items where the determination of fair value requires significant management judgment or estimation. LRCD currently has no Level 3 assets or liabilities that are measured at fair value on a recurring basis.

Reclassifications

Certain items in the December 31, 2018 financial statements have been reclassified to conform to the current year's classifications. These reclassifications had no effect on net assets.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. Financial Assets and Liquidity

The following table reflects LRCD's financial assets as of December 31, 2019 and 2018, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

	2019	2018
Cash and restricted cash	\$ 2,058,717	\$ 2,146,514
Tenant rents and subsidy receivable	86,170	22,056
Grants and contributions receivable	904,066	502,606
Other receivable	6,344	540
Investments in marketable securities at fair market value	347,394	289,170
Financial assets, at year-end	<u>3,402,691</u>	<u>2,960,886</u>
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(1,132,163)	(585,783)
Restricted by donor for capital projects in perpetuity	(63,041)	(57,604)
Reserves restricted by regulatory or loan agreements	(520,537)	(675,286)
Security deposits restricted by lease agreements	<u>(59,016)</u>	<u>(81,392)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,627,934</u>	<u>\$ 1,560,821</u>

LRCD's operations are substantially supported by restricted contributions and rental income. Because a donor's restriction requires resources to be used in a particular manner or in a future period, LRCD must maintain sufficient resources to meet those responsibilities to its donors. Some rental properties have regulatory and loan restrictions which require adequate reserves. Security deposits from rental tenants are held until the lease is terminated. Therefore, these financial assets may not be available for general expenditure within one year. LRCD's liquidity management policy requires that cash reserves and liquidity are maintained and managed on an ongoing basis to ensure the capability to meet all obligations, while also having at least \$500,000 in liquid funds available to pay pre-development costs associated with real estate development projects or to pursue other strategic opportunities. During the year ended December 31, 2018, LRCD restructured financial accounts to obtain higher interest rates and funded an investment account, see Note 6. LRCD adopted an investment policy with an objective to maximize return on invested assets while minimizing risk and expenses.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

3. Restricted Reserves

Avery Hill

LRCD entered into a Regulatory Agreement with the New Hampshire Housing Finance Authority ("NHHFA") in connection with the mortgage on Avery Hill. See Notes 9 and 25. The Agreement requires LRCD to make monthly deposits in the amount of \$450 into a reserve for replacements. Withdrawals from this account cannot be made without the consent of NHHFA.

Restricted cash for the Avery Hill property were as follows:

	2019	2018
Replacement reserve	\$ 66,412	\$ 59,912
Operating reserve	23,785	23,373
Real estate tax escrow	1,826	679
Insurance escrow	2,589	7,808
Residual receipts reserve	114	112
Total	<u>\$ 94,726</u>	<u>\$ 91,884</u>

Pine Hill

LRCD entered into a Regulatory Agreement with NHHFA in connection with the mortgage on Pine Hill. See Notes 9 and 25. The Agreement requires LRCD to make monthly deposits in the amount of \$625 into a reserve for replacements. Withdrawals from this account cannot be made without the consent of NHHFA.

Restricted cash for the Pine Hill property were as follows:

	2019	2018
Replacement reserve	\$ 70,481	\$ 67,791
Operating reserve	8,967	8,811
Tax and insurance escrow	11,020	11,284
Total	<u>\$ 90,468</u>	<u>\$ 87,886</u>

LNI

LRCD entered into a Regulatory Agreement with NHHFA in connection with the mortgage on LNI. See Notes 9 and 25. The Agreement requires LRCD to make monthly deposits in the amount of \$750 into a reserve for replacements. Withdrawals from this account cannot be made without the consent of NHHFA.

Restricted cash for the LNI property were as follows:

	2019	2018
Replacement reserve	\$ 117,400	\$ 106,451
Operating reserve	73,375	72,103
Tax and insurance escrow	7,152	3,238
Total	<u>\$ 197,927</u>	<u>\$ 181,792</u>

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

3. Restricted Reserves (continued)

Harvey Heights

LRCD entered into Regulatory Agreements with USDA Rural Development ("RD") in connection with the mortgages on Harvey Heights. See Notes 9 and 25. The Agreements require LRCD to make monthly deposits in the amount of \$3,400 into a reserve for replacements. Withdrawals from this account cannot be made without the consent of RD.

Restricted cash for the Harvey Heights property were as follows:

	2019	2018
Replacement reserve	\$ 127,026	\$ 294,426
Tax and insurance escrow	10,390	19,298
Total	<u>\$ 137,416</u>	<u>\$ 313,724</u>

Compass House

LRCD entered into a Regulatory Agreement with NHHFA in connection with the mortgage on Compass House. See Notes 9 and 25. The Agreement requires LRCD to establish the following restricted cash accounts: tax and insurance escrow, replacement reserve, operating reserve, and special rental reserve. None of the cash accounts have been funded as of December 31, 2019 as the project is still under development. See Note 5.

4. Property and Equipment

Property and equipment are carried at cost. Maintenance repairs and minor renewals are expensed as incurred, while more extensive renewals and betterments are capitalized. Provision for depreciation is provided over the estimated useful lives of the respective assets, on a straight-line basis, over three to forty years. Depreciation expense for the years ended December 31, 2019 and 2018 was \$188,519 and \$202,199, respectively. During the year ended December 31, 2019, fixed assets were disposed for a loss of \$8,227.

LRCD's property and equipment consisted of the following assets, recorded at cost, at December 31:

	2019	2018
Land	\$1,583,021	\$2,144,882
Building and Improvements	6,237,225	7,684,723
Equipment	50,656	83,612
Total	<u>7,870,902</u>	<u>9,913,217</u>
Less: accumulated depreciation	<u>(1,514,083)</u>	<u>(1,454,644)</u>
Property and Equipment, net	<u>\$6,356,819</u>	<u>\$8,458,573</u>

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

5. Projects Under Development

LRCD capitalizes all costs for projects under development. If a project is determined infeasible, the costs are expensed in the year of determination.

Harvey Heights

During the years ended December 31, 2019 and 2018, LRCD incurred costs related to rehabilitation of the Harvey Heights project. The outstanding project under development balance at December 31, 2018 was \$60,726. During the year ended December 31, 2019, an additional \$170,203 of costs were incurred. The balance of \$215,185 related to the Ashland location of the project was sold to HHA Limited Partnership during December 31, 2019. See Note 23. The outstanding project under development balance at December 31, 2019 was \$15,744.

Court Street Office

During the years ended December 31, 2019 and 2018, LRCD incurred costs related to a new administrative office in Laconia, NH. The property was purchased on March 21, 2019. The outstanding project under development balance at December 31, 2018 was \$17,288. During the year December 31, 2019, an additional \$733,495 of costs were incurred. The balance of \$750,783 was placed in service and capitalized during the year ended December 31, 2019.

Harriman Hill Phase 3

During the year ended December 31, 2019 and 2018, LRCD incurred costs related to a potential third phase of the Harriman Hill project in Wolfeboro, NH. LRCD entered into an option agreement for the purchase of the property by February 12, 2021, as extended. The outstanding project under development balance at December 31, 2019 and 2018 was \$54,888 and \$16,770, respectively.

Compass House

During the year ended December 31, 2019 and 2018, LRCD incurred costs related to development of the prior administrative office into a group house for women in recovery from substance use disorder. The outstanding project under development balance at December 31, 2019 and 2018 was \$549,643 and \$3,050, respectively.

Upper Ladd

During the year ended December 31, 2018, LRCD incurred costs related to a potential affordable housing development in Meredith, NH. The outstanding project under development balance at December 31, 2018 was \$750. During the year ended December 31, 2019, LRCD determined the project was infeasible and the balance was written off.

Pine Hill Solar

During the year ended December 31, 2019, LRCD incurred costs of \$107,022 related to installing solar panels on the Pine Hill property. Of the balance, \$51,000 was capitalized during the year ended December 31, 2019. The outstanding project under development balance at December 31, 2019 was \$56,022.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

6. Investments in Marketable Securities

LRCD's investments in marketable securities consisted of investments in mutual funds managed through Edward Jones. See Note 2.

	FMV	Cost
Mutual Funds	\$ 347,394	\$ 294,848
Common Stocks	-	-
Total	<u>\$ 347,394</u>	<u>\$ 294,848</u>

7. Related Party Transactions

Notes and Advances Receivable

LRCD entered into a long-term promissory note agreement with Mechanic School Limited Partnership. Interest accrues annually at the rate of 3.1%. The principal and accrued interest are due in their entirety on March 7, 2036. The note receivable balance outstanding at December 31, 2019 and 2018 was \$30,000 and \$30,000, respectively. The accrued interest receivable balance at December 31, 2019 and 2018 was \$16,262 and \$15,332, respectively.

LRCD entered into a promissory note agreement with Boynton Road Limited Partnership. Interest accrues at the rate of 3%. The principal and accrued interest are due in their entirety on January 20, 2039. The note receivable balance at December 31, 2019 and 2018 was \$17,000 and \$17,000, respectively. The accrued interest receivable balance at December 31, 2019 and 2018 was \$3,072 and \$2,562, respectively.

LRCD entered into a \$20,000 non-interest-bearing promissory note agreement with MFH Limited Partnership during the year ended December 31, 2018. The original maturity date of December 31, 2019 was extended until December 31, 2020. The note receivable balance at December 31, 2019 and 2018 was \$20,000 and \$20,000, respectively.

LRCD entered into a 1% promissory note agreement with Lochmere Meadows Affordable Housing Limited Partnership ("Lochmere I") during the year ended December 31, 2011. Monthly principal and interest payments of \$563 are due through January 31, 2031. The note receivable balance at December 31, 2019 and 2018 was \$128,803 and \$134,240, respectively.

LRCD entered into a \$324,000 non-interest-bearing promissory note agreement with Lochmere I during the year ended December 31, 2012. The entire outstanding balance of the note shall be due and payable in full on April 25, 2029. The loan has been discounted to its present value using an implied interest rate of 4%. The discounted note receivable balance at December 31, 2019 and 2018 was \$218,883 and \$210,464, respectively.

LRCD made operating deficit loans to Harriman-Hill Affordable Housing Limited Partnership ("HHAHLP") to cover operating deficits. Operating deficit loans accrue interest at 8% compounded annually and are payable from cash surplus. The balance outstanding was \$20,200 and \$20,200 at December 31, 2019 and 2018, respectively. The balance of deferred interest receivable at December 31, 2019 and 2018 was \$8,534 and \$6,345, respectively.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

7. Related Party Transactions (continued)

Notes and Advances Receivable (continued)

LRCD entered into a \$32,000 non-interest-bearing promissory note agreement with HHAHLP during the year ended December 31, 2013. The entire outstanding balance of the note shall be due and payable in full on November 1, 2030. The note receivable balance at December 31, 2019 and 2018 was \$32,000 and \$32,000, respectively.

LRCD entered into a \$400,000 non-interest-bearing promissory note agreement with Harriman Hill II Limited Partnership during the year ended December 31, 2014. The entire outstanding balance of the note shall be due and payable in full on June 24, 2028. The loan has been discounted to its present value using an implied interest rate of 4%. The discounted note receivable balance at December 31, 2019 and 2018 was \$270,226 and \$259,833, respectively.

LRCD entered into a \$439,000 promissory note agreement with River's Edge Laconia Limited Partnership during the year ended December 31, 2015. The loan accrues interest at 5% per annum with payments due at 50% of annual cash surplus. The entire outstanding balance of the note shall be due and payable in full on May 3, 2045. The loan has been discounted to its present value using an implied interest rate of 4%. The discounted note and deferred interest receivable balance at December 31, 2019 and 2018 was \$194,783 and \$179,679, respectively.

LRCD entered into a \$285,000 non-interest-bearing promissory note agreement with GVK3 Limited Partnership during the year ended December 31, 2017. The entire outstanding balance of the note shall be due and payable in full on June 11, 2057. The loan has been discounted to its present value using an implied interest rate of 4%. The discounted note receivable balance at December 31, 2019 and 2018 was \$64,513 and \$61,737, respectively.

LRCD entered into a \$350,000 non-interest-bearing promissory note agreement with HHA Limited Partnership during the year ended December 31, 2019. The entire outstanding balance of the note shall be due and payable in full 15 years from the date of rehabilitation completion, which has not occurred as of December 31, 2019. The loan has been discounted to its present value using an implied interest rate of 4%. The discounted note receivable balance at December 31, 2019 was \$194,343.

LRCD entered into a \$475,000 non-interest-bearing promissory note agreement with HHA Limited Partnership during the year ended December 31, 2019. The entire outstanding balance of the note shall be due and payable in full on July 11, 2049. As of December 31, 2019, only \$300,380 of the balance had been advanced. The loan has been discounted to its present value using an implied interest rate of 4%. The discounted note receivable balance at December 31, 2019 was \$92,613.

LRCD paid development costs on behalf of HHA Limited Partnership during the year ended December 31, 2019. The balance receivable was \$44,404 at December 31, 2019.

Payables

LRCD owes HHA Limited Partnership for the net operating income earned between the purchase date of July 11, 2019 and July 31, 2019 as a portion of the income and expense incurred prior to the sale applied to after it. The balance due was \$15,723 at December 31, 2019.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

7. Related Party Transactions (continued)

Management Incentive Fees

LRCD entered into management incentive fee agreements with certain limited partnerships in which it is a general partner. Management incentive fees earned during the years ended December 31, 2019 and 2018 are as follows:

	2019	2018
MFH	\$ 2,281	\$ -
Harriman Hill II, LP	-	1,967
LM II	-	1,557
	<u>\$ 2,281</u>	<u>\$ 3,524</u>

Resident Service Fees

LRCD received resident service fees for supportive services it provides to certain partnerships in which it is affiliated as follows. Resident service fees receivable totaled \$6,344 and \$0 at December 31, 2019 and 2018, respectively.

	2019	2018
MFH, LP	\$ 4,392	\$ 4,248
River's Edge	7,808	7,552
HHAHLP	5,856	5,664
Harriman Hill II, LP	5,856	5,664
Mechanic School, LP	1,464	1,416
	<u>\$ 25,376</u>	<u>\$ 24,544</u>

Capital Distributions

LRCD received capital distributions from certain partnerships in which it is affiliated as follows:

	2019	2018
Harriman Hill II, LP	\$ -	\$ 1,487
Lochmere I	5,158	-
LM II	-	2,592
	<u>\$ 5,158</u>	<u>\$ 4,079</u>

Investments in Partnerships

LRCD maintains the following investments in partnerships which have been recorded at cost as of December 31, 2019:

Partnership	Ownership %	2019	2018
HHAHLP	.009%	\$ 100	\$ 100
		<u>\$ 100</u>	<u>\$ 100</u>

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

7. Related Party Transactions (continued)

Developer Fees

LRCD entered into a development services agreement with Eastern Lakes Regional Housing Coalition. The agreement called for payment of a fee in the amount of \$74,667 for the development services on a project located in Wolfeboro, New Hampshire. LRCD earned \$74,667 during the year ended December 31, 2011. LRCD was due \$28,961 and \$28,961 at December 31, 2019 and 2018, respectively. The amount due accrues interest at 8% compounded annually and is expected to be repaid from the cash flows of the partnership. The balance of deferred interest receivable as of December 31, 2019 and 2018 was \$13,814 and \$11,519, respectively.

LRCD entered into a development services agreement with River's Edge Laconia Limited Partnership. The agreement calls for payment of a fee in the amount of \$584,000 for the development services on a project located in Laconia, New Hampshire. LRCD had earned the entire fee during the year ended December 31, 2016. LRCD was due \$309,372 and \$313,113 at December 31, 2019 and 2018, respectively.

LRCD entered into a development services agreement with GVK3 Limited Partnership. The agreement calls for payment of a fee in the amount of \$400,000 for the development services on a project located in Gilford, New Hampshire. Through a shareholder's agreement, LRCD is sharing the fee with Gilford Village Knolls, Inc. at 88% and 12%, respectively. LRCD earned and received \$61,600 of the fee during the year ended December 31, 2017. LRCD earned \$290,400 and received \$246,400 of the fee during the year ended December 31, 2018. The balance was received during the year ended December 31, 2019. LRCD was due \$0 and \$44,000 at December 31, 2019 and 2018, respectively.

LRCD entered into a development services agreement with HHA Limited Partnership. The agreement calls for payment of a fee in the amount of \$720,000 for the development services on a project located in Ashland, New Hampshire. LRCD earned and received \$216,000 of the fee during the year ended December 31, 2019.

LRCD was allowed a \$132,663 developer fee for its services developing the Compass House project. LRCD earned and received \$44,221 of the fee during the year ended December 31, 2019.

Grants

LRCD granted \$35,821 to Lochmere Meadows Affordable Housing Limited Partnership during the year ended December 31, 2018 for the installation of a playground.

8. Equity Equivalent Investment

LRCD received an equity equivalent investment in the amount of \$110,000 from Meredith Village Savings Bank during the year ended December 31, 2008. A promissory note has been entered into requiring repayment of this investment on or before December 19, 2018 or such later date as may be determined by the lender. Interest shall be payable at an annual rate of 3% commencing on December 19, 2009 and at maturity. The outstanding balance at December 31, 2019 and 2018 was \$110,000 and \$110,000, respectively. On January 29, 2020, Meredith Village Savings Bank made a donation of \$110,000 to LRCD to repay the balance due in full.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

9. Long-term Debt

Long-term debt consisted of the following at December 31, 2019 and 2018:

4% note payable to Bank of New Hampshire due in monthly principal and interest payments of \$512 through January 2022. The note is collateralized by a mortgage on land and building, Elm Street, Laconia, New Hampshire. The original loan amount was \$66,900.

	2019	2018
Principal Balance at 12/31,	\$ 10,917	\$ 15,839
Less Unamortized Debt Issuance Costs	(1,267)	(1,901)
Balance at 12/31, Net of Unamortized Debt Issuance Costs	<u>\$ 9,650</u>	<u>\$ 13,938</u>

4% note payable to Bank of New Hampshire due in monthly principal and interest payments of \$428 through January 2022. The note is collateralized by a mortgage on land and building, Pearl Street, Laconia, New Hampshire. The original loan amount was \$55,900.

	2019	2018
Principal Balance at 12/31,	\$ 9,122	\$ 13,235
Less Unamortized Debt Issuance Costs	(43)	(62)
Balance at 12/31, Net of Unamortized Debt Issuance Costs	<u>\$ 9,079</u>	<u>\$ 13,173</u>

6.5% note payable to Northway National Bank assumed by LRCD through the purchase of LNI, LP on April 4, 2016. The interest rate is adjusted every five years and is calculated by adding 2% to the five-year maturity index as published by the Federal Reserve Board, with a floor of 4.5%. Monthly principal and interest payments which reflect any change in the interest rate are due through October 29, 2021. The note is collateralized by a mortgage on real estate located in Laconia, New Hampshire. The original loan amount was \$70,000.

	2019	2018
Principal Balance at 12/31,	\$ 10,125	\$ 15,241
Less Unamortized Debt Issuance Costs	(2,156)	(3,332)
Balance at 12/31, Net of Unamortized Debt Issuance Costs	<u>\$ 7,969</u>	<u>\$ 11,909</u>

3% note payable to Meredith Village Savings Bank due in monthly principal and interest payments of \$2,781 through December 31, 2039. The loan is being amortized over a thirty-year period. The note is collateralized by a mortgage on real estate located in Meredith, New Hampshire and is subject to the terms of an Affordable Housing Program Agreement. The original loan amount was \$659,705. The balance outstanding at December 31, 2019 and 2018 was \$501,415 and \$519,457, respectively.

Non-interest-bearing note payable to NHHFA assumed by LRCD through the purchase of the Pine Hill project on October 15, 2014. The note is collateralized by a mortgage on real estate located in Laconia, New Hampshire. No principal payments are due until the loan matures in full in May 2027.

	2019	2018
Principal Balance at 12/31,	\$ 350,000	\$ 350,000
Less Unamortized Debt Issuance Costs	(2,616)	(2,928)
Balance at 12/31, Net of Unamortized Debt Issuance Costs	<u>\$ 347,384</u>	<u>\$ 347,072</u>

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

9. Long-term Debt (continued)

Non-interest-bearing note payable to NHHFA assumed by LRCD through the purchase of Avery Hill Neighborhood Limited Partnership ("AHNLP") on June 24, 2013. The note is collateralized by a mortgage on real estate located in Laconia, New Hampshire. No principal payments are due until the loan matures in full in October 2027. The original loan amount and balance outstanding at December 31, 2019 and 2018 was \$585,000 and \$585,000, respectively.

Non-interest-bearing note payable to NHHFA assumed by LRCD through the purchase of LNI, LP on April 4, 2016. The note is collateralized by a mortgage on real estate located in Laconia, New Hampshire. Payments are due from cash surplus until the loan matures in full on July 31, 2040. The original loan amount was \$150,000. The balance outstanding at December 31, 2019 and 2018 was \$66,666 and \$66,666, respectively.

Non-interest-bearing note payable to Meredith Village Savings Bank in the amount of \$400,000, with actual total borrowing of \$401,641. The loan has been discounted using an imputed interest rate of 4.0%, which resulted in a discount of \$218,337 and \$225,387 at December 31, 2019 and 2018, respectively. The note is collateralized by a mortgage on real estate located in Meredith, New Hampshire and is subject to the terms of an Affordable Housing Program Agreement. No principal payments are due until the loan matures in full on January 22, 2024. The balance outstanding at December 31, 2019 and 2018 was \$183,304 and \$176,254, respectively.

Non-interest-bearing note payable to the Laconia Housing Redevelopment Authority assumed by LRCD through the purchase of AHNLP on June 24, 2013. The loan amount is subject to a lien that does not require repayment unless the real property is conveyed to another party. The original loan amount and balance outstanding at December 31, 2019 and 2018 was \$35,900 and \$35,900, respectively.

Non-interest-bearing note payable to Belknap County, New Hampshire assumed by LRCD through the purchase of LNI, LP on April 4, 2016. The note is collateralized by a mortgage on real estate located in Laconia, New Hampshire. No payments are due provided the property meets certain provisions covered under the Community Development Block Grant program through December 31, 2030. The original loan amount was \$464,000. The balance outstanding at December 31, 2019 and 2018 was \$464,000 and \$464,000, respectively.

Note payable to RD in the amount of \$3,690,172 to purchase Harvey Heights on November 1, 2016. The note is collateralized by a mortgage on real estate located in Ashland and Meredith, New Hampshire. The note is payable over a 30-year period, due November 1, 2046, with interest at the rate of 2.875%. Under an interest credit agreement signed at the outset of the project, RD reduces interest paid on the mortgage to 1%, resulting in a monthly debt service payment of \$7,828. Additionally, rents collected in excess of the base rent (overage) are remitted to RD as additional interest. The balance of the mortgage payable at December 31, 2018 was \$3,616,213. The mortgage was discharged on July 11, 2019 with \$751,208 of the balance assumed under a new mortgage as part of the partial sale of the Harvey Heights property. See Note 23.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

9. Long-term Debt (continued)

Note payable to RD assumed by LRCD through the purchase of Harvey Heights on November 1, 2016. The note is payable over a 30-year period, with an original loan amount of \$145,330, due November 1, 2046, with interest at the rate of 2.875%. Under an interest credit agreement signed at the outset of the project, RD reduces interest paid on the mortgage to 1%, resulting in a monthly debt service payment of \$308. Additionally, rents collected in excess of the base rent (overage) are remitted to RD as additional interest. The balance of the mortgage payable at December 31, 2018 was \$140,826. On July 11, 2019, the balance of the note was assumed by HHA Limited Partnership through the partial sale of the Harvey Heights property. See Note 23.

Note payable to RD assumed by LRCD through the purchase of Harvey Heights on November 1, 2016. The note is payable over a 30-year period, with an original loan amount of \$368, due November 1, 2046, with interest at the rate of 2.875%. Under an interest credit agreement signed at the outset of the project, RD reduces interest paid on the mortgage to 1%, resulting in a monthly debt service payment of \$1. Additionally, rents collected in excess of the base rent (overage) are remitted to RD as additional interest. The balance of the mortgage payable at 2018 was \$361. The balance at July 11, 2019 was \$360 and assumed under a new mortgage as part of the partial sale of the Harvey Heights property. See Note 23.

Note payable to RD in the amount of \$751,568 assumed on July 11, 2019 as part of the partial sale of the Harvey Heights property. See Note 23. The note is collateralized by a mortgage on real estate located in Meredith, New Hampshire. The note is payable over a 50-year period, due July 1, 2069, with interest at the rate of 3.5%. Under an interest credit agreement, RD reduces monthly interest paid on the mortgage by \$1,062, resulting in a monthly debt service payment of \$1,594. Additionally, rents collected in excess of the base rent (overage) are remitted to RD as additional interest. The balance of the mortgage payable at December 31, 2019 was \$751,568.

3% note payable to Community Development Finance Authority due in monthly principal and interest payments of \$251. The loan is being amortized over a ten-year period with the entire balance due at the end. The note is collateralized by the solar equipment purchased and installed at the Avery Hill project with the proceeds. The original loan amount as amended was \$26,000. The balance of the mortgage payable at December 31, 2019 and 2018 was \$23,719 and \$0, respectively.

Non-interest-bearing repayable investment payable to Local Initiatives Support Corporation ("LISC"). The loan is for the payment of predevelopment costs related to the rehabilitation of the Harvey Heights affordable housing project. The agreement calls for advances up to \$17,725 and is payable on the earlier to occur of (i) the close of construction financing for the project, or (ii) March 31, 2019. If the project cannot proceed due to a lack of financing or for some other reason, repayment of the note shall not be required. The balance outstanding at December 31, 2019 and 2018 was \$0 and \$10,000, respectively.

Non-interest-bearing technical assistance loan in the amount of \$30,000 payable to NHHFA. The loan is for the payment of predevelopment costs related to the rehabilitation of the Harvey Heights affordable housing project. The loan is payable at the time of construction loan closing. If the project cannot proceed and is determined to be infeasible, then the loan shall be forgiven, and no repayment expected. The balance outstanding at December 31, 2019 and 2018 was \$0 and \$30,000, respectively.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

9. Long-term Debt (continued)

Non-interest-bearing technical assistance loan in the amount of \$20,000 payable to NHHFA. The loan is for the payment of predevelopment costs related to the Harriman Hill Phase 3 single-family development project. The loan is payable at the time of construction loan closing. If the project cannot proceed and is determined to be infeasible, then the loan shall be forgiven, and no repayment expected. The balance outstanding at December 31, 2019 and 2018 was \$20,000 and \$0, respectively.

Note payable to Meredith Village Savings Bank in the amount of \$526,000. The loan is for the acquisition and construction of the Court Street Office in Laconia, New Hampshire. Monthly payments of interest only, charged at 4.87% per annum, were due during the construction period of the loan. The construction period ended on September 20, 2019, at which point the loan converted to permanent. During the permanent term, monthly payments of principal and interest based on a thirty-year amortization shall be payable with interest at a rate of the lower of 4.87% and the Federal Home Loan Bank Boston CDA 20/20 rate. The entire outstanding balance shall be due and payable in full on September 20, 2039. The balance outstanding at December 31, 2019 was \$524,031.

Non-interest-bearing loan in the amount of \$1,080,256 payable to NHHFA. The note is collateralized by a mortgage on real estate, known as The Compass House, located in Laconia, New Hampshire. Payments are due from cash surplus until the loan matures in full on October 1, 2049. The balance outstanding at December 31, 2019 and 2018 was \$548,286 and \$0, respectively.

Maturities of long-term debt are as follows:

<u>December 31,</u>	
2020	\$ 69,452
2021	49,865
2022	38,550
2023	38,556
2024	39,803
Thereafter	<u>3,847,827</u>
Total long-term debt	4,084,053
Less: unamortized debt issuance costs	<u>(10,555)</u>
Total	<u>\$ 4,073,498</u>

10. Revolving Line of Credit

LRCD obtained a revolving line of credit in the amount of \$300,000 from Neighborworks Capital Corporation during the year ended December 31, 2018. Monthly interest is payable on the unpaid principal balance at a rate of 5.25%. All principal and interest due and payable on the maturity date, December 1, 2021. The balance outstanding at December 31, 2019 and 2018 was \$55,148 and \$0, respectively. Unamortized debt issuance costs related to the line of credit were \$4,473 and \$6,806 at December 31, 2019 and 2018, respectively, and are included in the maturities of long-term debt in Note 9.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

11. Amortization

Debt issuance costs, net of accumulated amortization, are presented as a deduction from the carrying value of the mortgage notes payable. Debt issuance costs include finance fees of \$6,468 which are amortized over 66 months, \$13,064 which are amortized over 20 years, \$9,350 which are amortized over 30 years, \$4,343 which are amortized over 40 years, and \$7,000 which are amortized over 3 years. Amortization expense for the years ended December 31, 2019 and 2018 was \$2,141 and \$2,141, respectively. Amortization expense on debt issuance costs has been included as interest expense on the statement of functional expenses.

12. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes and periods.

	2019	2018
<u>Subject to expenditure for specified purpose</u>		
Transitional Housing activities:		
Transitional shelter and intervention services	\$ 12,669	\$ 33,334
Tenant Support activities:		
Starting an affordable car loan program	61,139	-
Eviction prevention	15,000	-
Community building survey & intern	6,751	-
Real Estate Development activities:		
Development director salary and benefits	32,848	2,597
Seminar travel expenses	7,940	4,767
Real estate development	609,094	445,000
Rental Properties activities:		
Capital expenditures	135,700	29,700
Solar work/feasibility	155,000	43,217
General and Administrative activities:		
Consulting expenses	61,667	-
Strategic planning expenses	14,208	-
Administrative office renovation	12,000	-
	<u>1,124,016</u>	<u>558,615</u>
<u>Subject to the passage of time</u>		
For periods after December 31,	3,333	6,667
<u>Restricted in perpetuity for capital projects</u>		
NeighborWorks America Capital Fund (see Note 13)	<u>1,576,563</u>	<u>1,576,563</u>
Total net assets with donor restrictions	<u>\$ 2,703,912</u>	<u>\$ 2,141,845</u>

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

12. Net Assets with Donor Restrictions (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.

	2019	2018
<u>Purpose restrictions accomplished</u>		
Transitional Housing expenses	\$ 60,731	\$ 74,150
Tenant Support expenses	3,861	2,500
Real Estate Development expenses	25,049	80,031
Real Estate Development loan made	650,380	285,000
Real Estate Development project under development	21,726	6,750
Rental Properties expenses	-	50,000
Rental Properties fixed assets placed in service	81,217	254,254
General and Administrative expenses	8,808	26,725
General and Administrative fixed assets placed in service	136,000	-
	<u>987,772</u>	<u>779,410</u>
<u>Time restrictions expired</u>		
Passage of specified time	13,334	20,000
<u>Restriction in perpetuity released by donor</u>		
NeighborWorks America Capital Fund (see Note 13)	-	-
	<u>\$ 1,001,106</u>	<u>\$ 799,410</u>

13. NeighborWorks America Capital Fund

At December 31, 2019 and 2018, net assets restricted under the NeighborWorks America Capital Fund consisted of the following:

	2019	2018
Cash	\$ 63,041	\$ 57,604
Office Building	41,064	41,064
Building Improvements	640,655	640,655
Long-term Loan – Capital Projects	831,803	837,240
Net Assets	<u>\$ 1,576,563</u>	<u>\$ 1,576,563</u>

The NeighborWorks America Capital Fund represents funds provided by NeighborWorks America for capital projects. All resources granted to this fund must be maintained permanently. LRCD is permitted to transfer or expend the income derived from capital assets in excess of the relevant Capital Fund Agreement.

LRCD did not receive any grant funds from the NeighborWorks America Capital Reinvestment Fund during the years ended December 31, 2019 and 2018.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

14. In-Kind Contributions

During the year ended December 31, 2019, audit services valued at \$4,700 were donated to LRCD.

During the year ended December 31, 2018, audit and architectural services valued at \$4,300 and \$1,250, respectively, were donated to LRCD.

A considerable amount of volunteer time, of which no readily ascertainable value could be obtained, was not recorded on the books of LRCD for the years ended December 31, 2019 and 2018.

15. Grants and Awards

LRCD received \$1,835,036 and \$1,286,538 in grants and awards during the years ended December 31, 2019 and 2018, respectively. Grants are recorded when the awards are received.

16. Subsidy Income

LRCD has entered into a Rental Assistance Agreement with RD commencing November 1, 2016. This agreement provides for a maximum rental assistance commitment of \$273,673. The agreement was renewed effective May 2017 and provides for a maximum rental assistance commitment of \$527,314. The agreement was renewed again in 2018 and provides for a maximum rental assistance commitment of \$584,587. This agreement expires automatically upon the total disbursement of this amount but is then renewable under contract with USDA Rural Development pending congressional approval of budget authority.

LRCD has also contracted with the United States Department of Housing and Urban Development (HUD) under Section 811 of the Cranston-Gonzalez National Affordable Housing Act to provide rental assistance payments on behalf of qualified tenants for 5 units at LRCD. The current contract expires September 30, 2026. The agreement provides for a maximum annual contract commitment of \$43,680.

17. Functional Allocation of Expenses

Expenses are charged to programs and supporting services directly, as applicable, and indirectly on the basis of periodic time and expense studies. General and administrative expenditures include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of LRCD.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018.

18. Property Lien

City of Laconia

The City of Laconia provided a Community Development Block Grant for the acquisition and renovation of the Court Street Office. The City has placed a lien on the property. The lien requires LRCD to use the property to service primarily low- and moderate-income persons through February 7, 2029.

19. Leases

LRCD entered into a ground lease with an individual on March 21, 2003. The lease of land on Jameson Street, Laconia, is for a period of ninety-nine years with an option to renew for an additional period of ninety-nine years. The lease calls for monthly payments of \$25.

LRCD entered into a commercial lease with a third-party on August 5, 2019. The lease of office space in the 193 Court Street building is for a period of one year with an option to renew on a month-to-month basis indefinitely for as long as LRCD does not need the space. The lease calls for monthly payments of \$550.

20. Concentration of Credit Risk

Financial instruments that potentially subject LRCD to a concentration of credit risk consist principally of cash and cash equivalents. As of December 31, 2019, the uncollateralized account balances exceeded federally insured limits by \$411,588. LRCD has not experienced any losses in such accounts.

LRCD receives approximately 54% of its funding from grants. A reduction in the funding would impair its ability to operate. LRCD's management does not anticipate a reduction in funding.

21. Commitments and Contingencies

Affordable Housing Restrictions

LRCD received a grant from Meredith Village Savings Bank in the amount of \$400,000 during the year ended December 31, 2014. The grant was restricted to the rehabilitation of rental real estate for the Harriman Hill Phase II project. LRCD entered into an affordable housing program agreement with Meredith Village Savings Bank. The agreement stipulates that the project comply with certain affordability restrictions for 20 years. If the stipulations of the agreements are not met, the grant is subject to recapture in full. LRCD believes it is in compliance with the restrictions at December 31, 2019 and 2018.

LRCD has acted as sponsor for various low-income and affordable housing developments. These developments have received various forms of funding from federal, state and local sources. The terms of these funding agreements generally require that the projects maintain affordable housing and low-income eligibility status. If such status is not maintained, LRCD may be obligated to remedy any defaults in the requirements and may be liable to repay certain amounts to investors and lenders. Management is not aware of any instances of noncompliance that would impair its assets.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

21. Commitments and Contingencies (continued)

Guarantees

LRCD has entered into various agreements with certain limited partnerships or their affiliated general partners whereby LRCD guarantees to loan funds to the partnerships in the event that the partnerships incur operating deficits as defined in the respective partnership agreements or fail to meet their current financial obligations. These agreements expire at various times based on the terms of the underlying partnership or guaranty agreements. The maximum potential amount of future payments under these guarantees as of December 31, 2019 was \$1,114,596. As of the date of this report, LRCD was not obligated for any balance over what had been paid or advanced through December 31, 2019, see Note 7.

LRCD has entered into various agreements with certain limited partnerships or their affiliated general partners whereby LRCD offers tax indemnification in the event of low-income housing tax credit recapture. LRCD's potential liability under these agreements is dependent upon IRS audits and final letters of determination of the limited partnerships' qualified basis in tax credit properties. However, management is not aware of any known liability for tax credit recapture. These agreements expire at various times based on the compliance period for each limited partnership under Internal Revenue Code Section 42. The maximum potential liability under these guarantees as of December 31, 2019 was \$14,564,476. LRCD has not been required to fund any amounts under these guarantees and has not recorded any liabilities associated with these guarantees.

LRCD has entered into various agreements with certain limited partnerships or their affiliated general partners whereby LRCD guarantees to contribute funds to the partnerships in the event that the partnerships are unable to pay the entire development fee for the construction of the property. These agreements expire at various times based on the terms of the underlying partnership or guaranty agreements. The maximum potential liability under these guarantees as of December 31, 2019 was \$475,307 relating to three limited partnerships. LRCD has not been required to fund any amounts under these guarantees and has not recorded any liabilities associated with these guarantees.

LRCD has entered into an agreement with a limited partnership or their affiliated general partner whereby LRCD provides assurance of project completion and provides a repayment guarantee for the associated loan. The guarantee terminates when construction is complete and permanent financing repays the construction loan. The maximum potential liability under this guarantee as of December 31, 2019 was \$2,166,488.

LRCD has entered into various agreements with certain limited partnerships or their affiliated general partners whereby LRCD guarantees to purchase the limited partner interest in the partnerships in the event that certain terms of the partnership agreements are not met. These agreements expire at various times based on the terms of the underlying partnership or guaranty agreements. The maximum potential liability under these guarantees as of December 31, 2019 was \$25,252,098. LRCD has not been required to fund any amounts under these guarantees and has not recorded any liabilities associated with these guarantees.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

21. Commitments and Contingencies (continued)

Guarantees (continued)

LRCD has entered into various agreements with certain limited partnerships or their affiliated general partners whereby LRCD offers indemnification in the event that the partnerships or limited partners become liable under any environmental or securities laws, or certain general partner actions or inactions. However, management is not aware of any known liability. These agreements expire at various times based on the terms of the underlying partnership or guaranty agreements. The maximum potential liability under these guarantees as of December 31, 2019 was unlimited relating to four limited partnerships. LRCD has not been required to fund any amounts under these guarantees and has not recorded any liabilities associated with these guarantees.

CDFA Award

LRCD received an award from the Community Development Finance Authority ("CDFA") on June 12, 2018 for \$300,000 in tax credits. Once LRCD has secured pledges from third-parties to CDFA to purchase the tax credits, \$240,000 of grant funds will be released to LRCD. LRCD has agreed to lend all of the CDFA funds to Harriman Hill Phase 3. As of December 31, 2018, \$150,000 of pledges had been secured and \$120,000 of the grant had been recognized. As of December 31, 2019, \$164,000 of pledges had been secured and \$131,200 of the grant had been recognized. No funds have been loaned to Harriman Hill Phase III as of December 31, 2019.

22. Company Credit Cards

LRCD maintains company credit cards for seven employees with a total credit line of \$7,000. The individual credit limits range from \$1,000 to \$7,000. The balance is paid in full monthly. The balance due at December 31, 2019 and 2018 was \$0 and \$0, respectively.

23. Sale of Real Estate

On July 11, 2019, the Ashland, New Hampshire, location of the Harvey Heights project was sold to HHA Limited Partnership. The assets were sold for the assumption of debt resulting in no gain or loss on the sale.

24. Compass House

During the year ended December 31, 2019, LRCD moved its administrative office from Union Avenue to Court Street. The vacated Union Avenue building is being redeveloped to serve as an eight-bed group house for women in recovery from substance use disorder. LRCD has entered into a lease agreement with a third-party to operate the group house. The lease has a one-year term with automatic one-year renewals. It has not commenced as of December 31, 2019. It does not call for any rent payments but is a net lease exempting LRCD from any expense related to the operation of the property.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

25. Restrictive Covenants

New Hampshire Housing Finance Authority

NHHFA provided funding for the renovation of LRCD's Avery Hill, Pine Hill, LNI, and Compass House properties. LRCD entered into regulatory agreements with NHHFA in consideration for receiving the mortgage notes. LRCD must meet the provisions of those agreements until the mortgage notes are paid in full. NHHFA has also placed long-term land-use restrictions on the properties which limit the uses of the properties.

Rural Development

RD provided funding for the purchase of LRCD's Harvey Heights property. LRCD entered into a restrictive use covenant which limits the use of the property for a term of thirty years.

26. Subsequent Event – Coronavirus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the LRCD's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenants' ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown. Government rental assistance may impact collection losses.

NESSERALLA & COMPANY, LLC
A Public Accounting Firm

Phone (603) 369-3812

Email accountants@nesscocpa.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Laconia Area Community Land Trust, Inc.
d/b/a Lakes Region Community Developers
Laconia, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Laconia Area Community Land Trust, Inc. (a nonprofit organization) d/b/a Lakes Region Community Developers ("LRCD"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered LRCD's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LRCD's internal control. Accordingly, we do not express an opinion on the effectiveness of LRCD's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2019-001 and 2019-002 that we consider to be material weaknesses and item 2019-003 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LRCD's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

LRCD's Response to Findings

LRCD's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. LRCD's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nesseralla & Company, LLC

Plymouth, Massachusetts

March 25, 2020

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019

2019-001 Material Weakness - Related Party Balances

Criteria:

FASB ASC 850-10-50-1 states "financial statements shall include disclosures of material related party transactions".

Condition:

We found that related party balances per the agency financial records did not agree with the internal and external property balances which are in the care of a separate property management company.

Cause:

Management did not fully reconcile the agency balances to those of related parties.

Effect or potential effect:

Misstatements of related party balances were material and impacted several statement of financial position and statement of activities balances.

Auditor recommendations:

We recommend that management reconcile all related party balances on a periodic basis to reduce the risk of misstatement that exists with an annual reconciliation performed in preparation for the audit. We further recommend that the property management company provide a year-end report to management which lists all related party balances for each internal and external property. This will put a second set of eyes on the reconciliation process which will further reduce the risk of misstatement.

Views of responsible officials:

Management has reviewed the finding and concurs with the cause of the finding and the potential effect and impact of the finding on the financial statements. Corrective action will be taken as outlined below to improve the internal controls and mitigate the control risk that resulted in the finding.

Planned corrective actions:

The corrective action will be the implementation of an additional procedure that ensures that all related party balances are reconciled with the property management company on a monthly basis. The related party balances will be tracked by the accounting manager on a worksheet and any variances will be adjusted accordingly. A copy of the property management company's general journal report will be attached to the worksheet as confirmation that all related party activity was recorded by the property management company and the agency. This monthly worksheet will be reviewed by the finance director.

2019-002 Material Weakness – Maximum Guarantees and Commitments

Criteria:

FASB ASC 460-10-50-2 states "an entity shall disclose certain loss contingencies even though the possibility of loss may be remote". Further, FASB ASC 460-10-50-3 states "the disclosure shall include the nature and amount of the guarantee".

Condition:

We found inaccurate calculations and assumptions in management's support for estimating maximum guarantees and commitments.

Cause:

Management did not fully update all calculations and assumptions from the prior year to arrive at the current year estimates.

Effect or potential effect:

Management's estimation of maximum guarantees and commitments were materially misstated in the notes to the financial statements.

Auditor recommendations:

We recommend that management review these items in detail to ensure their accurate disclosure in the annual audited financial statements.

Views of responsible officials:

Management has reviewed the finding and concurs with the cause of the finding and the potential effect and impact of the finding on the financial statements. Corrective action will be taken as outlined below to improve the internal controls and mitigate the control risk that resulted in the finding.

Planned corrective actions:

The corrective action will be the implementation of a procedure that requires the Finance Director to confirm that the guarantees and commitments calculations and assumptions are correct. The guarantees and commitments worksheet will then be updated on a quarterly basis.

2019-003 Significant Deficiencies – Grant Awards

Criteria:

FASB ASC 958-605-25-8 states "an unconditional promise to give shall be recognized when it is received". FASB ASC 958-605-25-12 states "a conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote".

Condition:

We found a grant award letter dated near year-end which was not recognized as income.

Cause:

Management did not review all grant award letters for proper cut-off.

Effect or potential effect:

One grant was not properly recognized as income in 2019. Had the grant been a larger amount, it could have risen to the level of a material misstatement.

Auditor recommendations:

We recommend management carefully review grant award letters for any grant funds received after year end to see if recognition is necessary.

Views of responsible officials:

Management has reviewed the finding and concurs with the cause of the finding and the potential effect and impact of the finding on the financial statements. Corrective action will be taken as outlined below to improve the internal controls and mitigate the control risk that resulted in the finding.

Planned corrective actions:

The corrective action will be the implementation of a procedure that requires the finance director to meet monthly with the resource development director to ensure that all grant award letters received are available for review and that they are recorded in the correct period.

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
SUPPLEMENTAL SCHEDULE OF RENTAL INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Elm (Fore) Street	44 Pearl Street	155/157 Oak Street	24 Walnut Street	334 South Main Street	199 Washington Street	79 Lincoln Street	21 Winter Street
Rental and Other Income	\$ 21,091	\$ 24,515	\$ 21,135	\$ 25,170	\$ 18,953	\$ 17,538	\$ 24,513	\$ 34,563
Subsidy Income	-	-	-	-	4,387	-	-	-
Total Income	\$ 21,091	\$ 24,515	\$ 21,135	\$ 25,170	\$ 23,340	\$ 17,538	\$ 24,513	\$ 34,563
Operating Expenses								
Insurance	1,697	904	795	1,088	904	795	995	2,399
Advertising	-	-	-	-	18	-	-	-
Professional fees	585	555	510	585	585	585	597	785
Depreciation	9,425	4,146	5,359	4,915	3,926	5,608	7,658	8,539
Bad debt expense	29	-	-	635	-	-	-	6,097
Repairs and maintenance	52,680	2,957	1,064	5,088	9,193	4,341	1,620	14,511
Utilities	7,126	829	2,517	188	1,247	3,103	2,032	4,404
Snow and trash removal	856	343	343	515	515	362	343	915
Property taxes	4,882	3,849	3,358	4,708	3,673	3,048	4,125	3,706
Water and sewer	2,719	2,889	1,055	1,318	1,703	1,296	1,840	2,003
Miscellaneous	972	13	37	89	587	39	25	118
Management fees	2,976	1,488	1,488	2,232	2,232	1,488	1,488	3,720
Interest	494	452	-	-	-	-	-	-
Interest - amortization of debt issuance costs	634	19	-	-	-	-	-	-
Total Operating Expenses	85,075	18,444	16,526	21,361	24,583	20,665	20,723	47,197
Income (Loss)	\$ (63,984)	\$ 6,071	\$ 4,609	\$ 3,809	\$ (1,243)	\$ (3,127)	\$ 3,790	\$ (12,634)
<u>Supplemental Information:</u>								
Principal repayment of loans	4,922	4,113	-	-	-	-	-	-
Depreciation	9,425	4,146	5,359	4,915	3,926	5,608	7,658	8,539

See accompanying notes

LACONIA AREA COMMUNITY LAND TRUST, INC.
d/b/a LAKES REGION COMMUNITY DEVELOPERS
SUPPLEMENTAL SCHEDULE OF RENTAL INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	23 Winter Street	Frances Court	Single Family Homes	Avery Hill	Pine Hill	LNI	Harvey Heights	Totals
Rental and Other Income	\$ 23,034	\$ 87,240	\$ 19,334	\$ 116,662	\$ 173,264	\$ 155,340	\$ 126,365	\$ 888,717
Subsidy Income	9,442	-	-	-	-	-	316,119	329,948
Total Income	\$ 32,476	\$ 87,240	\$ 19,334	\$ 116,662	\$ 173,264	\$ 155,340	\$ 442,484	\$ 1,218,665
Operating Expenses								
Insurance	2,601	2,918	368	6,847	10,419	10,758	19,615	63,103
Advertising	-	-	-	36	18	18	1,305	1,395
Professional fees	570	-	-	1,461	1,529	1,445	2,156	11,948
Depreciation	6,511	16,787	4,540	33,569	19,567	4,843	42,646	178,039
Bad debt expense	2,828	-	-	1,338	3,275	-	10,177	24,379
Repairs and maintenance	11,891	12,750	6,717	48,128	38,287	37,840	157,995	405,062
Utilities	6,374	575	-	2,790	14,965	8,902	39,286	94,338
Snow and trash removal	859	8,233	-	5,138	4,480	5,254	23,744	51,900
Property taxes	3,688	9,734	5,161	18,464	19,904	18,087	46,389	152,776
Water and sewer	1,927	8,350	704	9,425	13,922	11,494	21,763	82,408
Miscellaneous	1,201	162	12	269	354	601	2,540	7,019
Management fees	3,720	7,440	-	10,416	13,392	14,136	34,676	100,892
Interest	47	15,323	-	791	-	668	32,149	49,924
Interest - amortization of debt issuance costs	-	-	-	-	312	1,176	-	2,141
Total Operating Expenses	42,217	82,272	17,502	138,672	140,424	115,222	434,441	1,225,324
Income (Loss)	\$ (9,741)	\$ 4,968	\$ 1,832	\$ (22,010)	\$ 32,840	\$ 40,118	\$ 8,043	\$ (6,659)
<u>Supplemental Information:</u>								
Principal repayment of loans	-	18,042	-	2,281	-	5,116	33,870	68,344
Depreciation	6,511	16,787	4,540	33,569	19,567	4,843	42,646	178,039

See accompanying notes

Lakes Region Community Developers Board of Directors June 2020

Name	Officer	Occupation
Caitlin McCurdy	Chair	Attorney, McLane Middleton
Aaron Bassett	Vice Chair	Director of Development Ops, NantOmics LLC
Chris Dickinson	Treasurer	Commercial Lender, Northway Bank
Dana Nute	Secretary	General Manager, Resilient Buildings Group
Lori Borrin		Vice President & Mortgage Loan Officer, Meredith Village Savings Bank
Ashley Davis		Managing Broker, Four Seasons Sotheby's International Realty
Carrie Duran		Legislative Liaison, Lakes Region Community Services, Tenant at Harriman Hill
Corey Hoyt		Marketing & Communications Manager, Mainstay Technologies
Frances Strayer		Coordinator of Field Education in Social Work, Plymouth State University
Ben Wilson		Financial Advisor, Edward Jones

Kristy Pearce

Education

May 2015 **University of New Hampshire**
Masters of Social Work – GPA 3.83

May 2012 **University of New Hampshire**
College of Liberal Arts
Major: BA in Psychology

Work Experience

September 2019 - present **Resident Services Coordinator- Lakes Region Community Developers**

- Empower residents in affordable housing to become proactive in meeting identified goals & overcoming barriers to self-sufficiency; connect to community resources with a warm hand-off
- Promote community engagement of residents in their neighborhoods & communities

December 2018 - present **Counselor/ Case Manager – HealthFirst Family Care Center**

- Provide case management and care coordination as part of a multi-disciplinary team to provide various supports to patients.
- Connected individuals with local community resource and support around basic needs to include, but not be limited to housing, food, day care, fuel assistance, clothing, DHHS benefits, SSA benefits, etc.
- Managed a caseload of individual counseling patients to support various mental health needs.

August 2015 – July 2017
Fulltime **School Social Worker/ Wraparound Coordinator– Winnisquam Regional School District**

- Connected families with local community resources, strengths focused wraparound process, and family driven, youth focused services provided.
- Ran individual groups at middle school level focused on mental health, behavior, self-image and self-care.
- Met with students individually with a focus on mental health, behavioral, self image, and self-care topics.
- Sat on Tier I and Tier II PBIS behavioral intervention teams and district behavioral intervention teams.

September 2014 – May 2015 **Child and Family Services – ISO Case Manager and IHB Family Therapist**

- Worked in home with families referred to agency by Child Protective Service Workers and Juvenile Probation and Parole Officers. Worked collaboratively with child protection workers and juvenile probation officers conduct Case Management, Family Therapy and casework with families.
- Conducted Case Management, Family Therapy, Case work, crisis management, family assessments, safety plans, incident reports, and various documentation in timely manners including monthly reports, court reports, treatment plans, and termination reports, etc.
- Collaborated with collateral agencies involved with families including but not limited to referents, schools, doctors, mental health workers, counselors, employers, polices, courts, parents, family members, etc.

September 2013-May 2014 **Division of Children, Youth, and Families Policy Analyst – University Partnership Grant Recipient**

- Conducted federal and state level research for compliance within state Child Welfare Agency policies. Supported the revision, creation of new, and editing of changes to division policies.
- Advanced Internship (24-30 hours)

Office of Youth Services Case Manager

- Conducted case management and outreach work with at risk youth as well as follow up individual counseling within school and office if deemed necessary.
- Foundation Internship (16-20 hours)

August 2012 – October 2013**Easter Seals Residential Instructor**

- Supervised and conducted crisis intervention for youth aged 10-22 involved with child protection or juvenile protection residentially placed with various mental illnesses and trauma histories.
- Conducted groups and worked with youth on topics related to independent living skills including but not limited to: personal hygiene, trauma, self-care, safe relationships, education, and transitioning into adulthood. Adolescent's age 10-22 with substance use, physical / sexual abuse and/or trauma histories

Volunteer Experience**April 2018****Suicide Prevention and Response**

- NAMI NH Connect
- Certified as an Instructor for schools and social services

March 2016 – Present**UNH MSW Intern Distant Supervisor**

- Supervise UNH Durham MSW Students distantly through phone calls and video conferencing and assist in student evaluation process
- Discuss Social Work topics based around MSW competencies, and NASW code of ethics

December 2014 – Present**Every Child is Ours**

- Local chapter for National Organization: Every Child is Ours that provides food for families in need weekly
- Assist in planning, organizing and running fundraisers, community events and informational sessions

February 2009 – May 2014**Alpha Phi Omega – National Co-Ed Community Service Fraternity
(active member/ alumni Volunteer)**

References**Available upon request.**

Carmen R. Lorentz

EXPERIENCE

January 2017 to
present

LAKES REGION COMMUNITY DEVELOPERS, Laconia, NH

Executive Director

- Serves as chief executive officer with responsibility for the overall operation and administration of a \$60 million real estate portfolio comprising 366 affordable rental units, 1 supportive housing project, and 1 community facility.
- Works with an active board of directors and oversees a staff of 7, as well as several contractors, to implement the organization's strategic plan.

January 2014 to
December 2016

NH DEPARTMENT OF RESOURCES & ECONOMIC DEVELOPMENT, Concord, NH

Director, Division of Economic Development

- Facilitated new strategic plan to guide resource allocation and engage stakeholders.
- Acquired new data tools to bring best practices in economic development to the division and to provide more valuable programs to stakeholders.
- Led development of new marketing program, including new website, publications, and target industry public relations.
- Crafted biennial budget requests and advocated budget needs to the Governor's office and Legislature throughout the budget development process.

March 2011 to January
2014

BELKNAP ECONOMIC DEVELOPMENT COUNCIL, Laconia, NH

Executive Director

- Facilitated new strategic plan with 20-member board of directors to articulate how the organization would serve the region's community and economic development needs in the post-recession landscape.
- Re-branded Belknap EDC and created new web and social media presence and a radio partnership for community engagement.
- Created www.lakesregioninternships.com in partnership with local IT firm for workforce development, retention of young talent.
- Created Lakes Region Manufacturing Week with industry partners – 400 visits by students and local residents in March 2013, 150 visits in October 2013.
- Started "Meet the Lakes Region's Young Talent" – profiles of young professionals.
- Won over \$1 million in grant-funding for strategic projects in 2.5 years.

April 2006 to February
2011

CAMOIN ASSOCIATES, INC., Saratoga Springs, NY

Senior Economic Development Specialist

- Senior project manager for 30+ clients with diverse needs in planning, grant writing & administration, fiscal & economic impact analysis, and market analysis.
- Won over \$10 million in grant funding for client projects.
- Supervised five consultants; served on senior management team.
- Responsible for building strategic partnerships with engineering & planning firms.

September 2005 to April 2006	NEW YORK STATE DIVISION OF THE BUDGET, Albany, NY <i>Analyst, Management and Governmental Relations Unit</i>
May 2002 to May 2005	OPEN SOCIETY INSTITUTE, Washington, DC <i>Program Associate – Latin America</i>
August 2001 to December 2001	AMNESTY INTERNATIONAL – USA, Washington, DC <i>Acting Advocacy Director for the Americas</i>
June 1999 to July 2001 and part-time March- April 2002	LATIN AMERICA WORKING GROUP, Washington, DC <i>Program Assistant</i>
EDUCATION 2005	UNIVERSITY OF MARYLAND, College Park, MD <i>Master of Public Policy, specialization in Public Sector Financial Management</i>
1999	THE GEORGE WASHINGTON UNIVERSITY, Washington, DC <i>Bachelor of Arts in International Affairs and Latin American Studies</i> Graduated summa cum laude and Phi Beta Kappa.

**ORGANIZATIONAL
AFFILIATIONS**

- Board of Directors, Meredith Village Savings Bank (Director)
- Governing Council, Housing Action New Hampshire (Member)
- Lakes Region Advisory Board, New Hampshire Charitable Foundation (Member)
- Community Development Advisory Committee of the New Hampshire Community Development Finance Authority (Member)
- Incorporator, Belknap Economic Development Council
- Board of Directors, Stay Work Play NH (Director)
- Board of Directors, NH Economic Development Association (Chair)
- Board of Trustees, Winnepesaukee Playhouse (Trustee, past Chair)
- Advisory Board, Lakes Region Community College (Member)

LANGUAGES

Proficient in Spanish.

STUART P. La SALLE
FINANCE DIRECTOR

SUMMARY

Highly accomplished manager with experience in diverse industries including manufacturing, retail/wholesale distribution, restaurant/hospitality and non-profit. Proven ability to develop policies and procedures to improve operations and reach company's profit objective. Ability to confidently act as a liaison to financial, banking and insurance institutions as well as governmental agencies. Ability to maintain a high level of emotional intelligence leadership competencies.

EXPERIENCE

LACONIA AREA COMMUNITY LAND TRUST, LACONIA, NH

10/2006-Present

Finance Director & Asset Manager

Responsible for the overall financial management, financial records and human resource administration functions of a community land trust non-profit. Also serve as the asset manager, responsible for ensuring that housing properties are properly managed and maintained consistent with standards set by the organization and that the requirements of investors, funders and property governing documents are met.

HAVENWOOD-HERITAGE HEIGHTS, CONCORD, NH

4/2006-9/2006

Financial Services Manager

Supervised the accounting staff in the financial services department that included payroll and accounts payable. Responsible for the timely review of the monthly reconciliation of general ledger accounts. Responsible for the review of all purchase order requests and maintained the purchasing management system. Hands-on management of the Medicaid program and the Resident Trust Fund. Assisted CFO with special projects as needed.

BARON MACHINE CO., INC., LACONIA, NH

2000-2006

Controller

Hands-on responsibility for all day-to-day accounting functions of the organization. Maintained records and developed procedures that generated quantitative reports on the company's operation to satisfy the needs of stockholders, managers, creditors and governmental agencies. Provided the management team with meaningful interpretation of the information and assisted in policy setting, planning and control of the business. Involved in establishing or improving, coordinating and administering the systems necessary in controlling the operations.

Participated in the development of the short-range and long-range business plans. Acted as a sounding board for key members of the management team.

DECORATIVE INTERIORS, INC., LACONIA, NH

1997-2000

Accounting Manager

Managed accounts payable, accounts receivable, payroll and human resources. Produced meaningful monthly financial statements. Worked directly with the owners in the development of short-range and long-range business plans. Established a new banking relationship enabling company to secure bank financing.

STUART P. La SALLE

F & M RESTAURANTS, INC., GILFORD, NH

1986-1997

Vice President Finances & Operations

Planned, directed and coordinated systems designed to ensure that aims, goals and objectives of company were accomplished in accordance with prescribed priorities and funding conditions. These included a cost accounting and inventory control system, a financial planning, control and analysis system, and a management information system. Reviewed reports and modified systems as required. Conferred with key team members to provide advice and assist in problem solving.

GILFORD RESORT GROUP, GILFORD, NH

1987-1990

General Partner

Utilized knowledge of financial and managerial procedures to assist in developing, selling and managing *B. Mae's Resort Inn* and *B. Mae's Vacation Suites*. Devised procedures and reports to help secure bank financing. Assisted with installation and analysis of computer system. Worked directly with sales staff.

B. MAE DENNY'S, INC., GILFORD, NH

1983-1986

Controller

Developed accounting procedures to evaluate company's financial systems and internal controls.

Ensured that records were accurate and controls adequate to protect against waste. Reviewed company's operations and evaluated efficiency. Provided management with quantitative reports and meaningful interpretations.

EDUCATION

NeighborWorks America, Washington, DC
Certified Housing Asset Manager (2013)

UNIVERSITY OF NEW HAMPSHIRE, Durham, NH
Certificate in Professional Coaching (2003)

SOUTHERN NEW HAMPSHIRE UNIVERSITY, Manchester, NH
Graduate School (Managerial Accounting, 1987)
B.S. in Accounting (1981)

CITY UNIVERSITY OF NEW YORK, Long Island City, NY
A.A.S. in Accounting (1979)

NATIONAL CREDIT OFFICE, New York, NY
Credit and Financial Statement Analysis (1976)

AFFILIATIONS

BELKNAP COUNTY ECONOMIC DEVELOPMENT COUNCIL
At-Large Incorporator

GILFORD VILLAGE KNOLLS – SENIOR HOUSING
Board Treasurer

Lakes Region Community Developers

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Kristy Pearce	Resident Services Coordinator	\$52,530	48%	\$25,000
Carmen Lorentz	Executive Director	\$119,022	0%	\$0
Stuart LaSalle	Finance Director	\$96,445	0%	\$0

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Marguerite's Place (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 8 Palm Street, Nashua, NH 03060.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
 \$186,836.
2. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
 - 2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
 - 2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
 - 2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1, to read:
 - 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement

MP
6/25/2020

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

Christine Santaniello

June 26, 2020
Date

Name: Christine Santaniello
Title: Director, DEHS

Marguerite's Place

6/25/2020
Date

Hannah E Stohler
Name: Hannah Stohler
Title: Executive Director



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/26/20
Date

Catherine Pinos
Name: Catherine Pinos, Attorney
Title:

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

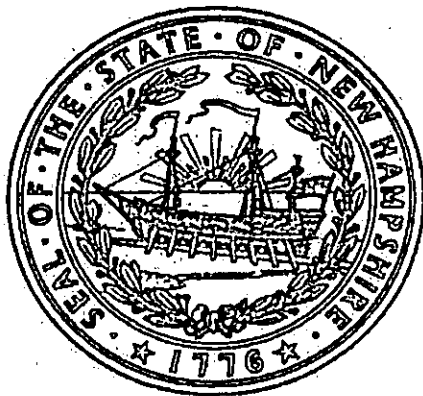
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that MARGUERITE'S PLACE, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on July 21, 1993. 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: 193531

Certificate Number: 0004765536



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 15th day of January A.D. 2020.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, RICHARD J. GUIDOBONI, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of MARGUERITE'S PLACE
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on JUNE 25, 2020, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That HANNAH STOHLER (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of MARGUERITE'S PLACE to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for thirty (30) days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6/25/20

Richard J. Guidoboni
Signature of Elected Officer
Name: RICHARD J. GUIDOBONI
Title: BOARD CHAIR



MARGUERITE'S PLACE
Where Safety & Strength Begin

The following vote was taken via Email, as allowed per the Marguerite's Place, Inc. Bylaws, on June 25, 2020:

"I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State."

Board Members Voted in the Affirmative:

Alina Korsak – 6/25/2020 at 10:07 am
Joanna Poulin (Parolin) – 6/25/2020 at 10:10 am
Brenda Baron – 6/25/2020 at 10:23 am
Deborah Novotny – 6/25/2020 at 10:25 am
Michael Carignan – 6/25/2020 at 10:30 am
Brian Hall – 6/25/2020 at 10:41 am
Sy Mahfuz – 6/25/2020 at 10:42 am
Richard Plamondon – 6/25/2020 at 10:49 am
John Parolin – 6/25/2020 at 10:54 am
Naadia Nazeer – 6/25/2020 at 11:02 am
Carol Martel – 6/25/2020 at 11:10 am
Denis Gleeson – 6/25/2020 at 11:23 am
Rene' Whiteley – 6/25/2020 at 11:31 am
Richard Guidoboni – 6/25/2020 at 12:39 pm

Board Members Voted in the Negative:

None

Board Members Absent from Vote:

Sara Crisp

*Please see attached printouts documenting above votes.

Hannah Stohler

From: Alina Korsak <AKorsak@MelansonHeath.com>
Sent: Thursday, June 25, 2020 10:07 AM
To: rguidoboni@comcast.net; deborah.novotny@ebtc.com; scrisp@crisplaw.com;
d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com;
dplamondon@sjnh.org; 'Carol Martel'; johnparolin@comcast.net; brian@prlnh.com;
'Naadia Nazeer'; 'Rene'; 'Sy Mahfuz'; Joanna Poulin
Cc: Hannah Stohler
Subject: BOD Vote to authorize Hannah as signer for SGIA contract

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

Alina Korsak, CPA
Principal

102 Perimeter Road
Nashua, NH 03063
P: 603.882.1111 | D: 603.589.2163

[Facebook](#) | [Twitter](#) | [LinkedIn](#)

MELANSON HEATH
ACCOUNTANTS • AUDITORS



Nashua, NH • Manchester, NH • Andover, MA • Greenfield, MA • Ellsworth, ME

Hannah Stohler

From: Joanna Parolin <jparolin@Anselm.Edu>
Sent: Thursday, June 25, 2020 10:10 AM
To: akorsak@melansonheath.com
Cc: rguidoboni@comcast.net; deborah.novotny@ebtc.com; scrip@crisplaw.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; dplamondon@sjnh.org; Carol Martel; johnparolin@comcast.net; brian@prlnh.com; Naadia Nazeer; Rene; Sy Mahfuz; Hannah Stohler
Subject: Re: BOD Vote to authorize Hannah as signer for SGIA contract

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

Thanks!
Joanna

Sent from my iPhone

On Jun 25, 2020, at 10:06 AM, Alina Korsak <AKorsak@melansonheath.com> wrote:

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

Alina Korsak, CPA
Principal

102 Perimeter Road
Nashua, NH 03063
P: 603.882.1111 | D: 603.589.2163

[Facebook](#) | [Twitter](#) | [LinkedIn](#)

<image001.png>

Nashua, NH • Manchester, NH • Andover, MA • Greenfield, MA • Ellsworth, ME

Hannah Stohler

From: Brenda Baron <bbaron1@msn.com>
Sent: Thursday, June 25, 2020 10:23 AM
To: rguidoboni@comcast.net
Cc: deborah.novotny@ebtc.com; scrip@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; carignanm@nashuapd.com; dplamondon@sjnh.org; Carol Martel; johnparolin@comcast.net; brian@prlnh.com; Naadia Nazeer; Rene; Sy Mahfuz; Joanna Poulin; Hannah Stohler
Subject: Re: BOD Vote to authorize Hannah as signer for SGIA contract

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

***Best regards,
Brenda Baron***

Sent from my iPhone

On Jun 25, 2020, at 10:04 AM, "rguidoboni@comcast.net" <rguidoboni@comcast.net> wrote:

Hello Board Members,

Thanks very much for your time on Tuesday!

We are in the process of renewing our contact with the State of NH for the continuation of the State Grant in Aid (SGIA) money we receive from them. Unfortunately they contacted us with this request on Wednesday, and we missed the opportunity to vote in person at our meeting.

We need documentation of a full email vote using the following language to authorize Hannah as the new signer on our State Contract, replacing Mary Jordan. If you approve this vote, please copy and paste the below phrase in your response rather than just write "I approve" or "Vote yes".

"I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State."

*Thanks very much and stay well!
Rich*

Hannah Stohler

From: Deborah Novotny <Deborah.Novotny@ebtc.com>
Sent: Thursday, June 25, 2020 10:25 AM
To: bbaron1@msn.com; rguidoboni@comcast.net
Cc: scrip@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; carignanm@nashuapd.com; dplamondon@sjnh.org; Carol Martel; johnparolin@comcast.net; brian@prlnh.com; Naadia Nazeer; Rene; Sy Mahfuz; Joanna Poulin; Hannah Stohler
Subject: RE: BOD Vote to authorize Hannah as signer for SGIA contract

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

Debbie Novotny
SVP, Commercial Lending

Enterprise Bank
493 Amherst Street, Nashua NH 03064
Deborah.Novotny@EBTC.com | tel:603-546-0459 | EnterpriseBanking.com

**Voted #1 Top Places to Work Among Large Size Companies
-2019, The Boston Globe-**
[Facebook](#) | [Instagram](#) | [Twitter](#) | [LinkedIn](#) | [YouTube](#)

From: Brenda Baron <bbaron1@msn.com>
Sent: Thursday, June 25, 2020 10:23 AM
To: rguidoboni@comcast.net
Cc: Deborah Novotny <Deborah.Novotny@ebtc.com>; scrip@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; carignanm@nashuapd.com; dplamondon@sjnh.org; Carol Martel <cmartel@wineinstitute.org>; johnparolin@comcast.net; brian@prlnh.com; Naadia Nazeer <naadia1017@gmail.com>; Rene <theresa.whiteley@gmail.com>; Sy Mahfuz <sy@prgrugs.com>; Joanna Poulin <jparolin@anselm.edu>; Hannah Stohler <hstohler@margueritesplace.org>
Subject: Re: BOD Vote to authorize Hannah as signer for SGIA contract

This message originated from an external source. Please Use Caution before clicking on any links or opening any attachments in this email.

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

Best regards,
Brenda Baron

Sent from my iPhone

On Jun 25, 2020, at 10:04 AM, "rguidoboni@comcast.net" <rguidoboni@comcast.net> wrote:

Hello Board Members,

Thanks very much for your time on Tuesday!

We are in the process of renewing our contact with the State of NH for the continuation of the State Grant in Aid (SGIA) money we receive from them. Unfortunately they contacted us with this request on Wednesday, and we missed the opportunity to vote in person at our meeting.

We need documentation of a full email vote using the following language to authorize Hannah as the new signer on our State Contract, replacing Mary Jordan. If you approve this vote, please copy and paste the below phrase in your response rather than just write "I approve" or "Vote yes".

"I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State."

Thanks very much and stay well!

Rich

This communication, including attachments, is confidential, may be subject to legal privileges, and is intended for the sole use of the addressee. Any use, duplication, disclosure or dissemination of this communication, other than by the addressee, is prohibited. If you have received this communication in error, please notify the sender immediately and delete or destroy this communication and all copies.

Hannah Stohler

From: Carignan, Michael <CarignanM@nashuapd.com>
Sent: Thursday, June 25, 2020 10:30 AM
To: 'rguidoboni@comcast.net'; deborah.novotny@ebtc.com; scrip@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; bbaron1@msn.com; dplamondon@sjnh.org; 'Carol Martel'; johnparolin@comcast.net; brian@prlnh.com; 'Naadia Nazeer'; 'Rene'; 'Sy Mahfuz'; Joanna Poulin
Cc: Hannah Stohler
Subject: RE: BOD Vote to authorize Hannah as signer for SGIA contract

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

Chief Michael Carignan
Nashua, NH Police Department
(603)594-3600
Carignanm@nashuapd.com

From: rguidoboni@comcast.net <rguidoboni@comcast.net>
Sent: Thursday, June 25, 2020 10:04 AM
To: deborah.novotny@ebtc.com; scrip@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; Carignan, Michael <CarignanM@nashuapd.com>; bbaron1@msn.com; dplamondon@sjnh.org; 'Carol Martel' <cmartel@wineinstitute.org>; johnparolin@comcast.net; brian@prlnh.com; 'Naadia Nazeer' <naadia1017@gmail.com>; 'Rene' <theresa.whiteley@gmail.com>; 'Sy Mahfuz' <sy@prgrugs.com>; Joanna Poulin <jparolin@Anselm.Edu>
Cc: Hannah Stohler <hstohler@margueritesplace.org>
Subject: BOD Vote to authorize Hannah as signer for SGIA contract

****CAUTION**** this e-mail was received from outside of our organization. Do not click links or open attachments if the source is unknown to you. (npd905)

Hello Board Members,

Thanks very much for your time on Tuesday!

We are in the process of renewing our contact with the State of NH for the continuation of the State Grant in Aid (SGIA) money we receive from them. Unfortunately they contacted us with this request on Wednesday, and we missed the opportunity to vote in person at our meeting.

We need documentation of a full email vote using the following language to authorize Hannah as the new signer on our State Contract, replacing Mary Jordan. If you approve this vote, please copy and paste the below phrase in your response rather than just write "I approve" or "Vote yes".

"I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State."

Thanks very much and stay well!
Rich

****DISCLAIMER****

This email and any files transmitted with it are confidential and are intended solely for the use of the individual or entity to whom they are addressed. This communication may contain material protected by law. If you are not the intended recipient or the person responsible for delivering the email to the intended recipient, be advised that you have received this email in error and that any use, dissemination, forwarding, printing, or copying of this email is strictly prohibited. If you believe you have received this email in error, please immediately notify the Nashua Police Department at (603) 594-3500

Hannah Stohler

From: Brian Hall <BRIAN@prlnh.com>
Sent: Thursday, June 25, 2020 10:41 AM
To: rguidoboni@comcast.net; deborah.novotny@ebtc.com; scrip@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; dplamondon@sjnh.org; 'Carol Martel'; johnparolin@comcast.net; 'Naadia Nazeer'; 'Rene'; 'Sy Mahfuz'; Joanna Poulin
Cc: Hannah Stohler
Subject: RE: BOD Vote to authorize Hannah as signer for SGIA contract

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

Brian W Hall
President and COO
Physicians Resources LTD
603 321-6262
www.prlnh.com



**PHYSICIANS
RESOURCES LTD**
Precision RCM Services For Healthcare

From: rguidoboni@comcast.net <rguidoboni@comcast.net>
Sent: Thursday, June 25, 2020 10:04 AM
To: deborah.novotny@ebtc.com; scrip@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; dplamondon@sjnh.org; 'Carol Martel' <cmartel@wineinstitute.org>; johnparolin@comcast.net; Brian Hall <BRIAN@prlnh.com>; 'Naadia Nazeer' <naadia1017@gmail.com>; 'Rene' <theresa.whiteley@gmail.com>; 'Sy Mahfuz' <sy@prgrugs.com>; Joanna Poulin <jparolin@Anselm.Edu>
Cc: Hannah Stohler <hstohler@margueritesplace.org>
Subject: BOD Vote to authorize Hannah as signer for SGIA contract

Hello Board Members,

Thanks very much for your time on Tuesday!

We are in the process of renewing our contact with the State of NH for the continuation of the State Grant in Aid (SGIA) money we receive from them. Unfortunately they contacted us with this request on Wednesday, and we missed the opportunity to vote in person at our meeting.

We need documentation of a full email vote using the following language to authorize Hannah as the new signer on our State Contract, replacing Mary Jordan. If you approve this vote, please copy and paste the below phrase in your response rather than just write "I approve" or "Vote yes".

"I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State."

Thanks very much and stay well!

Rich

Disclaimer: The information contained in this communication is confidential and privileged proprietary information intended only for the individual or entity to which it is addressed. Any unauthorized use, disclosure, copying or distribution of this communication is prohibited. If you have received this communication in error please immediately notify the sender and promptly destroy the e-mail from your computer system. The content of this message may not reflect the views and opinions of the originating company or any party it is representing. Finally, the recipient should check this e-mail and any attachments for the presence of viruses. The Company accepts no liability for any damage caused by any virus transmitted by this e-mail.

Hannah Stohler

From: Sy Mahfuz <sy@prgrugs.com>
Sent: Thursday, June 25, 2020 10:42 AM
To: rguidoboni@comcast.net
Cc: deborah.novotny@ebtc.com; scrisp@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; dplamondon@sjnh.org; Carol Martel; johnparolin@comcast.net; brian@prlnh.com; Naadia Nazeer; Rene; Joanna Poulin; Hannah Stohler
Subject: Re: BOD Vote to authorize Hannah as signer for SGIA contract

I approve

Sy Mahfuz CRA
PRG Rugs
227 Main St
Nashua NH 03060
603-882-5604

On Jun 25, 2020, at 10:04 AM, "rguidoboni@comcast.net" <rguidoboni@comcast.net> wrote:

Hello Board Members,

Thanks very much for your time on Tuesday!

We are in the process of renewing our contact with the State of NH for the continuation of the State Grant in Aid (SGIA) money we receive from them. Unfortunately they contacted us with this request on Wednesday, and we missed the opportunity to vote in person at our meeting. We need documentation of a full email vote using the following language to authorize Hannah as the new signer on our State Contract, replacing Mary Jordan. If you approve this vote, please copy and paste the below phrase in your response rather than just write "I approve" or "Vote yes".

"I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State."

Thanks very much and stay well!
Rich

Hannah Stohler

From: Richard Plamondon <rplamondon@covh.org>
Sent: Thursday, June 25, 2020 10:49 AM
To: rguidoboni@comcast.net; deborah.novotny@ebtc.com; scrip@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; 'Carol Martel'; johnparolin@comcast.net; brian@prlnh.com; 'Naadia Nazeer'; 'Rene'; 'Sy Mahfuz'; Joanna Poulin
Cc: Hannah Stohler
Subject: RE: BOD Vote to authorize Hannah as signer for SGIA contract

"I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State."

Richard J Plamondon
Vice President, Finance
St. Joseph Hospital
A Member of Covenant Health
172 Kinsley St.
Nashua, NH 03060
603-598-3352

From: Richard Plamondon
Sent: Thursday, June 25, 2020 10:45 AM
To: rguidoboni@comcast.net; deborah.novotny@ebtc.com; scrip@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; 'Carol Martel' <cmartel@wineinstitute.org>; johnparolin@comcast.net; brian@prlnh.com; 'Naadia Nazeer' <naadia1017@gmail.com>; 'Rene' <theresa.whiteley@gmail.com>; 'Sy Mahfuz' <sy@prgrugs.com>; Joanna Poulin <jparolin@Anselm.Edu>
Cc: Hannah Stohler <hstohler@margueritesplace.org>
Subject: RE: BOD Vote to authorize Hannah as signer for SGIA contract

Approved as requested.

Dick

Richard J Plamondon
Vice President, Finance
St. Joseph Hospital
A Member of Covenant Health
172 Kinsley St.
Nashua, NH 03060
603-598-3352

From: rguidoboni@comcast.net <rguidoboni@comcast.net>

Sent: Thursday, June 25, 2020 10:04 AM

To: deborah.novotny@ebtc.com; scrisp@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; Richard Plamondon <rplamondon@covh.org>; 'Carol Martel' <cmartel@wineinstitute.org>; johnparolin@comcast.net; brian@prlnh.com; 'Naadia Nazeer' <naadia1017@gmail.com>; 'Rene' <theresa.whiteley@gmail.com>; 'Sy Mahfuz' <sy@prgrugs.com>; Joanna Poulin <jparolin@Anselm.Edu>

Cc: Hannah Stohler <hstohler@margueritesplace.org>

Subject: BOD Vote to authorize Hannah as signer for SGIA contract

WARNING - EXTERNAL SENDER

This message originated from outside Covenant Health's email system.

DO NOT OPEN ATTACHMENTS OR CLICK LINKS UNLESS YOU KNOW THEY ARE SAFE, AND NEVER PROVIDE A USERNAME OR PASSWORD.

Covenant Health, Inc.

Hello Board Members,

Thanks very much for your time on Tuesday!

We are in the process of renewing our contact with the State of NH for the continuation of the State Grant in Aid (SGIA) money we receive from them. Unfortunately they contacted us with this request on Wednesday, and we missed the opportunity to vote in person at our meeting.

We need documentation of a full email vote using the following language to authorize Hannah as the new signer on our State Contract, replacing Mary Jordan. If you approve this vote, please copy and paste the below phrase in your response rather than just write "I approve" or "Vote yes".

"I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State."

Thanks very much and stay well!

Rich

Hannah Stohler

From: John Parolin <johnparolin@comcast.net>
Sent: Thursday, June 25, 2020 10:54 AM
To: brian@prlnh.com
Cc: rguidoboni@comcast.net; deborah.novotny@ebtc.com; scrip@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; dplamondon@sjhnh.org; Carol Martel; Naadia Nazeer; Rene; Sy Mahfuz; Joanna Poulin; Hannah Stohler
Subject: Re: BOD Vote to authorize Hannah as signer for SGIA contract

I approve!
Thanks
John

Sent from my iPhone

On Jun 25, 2020, at 10:32 AM, Brian Hall <BRIAN@prlnh.com> wrote:

I approve

Brian Hall
Physicians Resources LTD
603 321-6262

On Jun 25, 2020, at 10:04 AM, "rguidoboni@comcast.net" <rguidoboni@comcast.net> wrote:

Hello Board Members,

Thanks very much for your time on Tuesday!

We are in the process of renewing our contact with the State of NH for the continuation of the State Grant in Aid (SGIA) money we receive from them. Unfortunately they contacted us with this request on Wednesday, and we missed the opportunity to vote in person at our meeting. We need documentation of a full email vote using the following language to authorize Hannah as the new signer on our State Contract, replacing Mary Jordan. If you approve this vote, please copy and paste the below phrase in your response rather than just write "I approve" or "Vote yes".

"I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State."

Thanks very much and stay well!
Rich

Disclaimer: The information contained in this communication is confidential and privileged proprietary information intended only for the individual or entity to which it is addressed. Any unauthorized use, disclosure, copying or distribution of this communication is prohibited. If you have received this communication in error please immediately notify the sender and promptly destroy the e-mail from your computer system. The content of this message may not reflect the views and opinions of the originating company or any party it is representing. Finally, the recipient should check this e-mail and any attachments for the presence of viruses. The Company accepts no liability for any damage caused by any virus transmitted by this e-mail.

Hannah Stohler

From: Naadia Nazeer <naadia1017@gmail.com>
Sent: Thursday, June 25, 2020 11:02 AM
To: akorsak@melansonheath.com
Cc: rguidoboni@comcast.net; deborah.novotny@ebtc.com; scrip@crisplaw.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; dplamondon@sjnh.org; Carol Martel; johnparolin@comcast.net; brian@prlnh.com; Rene; Sy Mahfuz; Joanna Poulin; Hannah Stohler
Subject: Re: BOD Vote to authorize Hannah as signer for SGIA contract

I approve.
Thank you,
Naadia

On Jun 25, 2020, at 10:06 AM, Alina Korsak <AKorsak@melansonheath.com> wrote:

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

Alina Korsak, CPA
Principal

102 Perimeter Road
Nashua, NH 03063
P: 603.882.1111 | D: 603.589.2163

[Facebook](#) | [Twitter](#) | [LinkedIn](#)

<image001.png>

Nashua, NH • Manchester, NH • Andover, MA • Greenfield, MA • Ellsworth, ME

Hannah Stohler

From: Carol Martel <cmartel@wineinstitute.org>
Sent: Thursday, June 25, 2020 11:10 AM
To: rguidoboni@comcast.net; deborah.novotny@ebtc.com; scrip@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; dplamondon@sjnh.org; johnparolin@comcast.net; brian@prlnh.com; 'Naadia Nazeer'; 'Rene'; 'Sy Mahfuz'; Joanna Poulin
Cc: Hannah Stohler
Subject: RE: BOD Vote to authorize Hannah as signer for SGIA contract

"I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State."

Carol

From: rguidoboni@comcast.net <rguidoboni@comcast.net>
Sent: Thursday, June 25, 2020 10:04 AM
To: deborah.novotny@ebtc.com; scrip@crisplaw.com; akorsak@melansonheath.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; dplamondon@sjnh.org; Carol Martel <cmartel@wineinstitute.org>; johnparolin@comcast.net; brian@prlnh.com; 'Naadia Nazeer' <naadia1017@gmail.com>; 'Rene' <theresa.whiteley@gmail.com>; 'Sy Mahfuz' <sy@prgrugs.com>; Joanna Poulin <jparolin@Anselm.Edu>
Cc: Hannah Stohler <hstohler@margueritesplace.org>
Subject: BOD Vote to authorize Hannah as signer for SGIA contract

EXTERNAL EMAIL

Hello Board Members,

Thanks very much for your time on Tuesday!

We are in the process of renewing our contact with the State of NH for the continuation of the State Grant in Aid (SGIA) money we receive from them. Unfortunately they contacted us with this request on Wednesday, and we missed the opportunity to vote in person at our meeting.

We need documentation of a full email vote using the following language to authorize Hannah as the new signer on our State Contract, replacing Mary Jordan. If you approve this vote, please copy and paste the below phrase in your response rather than just write "I approve" or "Vote yes".

"I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State."

Thanks very much and stay well!
Rich

Hannah Stohler

From: Denis G. Gleeson <d.gleeson@comcast.net>
Sent: Thursday, June 25, 2020 11:23 AM
To: rguido
Cc: deborah.novotny@ebtc.com; scrisp@crisplaw.com; akorsak@melansonheath.com; carignanm@nashuapd.com; bbaron1@msn.com; dplamondon@sjnh.org; Carol Martel; johnparolin@comcast.net; brian@prlnh.com; Naadia Nazeer; Rene; Sy Mahfuz; Joanna Poulin; Hannah Stohler
Subject: Re: BOD Vote to authorize Hannah as signer for SGIA contract

Hi Rich,

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

All the Best,

Denis

On Jun 25, 2020, at 10:04 AM, <rguidoboni@comcast.net> <rguidoboni@comcast.net> wrote:

Hello Board Members,

Thanks very much for your time on Tuesday!

We are in the process of renewing our contact with the State of NH for the continuation of the State Grant in Aid (SGIA) money we receive from them. Unfortunately they contacted us with this request on Wednesday, and we missed the opportunity to vote in person at our meeting.

We need documentation of a full email vote using the following language to authorize Hannah as the new signer on our State Contract, replacing Mary Jordan. If you approve this vote, please copy and paste the below phrase in your response rather than just write "I approve" or "Vote yes".

"I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State."

Thanks very much and stay well!

Rich

Hannah Stohler

From: Rene <theresa.whiteley@gmail.com>
Sent: Thursday, June 25, 2020 11:31 AM
To: akorsak@melansonheath.com
Cc: rguidoboni@comcast.net; deborah.novotny@ebtc.com; scrisp@crisplaw.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; dplamondon@sjnh.org; Carol Martel; johnparolin@comcast.net; brian@prlnh.com; Naadia Nazeer; Sy Mahfuz; Joanna Poulin; Hannah Stohler
Subject: Re: BOD Vote to authorize Hannah as signer for SGIA contract

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

Rene' Whiteley

Sent from my iPhone

On Jun 25, 2020, at 10:06 AM, Alina Korsak <AKorsak@melansonheath.com> wrote:

approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

Hannah Stohler

From: rguido <rguidoboni@comcast.net>
Sent: Thursday, June 25, 2020 12:39 PM
To: 'Rene'; akorsak@melansonheath.com
Cc: deborah.novotny@ebtc.com; scrip@crisplaw.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; dplamondon@sjnh.org; 'Carol Martel'; johnparolin@comcast.net; brian@prlnh.com; 'Naadia Nazeer'; 'Sy Mahfuz'; 'Joanna Poulin'; Hannah Stohler
Subject: RE: BOD Vote to authorize Hannah as signer for SGIA contract

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

Thanks!
Rich

From: Rene <theresa.whiteley@gmail.com>
Sent: Thursday, June 25, 2020 11:31 AM
To: Alina Korsak <AKorsak@melansonheath.com>
Cc: rguidoboni@comcast.net; deborah.novotny@ebtc.com; scrip@crisplaw.com; d.gleeson@comcast.net; carignanm@nashuapd.com; bbaron1@msn.com; dplamondon@sjnh.org; Carol Martel <cmartel@wineinstitute.org>; johnparolin@comcast.net; brian@prlnh.com; Naadia Nazeer <naadia1017@gmail.com>; Sy Mahfuz <sy@prgrugs.com>; Joanna Poulin <jparolin@anselm.edu>; Hannah Stohler <hstohler@margueritesplace.org>
Subject: Re: BOD Vote to authorize Hannah as signer for SGIA contract

I approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

Rene' Whiteley

Sent from my iPhone

On Jun 25, 2020, at 10:06 AM, Alina Korsak <AKorsak@melansonheath.com> wrote:

approve that Hannah Stohler is duly authorized on behalf of Marguerite's Place to enter into contract agreements with the State.

BY-LAWS
OF
MARGUERITE'S PLACE, INC.

RECITALS

WHEREAS, Marguerite's Place, Inc. (the "Corporation") was established on July 21, 1993 by the filing of the Corporation's Articles of Agreement with the New Hampshire Secretary of State; and

WHEREAS, on September 24, 2004, Sponsorship of the Corporation transferred from the original Four Congregation of Grey Nuns to a Lay Board as a Private Juridic Person with Oversight by the Roman Catholic Bishop of the Diocese of Manchester, New Hampshire; and

WHEREAS, with the Transfer of Sponsorship, the Corporation established itself as a Private Juridic Person through the adoption of the Corporation's Canonical By-Laws and Private Juridic Person Statutes;

WHEREAS, the Corporation also established civil By-Laws to govern the Corporation; and

WHEREAS, the civil By-Laws recognized the Corporations Canonical By-Laws and Private Juridic Person Statutes by establishing two tiers of persons to control the Corporation: "Members" of the Corporation who act as the Private Juridic Person; and "Directors" who manage the affairs of the Corporation; and

WHEREAS, the current Members and Directors of the Corporation desire to amend and restate the civil By-Laws as set forth below.

NOW THEREFORE, the Corporation's civil By-Laws are amended and restated as follows:

**ARTICLE I
MEMBERS**

1. Designation and Tenure. The Members of the corporation shall be those persons who from time to time serve as the members of Marguerite's Place, a private Juridic person established under the Code of Canon Law of the Roman Catholic Church by decree of the Roman Catholic Bishop of Manchester, New Hampshire dated September 24, 2004 (the "Private Juridic Person"), in accordance with the statutes and bylaws of the Private Juridic Person, which persons shall constitute the entire Membership of the corporation. Each such person shall remain a Member of the corporation for so long as he or she serves as a member of the Private Juridic Person, and whenever such person ceases for any reason to serve as a member of the Private Juridic Person (including without limitation by reason of death, resignation or removal in accordance with the statutes and bylaws of the Private Juridic Person), he or she shall thereupon cease to be a Member of the corporation. For purposes of administering the affairs of the Members, the Members may designate from among the Members a

Chairperson of the Members who shall chair all meetings of the Members and a secretary of the Members who shall maintain minutes of meetings of the Members.

2. Powers and Rights. In addition to doing all things required or allowed by law, the Members shall have the following rights as reserved powers:

- a) To approve any change in the philosophy or the mission of the corporation;
- b) To amend and to repeal the Articles of Agreement and the By-Laws of the corporation;
- c) To elect the Elected Directors of the corporation and to remove them with or without cause;
- d) To appoint and remove the President of the corporation;
- e) To approve all plans for the merger, consolidation, reorganization or dissolution of the corporation or of any subsidiary;
- f) To approve the sale, lease, assignment or other transfer of all or substantially all of the assets of the corporation.

3. Annual Meeting. The annual meeting of the Members shall be held each year at the place, date and time determined by the Members, provided that the date of the meeting is within nine months after the end of the fiscal year of the corporation. If no date for the annual meeting is established or if the annual meeting is not held as provided above, a special meeting in lieu thereof may be held, or there may be action by written consent of the Members on matters to be voted on at the annual meeting, and such special meeting or written consent shall have all the force and effect of an annual meeting for all purposes.

4. Special Meetings. Special meetings of Members may be called by any two Members or by the Directors.

5. Notice of Meetings. A written notice of the date, time and place of all meetings Members shall be given by the Secretary or, in the case of the death, absence, incapacity or refusal of the Secretary, by any other officer. Such notice shall be given by sending it by mail, email, fax, telex or telegram at least seven days before the meeting, addressed to each Member at the Member's address as it appears in the records of the corporation. A written waiver of notice executed before or after a meeting by a Member and filed with the records of the meeting, shall be deemed equivalent to notice of the meeting for all purposes. Except as provided in Article VIII of these By-Laws, notices need not specify the purposes of the meeting.

6. Quorum. At any meeting of Members, a majority of the members then in office shall constitute a quorum. In the absence of a quorum, any meeting may be adjourned one or more times until a quorum is present and the meeting may thereupon be held as adjourned without further notice.

7. Voting. Each Member shall have one vote. Members may vote only in person and may not vote by proxy.

8. Action at Meeting. When a quorum is present at any meeting, a majority of the votes properly cast by Members present shall decide any question, unless otherwise provided by law, the Articles of Agreement or these By-Laws. Any election by Members shall be determined by a plurality of the votes cast, except when a larger vote is required by law, by the Articles of Agreement or by these By-Laws.

9. Action by Writing. Any action required or permitted to be taken at any meeting of Members may be taken without a meeting if all Members entitled to vote on the matter consent to the action in writing and the written consents are filed with the records of the meeting. Such consents shall be treated for all purposes as a vote at a meeting.

10. Meeting by Telecommunications Conference. The Members may participate in and act at any meeting of the Members by means of conference telephone or similar communications equipment if all persons participating in the meeting can hear each other simultaneously. Participation in such a meeting shall constitute presence in person at the meeting.

ARTICLE II DIRECTORS

1. Powers. The affairs of the corporation shall be managed by the Directors, who shall have and may exercise all the powers of the corporation, except those powers reserved to the Members by law, the Articles of Agreement or these By-Laws. The Directors shall have and may exercise all their powers and rights notwithstanding the existence of one or more vacancies in their number.

2. Number, Election and Filling of Vacancies. The Board of Directors shall consist of (i) the Members of the corporation, each of whom shall serve as a Director *ex officio*, (ii) the President of the Corporation, who shall serve as a Director *ex officio* if not otherwise serving as a Director by virtue of any other position (such Directors described in clauses (i) and (ii) are referred to as the "Ex-Officio Directors") and (iii) such number of additional Directors' (which shall not be less than twelve (12)) as may be fixed from time to time by the Members (such additional Directors described in this clause (iii) are referred to as the "Elected Directors"). The Elected Directors shall be elected by the Members. The Director of Day Care, if not otherwise serving as a Director, may attend meetings of the Directors in a non-voting, observer capacity. Whenever any vacancy shall occur in the Board of Directors among the Elected Directors, however occurring, such vacancy may be filled by the Members for the unexpired term of such Elected Director whose term has become vacant. No member of the Board of Directors shall receive compensation for his or her service on the Board.

2(a) MP Housing, Inc. The Board of Directors shall also and contemporaneously be the same Board of Directors for MP Housing, Inc., a New Hampshire voluntary (non-profit) corporation.

3. Tenure. Each Ex-Officio Director shall hold office for so long as he or she serves as a Member or the President of the corporation, as the case may be and whenever such person ceases for any reason to serve as a Member or the President of the corporation, as the case may be, he or she shall thereupon cease to be a Director of the corporation. Elected Directors shall hold office until the next annual meeting of the Members and until their successors are chosen and qualified, or until their earlier death, resignation or removal. Elected Directors shall serve a maximum of two 3 year terms, following at least one full year not being a director. Notwithstanding the forgoing, an Officer's term may be extended at the discretion of the Board.

4. Removal. Any Elected Director may be removed with or without cause by the Members.

5. Resignation. An Elected Director may resign by delivering or sending a written resignation to the President, Treasurer or Secretary. Such resignation shall be effective upon receipt (unless specified to be effective at some other time) and, except as otherwise provided in these By-Laws, acceptance thereof shall not be necessary to make it effective unless it so states.

6. Meetings. Regular meetings of the Directors may be held on such dates and at such times and places as the President or the Directors may from time to time designate. A regular meeting of the Directors may be held without notice at the same place as the annual meeting of Members, or the special meeting held in lieu thereof, following such meeting of Members. Special meetings of the Directors may be called by the President, the Members or any two Directors.

7. Notice of Meetings. Notice of the date, time and place of all meetings of the Directors shall be given by the Secretary, or in case of the death, absence, incapacity or refusal of the Secretary, by the President or any officer. Notice shall be given to each Director in person, by telephone or by telecommunication or other form of electronic transmission consented to by the Director to whom the notice is given at least forty-eight hours in advance of the meeting, or by mailing it to the business or home address of such Director at least five days in advance of the meeting. Such notice shall be deemed to be delivered, (i) if by mail, when deposited in the U.S. mail in a sealed envelope, properly addressed, first-class postage prepaid, (ii) if by telecommunication, when directed to a number at which the Director has consented to receive notice, (iii) if by electronic mail, when directed to an electronic mail address at which the Director has consented to receive notice, and (iv) if by any other form of electronic communication consented to by the Director to whom the notice is given, when directed to the Director. Notice need not be given to any Director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him or her. A written waiver of notice executed before or after a meeting by a Director and filed with the records of the meeting, shall be deemed equivalent to notice of the meeting for all purposes. Notices and waivers of notice need not specify the purposes of the meeting.

8. Quorum. At any meeting of the Directors, a majority of the Directors then in office shall constitute a quorum. In the absence of a quorum, any meeting may be adjourned one or more times until a quorum is present, and the meeting may thereupon be held as adjourned without further notice.

9. Action at Meeting. At any meeting of the Directors at which a quorum is present, a majority of the Directors present shall decide any matter to be voted upon, except when a larger vote is required by law, by the Articles of Agreement or by these By-Laws.

10. Action by Writing. Any action required or permitted to be taken at any meeting of the Directors may be taken without a meeting if all the Directors consent to the action in writing and the written consents are filed with the records of the meeting. Such consents shall be treated for all purposes as a vote at a meeting.

11. Meeting by Telephone Conference. The Directors may participate in and act at any meeting of the Directors by means of conference telephone or similar communications equipment if all persons participating in the meeting can hear each other simultaneously. Participation in such a meeting shall constitute presence in person at the meeting.

12. Committees. The Directors may establish one or more committees with such powers and duties as the Directors shall specify. Unless the Directors otherwise designate, committees shall conduct their affairs in the same manner as is provided in these By-Laws for the Directors. Each committee shall keep regular minutes of its proceedings and shall report the same to the Board of Directors. The members of any committee shall remain in office at the pleasure of the Directors.

13. Attendance at Meetings. Any Elected Director who fails to attend at least two-thirds of all of the meetings of the Board of Directors during a given year shall be deemed to have resigned as a Director, which resignation shall be effective only upon its acceptance by the Board of Directors.

14. Board Self-Evaluation and Education. The Board of Directors shall conduct a self-evaluation process at least annually. The Board of Directors also shall establish an orientation program for persons newly elected to serve as Directors and shall establish a continuing education program for all Directors to keep them informed of issues that affect the mission, operation and governance of the corporation.

ARTICLE III OFFICERS

1. Number and Qualification. The officers of the corporation shall be a Chairperson, a Vice-Chairperson, a Treasurer, a Secretary (referred to collectively as the "Ex-Officio Officers"), a President and such other officers as the Directors may determine. The Secretary shall be a resident of New Hampshire unless the corporation has a resident agent duly appointed for the purpose of service of process. A person may hold more than one office at the same time.

2. Designation. The office of the Chairperson, Vice-Chairperson, Treasurer and Secretary of the corporation shall be held by those members of the Private Juridic Person who from time to time may fill the positions of chairperson, vice-chairperson, treasurer and secretary, respectively, of the Private Juridic Person in accordance with the statutes and bylaws of the Private Juridic Person. The President shall be appointed by the Members, and other officers, if any, may be elected by the Directors at any time.

3. Tenure. The Chairperson, the Vice-Chairperson, the Treasurer and the Secretary of the corporation shall hold office for so long as he or she holds the position of chairperson, vice-chairperson, treasurer and secretary, respectively, of the Private Juridic Person and whenever such person ceases for any reason to serve in such position with the Private Juridic Person (including without limitation by reason of death, resignation or removal in accordance with the statutes and bylaws of the Private Juridic Person), he or she shall thereupon cease to hold such office with the corporation. Notwithstanding the foregoing, the Chairperson and Vice-Chairperson shall serve a maximum of two consecutive one year terms. The President shall hold office until his or her successor shall have been appointed by the Members, or until his or her earlier death, resignation or removal. All other officers shall hold office until the next meeting of the Directors following the annual meeting of the Members and until their respective successors are chosen and qualified, or for such shorter term as the Directors may fix at the time such officers are chosen, or until their earlier death, resignation or removal. Notwithstanding the

forgoing, an Officer's term may be extended at the discretion of the Board.

4. Removal. The President may be removed with or without cause by the Members. Any other officer other than the Ex-Officio Officers may be removed with or without cause by a vote of a majority of the Directors then in office. Such an officer may be removed for cause only after reasonable notice and opportunity to be heard.

5. Resignation. An officer other than the Ex-Officio Officers may resign by delivering or sending a written resignation to the Chairperson, Treasurer or Secretary. Such resignation shall be effective upon receipt (unless specified to be effective at some other time) and acceptance thereof shall not be necessary to make it effective unless it so states.

6. Vacancies. In the event of a vacancy in the office of any Ex-Officio Officer, such office shall remain vacant until the corresponding position with the Private Juridic Person shall be filled in accordance with the statutes and bylaws of the Private Juridic Person (in which even the person succeeding to such position with the Private Juridic Person shall immediately fill the corresponding office with the corporation). Any vacancy in the office of the President may be filled by the Members, and any vacancy in any other office may be filled for the unexpired portion of the term by the Directors.

7. Chairperson and Vice-Chairperson of the Board of Directors. The Chairperson of the Board of Directors shall be the chief policy officer of the corporation. The Chairperson shall preside at all meetings of the Directors, except as the Directors may otherwise determine, and shall have such other powers and duties as the Directors may determine. The Vice-Chairperson shall preside at meetings of the Directors in the absence of the Chairperson, and have such other powers and duties as the Directors may from time to time designate.

8. President and Vice Presidents. The President shall be the chief executive officer of the corporation and shall, subject to the direction of the Board of Directors, have general supervision and control of its business. The President shall have other powers and duties as the Directors may determine. Any Vice President shall have such powers and shall perform such duties as the Directors may from time to time designate.

9. Treasurer and Assistant Treasurers. The Treasurer shall be the chief financial officer of the corporation, shall have charge of its financial affairs, funds, securities and valuable papers and shall keep full and accurate records thereof. The Treasurer shall have such other powers and duties as the Directors, the Executive Committee or the President may determine. Any Assistant Treasurer shall have such powers and perform such duties as the Directors may from time to time designate.

10. Secretary and Assistant Secretaries. The Secretary shall keep record of all meetings of the Members and Directors. If the Secretary is absent from any meeting of Members or Directors, a temporary secretary may be selected at the meeting to exercise the powers and duties of the Secretary. Any Assistant Secretary shall have such powers and perform such duties as the Directors may from time to time designate.

11. Other Powers and Duties. Subject to these By-Laws, each officer of the corporation shall have in addition to the duties and powers specifically set forth in these By-Laws, such duties and

powers as are customarily incident to his or her office, and such duties and powers as may be designated from time to time by the Directors.

ARTICLE IV • COMMITTEES OF THE BOARD OF DIRECTORS

1. Standing Committees. The Standing Committees of the Board of Directors shall be: an Executive Committee, a Finance Committee, a Personnel Committee, a Nominating Committee, a Development Committee and a By-Laws Committee. The Chairperson may also appoint, with the approval of the Board, such other Standing or Special committees as, from time to time, may be necessary or desirable for the conduct of the business of the corporation. Except as otherwise provided in this Article, the Chairperson shall appoint annually all Standing Committee members and chairpersons of committees.

(a) Executive Committee: The six members of the Marguerite's Place, Inc, Juridic Person shall be members of the Executive committee. The Executive Committee shall be composed of the Chairperson, the Vice-Chairperson, the Treasurer, the Secretary of the corporation and 2 at-large members. The Chairperson of the Board shall be the Chairperson of the Executive Committee. The Executive Committee shall have authority to act for the Board of Directors on all emergency and urgent matters between Regular and Special Meetings of the Board of Directors. All actions of this Committee shall be reported and ratified or vetoed at the next Regular or Special Meeting of the Board of Directors, provided that no such action by the Board of Directors shall have retroactive effect. The Executive Committee shall meet as necessary at the call of the Chairperson, or the written request of a majority of the Executive Committee members.

(b) Finance Committee: The Finance Committee shall be composed of the President, the Treasurer, and at least three members of the Board of Directors. The Finance Committee shall recommend fiscal policy, oversee the total financial management of the Corporation, review and recommend an annual budget to the Board of Directors, and oversee the establishment, maintenance, and use of the Endowment Fund.

(c) Development Committee: The Development Committee shall consist of at least five members. The Committee shall formulate, recommend and oversee fundraising, public relations programs and shall recommend to the Board of Directors actions appropriate to enable the Corporation to carry out financially both its Mission and Strategic Plan.

(d) Nominating Committee: The Nominating Committee shall consist of a least three members. The Committee shall present annually to the Board recommendations for Elected Directors to serve on the Board. The Board shall present such recommendations to the Members for action in accordance with Article II, Section 2 of the By-Laws.

(e) Personnel Committee: The Personnel Committee shall consist of at least three (3) members. The Committee shall advise the Directors on matters of employee activities, personnel benefits and compensation.

(f) By-Laws: The By-Laws Committee shall consist of at least two (2) Directors. The Committee shall meet annually to review recommendations from governmental units and

accreditation and licensing agencies, as they pertain to the By-Laws and to consider other changes. The Committee shall recommend such amendments to the By-Laws as may be appropriate. All recommendations shall conform to the requirements of Article I, Section 2(b).

(g) Powers of Committees: The Board of Directors may delegate to committees of the Board such of its powers as it may deem desirable for the conduct of the business and affairs of the Corporation, and a Committee shall have such powers as shall be delegated to it by the Board of Directors. Except when expressly authorized by the Board or by the By-Laws, all Committee decisions shall be in the form of a recommendation to the Board of Directors.

(h) Membership of Committees: Committee membership shall always include representation from the Board of Directors and, except in the case of the Executive Committee, Nominating Committee and By-Laws Committee, may include persons other than Directors whose expertise and experience will prove valuable to the Board of Directors in the efficient management of the affairs of the Corporation.

2. Chairperson of Committees. The Chairperson of all Standing Committees shall be a member of the Board of Directors. As to Special or Ad Hoc Committees, the Chairperson may or may not be a member of the Board of Directors. However, there shall always be at least one member of the Board of Directors on all Committees.

3. Meetings of Committees. Except as otherwise provided in this Article, all Standing committees shall meet at least three (3) times a year, or with such lesser frequency as shall be approved by the Board of Directors. All meetings shall be called by the Chairperson of the Committee or by the Chairperson of the Board of Directors.

ARTICLE V INDEMNIFICATION

1. Definitions. For purposes of this Article:

(a) "Member," or "Director" or "Officer" means any person serving or who has served as a member or director or officer of the corporation or, at its request as a director, officer, employee, or other agent of an organization of which the corporation is the sole member or stockholder or in any capacity with respect to any employer benefit plan of the corporation;

(b) "Expenses" means (i) all expenses (including attorneys' fees and disbursements) actually and reasonably incurred in defense of a Proceeding, in being a witness in a Proceeding, or in successfully seeking indemnification under this Article, (ii) such expenses incurred in connection with a Proceeding initiated by a Member or Director or Officer as may be approved by the Directors, and (iii) any judgments, awards, fines or penalties paid by a Member or Director or Officer in connection with a Proceeding or reasonable amounts paid in settlement of a Proceeding; and

(c) A "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and any claim which could be the subject of a Proceeding.

2. Right to indemnification. Except as limited by law, the corporation shall indemnify its Members, and Directors and Officers against all Expenses incurred by them in connection with any Proceeding in which they are involved as a result of their service as a Member or Director or Officer, except that (i) no indemnification shall be provided for any Member or Director or Officer with respect to any matter as to which he or she shall have been adjudicated in any Proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the corporation, or, to the extent that such matter relates to service with respect to an employee benefit plan, in the best interests of the participants or beneficiaries of such employee benefit plan. In the event that a Proceeding is compromised or settled so as to impose any liability or obligation on a Member or Director or Officer, no indemnification shall be provided to such Member or Director or Officer with respect to a matter if there be a determination that with respect to such matter such Member or Director or Officer did not act in good faith in the reasonable belief that the action of such Member or Director or Officer was in the best interests of the corporation, or, to the extent that such matter relates to service with respect to an employee benefit plan, in the best interests of the participants or beneficiaries of such employee benefit plan. The determination shall be made by a majority vote of those directors who are not involved in such Proceeding. However, if more than half of the directors are involved in such Proceeding, the determination shall be made by a majority vote of the disinterested directors at a regular or special meeting. If there are fewer than two disinterested directors, the determination shall be based upon the opinion of outside counsel for the corporation.

3. Advance Payments. Such indemnification may include payment by the corporation of Expenses incurred in defending a Proceeding in advance of the final disposition of such Proceeding, upon receipt of an undertaking by the Member or Director or Officer indemnified to repay such payment if he or she shall be adjudicated to be not entitled to indemnification under this Article, which undertaking may be accepted without reference to the financial ability of such Member or Director or Officer to make repayment.

4. Insurance. The corporation shall have the power to purchase and maintain insurance on behalf of any Member or Director or Officer against any liability or Expense incurred by such Member or Director or Officer in any capacity as a Member or Director or Officer, whether or not the corporation would have power to indemnify him or her against such liability or Expense.

5. Heirs and Personal Representatives. The indemnification provided by this Article shall inure to the benefit of the heirs and personal representatives of a Member or Director or Officer.

6. Non-Exclusivity. The provisions of this Article shall not be construed to limit the power of the corporation to indemnify its Members or Directors or Officers to the full extent permitted by law or to enter into specific agreements, commitments or arrangements for indemnification permitted by law. In addition, the corporation shall have power to indemnify any of its agents or employees who are not Members or Directors or Officers on any terms not prohibited by law which it deems to be appropriate. The absence of any express provision for indemnification herein shall not limit any right of indemnification existing independently of this Article.

7. Amendment. No amendment or repeal of any provision of this Article which adversely affects the rights of a Director or Officer under this Article with respect to his or her acts or omissions at any time prior to such amendment or repeal shall apply to him or her without his or her consent.

ARTICLE VI

CHARITABLE NATURE OF THE CORPORATION

1. Charitable Purposes. The corporation is organized exclusively for charitable, religious, educational and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.
2. No Private Inurement. No part of the assets of the corporation and no part of any net earnings of the corporation shall be divided among or inure to the benefit of any officer or director of the corporation or any private individual or be appropriated for any purposes other than the purposes of the corporation as herein set forth; and no substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, except to the extent that the corporation make expenditures for purposes of influencing legislation in conformity with the requirements of Section 501(h) of the Internal Revenue Code, and the corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office. It is intended that the corporation shall be entitled to exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code and shall not be a private foundation under Section 509(a) of the Internal Revenue Code.
3. Dissolution. Upon any dissolution of the corporation none of its property and assets of every nature and description shall be distributed to any Director or Officer of the corporation; or to any other individual, but all of its property and assets of every nature and description shall be paid or transferred, after satisfaction of its debts and obligations, in such manner, or to such organization or organizations organized and operated exclusively for religious, charitable, educational or scientific purposes, and having a philosophy and mission consistent with the philosophy and mission of the corporation, as the Members of this corporation shall determine.

ARTICLE VII
MISCELLANEOUS PROVISIONS

1. Principal Office. The principal office of the corporation shall be located at such location within New Hampshire as shall be determined by the Board of Directors.
2. Fiscal Year. Except as otherwise determined by the Board of Directors, the fiscal year of the corporation shall be the twelve months ending December 31st of each year
3. Seal. The Board of Directors shall have power to adopt and alter the seal of the corporation.
4. Execution of Instruments. Except as the directors may otherwise determine, all deeds, leases, transfers, contracts, bonds, notes and other obligations to be entered into by the corporation in the ordinary course of its business without director action, may be executed on behalf of the corporation by the President or the Treasurer.
5. Voting of Securities. Unless otherwise provided by the Board of Directors, the President or Treasurer may waive notice of and act on behalf of this corporation, or appoint another person or persons to act as proxy or attorney in fact for this corporation with or without discretionary

power and/or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization, any of whose securities are held by this corporation.

6. Resident Agent. The Board of Directors may appoint a resident agent upon whom legal process may be served in any action or proceeding against the corporation. Said resident agent shall be either an individual who is a resident of and has a business address in New Hampshire, a corporation organized under the laws of New Hampshire, or a corporation organized under the laws of any other state of the United States, which has qualified to do business in, and has an office in, New Hampshire.

7. Corporate Records. The original, or attested copies, of the Articles of Agreement, By-Laws and records of all meetings of the members, and the membership records, which shall contain the name of all members, shall be kept in New Hampshire at the principal office of the corporation, or at an office of its transfer agent, Secretary or resident agent.

ARTICLE VIII AMENDMENTS

These By-Laws may be amended or repealed in whole or in part by vote of a majority of the Members then in office. Notice of the substance of any proposed amendment must be included in the notice sent to Members notifying them of the meeting at which the amendment will be acted upon,

ARTICLE IX ENDOWMENT FUND

The Corporation shall maintain an Endowment Fund, which shall consist of assets and funds held in a segregated fashion from other assets and funds of the Corporation. The Board of Directors shall from time to time transfer to the Endowment Fund such assets and funds as it shall deem appropriate. The assets and funds held in the Endowment Fund shall be used at the discretion of the Board of Directors, upon appropriate consideration of the recommendations of the Endowment Committee, to further the charitable purposes of the Corporation. The Endowment Fund may include any property of value, including but not limited to cash, stocks, bonds, real property, remainder interests, and other property of present or future value.

Amended and Restated on September 24, 2004



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/25/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Eaton & Berube Insurance Agency, Inc. 11 Concord Street Nashua NH 03064		CONTACT NAME: Cathy Beauregard PHONE (A/C, No, Ext): 603-882-2766 E-MAIL: cbeauregard@eatonberube.com ADDRESS: cbeauregard@eatonberube.com	
INSURED Marguerite's Place, Inc. & MP Housing 85 Palm Street Nashua NH 03060		INSURER(S) AFFORDING COVERAGE INSURER A: Selective Insurance Group Inc. INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
MARPL		NAIC # 14376	

COVERAGES

CERTIFICATE NUMBER: 1943132408

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	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER		S 2290681	11/1/2019	11/1/2020	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$20,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY		S 2290681	11/1/2019	11/1/2020	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"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE		S 2290681	11/1/2019	11/1/2020	EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000
A	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 <input checked="" type="checkbox"/> N	WC 9057639	11/1/2019	11/1/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Workers Compensation Information: No Excluded officers; Coverage for NH.

CERTIFICATE HOLDER**CANCELLATION**

NH Department of Health & Human Services
State Grant In Aid Homeless Assistance Program
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



MARGUERITE'S PLACE

Where Safety & Strength Begin

Mission Statement of Marguerite's Place, Inc.

Marguerite's Place, Inc. helps women with children achieve self-sufficiency by providing them with safe, stable, transitional housing along with emotional, educational and supportive services.

MARGUERITE'S PLACE, INC.

Financial Statements

For The Years Ended December 31, 2018 and 2017



P.A., Certified Public Accountants

Independent Auditors' Report

To The Board of Directors
Marguerite's Place, Inc.
Nashua, New Hampshire

We have audited the accompanying financial statements of Marguerite's Place, Inc., which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

451 Amherst St.
Nashua, N.H. 03063
(603) 886-1900

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marguerite's Place, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

John H. H. PA CPA

June 19, 2019

MARGUERITE'S PLACE, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
<u>CURRENT ASSETS</u>		
Cash	\$ 274,615	\$ 216,117
Cash restricted	34,640	33,815
Investments	1,371,907	1,526,700
Accounts receivable	24,691	33,973
Loan receivable affiliate	11,592	-
Prepaid expenses	4,478	8,218
	<u>1,721,923</u>	<u>1,818,823</u>
<u>PROPERTY & EQUIPMENT</u>		
Land, building and improvements	1,049,099	1,049,099
Equipment	71,298	67,452
Furniture and fixtures	59,462	59,462
	<u>1,179,859</u>	<u>1,176,013</u>
Less accumulated depreciation	<u>(692,341)</u>	<u>(649,075)</u>
	<u>487,518</u>	<u>526,938</u>
	<u>\$ 2,209,441</u>	<u>\$ 2,345,761</u>
LIABILITIES AND NET ASSETS		
<u>CURRENT LIABILITIES</u>		
Accrued expenses	\$ 16,192	\$ 11,131
Security deposits	4,233	2,944
	<u>20,425</u>	<u>14,075</u>
<u>LONG TERM DEBT</u>	<u>333,520</u>	<u>333,520</u>
<u>NET ASSETS</u>		
Without donor restrictions	1,758,049	1,894,414
With donor restrictions	97,447	103,752
	<u>1,855,496</u>	<u>1,998,166</u>
	<u>\$ 2,209,441</u>	<u>\$ 2,345,761</u>

The Accompanying Notes Are An Integral Part
of These Financial Statements.

MARGUERITE'S PLACE, INC.
STATEMENTS OF ACTIVITIES
For The Years Ended December 31, 2018 and 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>PUBLIC SUPPORT AND REVENUES</u>						
Department of Health and Human Services - State of New Hampshire	\$ 202,347	\$ -	\$ 202,347	\$ 178,848	\$ -	\$ 178,848
City of Nashua	14,731	7,268	21,999	11,245	11,246	22,491
Contributions	355,885	-	355,885	219,194	5,000	224,194
In-kind contribution	473	-	473	4,221	-	4,221
In-kind contribution - interest	33,352	-	33,352	33,352	-	33,352
Special events	227,392	-	227,392	208,197	-	208,197
Client fees	115,451	-	115,451	122,811	-	122,811
Investment return - net	(105,041)	-	(105,041)	235,396	-	235,396
Net assets released from restrictions	13,573	(13,573)	-	14,451	(14,451)	-
Satisfaction of purpose restriction	858,163	(6,305)	851,858	1,027,715	1,795	1,029,510
TOTAL PUBLIC SUPPORT AND REVENUES	858,163	(6,305)	851,858	1,027,715	1,795	1,029,510
<u>EXPENSES</u>						
Supportive services	336,253	-	336,253	341,222	-	341,222
Childcare	377,293	-	377,293	389,441	-	389,441
Administrative	177,786	-	177,786	150,444	-	150,444
Fundraising	103,196	-	103,196	88,049	-	88,049
TOTAL EXPENSES	994,528	-	994,528	969,156	-	969,156
Change in net assets	(136,365)	(6,305)	(142,670)	58,559	1,795	60,354
NET ASSETS, Beginning of Year	1,894,414	103,752	1,998,166	1,835,855	101,957	1,937,812
NET ASSETS, End of Year	\$ 1,758,049	\$ 97,447	\$ 1,855,496	\$ 1,894,414	\$ 103,752	\$ 1,998,166

The Accompanying Notes Are An Integral Part
of These Financial Statements.

MARGUERITE'S PLACE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2018

	Supportive Services	Childcare	Total Program	Administrative	Fundraising	Total Expenses
Salaries	\$ 198,880	\$ 254,836	\$ 453,716	\$ 76,846	\$ 57,358	\$ 587,920
Fringe benefits	30,575	37,301	67,876	4,570	-	72,446
Payroll taxes	15,205	19,339	34,544	7,538	4,388	46,470
Telephone	1,117	2,759	3,876	1,005	112	4,993
Postage	105	112	217	860	96	1,173
Dues/subscriptions	493	375	868	852	3,431	5,151
Printing/office supplies	333	3,676	4,009	4,502	491	9,002
Staff travel	617	136	753	295	33	1,081
Staff development	50	864	914	1,336	-	2,250
Repairs/maintenance	2,250	6,401	8,651	538	66	9,255
Water/sewer	4,259	1,520	5,779	944	117	6,840
Utilities	6,085	1,902	7,987	800	87	8,874
Insurance	9,292	9,967	19,259	2,262	280	21,801
Exterminator	405	405	810	446	55	1,311
Household supplies	-	909	909	152	1	1,062
Dietary costs	1,149	12,674	13,823	688	85	14,596
Contractual costs	1,628	1,738	3,366	31,313	-	34,679
Public relations	48	48	96	871	-	967
Professional fees	410	440	850	24,121	-	24,971
Resident's needs/activities	7,054	320	7,374	490	-	7,864
Real estate taxes	4,445	953	5,398	848	105	6,351
Miscellaneous	929	1,681	2,610	4,110	456	7,176
Bad debts	-	765	765	-	-	765
Substitute teachers and RA's	-	595	595	-	-	595
Special events costs	-	-	-	-	34,995	34,995
Interest expense	-	-	-	2,321	-	2,321
Total expenses before depreciation and mortgage interest	285,329	359,716	645,045	167,708	102,156	914,909
Depreciation	22,196	14,227	36,423	8,944	900	46,267
In-kind interest expense	28,728	3,350	32,078	1,134	140	33,352
Total expenses	\$ 336,253	\$ 377,293	\$ 713,546	\$ 177,786	\$ 103,196	\$ 994,528

The Accompanying Notes Are An Integral Part
of These Financial Statements.

MARGUERITE'S PLACE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2017

	Supportive Services	Childcare	Total Program	Administrative	Fundraising	Total Expenses
Salaries	\$ 185,640	\$ 248,872	\$ 434,512	\$ 86,725	\$ 52,217	\$ 573,454
Fringe benefits	31,362	41,055	72,417	10,108	-	82,525
Payroll taxes	14,628	19,566	34,194	8,737	3,995	46,926
Telephone	1,016	2,745	3,761	914	102	4,777
Postage	600	607	1,207	561	62	1,830
Dues/subscriptions	329	304	633	3,539	393	4,565
Printing/office supplies	1,181	1,189	2,370	1,658	184	4,212
Staff travel	1,710	718	2,428	496	55	2,979
Staff development	531	219	750	629	-	1,379
Repairs/maintenance	15,939	5,894	21,833	4,502	556	26,891
Water/sewer	3,441	1,337	4,778	862	106	5,746
Utilities	2,604	5,085	7,689	1,327	164	9,180
Insurance	11,004	12,347	23,351	3,056	378	26,785
Exterminator	1,804	64	1,868	57	7	1,932
Household supplies	790	1,072	1,862	356	44	2,262
Dietary costs	3,099	12,571	15,670	895	111	16,676
Contractual costs	2,792	2,743	5,535	3,887	-	9,422
Public relations	62	62	124	1,061	-	1,185
Professional fees	166	167	333	8,200	-	8,533
Resident's needs/activities	5,625	206	5,831	-	-	5,831
Real estate taxes	4,284	918	5,202	817	101	6,120
Miscellaneous	1,950	3,700	5,650	2,971	367	8,988
Bad debts	-	6,391	6,391	-	-	6,391
Substitute teachers and RA's	-	4,195	4,195	-	-	4,195
Special events costs	-	-	-	-	28,084	28,084
Total expenses before depreciation and mortgage interest	290,557	372,027	662,584	141,358	86,926	890,868
Depreciation	21,937	14,064	36,001	7,952	983	44,936
In-kind interest expense	28,728	3,350	32,078	1,134	140	33,352
Total expenses	\$ 341,222	\$ 389,441	\$ 730,663	\$ 150,444	\$ 88,049	\$ 969,156

The Accompanying Notes Are An Integral Part
of These Financial Statements.

MARGUERITE'S PLACE, INC.
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2018 and 2017

	2018	2017
Cash flows provided by (used in) operating activities		
Cash received from public support and revenues	\$ 930,280	\$ 746,257
Cash paid to suppliers and employees	(903,559)	(877,547)
Interest and dividend income received (net)	<u>14,718</u>	<u>11,013</u>
Net cash provided by (used in) operating activities	<u>41,439</u>	<u>(120,277)</u>
Cash flows provided by (used in) investing activities		
Capital expenditures	(6,847)	(11,495)
Purchase of securities	(501,281)	(111,453)
Sale of securities	536,315	247,965
Increase (decrease) in security deposits	1,289	-
Increase in cash escrow	<u>(825)</u>	<u>(140)</u>
Net cash provided by investing activities	<u>28,651</u>	<u>124,877</u>
Cash flows provided by (used in) financing activities		
Loan to affiliate	<u>(11,592)</u>	<u>-</u>
Net increase in cash	58,498	4,600
Cash, Beginning of Year	<u>216,117</u>	<u>211,517</u>
Cash, End of Year	<u>\$ 274,615</u>	<u>\$ 216,117</u>

The Accompanying Notes Are An Integral Part
of These Financial Statements.

MARGUERITE'S PLACE, INC.
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Change in net assets	\$ (142,670)	\$ 60,354
Adjustments:		
Depreciation	46,267	44,936
Unrealized (gains) losses on investments	225,504	(136,693)
Realized gains on investments	(105,745)	(87,690)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	9,282	(10,284)
(Increase) decrease in prepaid expenses	3,740	16,749
Increase (decrease) in accrued expenses	<u>5,061</u>	<u>(7,649)</u>
Net cash provided by (used in) operating activities	<u>\$ 41,439</u>	<u>\$ (120,277)</u>

The Accompanying Notes Are An Integral Part
of These Financial Statements.

MARGUERITE'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
For The Years Ended December 31, 2018 and 2017

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Marguerite's Place, Inc. is a not-for-profit organization. It provides supportive services, which include transitional housing, aftercare and child care for women and their children who are in crisis.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Support is recorded when received or pledged. Revenue is recorded when services are rendered. Expenses are recorded when the obligation has been incurred. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by donor.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are classified to net assets without restrictions. Additionally, there may be donor imposed restrictions that the funds be maintained permanently by the Organization.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

MARGUERITE'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
For The Years Ended December 31, 2018 and 2017

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

The Agency utilizes the reserve method of accounting for bad debts and uncollectible promises to give. Management determines reserves based on historical experience and an evaluation of the current status of the specific accounts. A reserve for accounts receivable was not required for the years ended December 31, 2018 and 2017, respectively.

Property, Equipment and Depreciation

Property and equipment are recorded at cost (or fair market value if donated) and are depreciated using the straight-line method over estimated useful lives as follows:

<u>Description</u>	<u>Life</u>
Building and improvements	10-39 years
Equipment	3-5 years
Furniture and fixtures	7 years

Income Taxes

The Organization is exempt from Income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization's income tax filings are subject to audit by various taxing authorities. The Organization's open audit periods are 2015 through 2018. The Organization believes it has met all the requirements to maintain its not-for-profit status and does not have any unrelated business income which would result in taxable income. It is the Organization's policy to expense when paid any interest and penalties associated with its income tax obligations.

Statement of Cash Flow

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

MARGUERITE'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
For The Years Ended December 31, 2018 and 2017

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation, amortization and occupancy, which are allocated on a square footage basis.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NOTE B. CASH RESTRICTED

Funds are being held by the City of Nashua that also holds mortgages on the property. The funds are to be used for capital and operating expenses with the city's approval.

NOTE C. INVESTMENTS

Investments are stated at fair value and consist of:

MARGUERITE'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
For The Years Ended December 31, 2018 and 2017

NOTE C. INVESTMENTS (Continued)

	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
Mutual Fund Shares	\$ 1,351,244	\$ 1,353,780	\$ 2,536
ETF Shares	19,667	18,127	(1,540)
Investments at December 31, 2018	<u>\$ 1,370,911</u>	<u>\$ 1,371,907</u>	<u>\$ 996</u>
Mutual Fund Shares	\$ 1,283,133	\$ 1,506,619	\$ 223,486
ETF Shares	17,067	20,081	3,014
Investments at December 31, 2017	<u>\$ 1,300,200</u>	<u>\$ 1,526,700</u>	<u>\$ 226,500</u>

The following schedule summarizes the investment return for the year:

	2018	2017
Interest and dividend income	\$ 28,236	\$ 24,110
Realized gains	105,745	87,690
Unrealized gains (losses)	(225,504)	136,693
Investment expenses	<u>(13,518)</u>	<u>(13,097)</u>
	<u><u>\$(105,041)</u></u>	<u><u>\$ 235,396</u></u>

NOTE D. RESTRICTIONS ON NET ASSETS

Operating Funds

The Organization has received funding, which has either time or usage restrictions placed on it by the funding source. The balance consists of the following amounts allocated to the following year or until the donor's restriction have been fulfilled.

	2018	2017
City of Nashua for general operations	\$ 7,269	\$ 11,246
Supportive services to supplement costs incurred for residents of Milford	<u>9,678</u>	<u>12,006</u>
	<u><u>\$ 16,947</u></u>	<u><u>\$ 23,252</u></u>

MARGUERITE'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
For The Years Ended December 31, 2018 and 2017

NOTE D. RESTRICTIONS ON NET ASSETS (Continued)

Endowment Fund

The Organization's endowment fund was established in 1999 to support women and children's program services. Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by the Organization indefinitely, and income from the fund is to be expended for women and children's program services. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, therefore, classified amounts in its donor-restricted endowment fund as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Board of Directors of the Organization has interpreted SPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the Organization would consider the fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The fund is not currently underwater.

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowments funds: (1) the duration of preservation of the fund, (2) the purpose of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the investment policies of the Organization.

At June 30, 2018 and 2017, the endowment fund is composed of \$80,500 of funds received to be invested in perpetuity.

The Organization has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and provide its women and children's program services with current income. Endowment assets are invested in mutual funds. The Organization has a policy of appropriating investment funds as required, expending the endowment fund's investment income for women and children's program services during the year in that fiscal quarter. The current spending

MARGUERITE'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
For The Years Ended December 31, 2018 and 2017

NOTE D. RESTRICTIONS ON NET ASSETS (Continued)

policy is not expected to allow the Organization's endowment fund to grow as a result of investment returns. This is consistent with the Organization's objectives to provide income for its women and children's program, preserve endowment assets without subjecting them to substantial risk, and provide additional real growth through new gifts.

	<u>2018</u>	<u>2017</u>
<u>Assets with Donor Restrictions</u>		
Operating funds	\$ 16,947	\$ 23,252
Endowment funds	<u>80,500</u>	<u>80,500</u>
	<u>\$ 97,447</u>	<u>\$ 103,752</u>

NOTE E. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

	<u>2018</u>	<u>2017</u>
Financial assets at year-end		
Cash	\$ 309,255	\$ 249,932
Investments	1,371,907	1,526,700
Accounts receivable	24,691	33,973
Loan receivable, affiliate	<u>11,592</u>	<u>-</u>
	1,717,445	1,810,605
Less those unavailable for general expenditures within one year, due to:		
Cash restricted for capital expenditures	(34,640)	(33,815)
Donor-restricted use for specific residents	(9,679)	(12,006)
Donor-restricted to maintain as an endowment	<u>(80,500)</u>	<u>(80,500)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,592,626</u>	<u>\$ 1,684,284</u>

It is the Organization's liquidity management policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization invests cash in excess of daily requirements in short-term investments. Additionally, the Organization has an endowment fund, in which income generated from the endowment fund is available for general use.

MARGUERITE'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
For The Years Ended December 31, 2018 and 2017

NOTE F. NOTES PAYABLE

Long-term debt consists of the following:

	<u>2018</u>	<u>2017</u>
Notes payable, City of Nashua, secured by real estate. No principal or interest is due until real estate is sold or certain occupancy levels are not met. When either occurs, payment is due upon demand.	<u>\$ 333,520</u>	<u>\$ 333,520</u>

The obligations to Nashua include interest at 10% per annum. The interest payment is waived if occupancy requirements are met. The amount of interest that is waived annually is reflected as revenue and expense in the accompanying statements of activities. There are no principal reductions due unless there is a violation of the terms of the agreement related to occupancy requirements or the real estate is sold. In January 2019, the city discharged the debt in full.

NOTE G. CONCENTRATIONS

Approximately 23% and 17% of public support and revenues were derived from contracts with the New Hampshire government in 2018 and in 2017, respectively.

NOTE H. RELATED PARTY

The Organization's executive director provides administrative services to MP Housing, Inc. The Organization was reimbursed \$24,858 and \$23,239 in years 2018 and 2017, respectively. The amount reduced the payroll expense of the Organization.

NOTE I. CONTINGENCIES

The acquisition of real property and other capital assets has been funded, in part, by federal, state and municipal funds. The governmental agencies retain certain equity interests in the various properties pursuant to the terms of the contracts and grants.

The Organization received money under various state and federal programs. Under the terms of these programs, the Organization is required to use the money during the period for purposes specified in the proposal. If expenditures were found not to have been made in compliance with the proposal, the Organization might be required to repay the funds.

MARGUERITE'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
For The Years Ended December 31, 2018 and 2017

NOTE J. FAIR VALUE INVESTMENTS

The Fair Value Measurements and Disclosures Topic of the codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under the Topic as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy under the Topic are described below:

Level 1: Quoted market prices in active markets, such as the New York Stock Exchange, for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The Organization assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2018 and 2017 there were no such transfers.

For the years ended December 31, 2018 and 2017, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis:

Investments

The fair value of Investments is based upon the fair value of the assets held by the Organization.

The following tables present the Organization's fair value hierarchy for the Investments as of December 31, 2018 and 2017.

MARGUERITE'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
For The Years Ended December 31, 2018 and 2017

NOTE J. FAIR VALUE INVESTMENTS (Continued)

Investments (Continued)

	Total	Quoted Prices Active Markets for Identical Assets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Mutual Fund Shares	\$ 1,353,780	\$ 1,353,780	\$ -	\$ -
ETF Shares	18,127	18,127	-	-
Investments, December 31, 2018	<u>\$ 1,371,907</u>	<u>\$ 1,371,907</u>	<u>\$ -</u>	<u>\$ -</u>

	Total	Quoted Prices Active Markets for Identical Assets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Mutual Fund Shares	\$ 1,506,619	\$ 1,506,619	\$ -	\$ -
ETF Shares	20,081	20,081	-	-
Investments, December 31, 2017	<u>\$ 1,526,700</u>	<u>\$ 1,526,700</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE K. RECLASSIFICATION

Certain data included in the December 31, 2017 financial statements has been reclassified to conform to the current year's presentation.

NOTE L. DATE OF MANAGEMENT EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated events through June 19, 2019, the date that the financial statements were available to be issued.



MARGUERITE'S PLACE

Where Safety & Strength Begin

Marguerite's Place, Inc. and MP Housing, Inc. Board of Directors 2020

Richard Guidoboni, Board Chair
QA Engineer
Fidelity Investments

Deborah Novotny, Vice Chair
Senior VP of Commerical Lending
Enterprise Bank

Sara Crisp, Esq., Secretary
Associate
The Crisp Law Firm

Alina Korsak, CPA, Treasurer
Principal
Melanson Heath

Chief Michael Carignan, Executive
Committee
Chief of Police
Nashua Police Department

Denis Gleeson, Executive Committee
CEO
TNOT Group

Brenda Baron
Director of Operations
Block Engineering

Brian W Hall
President and COO
Physicians Resources LTD

Carol A Martel
Northeastern Counsel
Wine Institute

John Parolin
Retired

Richard Plamondon
VP of Finance
St Joseph's Hospital

Joanna Poulin
Clinical Nursing Faculty
St. Anselm's College

Theresa Rene Whiteley
Child Advocate
CASA NH

Hussein Sy Mahfuz
Co-Owner
PRG Rugs

Naadia Nazeer
Co-Owner
Amherst Therapy Connections

Lianne M. Bower

EDUCATION

New Hampshire College
now Southern New Hampshire University
Bachelor of Science, Human Services 1983

EXPERIENCE

Marguerite's Place, Inc., Nashua, NH

January 2007

Director of Operations and Facilities

Oversee day to day operations of transitional housing, permanent housing, property and grounds. Provide the support services to help families overcome homelessness. Supervise case manager and team of residential aides. Maintain extensive public contact and close working relations with social service agencies in Nashua. Serve on several community committees involving issues of ending and preventing homelessness and ways to improve services for our residents.

June 2003 to

January 2007

Case Manager

Conducted intakes to determine suitability for program; maintained wait list of applicants. Assessed need and made appropriate referrals to other agencies. Maintained case files; provided supportive service as needed for residents and after care clients of Marguerite's Place.

Fotene's Market, Nashua, NH

August 2001 to

June 2003

Manager

Oversee all aspects of operation of a convenience store, deli and floral/garden business. Manage personnel, responsible for financial accounting/bookkeeping, inventory and supplies, close working relationship with vendors and suppliers. Maintain extensive public contact and community service.

**State of New Hampshire, Department of Health & Human Services,
Division of Human Services, Concord, NH**

December 1993 to

August 2001

Support Enforcement Officer II

Investigated support violations, established paternity and orders for child support, prepared documents for judicial presentation, appeared at District and Superior Courts to present cases, negotiated payment plans and drafted agreements, collected child support payments, monitored collection, represented the Division of Human Services in court and administrative hearings, conducted criminal investigations in cases of egregious nature and advised child support staff, recipients and legally liable relatives about federal and state statutes and divisional policy and procedures.

**State of New Hampshire, Department of Health & Human Services,
Division of Human Services, Concord, NH**

June 1985 to
December 1993

Special Investigator

Conducted investigations relative to suspected benefit payment fraud and internal departmental investigations. Questioned suspects, parties and witnesses relating to alleged violations and made recommendations for corrective action. Took sworn statements and depositions for administrative and judicial hearings. Obtained arrest and search warrants necessary to prosecute criminal cases. Examined business, personal and public records relative to such cases. Obtained and served subpoenas, summarized and prepared reports and evidential material for judicial presentation. Prosecuted cases in district court, presented cases before administrative hearings boards, grand juries and tribunals, testified as a witness. Reviewed criminal records to make recommendations on pleas bargains and sentences.

September 1977 to
June 1985

Case Manager

Interviewed applicants to determine eligibility for services and benefits. Assessed need and referred applicants to agency personnel and other agencies as appropriate. Maintained record control, determined continuing eligibility. Extensive public contact with applicants and recipients. Visited or contacted physicians, attorneys, court staff or other professionals in conjunction with providing services. Assisted supervisors in orientation and training of staff, reviewed their work, assisted in their performance evaluations. Identified and/or resolved computer system or processing problems for case processing and benefit determination. Assigned and oversaw completion of work for staff in absence of supervisor. Extensive other agency contact to allow for best delivery of benefits or support.

Londonderry Police Department, Londonderry, NH

January 1976 to
October 1980

Officer

Performed all duties associated with position. Routine patrol, motor vehicle stops and citations, conducted criminal investigations as assigned, interviewed suspects, witnesses and gathered evidence. Testified in court, wrote reports for judicial presentation. Assisted prosecutor in case preparation. Also worked as dispatcher receiving incoming telephone calls from the public and other agencies requesting assistance.

Completed NH Police Standards Training Academy.

Patricia Joseph

Summary of Qualifications:

- Hard worker, quick learner, and the ability to assume responsibility
- Skilled at working with people with diverse backgrounds
- Possess excellent communication and inter-personal skills
- Seven years nonprofit experience in varied capacities
- Demonstrated excellence in delivery and knowledge of client centered services

Experience:

Marguerite's Place, Inc. Case Manager

**2008-Present
2008-2012,
2017-Present**

- Delivered intensive residential case management services to families in crisis
- Partnered with state and local agencies to connect over 120 families with mainstream resources
- Managed the move in/out process for apartment readiness, rent collection, and formal exit
- Coordinated donations from initial contact to distribution and/or storage of items
- Planned and coordinated seasonal events for families from all socioeconomic backgrounds

Director of Development and Public Relations

2012-2013

- Prepared and submitted grant proposals securing \$400,000 in funding
- Planned, developed, and executed fund raising activities within the business community
- Developed marketing materials targeting 300,000 donors to generate program revenue
- Established new business leader partnerships using community services best practices

Ascentria Care Alliance

2014-2016

Career Advisor - NH Health Profession Opportunity Project

- Counsel ### individuals in the development of a long term career pathway through formal intake, assessment and case management
- Provide strengths based vocational and academic counseling
- Update client database and case records according to DHHS/OMHRA specifications
- Monitor individual progress and track outcomes in a data management system
- Liaise with Job Developer to prepare clients for an intensive job search with an 89% success rate
- Maintain contact with client up to 1 year post-employment to track retention

Merrimack Vision Care

**2013-2014,
2016-2017**

Office Assistant

- Maintained operational efficiency through prioritized task management for busy practice
- Resolved insurance and billing claims
- Interacted with general public to achieve customer satisfaction at the highest level

Education:

Southern New Hampshire University
B.S., Management Information Systems
Cum Laude

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract	
Lianne Bower	Director of Operations and Facilities	\$54,620.80	0	0	(operational)
Patti Joseph	Case Manager	\$37,440.00	0	0	(operational)

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and The Nashua Soup Kitchen and Shelter, Inc. (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 2 Quincy Street, Nashua, NH 03061-3116.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$284,806.
2. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
 - 2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
 - 2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
 - 2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1, to read:
 - 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

6/24/2020
Date

Katja S. Fox
Name: KATJA S. FOX
Title: DIRECTOR

The Nashua Soup Kitchen and Shelter, Inc.

6/24/2020
Date

Michael Reinka
Name: Michael Reinka
Title: Executive Director

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/26/20
Date

Catherine Pinos
Name:
Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

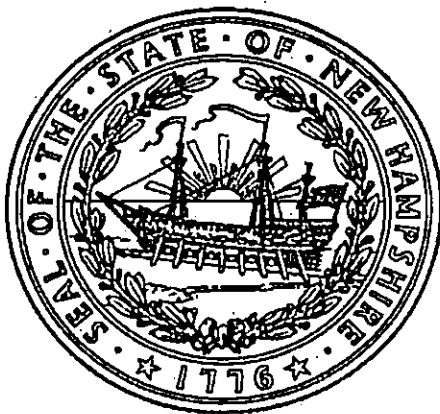
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that NASHUA SOUP KITCHEN AND SHELTER, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 11, 1981. 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: 61911

Certificate Number: 0004636530



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 2nd day of January 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, Michael J. Ryan do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Nashua Soup Kitchen & Shelter, Inc.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of
the Agency duly held on 05/09/2017
(Date)

RESOLVED: That the Executive Director
(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 24th day of May 2019
(Date Contract Signed)

4. Michael Reinke is the duly elected Executive Director of the Agency.
(Name of Contract Signatory) (Title of Contract Signatory)

Michael J. Ryan
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 24th day of May 2019 by Michael J. Ryan
(Name of Elected Officer of the Agency)

Zika Cross MacDonald
(Notary Public/Justice of the Peace)

(NOTARY SEAL) ZIKA CROSS MacDONALD, Notary Public
State of New Hampshire
My Commission Expires February 7, 2023

Commission Expires: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/26/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Eaton & Berube Insurance Agency, Inc. 11 Concord Street Nashua NH 03064		CONTACT NAME: Kimberly Gutekunst PHONE (A/C, No, Ext): 603-882-2766 FAX (A/C, No): 603-886-4230 E-MAIL ADDRESS: kgutekunst@eatonberube.com	
INSURED Nashua Soup Kitchen & Shelter, Inc. P.O. Box 3116 Nashua NH 03061		INSURER(S) AFFORDING COVERAGE INSURER A: The Hanover Insurance Companies INSURER B: AmTrust Group INSURER C: Selective Insurance Group Inc. INSURER D: INSURER E: INSURER F:	
		NAIC # 22292 42376 14376	

COVERAGES

CERTIFICATE NUMBER: 1468713158

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	ADDL SUBR INSD YWYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> 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 <input type="checkbox"/> OTHER:		ZHVA685423	7/1/2020	7/1/2021	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 - COMPI/OP AGG \$ 3,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		ADVA685320	7/1/2020	7/1/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		UHVA685516	7/1/2020	7/1/2021	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
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 <input type="checkbox"/> N/A	WWC3357201	7/1/2020	7/1/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	Property		ZHVA685423	7/1/2020	7/1/2021	Buildings \$2,938,539
A	Crime		ZHVA685423	7/1/2020	7/1/2021	Contents \$226,989
C	Management Liability		MY1006756	7/1/2020	7/1/2021	Crime \$100,000

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

CERTIFICATE HOLDER**CANCELLATION**

State of New Hampshire
Department of Health and Human Services
129 Pleasant Street
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

© 1988-2015 ACORD CORPORATION. All rights reserved.

Vision

The Greater Nashua Community will be one that ensures that the basic needs of all its members are met in a sustainable, accessible, and dignified way.

Mission

Nashua Soup Kitchen & Shelter, Inc. (NSKS) will provide food and shelter to vulnerable individuals and families in the Greater Nashua Region in a dignified and sustainable manner. NSKS works to increase access to a full spectrum of basic needs through advocacy, targeted programs, and collaboration with other organizations.

Visión

La gran comunidad de Nashua sera la que asegure que las necesidades basicas de todos sus miembros se cumplan de una manera sostenible, accessible y de una manera digna.

Declaración de Misión

El Nashua Soup Kitchen & Shelter, Inc. (NSKS) proporcionará comida y albergue a individuos y familias vulnerables de la gran region de Nashua, en una manera digna y sostenible. NSKS trabajara para incrementar acceso a un espectro completo de necesidades a traves de abogacia, programas especificos y colaboraciones con otras organizaciones.

NASHUA SOUP KITCHEN AND SHELTER, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019

AND

INDEPENDENT AUDITORS' REPORT

NASHUA SOUP KITCHEN AND SHELTER, INC.

JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report.....	1 - 2
Financial Statements:	
Statement of Financial Position.....	3
Statement of Activities.....	4 - 5
Statement of Functional Expenses.....	6
Statement of Cash Flows.....	7
Notes to financial Statements.....	8 - 15
Supplemental Information:	
Schedule of Support and Revenue.....	16

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Nashua Soup Kitchen and Shelter, Inc.:

We have audited the accompanying financial statements of Nashua Soup Kitchen and Shelter, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nashua Soup Kitchen and Shelter, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Nashua Soup Kitchen and Shelter, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 22, 2018. In our opinion, the summarized comparative information presents herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional support and revenue on page 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Manchester, New Hampshire
October 8, 2019

NASHUA SOUP KITCHEN AND SHELTER, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

(with comparative totals for 2018)

<u>ASSETS</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2019</u>	<u>Total 2018</u>
CURRENT ASSETS:				
Cash (Note 1)	\$ 144,396	\$ -	\$ 144,396	\$ 182,975
Grants and accounts receivable (Note 1)	40,997	-	40,997	54,782
Prepaid expenses	33,473	-	33,473	34,007
Total current assets	<u>218,866</u>	<u>-</u>	<u>218,866</u>	<u>271,764</u>
INVESTMENTS (Note 2)	<u>748,945</u>	<u>-</u>	<u>748,945</u>	<u>566,623</u>
LAND, BUILDING AND EQUIPMENT, at cost (Notes 1 and 3):				
Land and buildings	2,557,472	-	2,557,472	2,558,522
Building improvements	328,335	-	328,335	340,457
Furniture, fixtures and equipment	205,745	-	205,745	241,624
	<u>3,091,552</u>	<u>-</u>	<u>3,091,552</u>	<u>3,140,603</u>
Less - Accumulated depreciation	745,452	-	745,452	758,311
	<u>2,346,100</u>	<u>-</u>	<u>2,346,100</u>	<u>2,382,292</u>
OTHER ASSETS:				
Notes receivable (Note 8)	<u>100,668</u>	<u>-</u>	<u>100,668</u>	<u>96,113</u>
	<u>\$3,414,579</u>	<u>\$ -</u>	<u>\$3,414,579</u>	<u>\$3,316,792</u>
 <u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 40,634	\$ -	\$ 40,634	\$ 29,533
Accrued expenses	128,227	-	128,227	89,316
Security deposits	-	-	-	1,589
Total current liabilities	<u>168,861</u>	<u>-</u>	<u>168,861</u>	<u>120,438</u>
NET ASSETS (Note 1):				
Without donor restrictions	3,193,065	-	3,193,065	3,196,354
With donor restrictions	-	52,653	52,653	-
Total net assets	<u>3,193,065</u>	<u>52,653</u>	<u>3,245,718</u>	<u>3,196,354</u>
	<u>\$3,361,926</u>	<u>\$ 52,653</u>	<u>\$3,414,579</u>	<u>\$3,316,792</u>

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

NASHUA SOUP KITCHEN AND SHELTER, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019
(with comparative totals for 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2019</u>	<u>Total 2018</u>
SUPPORT AND REVENUE:				
Support				
Public contributions	\$ 915,015	\$ -	\$ 915,015	\$ 804,068
In-kind contributions (Note 4)	1,508,432	-	1,508,432	1,796,189
City of Nashua, New Hampshire Community Block Grant	25,215	-	25,215	23,916
State of New Hampshire Emergency Shelter Program Grant	115,599	-	115,599	115,599
Town grants, New Hampshire	16,000	-	16,000	17,500
Special events	282,187	-	282,187	248,790
Capital campaign & improvements	121,797	52,653	174,450	-
Other grants	76,175	-	76,175	124,010
Rent- Transitional Housing	4,341	-	4,341	11,592
Net assets released from restrictions	-	-	-	-
Total support	<u>3,064,761</u>	<u>52,653</u>	<u>3,117,414</u>	<u>3,141,664</u>
Revenue				
Investment income	13,825	-	13,825	14,555
Investment return	23,205	-	23,205	11,303
Total revenue	<u>37,030</u>	<u>-</u>	<u>37,030</u>	<u>25,858</u>
Total support and revenue	<u>\$3,101,791</u>	<u>\$ 52,653</u>	<u>\$3,154,444</u>	<u>\$3,167,522</u>

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

NASHUA SOUP KITCHEN AND SHELTER, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019
(with comparative totals for 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2019</u>	<u>Total 2018</u>
EXPENSES:				
Program Services				
Kitchen	\$1,793,542	\$ -	\$1,793,542	\$2,431,062
Housing, shelter & services	<u>1,091,488</u>	<u>-</u>	<u>1,091,488</u>	<u>715,225</u>
Total program services	<u>2,885,030</u>	<u>-</u>	<u>2,885,030</u>	<u>3,146,287</u>
Support Services				
Management and general	101,874	-	101,874	91,794
Fundraising	<u>118,176</u>	<u>-</u>	<u>118,176</u>	<u>129,659</u>
Total support services	<u>220,050</u>	<u>-</u>	<u>220,050</u>	<u>221,453</u>
Total program and support expenses	<u>3,105,080</u>	<u>-</u>	<u>3,105,080</u>	<u>3,367,740</u>
INCREASE (DECREASE) IN NET ASSETS	(3,289)	52,653	49,364	(200,218)
NET ASSETS, beginning of year	<u>3,196,354</u>	<u>-</u>	<u>3,196,354</u>	<u>3,396,572</u>
NET ASSETS, end of year	<u>\$3,193,065</u>	<u>\$ 52,653</u>	<u>\$3,245,718</u>	<u>\$3,196,354</u>

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

NASHUA SOUP KITCHEN AND SHELTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2019

(with comparative totals for 2018)

	<u>Program Services</u>		<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2019</u>	<u>Total 2018</u>
	<u>Soup Kitchen</u>	<u>Client Services</u>				
SALARIES AND RELATED EXPENSES:						
Salaries	\$ 248,359	\$ 471,931	\$ 53,529	\$ 12,410	\$ 786,229	\$ 840,558
Payroll taxes	20,847	33,788	4,053	951	59,639	65,171
Employee benefits	<u>37,619</u>	<u>102,436</u>	<u>10,390</u>	<u>2,437</u>	<u>152,882</u>	<u>146,845</u>
	<u>306,825</u>	<u>608,155</u>	<u>67,972</u>	<u>15,798</u>	<u>998,750</u>	<u>1,052,574</u>
OTHER EXPENSES:						
In-kind food and services	1,180,754	264,623	8,779	54,276	1,508,432	1,796,189
Depreciation	43,811	45,304	6,611	1,551	97,277	72,336
Utilities	31,523	19,499	3,785	888	55,695	56,893
Food and supplies	104,830	12,755	-	-	117,585	125,317
Client assistance	-	21,669	-	-	21,669	35,066
Postage	917	795	127	30	1,869	2,264
Insurance	22,201	13,870	2,676	628	39,375	43,063
Office expense	4,768	1,699	2,821	662	9,950	6,827
Telephone	2,074	3,544	416	98	6,132	4,522
Newsletter	8,873	8,099	1,259	295	18,526	18,535
Repairs and maintenance	5,266	6,417	868	202	12,753	6,128
Professional fees	10,710	20,256	2,297	539	33,802	41,795
Miscellaneous	1,110	1,232	174	41	2,557	5,610
Travel	2,228	2,150	-	-	4,378	3,477
Extermination	929	1,591	187	44	2,751	2,470
Advertising and website	943	497	-	-	1,440	2,164
Training	1,170	1,044	-	-	2,214	3,407
Technology expense	9,137	10,759	1,476	346	21,718	
Maintenance services	26,627	6,079	2,426	569	35,701	42,145
Fundraising	-	-	-	42,209	42,209	46,958
Capital campaign expenses	<u>28,846</u>	<u>41,451</u>	<u>-</u>	<u>-</u>	<u>70,297</u>	<u>-</u>
	<u>1,486,717</u>	<u>483,333</u>	<u>33,902</u>	<u>102,378</u>	<u>2,106,330</u>	<u>2,315,166</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$1,793,542</u>	<u>\$1,091,488</u>	<u>\$101,874</u>	<u>\$118,176</u>	<u>\$3,105,080</u>	<u>\$3,367,740</u>

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

NASHUA SOUP KITCHEN AND SHELTER, INC.

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2019
(with comparative totals for 2018)

	<u>Total 2019</u>	<u>Total 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 49,364	\$ (200,218)
Adjustment to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	97,277	72,336
Unrealized (appreciation) depreciation of investments	(22,587)	(11,303)
(Increase) decrease in the following assets:		
Grants and accounts receivable	13,785	(30,131)
Prepaid expenses	534	(8,923)
Increase (decrease) in the following liabilities:		
Accounts payable	11,101	(9,184)
Accrued expenses	38,911	(8,397)
Security deposits	(1,589)	389
Net cash provided by (used in) operating activities	<u>186,796</u>	<u>(195,431)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(61,085)	(23,735)
Net proceeds from sale of investments	-	416,128
Purchase of investments	(159,735)	(505,234)
Increase in note receivable	(4,555)	(4,348)
Net cash provided by (used in) investing activities	<u>(225,375)</u>	<u>(117,189)</u>
NET INCREASE (DECREASE) IN CASH	(38,579)	(312,620)
CASH, beginning of year	<u>182,975</u>	<u>495,595</u>
CASH, end of year	<u>\$ 144,396</u>	<u>\$ 182,975</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

CASH PAID DURING THE YEAR FOR:

Interest	\$ -	\$ -
----------	------	------

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

NASHUA SOUP KITCHEN AND SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. Nature of operations:

The Organization provides meals, emergency shelter, transitional housing, food baskets and advocacy to poor and homeless men, women and families in the Greater Nashua, New Hampshire area. Additionally, the Organization owns a subsidiary that was setup to acquire rental properties in the Greater Nashua area to provide housing to low and moderate income individuals and families.

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

2. Summary of significant accounting policies:

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

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

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

Net assets with donor restrictions - Net assets subject to donor or (or certain grantor) imposed restrictions are assets subject to stipulations imposed by the donor. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NASHUA SOUP KITCHEN AND SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

2. Summary of significant accounting policies (cont't):

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

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

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

Income tax status - The Organization is exempt from income taxes under Internal Revenue Code, Section 501(c)(3). The Organization can be taxed on activities considered by the Internal Revenue Service to be outside of the Organization's exempt purpose.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2019, 2018 and 2017 are subject to examination by the IRS, generally for three years after they were filed.

Land, building and equipment - Land, building and equipment purchased are recorded at cost. The Organization follows the policy of charging to expenses annual amounts of depreciation which allocates the cost of buildings and equipment over their estimated useful lives. The Organization employs the straight-line method for determining the annual charge for depreciation. The ranges of the estimated useful lives used are as follows:

	<u>Years</u>
Buildings	27.5 - 40
Building improvements	27.5
Kitchen equipment	10
Furniture, fixtures and equipment	5 - 10

Expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

NASHUA SOUP KITCHEN AND SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

2. Summary of significant accounting policies (cont'd):

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

Cash and cash equivalents - All highly liquid investments with a maturity of one year or less are considered to be cash equivalents. At June 30, 2019, the carrying amount of the Organization's cash was \$144,396 and the institution balance was \$140,954. Of this amount, all was covered by federal depositor's insurance and none was uninsured.

Grants and accounts receivable - Grants and accounts receivable consists principally of the grants receivable from governmental agencies and rent receivable from tenants. Grants and accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the financial statements. The accounts receivable in the accompanying financial statements have been reduced by an allowance for doubtful accounts of \$ 0.

Advertising costs - The Company expenses all advertising costs as incurred. Advertising and marketing expenses for the year ended June 30, 2019 amounted to \$1,440.

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

NASHUA SOUP KITCHEN AND SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

3. Investments:

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

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

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

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

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

The fair value and unrealized depreciation of investments at December 31, 2018 are summarized as follows:

	<u>Book Value</u>	<u>Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Mutual funds	\$ 714,523	\$740,078	\$ 25,555
Money markets and cash equivalents	<u>8,867</u>	<u>8,867</u>	<u>-</u>
	<u>\$723,390</u>	<u>\$748,945</u>	<u>\$ 25,555</u>

NASHUA SOUP KITCHEN AND SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

3. Investments cont'd):

The Organization recognized net investment return on their investment portfolio of \$23,205 which included recognized realized gains or losses, unrealized appreciation (depreciation) and is net of charged management fees of \$4,277 for the year ended June 30, 2019. The Organization's investments are not insured by the FDIC and are not collateralized and therefore are subject to market risks.

4. In-kind contributions:

Donated materials and equipment are reflected as contributions in the accompanying financial statements at fair market value at the date of the donation. Donated professional services have been reflected in the statements at the fair market value for those services. These transactions have been allocated as follows:

	<u>Kitchen</u>	<u>Client Services</u>	<u>Management and Fundraising</u>	<u>Total</u>
Donated food	\$1,179,633	\$ -	\$ -	\$1,179,633
Donated equipment and materials				
services	<u>1,121</u>	<u>264,623</u>	<u>63,055</u>	<u>328,799</u>
	<u>\$1,180,754</u>	<u>\$264,623</u>	<u>\$63,055</u>	<u>\$1,508,432</u>

5. Retirement plan:

The Organization offers a defined contribution retirement plan under the Internal Revenue Code 403(b) voluntary tax deferred annuity program. Full-time employees are eligible for this benefit after one year of continuous employment. The Organization matches each dollar contributed by employees up to a maximum of 6% of regular salary. For employees hired prior to July 1, 2017 once the employee has reached five years of continuous employment, the Organization will match up to 12% of the employee's regular salary at a ratio of 1 to 1, not to exceed limits allowed under tax law. Total Organizational contributions for the year ended June 30, 2019 were \$43,419.

6. Endowment funds:

Interpretation of relevant law - The Board of the Organization follows the Uniform Prudent Management of Institutional Funds Acts (the Act) and has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

NASHUA SOUP KITCHEN AND SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

6. Endowment funds (cont'd):

The remaining portion of a donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the Act.

In accordance with the Act, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization.
7. The investment policies of the Organization

Return objections and risk parameters - The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Strategies employed for achieving objectives - To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on investments in equity-based investments to achieve its long-term return objectives within prudent risk constraints.

As of June 30, 2019, the Organization no endowment funds.

NASHUA SOUP KITCHEN AND SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

7. Notes receivable:

Note receivable represents unsecured loans made to the NH Community Loan Fund, a non-profit agency, at an interest rate as indicated below. Interest is paid annually at June 30. The note matures as follows:

<u>Note Value</u>	<u>Interest</u>	<u>Maturity</u>
\$ 37,346	5%	11/30/2023
37,347	5%	11/30/2023
25,975	4%	6/30/2029
<u>\$100,668</u>		

Based on interest rates at June 30, 2019 for similar loans by independent established lending institutions, the fair value of these notes approximate the amount recorded in the financial statements at that date.

8. Liquidity and availability of funds:

Nashua Soup Kitchen and Shelter, Inc. (NSK) financial assets available within one year of the statement of financial position for general expenditures are as follows:

Cash and cash equivalents	\$144,396
Grants and accounts receivable	40,997
Investments	<u>748,945</u>
	<u>\$934,338</u>

As part of NSK's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

9. Commitments:

During the year, the Organization (NSK) began negotiations with a local church to potentially lease and renovate a building that would allow NSK to combined its shelter programs and to expand potential client services. NSK signed a forty year lease that expires October 31, 2058 contingent on development costs, city approval and financing. The lease calls for annual payments of \$1 and monthly utility costs.

The organization began feasibility and planning studies and began a capital campaign to help finance these expenses. The organization was able to obtain a grant specific for these costs and as of June 30, 2019 and there were remaining unspent funds of \$52,653 that is shown in donor restricted assets.

NSK anticipates that the necessary studies and financing will be completed in the next fiscal year and if successful to begin renovations shortly thereafter.

NASHUA SOUP KITCHEN AND SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

10. Evaluation of subsequent events:

The Organization has evaluated events through October 8, 2019, the date which the financial statements were available to be issued.

NASHUA SOUP KITCHEN AND SHELTER, INC.

SCHEDULE OF FUNCTIONAL SUPPORT AND REVENUE

FOR THE YEAR ENDED JUNE 30, 2019

(with comparative totals for 2018)

	<u>Program Services</u>				<u>Total</u>	<u>Total</u>
	<u>Soup Kitchen</u>	<u>Client Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2019</u>	<u>2018</u>
SUPPORT AND REVENUE:						
Support						
Public contributions	\$ 479,008	\$422,784	\$ 13,223	\$ -	\$ 915,015	\$ 804,068
In-kind contributions	1,180,754	264,623	8,779	54,276	1,508,432	1,796,189
City of Nashua, New Hampshire	-	25,215	-	-	25,215	23,916
State of New Hampshire						
Emergency Shelter Program Grant	-	115,599	-	-	115,599	115,599
Town Grants	-	16,000	-	-	16,000	17,500
Special events	-	-	-	282,187	282,187	248,790
Capital campaign	87,225	87,225	-	-	174,450	-
Other grants	37,664	33,240	5,271	-	76,175	124,010
Rent	-	4,341	-	-	4,341	11,592
Total support	<u>1,784,651</u>	<u>969,027</u>	<u>27,273</u>	<u>336,463</u>	<u>3,117,414</u>	<u>3,141,664</u>
Revenue						
Interest and dividend income	6,836	6,032	957	-	13,825	14,555
Unrealized appreciation (depreciation)						
on investments	<u>11,473</u>	<u>10,126</u>	<u>1,606</u>	<u>-</u>	<u>23,205</u>	<u>11,303</u>
Total revenue	<u>18,309</u>	<u>16,158</u>	<u>2,563</u>	<u>-</u>	<u>37,030</u>	<u>25,858</u>
Total support and revenue	<u>\$1,802,960</u>	<u>\$985,185</u>	<u>\$ 29,836</u>	<u>\$336,463</u>	<u>\$3,154,444</u>	<u>\$3,167,522</u>

Nashua Soup Kitchen & Shelter, Inc.	
2020 Board of Directors	
Effective 01/01/2020	
Name	Office
Slocum, Mary	President
Feltus, Kathie	Vice President
Ryan, Jerry	Treasurer
Duchesne, Karin	Clerk
Bagley, Keith	
Bennett, Linda	
Burns, Joel	
Goodman, Jane	
Janampa, Paul	
Kelly, Shoshanna	
Kipnes, Linda	
LaRose, Madeleine	
Mangipudi, Krishna	
Polaneczky, Janet	
Ruo, Rick	

Michael Reinke

~~2020-01-01 to 2020-01-01~~
~~2020-01-01 to 2020-01-01~~
~~2020-01-01 to 2020-01-01~~
mreinke@gmail.com

Employment

- | | |
|----------------|---|
| 2016 – present | Executive Director
Nashua Soup Kitchen & Shelter |
| 2015 – 2016 | Executive Director
Inter-Faith Council for Social Service <ul style="list-style-type: none">• Developed \$300,000 of new federal and state grants and increased existing local grants totaling \$100,000 by 13%• Negotiated a \$2,600,000 estate gift• Launched FoodfortheSummer.org doubling the number of meal sites and children served from 2015 to 2016• Identified the resources and opportunity to integrate the agency's five separate databases to one integrated system• Placed 27 articles in the local news media |
| 2012-2015 | Director of Development
Duke University Sanford School of Public Policy – Director of Development <ul style="list-style-type: none">• Managing the major gift initiative for the Sanford School of Public Policy as part of the Duke Forward Campaign• \$25 million raised over a two year period• Developing the infrastructure to long term support for the college |
| 2011- 2012 | Director of Development
PeaceHealth St. Joseph Medical Center Foundation – Major Gifts <ul style="list-style-type: none">• Managed the major gift initiative for the Center for Integrated Cancer Care raising \$8,000,000 in an 11 month period• Formalized a prospect tracking system and with regular reporting• Developed and executed a constituent engagement plans for potential prospects and for healthcare providers |
| 2007 – 2011 | Director of Development
Woodring College of Education, Western Washington University <ul style="list-style-type: none">• Giving by assigned prospects increased 117% from \$81,727 in 2007 to \$178,157 in 2010 fiscal year• Eleven corporations and foundations contributed \$165,000, over the past two and a half years, an increase from one organization contributing \$3,000• Established three endowments with gifts totaling \$100,000• Named scholarships increased 69% from 32 in 2007 to 54 in 2010• Established the first Friends of Woodring with fourteen outside members• Launched a planned giving initiative with initial commitments of \$325,000 |
| 2004 – 2007 | Executive Director
Indiana Coalition on Housing and Homeless Issues <ul style="list-style-type: none">• Annual budget of 1.4 million and a staff of 14 |

- Increased membership by from 57 to 134 members and created the first “legislative awareness day” with 180 people participating annually
- With two other statewide partners developed “Indiana’s Campaign for Affordable Housing” resulting in a \$7,000,000 annual line item, the first state funding for the issue of affordable house
- Corporate support increased from three organizations to ten with an average gift of \$8,000
- Placed over 80 articles in the newspaper, television or radio, including three separate editorials in the Indianapolis Star
- Planned and coordinated the first statewide conference on hunger and nutrition.
- State captain for federal lobbying efforts on homeless and poverty issues.

2001 - 2003

Executive Director

United Way Community Services of Monroe County, Inc.

- Annual budget of 1.6 million and a staff of 7
- Raised a record \$1.78 million in 2002, with over \$130,000 in first-time gifts to the United Way.
- Recruited more than 30 new corporate campaigns with over 4,000 employees, a 25 percent increase.
- Led a community-wide needs assessment providing a five-year plan for community development and philanthropy.
- Introduced and implemented an outcomes-based allocations model.

1997 - 2001

Executive Director

Shelter, Inc.

- Annual budget of \$700,000 and a staff of 20.
- Increased annual giving by 180%, including \$110,000 in individual gifts and \$30,000 in corporate gifts.
- Secured more than one million dollars in renewable and nonrenewable funding from federal, state, and local governments, foundation grants and individual bequests.
- Planned and developed
 - 22 units of transitional housing
 - Indiana’s first federally funded single room occupancy units
 - The Shalom Community Day Center, daily serving over 200 people

1994 - 1997

Executive Director

Holy Trinity Neighborhood Center (Episcopal), New York City, New York

- Annual budget of 120 thousand and a staff of eight.
- Directed a homeless shelter, soup kitchen, after-school program, senior lunch program, computer-learning center, and summer camp.

Volunteer

- Piedmont Health Care – the community health care center for the upper Piedmont Region.
- El Futuro – providing mental health care for children and families where Spanish is the primary language.
- Bull City Forward – promoting social entrepreneurship in the Research Triangle.

Education**MBA**

2010

Western Washington University, Bellingham, Washington

Certification

2000

School of Philanthropy, Indiana University

Nonprofit management

M. Div.

1996

Union Theological Seminary, New York City, New York

Master's thesis on education, religion, and the civil-rights movement

B.A.

1991

Wesleyan University, Middletown, Connecticut

Undergraduate Majors in African-American Studies and Government

RecognitionDistinguished Hoosier, Office of the Governor of Indiana, May 2007**Skills and abilities**

Distance bicycling, guitar, banjo, and mandolin

OLGA CRUZ



EXPERIENCE

12-07 – Present Nashua Soup Kitchen & Shelter Nashua, NH

Program Director

Monitor the daily operations of two emergency shelters, a soup kitchen, 3 transitional apartments, and the administrative staff. Assure that all shelter and kitchen guidelines are followed in order to keep the staff and clients safe. Other responsibilities include budgeting, grant reporting, liaison between the city welfare office and other social service agencies to network in providing services to the clients. Administer performance reviews, supervision of office staff and managers. Participate in the shelter directors meetings, ending homelessness meetings, continuum of care meetings, and other meetings as necessary for the Greater Nashua Area.

2/07 – 12/07 *Hispanic Advocate*

Assisted the Hispanic population in accessing services with other providers and referred them to the appropriate agency. Assessed client needs and assisted them by collaborating with other agencies to obtain funds for clients who were facing eviction, have utility shut off notices, vital records, and other issues. Clients received a loan from the agency so that they can keep their utility services active, and also received financial assistance to avoid eviction.

8/99 - 8/05 CAB Health & Recovery Services, Inc. Danvers, MA

Program Manager

Responsibilities included the overall daily operations of two residential treatment programs for women and children. Assured that all residents were safe and followed program guidelines and procedures. Delegated and monitored tasks assigned to staff for completion in a timely manner. Responsible for accounts receivables, budgeting, staff meetings, liaison between the agency and outside service providers, mediation between residents, administering performance reviews, supervision of all employees, house meetings with residents, attended program managers meetings, health & safety meetings, and other meetings as required. Also helped others with whatever was necessary.

7/97 - 8/99

Office Manager

Supervision of the House Manager and the Driver; arranged meetings, transportation schedule for residents; delegated work; daycare menus; staff meetings; manager meetings; budgeting, incoming calls, general office procedures, accounts receivables, accounts payables; developed and maintained budgets for food, housekeeping, medical supplies, office supplies, etc; data entry for the research team, third party billing, bank deposits, and many other tasks as necessary.

1992-1996 Dipti V. Shah, R.P.T.

Lowell, MA

Officer Manager

Managed three offices for the sole proprietor of a physical therapy office; general office procedures. Accounts payable, accounts receivables, bank deposits, owner's banking accounts, supervised 4 employees plus delegated work to other staff members, traveled between offices for necessary paperwork and files to be completed, incoming and outgoing calls. Produced patient reports, collections, attorney liaison.

Cont'd Olga Cruz Resume

1983 - 1991 Lowell Community Health Center Lowell, MA

Administrative Assistant

Incoming and outgoing calls, third party billing, general office procedures, translated, pediatric/adult appointments, registered new patients, completed new records, data entry, mental health appointments, reports, scheduled meetings, etc.

EDUCATION

University of Phoenix

BS/BM 2010

1994-1996 Newbury College - Brookline, MA

Associates of Science in Paralegal

- Attended 3 semesters of course studies.

1993 G.L.R.V.T.H.S. - Lowell, MA

Legal Secretary Certificate

Intensive 900 hours certificate in a 6 month period. MS Word, Powerpoint, Excel, Desktop Publishing, WordPerfect, Transcribing, Legal Terminology, Technical Business Writing, and Business Math.

Certificate in Collections

Legal Secretary Certificate

Type 95 WPM

Organizational Skills

Communication Skills

Leadership Skills

Certificate in Batterer's Prevention Program

LANGUAGE

Fluent in Spanish

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Michael Reinke	Executive Director	\$97,704	40%	\$39,082
Olga Cruz	Director, Housing Services	\$66,115	100%	\$66,115



New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program

State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and New Generation, Inc., (hereinafter referred to as "the Contractor"), a nonprofit, with a place of business at 9 Tide Mill Road, Greenland, NH 03840.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:

\$162,400.

2. Modify P-37, General Provisions, Section 1.3 to read:

1.3. New Generation, Inc.

3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1, to read:

2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:

4. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4, to read:

2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:

5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.

6. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.

7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:

2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.

8. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1,

New Generation, Inc.

Amendment #1

Page 1 of 4

RFA-2020-DEHS-01-STATE-14-A01

Contractor Initials

NRB

Date

6/25/2020

New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program



to read:

- 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.

New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program



All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

6/29/2020
Date

State of New Hampshire
Department of Health and Human Services

[Signature]
Name: Christie Tappan
Title: Associate Commissioner

New Generation, Inc.

6/25/2020
Date

[Signature]
Name: JULIE Bailey
Title: PKS, Board of Directors

New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/29/20

Date

Catherine Pinos

Name:

Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:

Title:

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 NEW GENERATION, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on March 20, 1987. 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: 108968

Certificate Number : 0004524583



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 5th day of June A.D. 2019.

A handwritten signature in cursive script, appearing to read "Wm Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Julie Fonn Bailey, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of New Generation, Inc
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on June 22nd, 2020, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Julie Fonn Bailey, Pres. Board of Directors (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of New Generation, Inc to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30) days** from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6/22/2020

Julie Fonn Bailey
Signature of Elected Officer
Name: JULIE Fonn Bailey
Title: Pres, Board of Directors



NEWGENE-01

CMOREAU

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/26/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Garnsey Brothers Insurance P.O. Box 1040 Sanford, ME 04073	CONTACT NAME: Cindi Lou Moreau		
	PHONE (A/C, No, Ext): (207) 324-5000	FAX (A/C, No): (207) 324-1563	
	E-MAIL ADDRESS: cb@garnseybrothers.com		
INSURED New Generation, Inc P O Box 676 Greenland, NH 03840	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Massachusetts Bay Insurance Co		22306
	INSURER B: Hanover Insurance Company		22292
	INSURER C: Eastern Alliance Insurance Group		
	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	ADDL INSD	SUBR YVVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> 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 <input type="checkbox"/> OTHER:			ZDP6690876	11/18/2019	11/18/2020	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 \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			AHP6690877	11/18/2019	11/18/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			UHP6741930	11/18/2019	11/18/2020	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ Aggregate \$ 1,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		0000111833	11/18/2019	11/18/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

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

CERTIFICATE HOLDER

CANCELLATION

DHHS, State of NH
129 Pleasant Street
Concord, NH 03301

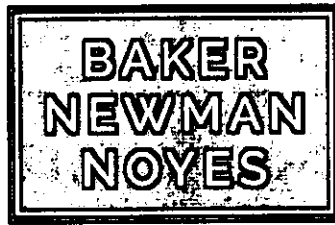
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Cindi Bickford

New Generation Mission Statement

We provide a safe, family-oriented shelter for homeless pregnant women and mothers with babies & children, helping to prepare and empower them to be successful in life.



New Generation, Inc.

Financial Statements

*For the Years Ended June 30, 2019 and 2018
With Independent Accountants' Review Report*

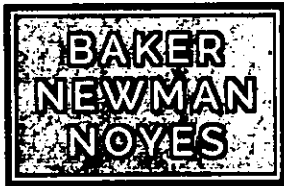
NEW GENERATION, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

For the Years Ended June 30, 2019 and 2018

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountants' Review Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Cash Flows	5
Notes to Financial Statements (Unaudited)	6



Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnn CPA.com

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
New Generation, Inc.

We have reviewed the accompanying financial statements of New Generation Inc., which comprise the statement of financial position as of June 30, 2019, the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountants' Responsibility

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

Accountants' Conclusion

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

Report on 2018 Financial Statements

The 2018 financial statements of New Generation, Inc. were audited by us, and we expressed an unmodified opinion on them in our report, dated November 6, 2018. We have not performed any auditing procedures since that date.

To the Board of Directors
New Generation, Inc.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, in 2019, New Generation, Inc. adopted the provisions of Accounting Standards Update (ASU) No. ASU No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Baker Newman & Noyes LLC

Portsmouth, New Hampshire
November 25, 2019

NEW GENERATION, INC.
STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

	<u>2019</u> (Unaudited)	<u>2018</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 114,046	\$ 52,867
Contributions and grants receivable	18,665	26,962
Inventory	<u>22,650</u>	<u>27,000</u>
Total current assets	155,361	106,829
Building and equipment, at cost:		
Building and improvements	804,138	793,019
Vehicles	18,889	18,889
Furniture and equipment	<u>47,377</u>	<u>47,377</u>
	870,404	859,285
Accumulated depreciation	<u>(595,969)</u>	<u>(570,350)</u>
Total building and equipment, net	274,435	288,935
Other assets:		
Investments	<u>207,047</u>	<u>193,726</u>
Total other assets	<u>207,047</u>	<u>193,726</u>
Total assets	<u>\$ 636,843</u>	<u>\$ 589,490</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 6,757	\$ 4,966
Accrued payroll related expenses	9,553	14,074
Other current liabilities	240	100
Current portion of long-term debt	<u>11,440</u>	<u>13,114</u>
Total current liabilities	27,990	32,254
Long-term debt, less current portion above	<u>256,241</u>	<u>267,582</u>
Total liabilities	284,231	299,836
Net assets:		
Without donor restrictions	<u>352,612</u>	<u>289,654</u>
Total liabilities and net assets	<u>\$636,843</u>	<u>\$ 589,490</u>

See accompanying notes.

NEW GENERATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended June 30, 2019 and 2018

	<u>2019</u> (Unaudited)	<u>2018</u>
Revenue and investment return:		
Fundraising activities	\$ 199,128	\$ 197,755
State of New Hampshire funding	55,350	55,350
Grants	117,433	66,602
Donations – in-kind	28,403	24,582
Donations – cash	60,865	46,532
Resident payments	15,064	12,242
Net investment return	<u>13,322</u>	<u>6,806</u>
Total revenue and investment return	489,565	409,869
Expenses:		
Program expenses	268,414	295,109
Fundraising expenses	76,673	55,198
Administrative expenses	<u>98,302</u>	<u>68,589</u>
Total expenses	443,389	418,896
Thrift store:		
Revenue	175,554	196,015
Operating expenses	<u>(158,772)</u>	<u>(169,665)</u>
Total thrift store	<u>16,782</u>	<u>26,350</u>
Increase in net assets without donor restrictions	<u>62,958</u>	<u>17,323</u>
Total increase in net assets	62,958	17,323
Net assets, beginning of year	<u>289,654</u>	<u>272,331</u>
Net assets, end of year	<u>\$ 352,612</u>	<u>\$ 289,654</u>

See accompanying notes.

NEW GENERATION, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2019 and 2018

	<u>2019</u> (Unaudited)	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 62,958	\$ 17,323
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	25,619	26,199
Amortization of debt issuance costs	98	98
Donation of furniture and equipment	(9,919)	(2,000)
Net realized and unrealized investment gains	(10,192)	(5,144)
Changes in operating assets and liabilities:		
Contributions and grants receivable	8,297	(17,787)
Inventory	4,350	1,000
Deposits	-	1,200
Accounts payable	1,791	(1,255)
Accrued payroll related expenses	(4,521)	737
Other current liabilities	<u>140</u>	<u>100</u>
Net cash provided by operating activities	78,621	20,471
Cash flows from investing activities:		
Net purchases on investments	(3,129)	(8,388)
Payments for the acquisition of building and equipment	<u>(1,200)</u>	<u>(7,447)</u>
Net cash used by investing activities	(4,329)	(15,835)
Cash flows from financing activities:		
Principal payments on long-term debt	<u>(13,113)</u>	<u>(12,475)</u>
Net cash used by financing activities	<u>(13,113)</u>	<u>(12,475)</u>
Net increase (decrease) in cash and cash equivalents	61,179	(7,839)
Cash and cash equivalents, beginning of year	<u>52,867</u>	<u>60,706</u>
Cash and cash equivalents, end of year	<u>\$114,046</u>	<u>\$ 52,867</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 1,142</u>	<u>\$ 1,896</u>
Noncash investing activities:		
In 2019 and 2018, furniture and equipment totaling \$9,919 and \$2,000, respectively, was donated to New Generation.		

See accompanying notes.

NEW GENERATION, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

June 30, 2019 and 2018

1. Summary of Significant Accounting Policies

Organization

New Generation, Inc. (New Generation) is a not-for-profit organization that operates a shelter home for pregnant women and parenting homeless women and their infants in Greenland, New Hampshire. New Generation also runs a thrift shop in Greenland, New Hampshire open to the public that sells donated items.

Cash and Cash Equivalents

For purposes of reporting cash flows, New Generation includes cash on hand, amounts held in various bank accounts and short-term, highly liquid investments as cash, unless segregated for long-term purposes in the investment portfolio. New Generation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. New Generation has not experienced any losses on such accounts.

Contributions Receivable

Unconditional promises to give are recorded as pledges receivable at a present value using a risk-free rate of return, less an appropriate allowance for uncollectible pledges at the time the pledge is made. The allowance for uncollectible pledges is based on an overall review of outstanding pledges and an analysis of individual large pledges outstanding. Pledges are written off when deemed uncollectible.

Contributions and Grants

Unconditional grants and contributions of cash and other assets received without donor stipulations are reported as unrestricted revenue. Contributions of assets other than cash (including thrift shop donations) are recorded at their estimated fair value. Contributions received with a donor stipulation that limits their use are reported within net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, 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.

Unconditional grants and contributions expected to be collected within one year are reported at their net realizable value. Unconditional contributions expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique.

Conditional contributions depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the contribution becomes unconditional or irrevocable.

Inventory

Inventory consists of donated clothing, toys, furnishings, books, and other items held for sale in the thrift shop, and is stated at net realizable value.

NEW GENERATION, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

June 30, 2019 and 2018

1. Summary of Significant Accounting Policies (Continued)

Building and Equipment

Purchased assets are carried at cost, and donated assets are recorded based on their estimated fair market values at the time of the donation, less accumulated depreciation. Major additions are included in the property accounts while maintenance and repairs which do not improve or extend the life of the assets are expensed as incurred. Depreciation is calculated using the straight-line and accelerated methods over the estimated useful lives of the related assets, which range from 5 to 39 years. Depreciation expense for the years ended June 30, 2019 and 2018 was \$25,619 and \$26,199, respectively.

Classification of Net Assets

In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), New Generation is required to report information regarding its financial position and activities according to the following net asset classifications:

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 New Generation. New Generation records restricted contributions whose restrictions are met in the same reporting period within net assets without donor restrictions. These net assets may be used at the discretion of New Generation's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of New Generation, or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. New Generation had no net assets with donor restrictions at June 30, 2019 and 2018.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas which are affected by the use of estimates are donated inventory and other donations in-kind.

Income Taxes

New Generation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for income taxes in the accompanying financial statements.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included in administrative expense.

NEW GENERATION, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

June 30, 2019 and 2018

1. Summary of Significant Accounting Policies (Continued)

New Generation has evaluated the positions taken on its filed tax returns and concluded that no uncertain income tax positions exist at June 30, 2019.

New Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) (ASU 2016-14) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 was effective for New Generation for the year ended June 30, 2019. New Generation has adjusted the presentation of these financial statements and related footnotes accordingly.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842) (ASU 2016-02)*. Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for New Generation on July 1, 2021, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. New Generation is currently evaluating the impact of the pending adoption of ASU 2016-02 on its financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08)*. Due to diversity in practice, ASU 2018-08 clarifies the definition of an exchange transaction as well as the criteria for evaluating whether contributions are unconditional or conditional. ASU 2018-08 is effective for New Generation on July 1, 2019, with early adoption permitted. New Generation is currently evaluating the impact that ASU 2018-08 will have on its financial statements.

Reclassifications

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 financial statement presentation.

Subsequent Events

For the purpose of recognition and disclosure in the financial statements, management has evaluated subsequent events through November 25, 2019, which is the date the financial statements were available to be issued.

NEW GENERATION, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

June 30, 2019 and 2018

2. Line of Credit

New Generation has available a line of credit with a bank that is subject to renewal annually on January 31. The maximum amount that may be borrowed on the line as of June 30, 2019 and 2018 was \$50,000. The line bears interest at 1.5% over the bank's prime lending rate. The line is secured by all the assets of New Generation. There were no outstanding borrowings on the line at June 30, 2019 and 2018.

3. Long-Term Debt

Long-term debt consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Note payable to New Hampshire Housing Finance Authority in monthly installments of principal and interest of \$1,170 at 5% interest, through April 2020, secured by real estate	\$ 11,440	\$ 24,553
Note payable to New Hampshire Housing Finance Authority with no interest, and the principal due in a lump sum payment in September 2027, with the option of extension, secured by real estate	<u>257,040</u>	<u>257,040</u>
	268,480	281,593
Less unamortized debt issuance costs	<u>(799)</u>	<u>(897)</u>
Long-term debt, net of debt issuance costs	267,681	280,696
Less current portion	<u>(11,440)</u>	<u>(13,114)</u>
	<u>\$256,241</u>	<u>\$267,582</u>

Annual maturities of long-term debt are as follows, exclusive of expected amortization of debt issuance costs:

2020	\$ 11,440
2021	-
2022	-
2023	-
2024	-
2025 and thereafter	<u>257,040</u>
	<u>\$268,480</u>

NEW GENERATION, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

June 30, 2019 and 2018

4. Investments and Fair Value

New Generation presents investments at fair value in compliance with the FASB in ASC Topic 820, *Fair Value Measurements and Disclosures*. ASC Topic 820 establishes a framework for measuring fair value and requires assets and liabilities measured at fair value be segregated into the following three categories: (1) Level 1, fair values obtained from quoted prices in active markets for identical assets and liabilities; (2) Level 2, fair values obtained from significant other observable inputs, such as quoted prices for similar assets and liabilities in active markets; and (3) Level 3, fair values obtained from significant unobservable inputs. All of New Generation's investments measured at fair value are measured using Level 1 inputs:

Investments consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 9,743	\$ 19,779
Equities	—	47,310
Equity mutual funds and exchange-traded funds	150,346	97,982
Fixed income mutual funds	<u>46,958</u>	<u>28,655</u>
	<u>\$207,047</u>	<u>\$193,726</u>

Net investment return is summarized as follows for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 5,162	\$ 3,309
Investment fees	(2,032)	(1,647)
Realized gains on sale of investments, net	3,554	1,787
Unrealized gains on investments, net	<u>6,638</u>	<u>3,357</u>
	<u>\$13,322</u>	<u>\$ 6,806</u>

5. Lease Commitment

New Generation is a lessor in an operating lease agreement to rent office equipment. The terms of the office equipment lease are 36 months with an option to purchase the equipment at fair market value at the end of the lease in July 2020. Rent expense for the years ended June 30, 2019 and 2018 was \$3,555 and \$3,779, respectively.

The future minimum lease payments on the operating leases are as follows:

2020	\$ 4,044
2021	<u>337</u>
	<u>\$ 4,381</u>

NEW GENERATION, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

June 30, 2019 and 2018

6. Functional Expenses

Expenses by functional classification other than operating expenses to run the thrift store at June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Program expenses:		
Salaries and wages	\$142,619	\$167,214
Housing expense – other	28,271	40,712
Payroll taxes and benefits	37,135	28,032
Depreciation	25,619	26,199
Housing expense – utilities	15,623	12,109
Insurance	9,702	9,742
Travel	4,565	4,052
Interest	1,240	1,994
Miscellaneous	1,741	4,173
Education	<u>1,899</u>	<u>882</u>
	268,414	295,109
Fundraising expenses:		
Salaries and wages	30,268	9,154
Events expense	39,807	38,581
Payroll taxes and benefits	2,316	690
Office expense	1,868	5,634
Other fundraising expenses	<u>2,414</u>	<u>1,139</u>
	76,673	55,198
Administrative expenses:		
Salaries and wages	48,843	36,613
Professional fees	28,201	6,938
Office expense	4,271	9,279
Payroll taxes and benefits	2,749	2,780
Bad debt expense	1,042	2,650
Telephone	5,466	5,182
Other expenses	7,210	3,860
Insurance	<u>520</u>	<u>1,287</u>
	<u>98,302</u>	<u>68,589</u>
	<u>\$443,389</u>	<u>\$418,896</u>

The financial statements report certain expense categories that are attributable to more than one program service or support function. Accordingly, certain costs have been allocated based on direct costs, usage and other factors.

NEW GENERATION, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

June 30, 2019 and 2018

7. Financial Assets and Liquidity Resources

As of June 30, 2019, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following:

Cash and cash equivalents	\$114,046
Contributions and grants receivable	<u>18,665</u>
	<u>\$132,711</u>

To manage liquidity, New Generation maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to New Generation. New Generation also has a \$50,000 line of credit available to support any cash shortfalls that may occur.



newgeneration

Shelter and Support for Mothers and Children Since 1987

Board of Directors-March 2020

Julie Ford Bailey (President) 43 Langdale Drive Hampton, NH 03842 603-770-7641 surfingnh@comcast.net	Laurie Caruso 17 Great Gate Drive Hampton, NH 03842 617-839-6940 Laurie.caruso@ymail.com
Jennifer Stout 72 Tidy Road Eliot, Maine 03903 207-467-5641 j8morgan@comcast.net	Diane Withee (Treasurer) 1 Squier Drive North Hampton, NH 03862 603-498-0062 c_d.withee@comcast.net
Dennis Malloy 10 Van Etten Drive Greenland, NH 03840 603-970-1827 dennis@dennismalloy.com	Dr. Sonja Nelson 13 Cortland Drive Greenland, NH 03840 603-380-0822 s.nelsonwha@gmail.com
Bria Day 75 Hayden Circle Hampton, NH 03842 978-290-1684 briasup9@gmail.com	Morey Goodman 17 Nantucket Place Greenland, NH 03840 603-502-5100 namdoogm@comcast.net
Kathleen Kilgore 220 Atlantic Ave North Hampton, NH 03862 603-828-7017 kathleenmkilgore@gmail.com	

Donna Marsh

SKILLS AND STRENGTHS

- Strategic planning, messaging and implementation
- Community outreach and relationship management
- Public relations strategy and project management
- Special events planning and communications
- Writing and editing
- Digital communications

PROFESSIONAL EXPERIENCE

2017-Present **New Generation, Inc., Executive Director**

- Responsible for oversight of all New Generation, Inc. operations, human resources, property management, finances, program development and evaluation, case management, retail management, development, and volunteer program.
- Oversee development of programming and care plans including access to external resources for women and children residents.
- Manage an operational staff of 13 employees.
- Create and execute annual development and fundraising plan including all grant and funding requests to meet budget.
- Handle all public and media relations activities including public speaking opportunities.
- Execute the strategic plan in partnership with the Board of Directors.
- Partner with businesses, foundations, and other non-profits throughout the state.

**2012 -
Present**

Donna Marsh Communications, Independent Communications Consultant

Independent consultant working with businesses and nonprofits in a variety of industries on communications, strategic planning and special events.

2007-2013 **Pax World Management LLC, Portsmouth NH, Marketing Communications Manager**

- Managed major communications projects from initial concept through final delivery.
- Worked with senior management and outside vendors to ensure communications were aligned with corporate messaging and targeted to appropriate audiences.
- Ensured timely delivery of multiple projects by applying outstanding project management skills working in a high volume, deadline-driven environment.
- Managed representatives of outside agencies.
- Wrote and edited sales and marketing collateral including presentations, emails, newsletters, website content and direct mail pieces.
- Oversaw execution of corporate social media launches.

2005 - 2007 Bisson Barcelona, Barrington, NH, Publicist

- Handled full publicity campaigns for entrepreneurs and touring authors.
- Arranged publicity engagements such as speaking events and book signings.
- Developed and wrote all marketing material.
- Managed campaign schedules, budgets, client correspondence and updates.
- Helped expand business through sales, networking, hiring and marketing.
- As first company publicist, contributed to company revenue growth of 100% in one year.

1/00 to 9/01 Citizens Funds, Portsmouth, NH, Marketing Manager

- Managed communications for one of the country's fastest-growing investment companies.
- Wrote and edited marketing materials including shareholder newsletters, brochures, fund manager commentary, website content, op-ed articles and executive speeches.
- Worked with senior management on company-wide marketing and public relations activities.
- Pitched story ideas to media while building and maintaining critical relationships.
- Coordinated and implemented all community and media events.

11/97 to 9/99 Standard & Poor's, Boston, MA, Editor

- Wrote and edited marketing communications content for major mutual fund shareholder, 401(k), insurance and private banking clients.
- Managed team editorial process from copy proposal to delivery.
- Conducted interviews with portfolio managers, investment officers and/or economists.

4/95 to 11/97 Fidelity Investments, Boston, MA, Account Executive; Correspondence Analyst

- Assisted high net worth clients in developing charitable estate planning strategies.
- Met or exceeded sales goals each quarter.
- Developed sales correspondence and managed client communications process.
- Handled customer issues involving trade disputes, investment performance, portfolio management, corporate policies and all brokerage and mutual funds products.

1995-1997 The Adoption Agency, Ardmore, PA, Public Relations Manager

- Responsible for all communications initiatives for tri-state adoption agency with four regional offices.
- Managed all outreach activities with local communities.
- Handled marketing and media relations activities.

EDUCATION

- B.A. in Journalism; Minor in Communications Media. **Indiana University of Pennsylvania**
- Completed coursework in M.A. Communications Media program, **Boston University**

COMMUNITY/VOLUNTEER

Past Vice Chairman, New Hope for Adoption

Current Special Events and Communications Coordinator, Journeyman Basketball

Past Board Member, Fund Raising Chairman, Stratham Youth Baseball Board

Past Development Committee, Sacred Heart School

Professional samples, references and client list available upon request.

Amy Michaels
Parent Educator
12 Phelps Street
Kittery, Maine 03904
(603)534-0509
Amyemichaels84@gmail.com

Skills

Highly qualified in child development with an emphasis on trauma informed care.

Develop, and instruct parenting programs using a wide variety of teaching aids, motivational and implementation strategies to encourage students in active learning.

Familiar with local resources in housing, childcare, recovery supports, and job search.

Experience

New Generation, Inc. Greenland NH- Parent Educator
October 2018-Present

Strafford County DOC, Dover NH-Parent Educator
June 2018-December 2018

Early Head Start, Dover, NH- Home Visitor
May 2017-June 2018

Hope on Haven Hill, Rochester, NH- Child Development Specialist
July 2016-May 2017

Education

Wheelock College, Boston, MA- MS Leadership and Policy in Early Care and Education
University of New Hampshire, Durham NH-BS Child and Family studies

Professional Certification

Parent Educator, Nurturing Parents
Parent Educator, Nurturing Parents with Substance Use Disorder
Reiki level 1 Practitioner

State Certification

Certified Recovery Support Worker, License number 0173

References available upon request

DOROTHY MONTOYA

OBJECTIVE

To return to a case management position which incorporates my current knowledge and skills assisting recovering families willing to further their path to self-sufficiency.

SKILLS & ABILITIES

Ability to maintain accurate records for state reporting while following all required HIPPA regulations
Skilled in training and mentoring new employees and volunteers
Competent facilitator of multi age and discipline education groups

EXPERIENCE

Recovery Support Worker, Hope on Haven Hill
Assist in the day to day activities of recovering families.
Teach various recovery topics to residents
Act as a mentor for moms in recovery

September
2018-current

Recovery Coach, SOS Recovery Community Organization
Assist in the assessment of individual needs; identify resources that aid in the development of a personal plan for recovery.

January 2018-
current

Telephone Recovery Support Services Supervisor, SOS Recovery Community Organization
Supervises volunteers who are supporting individuals through telephone outreach
Facilitates a bi-weekly peer supported supervision

September
2017-Current

Whole Health Advisor, Goodwin community health center
Deliver a 12 week course on whole health and wellness to include spiritual, mental, physical and emotional wellbeing.

September
2015-Current

Head Start Family Advocate, Rockingham Community Action
Assisted families in accessing community resources to ensure stability in the child's home life.

September
2000-June
2004

EDUCATION

BS Management, Keene State College, Keene NH
Minor Social work, Keene State College, Keene NH

1990-1994

AMY DONLE

PROFILE

Versatile skill set with experience in customer service, sales, written and oral communication. A self-starter and quick learner. Received multiple awards for excellence. Recognized skills in client satisfaction.

EXPERIENCE

Staff support, administrative duties, RSS scheduler, structure maintenance, marketing and social media, resident support, volunteer coordinator, fund development, event support and development, website maintenance

Photographer, marketing, publications stringer, image editing, toning, website development and maintenance, client relations

Office management; staff support, client advocacy, sales, Quickbooks, marketing and research

Photo assignment scheduling, shooting, toning, editing, submitting for publication

Receptionist, staff support, customer service, data entry, marketing

Office management; department team leader, accounts management, retail sales

Answering phones, greeting clients, staff support, assist CEO, sales and marketing departments

EDUCATION

SUNY POTSDAM, Potsdam, NY Studied 1983-1986

SUNY COBLESKILL, Cobleskill, NY Studied 1986-1987

MCINTOSH COLLEGE, Dover, NH - 2004-Associates Degree- Photography

SUNY COBLESKILL, Cobleskill, NY- 2007-Associates Degree- Computer Information Systems

BRANDY L. RICKABY

PROFESSIONAL SUMMARY

Administrative support professional experienced working in fast-paced environments demanding strong organizational, technical, and interpersonal skills. Highly trustworthy, ethical, and discreet; committed to superior customer service. Excellent written/verbal communication skills. Adept troubleshooter and problem-solver. Detail-oriented multitasker resourceful in completing projects. Computer skills include MS Word, Excel, PowerPoint, Internet research, and word-processing speed of 50 w.p.m.

WORK EXPERIENCE

New Generation, Greenland, NH

05/2019-Present

RSS-Resident Support Staff

- Provide general support and encouragement to residents
- Support residents with social and interpersonal development
- Collect and maintain rental payment history
- Oversee and encourage weekly goals

EASTCONN @ CTWorks, Danielson, CT

4/2012- 2014

Receptionist

- Greet customers entering building, determine nature and purpose of visit, and direct or escort them to specific destinations.
- Transmit information and documents to customers, using computer, mail, or facsimile machine.
- Hear and resolve complaints from customers or the public.

Foxwoods Casino, High Rollers Luxury Lanes & Lounge, Ledyard, CT

2010-2011

Food/Cocktail Server

- Ensured customer satisfaction and took action to correct any problems.
- Served food and beverages to patrons, and served specialty dishes at tables as required.
- Prepared checks that itemize and total meal costs and sales taxes.
- Collected payments from customers.

Olive Garden Italian Restaurant, Augusta, ME

2005-2010

Hostess and Food/Cocktail Server

- Ensured customer satisfaction and took action to correct any problems.
- Served food and beverages to patrons, and served specialty dishes at tables as required.
- Prepared checks that itemize and total meal costs and sales taxes.
- Collected payments from customers.

EDUCATION

Springfield College, Springfield, MA 2002-2003

Business Administration

Killingly High School, Killingly, CT

High School Diploma

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Donna Marsh	Director	\$26,000	100%	\$26,000
Amy Michaels	Director	\$44,000	100%	\$45,000

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and New Hampshire Coalition Against Domestic and Sexual Violence, (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at One Hundred North Main Street, Concord, NH 03301.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$791,802.
2. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
 - 2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
 - 2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
 - 2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1, to read:
 - 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the ~~fiftieth~~ ^{FIFTEENTH}

New Hampshire Coalition Against Domestic

And Sexual Violence

RFA-2020-DEHS-01-STATE-15-A01

Amendment #1

Page 1 of 4

Contractor Initials

WMS

WMS

Date 4-24-2020

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



(15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

Christine Santaniello

June 25, 2020

Date

Name: Christine Santaniello
Title: Director, DEHS

New Hampshire Coalition Against Domestic and Sexual
Violence

6. 24. 2020

Date

[Signature]
Name:
Title:

Executive Director

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/25/20
Date

Catherine Pinos
Name:
Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

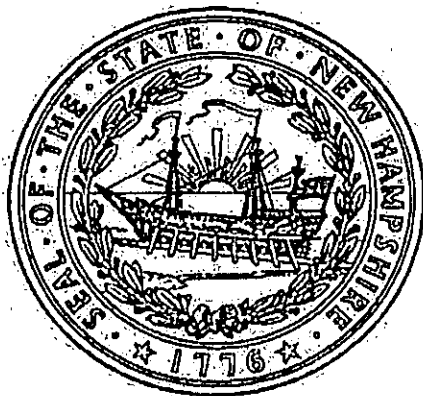
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that NEW HAMPSHIRE COALITION AGAINST DOMESTIC AND SEXUAL VIOLENCE is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on April 30, 1981. 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: 63838

Certificate Number: 0004881496



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 2nd day of April A.D. 2020.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Lindsay Nadeau, hereby certify that:
(Name of the elected Officer of the Corporation/LLC: cannot be contract signatory)

1. I am a duly elected Chairperson/Officer of the NH Coalition Against Domestic and Sexual Violence ____
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on December 10, 2019__, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Lyn M. Schollett, Executive Director (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of the NH Coalition Against Domestic and Sexual Violence to enter into contracts or
(Name of Corporation/ LLC)

agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30) days** from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: June 19, 2020


Signature of Elected Officer

Name: Lindsay Nadeau

Title: Chairperson, Board of Directors



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/28/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER E & S Insurance Services LLC 21 Meadowbrook Lane P O Box 7425 Gilford NH 03247-7425		CONTACT NAME: Eleanor Spinazzola PHONE (A/C, No, Ext): (603) 293-2791 FAX (A/C, No): (603) 293-7188 E-MAIL ADDRESS: Eleanorspinazzola@esinsurance.net	
INSURED NH Coalition Against Domestic and Sexual Violence, DBA: NHCADSV PO Box 353 Concord NH 03302		INSURER(S) AFFORDING COVERAGE INSURER A: Great American Insurance Group INSURER B: Liberty Mutual Agency Corporation INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 2020

REVISION NUMBER:

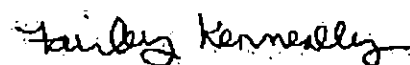
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> 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:			MAC5464236-19	05/15/2020	05/15/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			MAC5464236-19	05/15/2020	05/15/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 100,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			UMB8234007-12	05/15/2020	05/15/2021	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
	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 <input checked="" type="checkbox"/> N	N/A	WC5-31S-604577-010	05/15/2020	05/15/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.I. EACH ACCIDENT \$ 500,000 E.I. DISEASE - EA EMPLOYEE \$ 500,000 E.I. DISEASE - POLICY LIMIT \$ 500,000

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

CERTIFICATE HOLDER

CANCELLATION

NH DHHS 129 Pleasant Street 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 
--	---

© 1988-2015 ACORD CORPORATION. All rights reserved.



NHCADSV Vision and Mission

Vision

All New Hampshire communities provide safety for every person.

Mission

The New Hampshire Coalition Against Domestic and Sexual Violence creates safe and just communities through advocacy, prevention and empowerment of anyone affected by sexual violence, domestic violence and stalking.

Note: The language below will be used in grant applications and other documents to provide further clarification of what the Coalition does.

The statement above is the actual Mission Statement.

This mission is accomplished by the Coalition, which includes 13 independent community-based member programs, a Board of Directors and a central staff working together to:

- Influence public policy on the local, state and national levels;
- Ensure that quality services are provided to victims;
- Promote the accountability of societal systems and communities for their responses to sexual violence, domestic violence and stalking;
- Prevent violence and abuse before they occur.

Approved April 2011

New Hampshire Coalition Against Domestic & Sexual Violence • PO Box 353 • Concord, NH 03302 • 603.224.8893

NHCADSV.ORG

NEW HAMPSHIRE COALITION AGAINST
DOMESTIC AND SEXUAL VIOLENCE

AUDITED FINANCIAL STATEMENTS

June 30, 2019 and 2018

SINGLE AUDIT REPORTS

June 30, 2019

Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position, June 30, 2019 With Comparative Totals for June 30, 2018	3
Statement of Activities, Year Ended June 30, 2019 With Comparative Totals for Year Ended June 30, 2018	4
Statement of Functional Expenses, Year Ended June 30, 2019 With Comparative Totals for Year Ended June 30, 2018	5
Statements of Cash Flows, Years Ended June 30, 2019 and 2018	6
Notes to Financial Statements	7-14
 GOVERNMENT AUDITING STANDARDS AND SINGLE AUDIT ACT REPORTS AND SCHEDULES	
 INDEPENDENT AUDITOR'S REPORT on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15-16
 INDEPENDENT AUDITOR'S REPORT on Compliance for Each Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	17-18
 Schedule of Findings and Questioned Costs	
Section I – Summary of Auditor's Results	19
Section II - Financial Statement Findings – None	19
Section III – Federal Award Findings and Questioned Costs – None	19
 Schedule of Expenditures of Federal Awards	20
 Notes to Schedule of Expenditures of Federal Awards	21

ROWLEY & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
46 N. STATE STREET
CONCORD, NEW HAMPSHIRE 03301
TELEPHONE (603) 228-5400
FAX # (603) 226-3532

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER OF THE PRIVATE
COMPANIES PRACTICE SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Hampshire Coalition
Against Domestic and Sexual Violence
Concord, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of New Hampshire Coalition Against Domestic and Sexual Violence (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019 and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Coalition Against Domestic and Sexual Violence as of June 30, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the New Hampshire Coalition Against Domestic and Sexual Violence's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 19, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2019, on our consideration of New Hampshire Coalition Against Domestic and Sexual Violence's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Hampshire Coalition Against Domestic and Sexual Violence's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New Hampshire Coalition Against Domestic and Sexual Violence's internal control over financial reporting and compliance.

Rowley & Associates, P.C.

Rowley & Associates, P.C.
Concord, New Hampshire
October 4, 2019

New Hampshire Coalition Against Domestic and Sexual Violence
Statement of Financial Position
June 30, 2019 With Comparative Totals for June 30, 2018
See Independent Auditors' Report

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2019	2018
ASSETS				
<u>CURRENT ASSETS</u>				
Cash and Cash Equivalents	\$ 364,045	\$ 46,760	\$ 410,805	\$ 557,853
Grants Receivable	1,881,645	-	1,881,645	1,527,457
Prepaid Expenses	19,916	-	19,916	20,421
Total Current Assets	2,265,606	46,760	2,312,366	2,105,731
<u>PROPERTY AND EQUIPMENT</u>				
Land	-	-	-	52,143
Building	-	-	-	267,592
Equipment	14,654	-	14,654	114,179
Building and Leasehold Improvements	27,719	-	27,719	53,455
	42,373	-	42,373	487,369
Less Accumulated Depreciation	(9,494)	-	(9,494)	(237,534)
Total Property and Equipment, Net	32,879	-	32,879	249,835
<u>LONG-TERM ASSETS</u>				
Cash and Cash Equivalents Designated for Long-Term Investment	350,655	-	350,655	-
Security Deposit	6,213	-	6,213	6,213
Total Long-Term Assets	356,868	-	356,868	6,213
Total Assets	\$ 2,655,353	\$ 46,760	\$ 2,702,113	\$ 2,361,779
LIABILITIES AND NET ASSETS				
<u>CURRENT LIABILITIES</u>				
Current Portion of Long-Term Debt	\$ -	\$ -	\$ -	\$ 6,354
Accounts Payable	1,587,493	-	1,587,493	1,230,380
Accrued Expenses	103,664	-	103,664	105,157
Federal Taxes Payable	1,428	-	1,428	-
Total Current Liabilities	1,692,585	-	1,692,585	1,341,891
<u>LONG-TERM LIABILITIES</u>				
Long-Term Debt, Net of Current Portion	-	-	-	31,508
<u>NET ASSETS</u>				
Without Donor Restriction	962,768	-	962,768	949,400
With Donor Restriction	-	46,760	46,760	38,980
Total Net Assets	962,768	46,760	1,009,528	988,380
Total Liabilities and Net Assets	\$ 2,655,353	\$ 46,760	\$ 2,702,113	\$ 2,361,779

New Hampshire Coalition Against Domestic and Sexual Violence
 Statements of Activities and Changes in Net Assets
 Year Ended June 30, 2019, With Comparative Totals for Year Ended June 30, 2018
 See Independent Auditors' Report

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	2019	2018
<u>SUPPORT AND REVENUE</u>				
Grant Revenue	\$ 7,493,193	\$ 87,220	\$ 7,580,413	\$ 6,388,663
Contributions	204,789	-	204,789	233,980
Donated Services	106,680	-	106,680	129,417
Gain on Sale of Property and Equipment	19,018	-	19,018	-
Miscellaneous Income	36,182	-	36,182	23,338
Total Support and Revenue	<u>7,859,862</u>	<u>87,220</u>	<u>7,947,082</u>	<u>6,775,398</u>
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>				
Net Assets Released from Donor Imposed Restriction	<u>79,440</u>	<u>(79,440)</u>		
<u>EXPENSES</u>				
Program Services	7,783,527	-	7,783,527	6,653,578
Management and General	112,718	-	112,718	112,249
Fundraising	29,689	-	29,689	20,707
Total expenses	<u>7,925,934</u>	<u>-</u>	<u>7,925,934</u>	<u>6,786,534</u>
INCREASE (DECREASE) IN NET ASSETS	13,368	7,780	21,148	(11,136)
NET ASSETS AT BEGINNING OF YEAR	<u>949,400</u>	<u>38,980</u>	<u>988,380</u>	<u>999,516</u>
NET ASSETS AT END OF YEAR	<u>\$ 962,768</u>	<u>\$ 46,760</u>	<u>\$ 1,009,528</u>	<u>\$ 988,380</u>

New Hampshire Coalition Against Domestic and Sexual Violence
Statement of Functional Expenses
Year Ended June 30, 2019
With Comparative Totals for Year Ended June 30, 2018
See Independent Auditors' Report

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total 2019</u>	<u>Total 2018</u>
Salaries	\$ 971,527	\$ 66,056	\$ 17,622	\$ 1,055,205	\$ 1,114,419
Payroll taxes	78,304	5,324	1,420	85,048	89,530
Health and Dental Insurance	91,266	6,205	1,655	99,126	86,950
Other Employee Benefits	31,571	2,147	572	34,290	37,090
Professional Services	126,638	8,610	2,297	137,545	179,140
Contract/Grant Services	5,749,544	-	-	5,749,544	4,707,965
Survivor Grants	253,628	-	-	253,628	109,630
Memberships	3,985	271	72	4,328	3,559
Publications	1,186	81	21	1,288	1,116
Advertising/Public Awareness	3,404	231	62	3,697	401
Copying	3,132	213	57	3,402	4,642
Office Supplies	38,424	2,612	697	41,733	48,452
Postage	5,389	366	98	5,853	4,670
Printing	7,264	494	132	7,890	11,573
Equipment & Moving	3,150	214	57	3,421	12,952
Maintenance & Repair	42,204	2,870	766	45,840	34,334
Rent Expense	76,211	5,182	1,382	82,775	23,599
Interest	474	32	9	515	2,054
Parking	6,589	448	120	7,157	4,094
Insurance	7,547	513	137	8,197	12,104
PMC Partial Reimbursement	1,335	91	24	1,450	1,300
Staff Development	23,713	1,612	430	25,755	17,399
Travel	47,478	3,228	861	51,567	55,791
Telephone	46,846	3,185	850	50,881	37,607
Utilities	346	24	6	376	8,950
Miscellaneous	-	-	-	-	1,410
AVAP Miscellaneous Expense	59,891	-	-	59,891	63,181
AVAP Member Training/Education	4,621	-	-	4,621	6,376
Direct Training	48,589	-	-	48,589	47,172
Community Education	30,441	-	-	30,441	35,878
Depreciation Expense	6,982	475	127	7,584	10,773
Accounting Fees	11,848	806	215	12,869	12,423
Federal Taxes	-	1,428	-	1,428	-
Total Expenses	\$ 7,783,527	\$ 112,718	\$ 29,689	\$ 7,925,934	\$ 6,786,534

Notes to Financial Statements

New Hampshire Coalition Against Domestic and Sexual Violence
 Statements of Cash Flows
 Years Ended June 30, 2019 and 2018
 See Independent Auditors' Report

	<u>2019</u>	<u>2018</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (Decrease) in Net Assets	\$ 21,148	\$ (11,136)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	7,584	10,773
Gain on Sale of Property and Equipment	(19,018)	-
(Increase) Decrease in Operating Assets:		
Grants Receivable	(354,188)	(210,824)
Prepaid Expenses	505	(8,905)
Security Deposit	-	(6,213)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	357,113	115,091
Accrued Expenses	(1,493)	20,654
Federal Taxes Payable	1,428	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>13,079</u>	<u>(90,560)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net Proceeds on Sale of Property and Equipment	228,390	-
Acquisition of Property and Equipment	-	(39,275)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>228,390</u>	<u>(39,275)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayment of Long-Term Debt	(37,862)	(6,045)
NET CASH USED BY FINANCING ACTIVITIES	<u>(37,862)</u>	<u>(6,045)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	203,607	(135,880)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>557,853</u>	<u>693,733</u>
CASH AND CASH EQUIVALENTS, AT END OF YEAR	<u>\$ 761,460</u>	<u>\$ 557,853</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid during the year for:		
Interest	<u>\$ 515</u>	<u>\$ 2,054</u>
Donated Services	<u>\$ 106,680</u>	<u>\$ 129,417</u>



Chairperson

Lindsay Nadeau
Attorney
Orr & Reno

David Bellman
President
Bellman Jewelers

Vice Chair

Amy Vorenberg
Professor
UNH School of Law

Deb Mozden
Executive Director
Turning Points Network

Treasurer

Susan Nooney
Accountant
Susan Nooney CPA

Kathy Beebe
Executive Director
HAVEN

Clerk

Suzanne Carmichael
Mentor Program Coordinator
John Stark Regional High School

Krista Dupre
Tax Manager
Nathan Wechsler & Co

Maryann Evers
Clinical Social Worker/Manager
Waypoint

Brian Harlow
Community Activist

Chelsea LaCasse
Pharmacist
CVS Pharmacy

New Hampshire Coalition Against Domestic & Sexual Violence • PO Box 353 • Concord, NH 03302 • 603.224.8893

NHCADSV.ORG

Marie R. Linebaugh

WORK EXPERIENCE

New Hampshire Coalition Against Domestic and Sexual Violence

Concord, NH

Program Director

September 2015-Present

- o Implement and direct statewide initiatives of NHCADSV and its member programs.
- o Recruit and supervise six program staff, as they implement and sustain initiatives of the NHCADSV.
- o Oversee training and technical assistance efforts of the NHCADSV.
- o Develop and implement evaluation tools for statewide programs and special projects.
- o Provide high level management and support to the AmeriCorps Victim Assistance Program (AVAP.)
- o Secured three-year competitive federal funding to support AVAP and developed evaluation methods to measure program outcomes.
- o Serve as liaison to the NHCADSV's 13 member programs by identifying needed resources and training to improve direct service delivery.
- o Serve on statewide committees to assist in the improvement of multi-disciplinary response to domestic violence, sexual violence and stalking.

New Hampshire Coalition Against Domestic and Sexual Violence

Concord, NH

AmeriCorps Victim Assistance Program Coordinator

August 2014-September 2015

- o Co-manage 20-26 AmeriCorps members who provide direct service to survivors of domestic and sexual violence.
- o Facilitate monthly meetings for training opportunities and member support.
- o Conduct two host site visits per year per member to ensure member satisfaction and program compliance.
- o Coordinate member involvement in national service events sponsored by Volunteer New Hampshire (VNH).
- o Provide direct support and supervision to AmeriCorps members on an as needed basis.
- o Maintain and develop relationships with host site partners by offering support on AmeriCorps protocol.
- o Update handbooks, contracts and policies as it relates to programmatic operations.
- o Coordinate and facilitate AVAP Partnership meetings on bi-monthly basis.

Human Services Center/McKeesport Collaborative

Turtle Creek, PA

Program Associate/MSW Intern

May 2013-April 2014

- o Co-facilitated eight week HIV/AIDS prevention and job readiness hybrid program for 12 youth, ages 13-16.
- o Integrated numerous best practice curricula to develop a comprehensive guide for eight week hybrid program.
- o Co-wrote five foundation requests of amounts ranging from \$6,000 to \$120,000 to support youth programs department. Three proposals were funded, securing \$276,000, and two are currently under review.
- o Organized annual HIV/AIDS Walk, including raising sponsorships and managing in-kind donation requests.
- o Coordinated World AIDS Day and National Women and Girls HIV/AIDS Awareness events in McKeesport.
- o Updated the Center's HIV/AIDS mobile application, with interactive resources on HIV information and education.

The Stern Center

Forest Hills, PA

Therapeutic Support Staff

October 2012- August 2013

- o Provided one-on-one behavioral interventions for children in accordance with their individual treatment plans.

Jewish Family and Children's Service

Pittsburgh, PA

Refugee Resettlement MSW Intern

October 2012- April 2013

- o Assisted newly resettled refugees in school enrollments and the elderly in accessing Port Authority senior bus passes.
- o Coordinated workshops on weatherization. Taught families how to weatherize their homes for the winter months.
- o Assisted with the implementation of the Refugee Youth Employment Program (RYEP.)

YWCA of Hamilton

Hamilton, OH

Program Assistant/Community Educator

July 2011- July 2012

- o Coordinated and implemented FOCUS (teen pregnancy prevention program) in schools and local agencies.
- o Conducted outreach to 16-19 year old girls in Hamilton, Montgomery, Warren and Butler Counties of Ohio.
- o Updated FOCUS' social media through program website, Facebook and Twitter.
- o Connected participants to resources in their respective communities as needed.
- o Trained department on Microsoft Access, Drop Box, and social media techniques for program recruitment.

Marie R. Linebaugh

YWCA, NH

Youth Programs Coordinator

Manchester, NH

November 2010-June 2011

- o Developed and facilitated a leadership and peer educator course for ten high school students.
- o Coordinated and implemented drug and alcohol based prevention curriculum for girls grades 6th, 7th and 8th.
- o Conducted education and outreach to community agencies on topics relevant to the YWCA's mission.
- o Hired, scheduled, and supervised Child Care workers.
- o Obtained credits for CPS (Certified Prevention Specialist) through the state of New Hampshire.

WORK EXPERIENCE (CONTINUED)

AmeriCorps VISTA

Child Health Services

Manchester, NH

January 2010-July 2010

- o Conducted a pilot study to better understand the educational needs of low-income clients.
- o Coordinated and compared data collected from EPIC Medical records and school correspondence.
- o Through data evaluation and qualitative interviews, identified need for literacy support for youth and adults.
- o Developed a model for a pilot Family Literacy Program to be held after clinic hours.
- o Proposed cost-effective and efficient model for a sustainable family literacy program that is still in operation.
- o Aided social service department in providing culturally competent care. (Majority of clientele refugee/immigrant)

B.R.I.N.G. I.T. !!! Program

July 2009- December 2009

- o Assisted with grant research and writing, organized programming for refugee and immigrant youth and their families.

EDUCATION

University of Pittsburgh, School of Social Work

Master of Social Work: Community Organizing and Social Administration

Pittsburgh, PA

April 2014

Emmanuel College

B.A. English Communications & B.A. Sociology

Boston, MA

May 2009

Study Abroad: School of International Training

Attended the Morocco: Culture and Society program. Included a one month research period.

Rabat, Morocco

Spring 2008

GRADUATE FELLOWSHIP

Albert Schweitzer Fellowship

Traditional Fellow

Pittsburgh, PA

April 2013-May 2014

- o Implemented yearlong project with the Prospect Park Family Center. Developed programming for 40 refugee youth.
- o Served as primary mentor for 8th and 9th grade boys group. Conducted weekly groups.
- o Coordinated and facilitated eight week sessions for middle school girls on self-esteem, self-image, healthy relationships, cyber safety, sexual harassment prevention, and boundaries.
- o Developed and implemented eight week co-ed program on healthy relationships for high school youth. Topics included: boundaries, teen dating violence prevention, sexual harassment and violence prevention, and cyber safety.
- o Developed peer support group for young mothers from Burma. Combined mothers spoke three languages in group.
- o Facilitated activities with Burmese mothers on stress management, yoga, nutrition, and food safety/preparation.

Awards/Scholarship:

Mon Valley Woman of Achievement: Special Project Award

October 2013

- o Co-recipient of the Special Project Award for implementing Project H.E.A.R.T., an eight week summer program for adolescents in McKeesport, PA, engaging youth in peer education and community awareness projects on HIV/AIDS. Implementing job readiness curriculum was also an integral part of Project H.E.A.R.T.

University of Pittsburgh: Merit Scholarship

August 2012-April 2014

- o Awarded \$3,500 for each of the four semesters of the Master of Social Work graduate program.

PAMELA ENGLISH

EMPLOYMENT

New Hampshire Coalition Against Domestic and Sexual Violence, Concord, NH

Administrative Director, 2006 - Present

- Continued all duties of Business and Grants Manager, including all Financial Management of the NHCADSV.
- Assist with grant writing.
- Administration management including maintaining insurance coverage for organization and employees and administering employee benefits.
- Management of information technology systems.
- Facilities Manager for building at 4 South State Street, Concord.

Business and Grants Manager, 1995 - 2006

- Maintain all financial records, including payroll and employee benefits.
- Manage state and federal funding programs and provide technical assistance to subcontractors.
- Managed conversion to new computerized Fund Accounting system.
- Hire and manage Bookkeeper and Office Coordinator.
- Act as Facilities Manager for building at 4 South State Street, Concord.

Administrative Assistant, 1993 - 1995

- Assisted two Co-Directors and a trainer with their administrative needs.
- Responsible for coordination and management of office.
- Maintain accurate financial records using full charge computerized bookkeeping system.
- Insured compliance with all state and federal reporting requirements, including 941, state UC, W-2, 1099.

Self Employed Child care provider and Nanny, Concord, NH, 1988 - 1993

Law Offices, Concord, NH, 1985 - 1988

Legal Secretary

- Daniel D. Crean, Esq. and Charles H. Morang, Esq., Municipal and Business Law Practices
- Robert K. Mekeel, Esq. Labor, Criminal, Worker's Comp. and General Law Practice

COMPUTER EXPERIENCE AND SKILLS

- Fund Accounting Software
- Spreadsheets
- Microsoft Office Word and Excel
- Outlook and Outlook Express
- Effective supervisory management
- Excellent organizational skills
- Detail oriented
- Ability to manage multiple, simultaneous deadlines
- Working knowledge of federal and state grant compliance requirements
- Working knowledge of computer management
- Computerized accounting management
- Experience and knowledge of New Hampshire employment law

EDUCATION

- NH Technical Institute, Concord, NH
Selected Accounting and Management Courses
- Merritt Davis Business College, Eugene, OR
Legal Secretarial Degree II

COMMUNITY ACTIVITIES

2002-Present	Northwood Elementary School PTA, President for 2003/2005 school years
1990-2002	Dewey/Kimball School PTA
1983-1984	President, Merrimack County Legal Secretaries Association

REFERENCES

Available upon request.

CONTRACTOR NAME: NH Coalition Against Domestic and Sexual Violence

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Marie Linebaugh	Program Director	n/a	none	none
Pamela English	Administrative Director	n/a	None	none

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and The Salvation Army, (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 177 Union Avenue, Laconia, NH 03246.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$200,062.
2. Modify P-37, General Provisions, Block 1.3, to read:
The Salvation Army
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
 - 2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
 - 2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
6. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
 - 2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
8. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1,

**New Hampshire Department of Health and Human Services
State Grant In Aid Homeless Assistance Program**



to read:

- 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

6/24/20
Date

Christine Santamietto
Name: Christine Santamietto
Title: Director, DEHS

The Salvation Army

6-18-2020
Date

Michael J. Southwick
Name: Michael J. Southwick
Title: Secretary



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

07/01/20

Date

Catherine Pinos

Name: Catherine Pinos
Title:

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

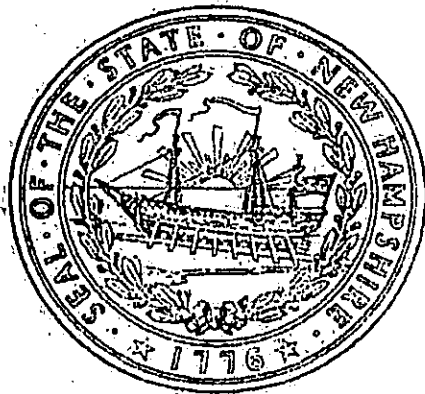
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE SALVATION ARMY is a New York Nonprofit Corporation registered to transact business in New Hampshire on July 19, 1954. 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: 64368

Certificate Number: 0004519776



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 23rd day of May A.D. 2019.

A handwritten signature in cursive script, appearing to read "Wm Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Michelle L. Dressler, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected ~~Clerk/Secretary~~/Officer of The Salvation Army
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on September 8, 2015, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Michael J. Southwick, Secretary (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of The Salvation Army to enter into contracts or agreements with the State
(Name of Corporation/LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for thirty (30) days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6-26-2020


Signature of Elected Officer

Name: **Michelle L. Dressler**

Title: **First Assistant Treasurer**



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/23/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

CHESTERFIELD INSURANCE AGENCY, INC.
P. O. BOX 237
GREEN, OH 44232-0237

CONTACT NAME: DEANNA M. KRUGER

PHONE (A/C, No., Ext.): (330) 896-7639 X 8123

FAX (A/C, No.): 330-896-6548

E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: ZURICH AMERICAN INS. CO.

16535

INSURER B: THE SALVATION ARMY RISK TRUST

INSURER C: THE SALVATION ARMY, A NY CORP.

INSURER D: AMERICAN ZURICH INS. CO.

40142

INSURER E:

INSURER F:

INSURED

THE SALVATION ARMY, A NEW YORK CORP.
440 WEST NYACK ROAD
WEST NYACK, NY 10994-1739

COVERAGES

CERTIFICATE NUMBER:

004-007-62320Laconia

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	ADDD INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	<input checked="" type="checkbox"/> 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 checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			SELF INSURED RETENTION	01/01/20	01/01/21	EACH OCCURRENCE \$ 500,000 DAMAGE TO RENTED PREMISES (Eg. occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 500,000 GENERAL AGGREGATE \$ 500,000 PRODUCTS - COMP/OP AGG \$ 500,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			BAP 8978527-24	01/01/20	01/01/21	COMBINED SINGLE LIMIT (Eg. accident) \$ 100,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$500,000			TRUST #19578500	01/01/20	01/01/21	EACH OCCURRENCE \$ 4,500,000 AGGREGATE \$ 4,500,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WC 8978533-24	01/01/20	01/01/21	<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
C	AUTO LIABILITY EXCESS			SELF INSURED RETENTION	01/01/20	01/01/21	\$400,000 XS OF \$100,000

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

Carey House Emergency Shelter for Homeless
6 Spring Street
Laconia, NH 03246
Dates of June 23, 2020- December 31, 2020

CERTIFICATE HOLDER

NH DDS
129 Pleasant Street
Concord, NH 03301

CANCELLATION

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

Deanna M. Kruger

© 1988-2015 ACORD CORPORATION. All rights reserved.



Certificate of Insurance Request



Date Request Submitted: 6/23/2020 Date Certificate Needed: 6/26/2020

☒ E-mail certificate to: scott.mcneil@use.salvationarmy.org

☐ Fax certificate to (attn): _____

TSA Location Information		Location to be Insured	
ARC/CORP/INSTITUTION NAME:	LOCATION #:	NAME (IF DIFFERENT):	LOCATION #:
The Salvation Army		Carey House	
ADDRESS:		ADDRESS:	
177 Union Avenue		6 Spring Street	
CITY, STATE:	ZIPCODE:	CITY, STATE:	ZIPCODE:
Laconia, NH	03246	Laconia, NH	03246

Certificate Holder		Additional Insured (List all Parties)	
NAME:		NAME (IF DIFFERENT):	
NH DHHS			
ADDRESS:		ADDRESS:	
129 Pleasant Street			
CITY, STATE:	ZIPCODE:	CITY, STATE:	ZIPCODE:
Concord, NH	03301		

Coverage Selection	
<input checked="" type="checkbox"/> General Liability Limit (if over \$500,000): _____	<input checked="" type="checkbox"/> Worker's Compensation
<input type="checkbox"/> Automobile Limit (if over \$500,000): _____	<input type="checkbox"/> Other (specify coverages, limits & include contract) _____

Description
Program, Service or Operation to be covered: Carey House Emergency Homeless Shelter
Dates of Coverage: From: <u>7/1/2020</u> To: <u>6/31/2021</u>
Specific Wording or Requirements: _____ _____ _____ _____



DOING THE MOST GOOD

The Salvation Army

Mission Statement

The Salvation Army, an international movement, is an evangelical part of the universal Christian church. Its message is based on the Bible. Its ministry is motivated by the love of God. Its mission is to preach the gospel of Jesus Christ and to meet human needs in His name without discrimination.

**Consolidated Financial Statements
Together with Report of Independent
Certified Public Accountants**

The Salvation Army - Eastern Territory

September 30, 2019 and 2018

Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Consolidated Statements of Financial Position as of September 30, 2019 and 2018	5
Consolidated Statement of Activities for the year ended September 30, 2019, with comparative totals for the year ended September 30, 2018	6
Consolidated Statement of Activities for the year ended September 30, 2018	7
Consolidated Statement of Functional Expenses for the year ended September 30, 2019, with comparative totals for the year ended September 30, 2018	8
Consolidated Statement of Functional Expenses for the year ended September 30, 2018	9
Consolidated Statements of Cash Flows for the years ended September 30, 2019 and 2018	10
Notes to Consolidated Financial Statements	11

GRANT THORNTON LLP

757 Third Ave., 9th Floor
New York, NY 10017-2013

D +1 212 599 0100
F +1 212 370 4520
S [linkd.in/grantthorntonus](https://www.linkedin.com/company/grantthorntonus)
twitter.com/grantthorntonus

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
The Salvation Army - Eastern Territory

Report on the financial statements

We have audited the accompanying consolidated financial statements of The Salvation Army - Eastern Territory (the "Eastern Territory"), which comprise the consolidated statements of financial position as of September 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Eastern Territory'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 Eastern Territory'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 Salvation Army - Eastern Territory as of September 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

New York, New York
May 8, 2020

The Salvation Army - Eastern Territory
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of September 30, 2019 and 2018
(in thousands)

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 133,746	\$ 129,234
Accounts receivable	33,085	24,285
Legacies and bequests receivable	22,661	17,570
Pledges receivable, net	2,409	2,926
Inventory	7,265	7,307
Prepaid expenses and deferred charges	9,777	8,129
Notes receivable	38,027	38,027
Investments, at fair value	2,165,645	2,454,950
Assets of trusts administered by the Eastern Territory	92,175	95,583
Beneficial interest in trusts held by others	231,078	232,853
 Land, buildings and equipment, net		
Land	200,176	198,647
Buildings, net of accumulated depreciation of \$843,858 in 2019 and \$797,349 in 2018	855,391	875,437
Construction in progress	176,556	121,649
Equipment, net of accumulated depreciation of \$76,484 in 2019 and \$74,558 in 2018	19,910	19,869
Land, buildings and equipment, net	<u>1,252,033</u>	<u>1,215,602</u>
Total assets	<u>\$ 3,987,901</u>	<u>\$ 4,226,466</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 55,204	\$ 43,119
Liability for split-interest agreements	55,309	56,648
Mortgages and notes payable	546,878	545,899
Interest rate swaps	151,303	78,555
Conditional asset retirement obligations	66,046	65,579
Estimated liability for self-insurance claims	60,312	61,811
Estimated liability for pension and other postretirement benefits	739,310	662,292
Other liabilities	78,570	75,592
Total liabilities	<u>1,752,932</u>	<u>1,589,495</u>
Commitments and contingencies		
NET ASSETS (DEFICIT)		
Net assets without donor restrictions		
General operating	9,737	(26,036)
Board designated	103,669	529,323
Land, buildings and equipment	1,044,693	1,029,589
Total net assets without donor restrictions	<u>1,158,099</u>	<u>1,532,876</u>
Net assets with donor restrictions		
Amounts to be held in perpetuity	649,388	647,024
Other restrictions	427,482	457,071
Total net assets with donor restrictions	<u>1,076,870</u>	<u>1,104,095</u>
Total net assets	<u>2,234,969</u>	<u>2,636,971</u>
Total liabilities and net assets	<u>\$ 3,987,901</u>	<u>\$ 4,226,466</u>

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

The Salvation Army - Eastern Territory
CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended September 30, 2019,
with comparative totals for the year ended September 30, 2018
(in thousands)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenues				
Public support				
Received directly				
Contributions	\$ 155,229	\$ 4,212	\$ 159,441	\$ 185,100
Donations-in-kind and contributed services	116,395	-	116,395	130,251
Legacies and bequests	57,290	9,115	66,405	56,817
Special events	6,407	-	6,407	6,438
Pledges at present value	-	2,476	2,476	1,585
Contributions from split-interest agreements	842	12,203	13,045	18,709
Total received directly	336,163	28,006	364,169	408,900
Received indirectly				
Allocated by federated fund raising organizations	9,294	-	9,294	10,184
Total public support	345,457	28,006	373,463	419,084
Fees and grants from governmental agencies	104,362	-	104,362	95,859
Other revenues				
Program and service fees	41,386	-	41,386	37,201
Sales to the public	132,670	-	132,670	126,311
Investment return, net	(8,475)	3,151	(5,324)	202,127
Gain on sale/disposition of land, buildings and equipment	2,151	-	2,151	2,231
Other	5,196	-	5,196	16,946
Total other revenues	172,928	3,151	176,079	384,816
Total support and revenues before net assets released from restrictions and reclassifications	622,747	31,157	653,904	899,759
Net assets released from restrictions and reclassifications	49,728	(49,728)	-	-
Total support and revenues	672,475	(18,571)	653,904	899,759
Expenses				
Program services				
Corps community center services	281,032	-	281,032	291,109
Rehabilitation center services	209,437	-	209,437	205,911
Residential and institutional services	71,585	-	71,585	63,534
Other social services	203,682	-	203,682	204,317
Total program services	765,736	-	765,736	764,871
Supporting services				
Management and general	112,933	-	112,933	93,955
Fund raising	45,097	-	45,097	42,532
Total supporting services	158,030	-	158,030	136,487
Total expenses	923,766	-	923,766	901,358
Deficiency of support and revenues over expenses	(251,291)	(18,571)	(269,862)	(1,599)
Change in fair value of interest rate swaps	(72,748)	-	(72,748)	40,739
Change in value of split-interest agreements	(287)	(8,654)	(8,941)	(709)
Retirement related activity other than net periodic benefit cost	(50,451)	-	(50,451)	93,640
Change in net assets	(374,777)	(27,225)	(402,002)	132,071
Net assets at beginning of year	1,532,876	1,104,095	2,636,971	2,504,900
Net assets at end of year	\$ 1,158,099	\$ 1,076,870	\$ 2,234,969	\$ 2,636,971

The accompanying notes are an integral part of this consolidated financial statement.

The Salvation Army - Eastern Territory
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended September 30, 2018
(in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Public support			
Received directly			
Contributions	\$ 165,363	\$ 29,737	\$ 195,100
Donations-in-kind and contributed services	130,251	-	130,251
Legacies and bequests	52,184	4,633	56,817
Special events	6,438	-	6,438
Pledges at present value	-	1,585	1,585
Contributions from split-interest agreements	1,119	17,590	18,709
Total received directly	<u>355,355</u>	<u>53,545</u>	<u>408,900</u>
Received indirectly			
Allocated by federated fund raising organizations	10,184	-	10,184
Total public support	<u>365,539</u>	<u>53,545</u>	<u>419,084</u>
Fees and grants from governmental agencies	<u>95,859</u>	<u>-</u>	<u>95,859</u>
Other revenues			
Program and service fees	37,201	-	37,201
Sales to the public	126,311	-	126,311
Investment return, net	145,907	56,220	202,127
Gain on sale/disposition of land, buildings and equipment	2,231	-	2,231
Other	16,946	-	16,946
Total other revenues	<u>328,596</u>	<u>56,220</u>	<u>384,816</u>
Total support and revenues before net assets released from restrictions and reclassifications	789,994	109,765	899,759
Net assets released from restrictions and reclassifications	<u>41,106</u>	<u>(41,106)</u>	<u>-</u>
Total support and revenues	<u>831,100</u>	<u>68,659</u>	<u>899,759</u>
Expenses			
Program services			
Corps community center services	291,109	-	291,109
Rehabilitation center services	205,911	-	205,911
Residential and institutional services	63,534	-	63,534
Other social services	204,317	-	204,317
Total program services	<u>764,871</u>	<u>-</u>	<u>764,871</u>
Supporting services			
Management and general	93,955	-	93,955
Fund raising	42,532	-	42,532
Total supporting services	<u>136,487</u>	<u>-</u>	<u>136,487</u>
Total expenses	<u>901,358</u>	<u>-</u>	<u>901,358</u>
(Deficiency) excess of support and revenues over expenses	(70,258)	68,659	(1,599)
Change in fair value of interest rate swaps	40,739	-	40,739
Change in value of split-interest agreements	(3,402)	2,693	(709)
Retirement related activity other than net periodic benefit cost	<u>93,640</u>	<u>-</u>	<u>93,640</u>
Change in net assets	60,719	71,352	132,071
Net assets at beginning of year	<u>1,472,157</u>	<u>1,032,743</u>	<u>2,504,900</u>
Net assets at end of year	<u>\$ 1,532,876</u>	<u>\$ 1,104,095</u>	<u>\$ 2,636,971</u>

The accompanying notes are an integral part of this consolidated financial statement.

The Salvation Army - Eastern Territory
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2019,
with comparative totals for the year ended September 30, 2018
(in thousands)

	Program Services					Supporting Services			2019 Total	2018 Total
	Corps Community Center Services	Rehabilitation Center Services	Residential and Institutional Services	Other Social Services	Total	Management and General	Fund Raising	Total		
Salaries, officer allowances and payroll taxes	\$ 93,155	\$ 104,617	\$ 32,809	\$ 52,568	\$ 283,149	\$ 45,941	\$ 17,556	\$ 63,497	\$ 346,646	\$ 334,677
Officer and employee benefits	47,976	20,769	9,601	14,710	93,056	14,470	3,937	18,407	111,463	108,640
Professional fees	9,470	1,676	4,146	4,816	20,108	7,649	9,398	17,047	37,155	34,590
Supplies	9,479	12,186	3,234	4,878	29,777	2,424	908	3,332	33,109	33,311
Telecommunications, postage and shipping	3,629	1,553	427	934	6,543	1,768	1,919	3,687	10,230	9,621
Occupancy, furnishings and equipment	41,359	41,514	9,374	9,999	102,246	15,708	1,194	16,902	119,148	118,441
Printing and publications	2,944	733	495	2,272	6,444	4,597	7,316	11,913	18,357	16,107
Travel, meals and transportation	14,701	8,297	927	3,108	27,033	3,741	1,407	5,148	32,181	33,728
Specific assistance to individuals	3,848	1,599	3,919	88,529	97,895	-	-	-	97,895	105,853
World services	-	-	-	11,234	11,234	-	-	-	11,234	10,708
Interest expense	15,220	1,881	1,829	1,057	19,987	1,061	-	1,061	21,048	20,421
Depreciation	31,883	14,392	3,364	6,865	56,504	3,156	287	3,443	59,947	61,637
Other	7,368	220	1,460	2,712	11,760	12,418	1,175	13,593	25,353	13,624
Total expenses	\$ 281,032	\$ 209,437	\$ 71,585	\$ 203,682	\$ 765,736	\$ 112,933	\$ 45,097	\$ 158,030	\$ 923,766	\$ 901,358

The accompanying notes are an integral part of this consolidated financial statement.

The Salvation Army - Eastern Territory
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended September 30, 2018
(in thousands)

	Program Services				Supporting Services				
	Corps Community Center Services	Rehabilitation Center Services	Residential and Institutional Services	Other Social Services	Total	Management and General	Fund Raising	Total	Total
Salaries, officer allowances and payroll taxes	\$ 97,393	\$ 98,822	\$ 28,901	\$ 47,062	\$ 272,178	\$ 45,748	\$ 16,751	\$ 62,499	\$ 334,677
Officer and employee benefits	49,585	21,800	7,874	10,747	90,006	13,976	4,658	18,634	108,640
Professional fees	9,467	1,434	3,226	4,487	18,614	8,615	7,361	15,976	34,590
Supplies	10,307	12,250	3,051	4,965	30,573	1,728	1,010	2,738	33,311
Telecommunications, postage and shipping	3,876	1,419	368	810	6,473	1,557	1,591	3,148	9,621
Occupancy, furnishings and equipment	46,295	42,970	8,544	10,528	108,337	8,540	1,564	10,104	118,441
Printing and publications	2,943	656	358	2,023	5,980	3,679	6,448	10,127	16,107
Travel, meals and transportation	15,181	8,114	872	3,705	27,872	3,876	1,980	5,856	33,728
Specific assistance to individuals	3,656	1,722	3,633	96,842	105,853	-	-	-	105,853
World services	-	-	-	10,708	10,708	-	-	-	10,708
Interest expense	14,480	1,927	1,944	1,038	19,389	1,032	-	1,032	20,421
Depreciation	32,443	13,256	4,063	7,926	57,688	3,566	383	3,949	61,637
Other	5,483	1,541	700	3,476	11,200	1,638	786	2,424	13,624
Total expenses	\$ 291,109	\$ 205,911	\$ 63,534	\$ 204,317	\$ 764,871	\$ 93,955	\$ 42,532	\$ 136,487	\$ 901,358

The accompanying notes are an integral part of this consolidated financial statement.

The Salvation Army - Eastern Territory
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended September 30,
(in thousands)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ (402,002)	\$ 132,071
Adjustments to reconcile change in net assets to net cash used in operating activities		
Change in fair value of interest rate swaps	72,748	(40,739)
Change in minimum liability for pension and other postretirement benefits	50,451	(93,640)
Depreciation	59,947	61,637
Realized and unrealized loss (gains) on investments	30,644	(170,649)
Change in value of split-interest agreements	8,941	709
Gain on sale/disposition of land, buildings and equipment	(2,151)	(2,231)
Legacies and bequests restricted for endowment	(1,296)	(2,668)
Contributions restricted for permanent investments and split-interest agreements	(1,259)	(11,260)
Contributions restricted for acquiring and constructing land, buildings and equipment	(2,476)	(1,585)
Changes in operating assets and liabilities		
Accounts receivable	(8,800)	486
Legacies and bequests receivable	(4,486)	6,625
Pledges receivable	(225)	1,017
Inventory	42	(484)
Prepaid expenses and deferred charges	(1,648)	(455)
Split-interest agreements	4,146	17,375
Accounts payable and accrued expenses	9,097	(97)
Conditional asset retirement obligations	467	1,030
Liability for self-insurance claims	(1,499)	(490)
Liability for pension and other postretirement benefits	26,567	37,230
Other liabilities	2,978	(1,702)
Net cash used in operating activities	<u>(159,814)</u>	<u>(67,820)</u>
Cash flows from investing activities		
Purchase of investments	(605,044)	(596,245)
Issuance of notes receivable	-	(6,802)
Proceeds from sale of investments	861,541	765,493
Proceeds from sale of land, buildings and equipment	3,913	3,743
Purchase of land, buildings and equipment	(95,152)	(87,307)
Net cash provided by investing activities	<u>165,258</u>	<u>78,882</u>
Cash flows from financing activities		
Legacies and bequests restricted for endowment	691	2,473
Contributions restricted for acquiring and constructing land, buildings and equipment	3,218	4,950
Contributions restricted for permanent investments and split-interest agreements	547	186
Payments related to split-interest agreements	(6,367)	(6,643)
Proceeds from mortgages and notes payable	515,454	742,962
Payments on mortgages and notes payable	(514,475)	(733,258)
Net cash (used in) provided by financing activities	<u>(932)</u>	<u>10,670</u>
Increase in cash and cash equivalents	4,512	21,732
Cash and cash equivalents, beginning of year	<u>129,234</u>	<u>107,502</u>
Cash and cash equivalents, end of year	<u>\$ 133,746</u>	<u>\$ 129,234</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	<u>\$ 19,726</u>	<u>\$ 20,349</u>
Accounts payable for construction projects	<u>\$ 7,475</u>	<u>\$ 4,487</u>

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

The Salvation Army - Eastern Territory
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018
(in thousands)

NOTE 1 – PURPOSE AND ORGANIZATION

The Salvation Army, founded in 1865, is a not-for-profit international religious organization and charitable movement organized and operated on a quasi-military pattern and is a branch of the Christian Church. Its membership includes officers (clergy), soldiers and adherents (laity), members of various activity groups and volunteers who serve as advisors, associates and committed participants in its service functions.

The accompanying consolidated financial statements include all programs and operations of The Salvation Army - Eastern Territory (the "Eastern Territory") incorporated as The Salvation Army (A New York Corporation), with its corporate headquarters located in West Nyack, New York. The Eastern Territory comprises the states of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Ohio and Northeast Kentucky, the Commonwealth of Puerto Rico and the U.S. Virgin Islands. The Eastern Territory also consolidates other related entities in which it has an economic interest and control. The centers of operation, which are the divisional headquarters, institutions, corps community centers, service extension units and adult rehabilitation centers, maintain their own standardized financial systems and accounting records under powers of attorney granted by corporate authority, and issue such reports and financial statements as may be called for locally, pertaining to the financial and property resources which they administer. All intercompany accounts and transactions have been eliminated.

The Eastern Territory is an organization exempt from income taxes under Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and is exempt from state income taxes under related state provisions.

The Eastern Territory operates a variety of programs including corps community centers that provide spiritual, educational and recreational services; homeless and emergency shelters; senior citizens' residences, children's homes and children's day care centers; adult rehabilitation centers and substance abuse centers; emergency disaster services; assistance for the poor, disabled, and retired; jail and hospital visitation; and camping activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with the national accounting policies of The Salvation Army. These policies are consistent with accounting principles generally accepted in the United States of America ("US GAAP").

In order to observe restrictions which donors place on grants and other gifts, as well as designations made by the Board of Trustees, all assets, liabilities and activities are accounted for in the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be designated for specific purposes or locations by action of the Board of Trustees.

Net Assets With Donor Restrictions – Net assets that are subject to donor-imposed restrictions that will be fulfilled either by actions of the Eastern Territory or the passage of time or that include a stipulation that assets provided be retained and invested permanently while permitting the Eastern Territory to use all or part of the investment return on these assets for specified or unspecified purposes.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Cash and Cash Equivalents

For purposes of these consolidated financial statements, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have original maturities of three months or less. Cash and cash equivalents do not include cash held for reinvestment which is included in investments. At September 30, 2019 and 2018, cash equivalents included \$20,811 and \$20,360, respectively, held in a money market account at a commercial bank as collateral for letters of credit for insurance purposes (see Note 18).

Pledges Receivable

Unconditional pledges receivable are recorded at net realizable value. Pledges receivable that are expected to be collected after one year are recorded at the present value of estimated future cash flows and discounted using a credit-adjusted discount rate applicable to the year in which the pledge was made. Amortization of the discount is recorded as additional contribution revenue. An allowance for uncollectible pledges receivable is based on management's judgment, including such factors as prior collection history, subsequent collections, creditworthiness of donor and nature of fundraising activity. Pledges are written off when determined to be uncollectible. Conditional pledges receivable are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Inventory

Inventory for goods purchased for resale is stated at the lower of weighted average cost or market. Inventory for goods donated for resale is recorded based on estimated fair value.

Investments

Investments are recorded at fair value. Investment return includes interest and dividends and realized and unrealized appreciation (depreciation). Investment expenses, such as custodial fees, investment advisory fees and direct internal investment expenses involving the direct conduct or direct supervision of the strategic and tactical activities involved in generating investment return, are netted against investment return in the accompanying consolidated statements of activities.

The Eastern Territorial headquarters has the responsibility for investment activity for all units within the Eastern Territory. The portfolios related to net assets with donor restrictions are maintained on a pooled "mutual fund" accounting basis, with the net investment return being allocated to each participating account on a pro rata basis. Investment return earned on portfolios related to net assets without donor restrictions is distributed to the constituent accounts on the basis of a stated percentage of the monthly account balances during the year. Amounts so deposited may be withdrawn when required for use by the centers of operation.

Charitable gift annuities are maintained in a separate portfolio and are invested in accordance with applicable state laws for such monies. The Eastern Territory maintains assets sufficient to meet annuity requirements of various state laws.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Split-Interest Agreements

Accounting standards require that the following instruments be recorded as income and net assets at the present value of their ultimate Eastern Territory interest:

Trusts Held by a Third Party

Donors have established and funded trusts which are administered by organizations other than the Eastern Territory. Under the terms of these trusts, the Eastern Territory has the irrevocable right to receive all or a portion of the income earned on the trust assets either in perpetuity or for the life of the trust. The Eastern Territory does not control the assets held by an outside trustee. The Eastern Territory records its beneficial interest in trusts held by a third party as increases in net assets with donor restrictions at the fair value of the assets contributed to the trust.

Distributions from trust assets that are free of purpose or time restrictions are recorded as net assets without donor restrictions. Distributions from trust assets that are restricted for a particular time or purpose are reported as net assets with donor restrictions and released from restrictions when the time has elapsed or the purpose has been satisfied. Adjustments to the beneficial interest to reflect changes in the fair value are reported in the consolidated statement of activities as a change in value of split-interest agreements.

Charitable Remainder Trusts

Donors have established and funded trusts under which specified distributions are to be made to a designated beneficiary or beneficiaries over the trusts' term. Upon termination of the trusts, the Eastern Territory receives the assets remaining in the trusts. Trusts are recorded as increases to net assets with donor restrictions at the fair value of trust assets, less the present value of the estimated future payments to be made under the specific terms of the trust on the date of the contribution using the Annuity 2012 mortality table. The discount rates ranged from 1.8% to 10.0% at September 30, 2019 and 2018.

Charitable Gift Annuities

Donors have contributed assets to the Eastern Territory in exchange for a promise by the Eastern Territory to pay a fixed amount or percentage for a specified period of time to the donors or to individuals or organizations designated by the donors. Under the terms of such agreements no trust exists as the assets received are held by, and the annuity liability is an obligation of, the Eastern Territory. Contribution revenue is recognized as increases to net assets with or without donor restrictions based on the existence or absence of donor-imposed restrictions and recorded at the fair value of the assets contributed, less the present value of the estimated future payments to be made under the specific terms of the agreement on the date of the contribution.

The discount rates ranged from 1.2% to 10.6% at September 30, 2019 and 2018. In fiscal years 2019 and 2018, the assumptions used in the valuation of the annuity liability include mortality data in accordance with the Annuity 2012 mortality table.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Pooled (Life) Income Funds

The Eastern Territory manages a life income fund. The fund is divided into units, and contributions from many donors are pooled and invested as a group. Donors are assigned a specific number of units based on the proportion of the fair value of their contributions to the total fair value of the pooled income fund on the date of the donor's entry into the pooled fund. The donor is paid the actual income earned on those units until his or her death. Upon the donor's death, the value of these assigned units reverts to the Eastern Territory.

The Eastern Territory recognizes its interest in the assets received as contribution revenue with donor restrictions, at the fair value of the assets received net of a discount for future interest based on the life expectancy of the donor. The contribution revenue net of this discount is recorded as contributions from split-interest agreements.

The discount rates ranged from 2.7% to 11.2% at September 30, 2019 and 2018. In fiscal years 2019 and 2018, the assumptions used in the valuation of the liability include mortality data in accordance with the Annuity 2012 mortality table.

Land, Buildings and Equipment

Land, buildings and equipment (with a purchase price of \$10 or more) are stated at cost or, if donated, at fair value at the date of donation.

Revenue Recognition

All items of support and revenue are stated on the accrual basis.

Support and revenue are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions that are not fulfilled in the accounting period. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. All expenses are reported as decreases in net assets without donor restrictions.

Contributions subject to donor-imposed restrictions are recorded as revenue with donor restrictions. When the donor-imposed restriction has been fulfilled or the stipulated time period has elapsed, the net assets are reclassified as net assets without donor restrictions and reported as net assets released from restrictions. Contributions with restrictions that are met during the fiscal year in which they are received are recorded as revenue without donor restrictions. Conditional promises to give and intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), the Eastern Territory recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration the Eastern Territory expects to be entitled to in exchange for those goods or services. Revenue for sales to public is recognized at the point in time of the sales transaction. Program and service fees are recognized as the services are rendered.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The Eastern Territory recognizes revenue from grants and contracts in accordance with Accounting Standards Update ("ASU") 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. In accordance with ASU 2018-08, the Eastern Territory evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Eastern Territory applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the Eastern Territory evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Eastern Territory is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Donations-in-Kind and Contributed Services

Material gifts-in-kind items used in the Eastern Territory's Corps and Unit programs and services (e.g., vehicles, free rent, and equipment, etc.) and donated goods distributed (e.g., clothing, furniture, and foodstuffs, etc.) are recorded at their estimated fair value as income when received and expense at the time the items are placed into service or distributed.

Goods donated for sale in the Eastern Territory's adult rehabilitation centers and thrift stores are recorded as contributions and processed donations-in-kind on the basis of a percentage of sales income determined by appraisal studies.

Contributed land, buildings and equipment are recorded at fair value at the date of donation as support and revenue without donor restrictions unless the use of such contributed assets is restricted by a donor-imposed restriction.

Contributed services are reported as contributions at their fair value if such services 1) create or enhance nonfinancial assets, or 2) they would typically need to be purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills. In addition, the appropriate value of donated services of individuals is recorded as an expense when such services qualify for cost reimbursement from third-party providers.

The Eastern Territory has a significant number of volunteers who contribute meaningful amounts of time in furtherance of the Eastern Territory's mission. Such contributions do not meet generally accepted accounting criteria for recognition as contributed services and, accordingly, are not reflected in the consolidated statement of activities.

Expenses

All expenses are stated on the accrual basis and are presented in the accompanying consolidated statements of activities and functional expenses. Expenses directly attributable to a specific functional category are reported as expenses of those functional categories. Expenses attributable to more than one functional category are allocated across program services and supporting services using a variety of cost allocation techniques. These techniques include the allocation of occupancy, furnishings and equipment, and depreciation expenses based on calculated use of the square footage of buildings. Salaries, allowances and taxes and employee and officer benefits are allocated based on an employee's time attributable to specific program and supporting services. Other expenses not attributed directly to a specific functional category are allocated based on the benefit attributed to each functional category.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Depreciation

Depreciation is provided on buildings, vehicles and equipment at straight-line rates based on estimated service lives. The estimated service lives for buildings and improvements are 20-50 years and 4-20 years for vehicles and equipment. For buildings, a half year of depreciation is charged in the year of acquisition or completion of construction, and in the year of disposition. For vehicles and equipment, a full year of depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposition.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

Reclassification

Certain information in the fiscal 2018 consolidated financial statements has been reclassified to conform to the fiscal 2019 presentation.

NOTE 3 – RECENT ACCOUNTING PRONOUNCEMENTS

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"). The ASU amends the current reporting model for not-for-profit organizations and requires certain additional disclosures. The significant changes include:

- Requiring the presentation of two net asset classes classified as "net assets without donor restrictions" and "net assets with donor restrictions";
- Modifying the presentation of underwater endowment funds and related disclosures;
- Requiring the use of the placed in-service approach to recognize the satisfaction of restrictions on gifts used to acquire or construct long-lived assets, absent explicit donor stipulations otherwise;
- Requiring an analysis of expenses by function and nature in a separate statement or in the notes to the consolidated financial statements;
- Requiring disclosure of quantitative and qualitative information on liquidity;
- Presenting investment return net of external and direct internal investment expenses; and
- Modifying other consolidated financial statement reporting requirements and disclosures intended to increase the usefulness to the reader.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

As required by the ASU, the Eastern Territory adopted ASU 2016-14 as of and for the year ended September 30, 2019. A summary of net asset reclassification impacted by the adoption of ASU 2016-14 as of September 30, 2018 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, as previously presented			
Unrestricted	\$ 1,532,876	\$ -	\$ 1,532,876
Temporarily restricted	-	457,071	457,071
Permanently restricted	-	647,024	647,024
Net assets as previously presented	1,532,876	1,104,095	2,636,971
Reclassification of underwater endowments	-	-	-
Net assets, as currently presented	\$ 1,532,876	\$ 1,104,095	\$ 2,636,971

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (ASC 606), which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Eastern Territory adopted ASC 606 on October 1, 2018. The results of applying ASC 606 using the modified retrospective approach did not have a material impact on the consolidated financial position, changes in net assets, cash flows, business processes, controls or systems of the Eastern Territory.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which requires organizations to determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If the agreement (or a referenced document) includes both, the recipient is not entitled to the transferred assets (or a future transfer of assets) until it has overcome the barriers in the agreement. The Eastern Territory adopted ASU No. 2018-08 for the year ended September 30, 2019.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the Eastern Territory for fiscal year 2020. In April 2020, the FASB issued a proposed ASU that would allow certain entities the option to defer the adoption of ASU 2016-02 by one year. As of the date the consolidated financial statements were issued, the proposed amendments are pending. The

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Eastern Territory is in the process of evaluating the impact this standard will have on the consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The new guidance improves the presentation of net periodic pension cost and net period postretirement benefit cost ("Benefit Costs") by requiring an employer to report the service cost component with the other components of employee compensation costs in operating expenses while the other components will be reported in nonoperating activities. While this guidance changes the presentation of Benefit Costs in the consolidated statement of activities, it does change the rules over how the costs are measured. ASU No. 2017-07 is effective for the Eastern Territory for fiscal year 2020. The Eastern Territory is in the process of evaluating the impact this standard will have on the consolidated financial statements.

NOTE 4 – PLEDGES RECEIVABLE, NET

Pledges receivable, net, at September 30, 2019 and 2018 include the following:

	2019	2018
Pledges receivable due in:		
Less than one year	\$ 2,433	\$ 3,188
One year to five years	1,030	506
Thereafter	-	526
	<u>3,463</u>	<u>4,220</u>
Discount to present value	(48)	(59)
Allowance for uncollectibles	<u>(1,006)</u>	<u>(1,235)</u>
Pledges receivable, net	<u>\$ 2,409</u>	<u>\$ 2,926</u>

At September 30, 2019 and 2018, the interest rates used to discount pledges receivable to present value ranged from 0.23% to 2.81% and 0.23% to 2.91%, respectively.

During fiscal years 2019 and 2018, the Eastern Territory received notification of certain intentions to give. However, due to their conditional nature, these gifts have not been reflected in the accompanying consolidated financial statements.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

NOTE 5 – INVESTMENTS

Investments, at fair value, consisted of the following at September 30, 2019 and 2018:

	2019	2018
Marketable securities:		
Short-term securities	\$ 46,684	\$ 61,540
Corporate bonds and other fixed income securities	172,697	167,264
Government securities	121,546	129,859
Equity securities	613,705	662,641
Total marketable securities	954,632	1,021,304
Alternative investments:		
Private equity	164,558	141,622
Timber	74,552	84,770
Real estate	80,194	106,219
Hedge funds	312,327	449,802
Commingled funds	580,452	647,889
Commodities	37,477	35,009
Total alternative investments	1,249,560	1,465,311
Receivables for securities sold	68,216	33,655
Liabilities for securities purchased	(109,398)	(68,491)
Accrued income	2,635	3,171
Total investments, at fair value	\$ 2,165,645	\$ 2,454,950

Depending on the underlying asset, the fair value is determined through a national exchange price for securities with a readily determinable value or by valuations and estimates typically determined by the underlying asset manager. Although the majority of these investment values are determined through national exchanges, certain investment values may differ from the values that would have been used had a ready market for these investments existed and the differences could be material. The financial statements of these investments are audited annually (typically at December 31) by independent auditors.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Investment return, net, for the years ended September 30, 2019 and 2018 consists of the following:

	2019	2018
Dividends and interest	\$ 44,414	\$ 47,653
Realized and unrealized (loss) gains, net	(30,644)	170,649
Investment fees	(19,094)	(16,175)
Investment return, net	<u>\$ (5,324)</u>	<u>\$ 202,127</u>

NOTE 6 – FAIR VALUE MEASUREMENTS

US GAAP 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 at the measurement date.

US GAAP establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This fair value hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on inputs as follows:

Level 1 - Quoted market prices for identical assets or liabilities to which an entity has access at the measurement date.

Level 2 - Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets;
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the asset or liability; and
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 - Inputs that are unobservable and significant to the overall fair value measurement of the asset or liability.

The Eastern Territory has segregated all financial assets and liabilities that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value, except for those investments and assets of trusts administered by the Eastern Territory that are measured at fair value using the net asset value ("NAV") per share practical expedient.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The following table serves to prioritize the inputs used to value the Eastern Territory's financial assets and liabilities within the fair value hierarchy as of September 30, 2019:

	Level 1	Level 2	Level 3	Net Asset Value	Total
ASSETS					
Marketable securities:					
Short-term securities	\$ 43,041	\$ 3,643	\$ -	\$ -	\$ 46,684
Corporate bonds and other fixed income securities	3,961	168,736	-	-	172,697
Government securities	36,822	84,724	-	-	121,546
Equity securities	613,519	188	-	-	613,705
Total marketable securities	697,343	257,289	-	-	954,632
Alternative investments	-	-	23,346	1,226,214	1,249,560
Total investments *	697,343	257,289	23,346	1,226,214	2,204,192
Split-interest agreements:					
Assets of trusts administered by the Eastern Territory					
Cash and cash equivalents	2,162	-	-	-	2,162
Equity securities	36	-	-	-	36
Exchange-traded fund	1,648	-	-	-	1,648
Mutual fund	3,414	-	-	-	3,414
Common trust funds	-	-	-	84,915	84,915
Total assets of trusts administered by the Eastern Territory	7,260	-	-	84,915	92,175
Interests in trusts held by others	-	-	231,078	-	231,078
Total split-interest agreements	7,260	-	231,078	84,915	323,253
Total assets	\$ 704,603	\$ 257,289	\$ 254,424	\$ 1,311,129	\$ 2,527,445
LIABILITIES					
Interest rate swaps	\$ -	\$ 151,303	\$ -	\$ -	\$ 151,303
Total liabilities	\$ -	\$ 151,303	\$ -	\$ -	\$ 151,303

* Excluded from the summary of investments but included in the Eastern Territory's investments are pending trade receivables, pending trade payables and accrued income.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The following table serves to prioritize the inputs used to value the Eastern Territory's financial assets and liabilities within the fair value hierarchy as of September 30, 2018:

	Level 1	Level 2	Level 3	Net Asset Value	Total
ASSETS					
Marketable securities:					
Short-term securities	\$ 50,025	\$ 11,515	\$ -	\$ -	\$ 61,540
Corporate bonds and other fixed income securities	5,708	161,558	-	-	167,264
Government securities	47,937	81,922	-	-	129,859
Equity securities	662,340	301	-	-	662,641
Total marketable securities	766,008	255,296	-	-	1,021,304
Alternative investments	-	-	23,708	1,441,603	1,465,311
Total investments *	766,008	255,296	23,708	1,441,603	2,486,615
Split-interest agreements:					
Assets of trusts administered by the Eastern Territory					
Cash and cash equivalents	2,432	-	-	-	2,432
Equity securities	33	-	-	-	33
Exchange-traded fund	1,597	-	-	-	1,597
Mutual fund	3,757	-	-	-	3,757
Common trust funds	-	-	-	87,764	87,764
Total assets of trusts administered by the Eastern Territory	7,819	-	-	87,764	95,583
Interests in trusts held by others	-	-	232,853	-	232,853
Total split-interest agreements	7,819	-	232,853	87,764	328,436
Total assets	\$ 773,827	\$ 255,296	\$ 256,561	\$ 1,529,367	\$ 2,815,051
LIABILITIES					
Interest rate swaps	\$ -	\$ 78,555	\$ -	\$ -	\$ 78,555
Total liabilities	\$ -	\$ 78,555	\$ -	\$ -	\$ 78,555

* Excluded from the summary of investments but included in the Eastern Territory's investments are pending trade receivables, pending trade payables and accrued income.

The following are rollforwards of Level 3 financial assets for the years ended September 30, 2019 and 2018:

	Beginning Balance as of October 1, 2018	Purchases/ Additions	Sales/ Distributions	Net Realized and Unrealized Gains (Losses)	Ending Balance as of September 30, 2019
Real estate alternative investment	\$ 23,708	\$ 3,464	\$ (6,830)	\$ 3,004	\$ 23,346
Interests in trusts held by others	232,853	11,337	(5,739)	(7,373)	231,078
	<u>\$ 256,561</u>	<u>\$ 14,801</u>	<u>\$ (12,569)</u>	<u>\$ (4,369)</u>	<u>\$ 254,424</u>
	Beginning Balance as of October 1, 2017	Purchases/ Additions	Sales/ Distributions	Net Realized and Unrealized Gains	Ending Balance as of September 30, 2018
Real estate alternative investment	\$ 18,681	\$ -	\$ (470)	\$ 5,497	\$ 23,708
Interests in trusts held by others	225,208	16,771	(14,147)	5,021	232,853
	<u>\$ 243,889</u>	<u>\$ 16,771</u>	<u>\$ (14,617)</u>	<u>\$ 10,518</u>	<u>\$ 256,561</u>

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Net realized and unrealized gains in the table above are reflected in the accompanying consolidated statements of activities and included as part of investment return, net, and change in value of split-interest agreements.

The Eastern Territory uses the NAV per share or its equivalent as a practical expedient to determine the fair value of all the underlying investments, which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

The following table lists investments valued at NAV per share or its equivalent, by major category, at September 30, 2019:

	Strategy	NAV in Funds	# of Funds	Remaining Life	\$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Private Equity	Venture and buyout in the U.S. and international	\$ 164,558	20	1 - 12 years	\$ 95,093	No liquidity	N/A
Real Estate	Real Estate	56,848	9	8 funds 1 - 10 years, 1 fund N/A	32,885	Quarterly for 1 fund, No liquidity for remaining funds	N/A
Timber	Holdings of timber producing property	74,552	8	1 - 3 years	-	No liquidity	N/A
Commingled Funds	Distressed asset funds and credit strategies	3,876	1	2 years	750	No liquidity	N/A
Commingled Funds	Global funds	576,576	10	9 funds N/A, 1 fund pending liquidation	2,248	Monthly for 5 funds, Quarterly for 4 funds, 1 fund pending liquidation	3 funds have redemption gates
Commodities	Energy, Metals, Agriculture	37,477	3	1 fund 3 years, 2 funds 6-8 years	15,336	No liquidity	N/A
Hedge Funds	U.S. and Global Long/ Short-Term Equities	312,327	12	1 fund 14 years, 6 funds N/A 5 funds pending liquidation	-	Monthly for 3 funds, Quarterly for 2 funds, Annual for 1 fund, Biannual for 1 fund, 5 funds pending liquidation	2 funds have redemption gates
Common Trust Funds	Track or exceed certain U.S. and international equity and fixed income indices	84,915	8	N/A	-	Daily liquidity	N/A
	Total	<u>\$ 1,311,129</u>	<u>71</u>		<u>\$ 149,312</u>		

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The following table lists investments valued at NAV per share or its equivalent, by major category, at September 30, 2018:

2018							
	Strategy	NAV in Funds	# of Funds	Remaining Life	\$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Private Equity	Venture and buyout in the U.S. and international	\$ 141,622	19	1 - 9 years	\$ 79,679	No liquidity	N/A
Real Estate	Real Estate	82,511	9	8 funds 1 - 11 years, 1 fund N/A	43,495	Quarterly for 1 fund, No liquidity for remaining funds	N/A
Timber	Holdings of timber producing property	84,770	8	1 - 4 years	-	No liquidity	N/A
Commingled Funds	Distressed asset funds and credit strategies	4,430	1	1 year	750	No liquidity	N/A
Commingled Funds	Global funds	643,459	10	1 fund terminates May 2019, 9 funds N/A	2,248	Monthly for 5 funds, Quarterly for 4 funds, No liquidity for 1 fund	1 year lock up for 1 fund; 3 funds have redemption gates
Commodities	Energy, Metals, Agriculture	35,009	3	1 fund 4 years, 2 funds 7 - 9 years	22,213	No liquidity	N/A
Hedge Funds	U.S. and Global Long/ Short-Term Equities	449,802	13	1 fund 15 years, 6 funds N/A, 6 funds pending liquidation	-	Monthly for 3 funds, Quarterly for 2 funds, Annual for 1 fund, Biannual for 1 fund, 6 funds pending liquidation	2 funds have redemption gates
Common Trust Funds	Track or exceed certain U.S. and international equity and fixed income indices	87,764	8	N/A	-	Daily liquidity	N/A
Total		<u>\$ 1,529,367</u>	<u>71</u>		<u>\$ 148,385</u>		

NOTE 7 – PENSION, RETIREMENT AND OTHER POSTRETIREMENT PLANS

Employee Pension Plans

Eligible employees participate in the Employee Pension Plan (the "Plan") with other Salvation Army Territories which provides for death, disability and retirement benefits. The Plan is a defined contribution, money purchase plan.

Annual contributions to the Plan for the Eastern Territory are based on a stipulated 6% of employees' salaries. In fiscal years 2019 and 2018, the Eastern Territory incurred \$8,990 and \$9,110 of expenses under this plan; net of employee forfeitures of \$2,368 and \$2,186, respectively. The Eastern Territory has recorded a liability for contributions accrued under the Plan of \$2,193 and \$2,383 as of September 30, 2019 and 2018, respectively, and are included on the accompanying consolidated statements of financial position as part of liability for pension and other postretirement benefits.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The Eastern Territory has board-designated assets of \$4,371 and \$4,687 as of September 30, 2019 and 2018, respectively, for an inactive money purchase pension plan for employees whose benefits were frozen as of April 30, 1977. The liability for benefits accrued under this plan of \$4,371 and \$4,687 as of September 30, 2019 and 2018, respectively, are included on the accompanying consolidated statements of financial position as part of liability for pension and other postretirement benefits.

Officers' Retirement Provisions and Other Post-Retirement Benefits

The Eastern Territory has a noncontributory retirement provision for officers which provides retirement benefits, as defined by The Salvation Army policy governing such benefits. Retirement allowances are determined based upon active officer allowances and length of service.

They are self-funded principally by annual assessments to all centers of operation, by designated portions of legacy income, by earnings on assets designated for retirement benefits and by special appropriations. Such designated assets, which were \$22,982 and \$26,739 as of September 30, 2019 and 2018, respectively, are included in board-designated net assets. These assets may be reallocated for other purposes at any time by the Eastern Territory's Board of Trustees.

The Eastern Territory also provides certain healthcare and death benefits for retired Salvation Army officers as part of the retirement provision for officers. The Eastern Territory also provides a housing and furnishings allowance at the time of retirement. All Eastern Territory officers and their eligible dependents are eligible for these benefits, as defined by the Eastern Territory policy. Provisions for these benefits are self-funded in a manner similar to officers' retirement benefits. Such designated assets, which were \$73,809 and \$79,723 as of September 30, 2019 and 2018, respectively, are included in board-designated net assets. These assets may be reallocated for other purposes at any time by the Eastern Territory's Board of Trustees.

The following table summarizes the benefit obligations, fair value of plan assets, funded status, and accrued benefit cost of the plans reported on the consolidated statements of financial position at September 30, 2019 and 2018:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Benefit obligation, beginning of year	\$ 291,568	\$ 363,654	\$ 305,441	\$ 405,925
Service cost	8,315	12,110	8,975	14,113
Interest cost	12,085	15,311	11,563	15,951
Assumption changes	33,638	46,992	(17,457)	(22,459)
Actuarial loss (gain)	2,745	(28,383)	(2,054)	(40,451)
Benefit payments	(15,463)	(9,826)	(14,900)	(9,425)
Benefit obligation, end of year	<u>\$ 332,888</u>	<u>\$ 399,858</u>	<u>\$ 291,568</u>	<u>\$ 363,654</u>
Fair value of plan assets at September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funded status at September 30	<u>\$ (332,888)</u>	<u>\$ (399,858)</u>	<u>\$ (291,568)</u>	<u>\$ (363,654)</u>
Accrued benefit cost	<u>\$ 307,611</u>	<u>\$ 350,581</u>	<u>\$ 271,689</u>	<u>\$ 332,725</u>

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The amounts reflected above as assumption changes, which served to increase the fiscal year 2019 benefit obligations of the plans by \$80,630, is primarily due to a decrease in the discount rates commensurate with lower long-term interest rates. The amount reflected above as an actuarial gain, which served to decrease the fiscal year 2019 benefit obligation of the postretirement plan by \$28,383, is primarily due to differences between actual and expected plan experience relating to claims paid and demographic changes.

In December 2019, Congress passed the 2020 Further Consolidated Appropriations Act (the "Act") which repealed the Cadillac Tax, a tax on high-cost health care plans that was originally passed as a provision of the Affordable Care Act. Since the Act was enacted subsequent to September 30, 2019, the Eastern Territory's postretirement benefit obligation does not incorporate the impact of the change in law. However, had the Act been in effect as of September 30, 2019, the Eastern Territory's postretirement benefit obligation would have been reduced by approximately 5%.

The amount of contributions and benefit payments from the plans for the years ended September 30, 2019 and 2018 were:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Employer contributions	\$ 15,463	\$ 9,826	\$ 14,900	\$ 9,425
Participant contributions	-	-	-	-
Benefit payments	<u>\$ 15,463</u>	<u>\$ 9,826</u>	<u>\$ 14,900</u>	<u>\$ 9,425</u>

The following table provides the components of the net periodic benefit cost recognized as expense for the years ended September 30, 2019 and 2018:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Service cost	\$ 8,315	\$ 12,110	\$ 8,975	\$ 14,113
Interest cost	12,085	15,311	11,563	15,951
Amortization of unrecognized:				
Prior service cost	1,477	261	2,384	261
Net actuarial loss	2,803	-	4,508	4,066
Net periodic benefit cost	<u>\$ 24,680</u>	<u>\$ 27,682</u>	<u>\$ 27,430</u>	<u>\$ 34,391</u>

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

For the years ended September 30, 2019 and 2018, the change in estimated additional minimum liability for retirement and other post-retirement benefits consisted of:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Net actuarial loss (gain)	\$ 36,383	\$ 18,609	\$ (19,510)	\$ (62,911)
Amortization of net actuarial loss	(2,803)	-	(4,508)	(4,066)
Amortization of prior service cost	(1,477)	(261)	(2,384)	(261)
	<u>\$ 32,103</u>	<u>\$ 18,348</u>	<u>\$ (26,402)</u>	<u>\$ (67,238)</u>

Items not yet recognized as a component of net periodic benefit cost as of September 30, 2019 and 2018 consisted of:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Unrecognized actuarial loss	\$ 101,451	\$ 47,565	\$ 67,870	\$ 28,956
Unrecognized prior service cost	14,035	1,710	15,513	1,971
	<u>\$ 115,486</u>	<u>\$ 49,275</u>	<u>\$ 83,383</u>	<u>\$ 30,927</u>

The estimated net actuarial loss and prior service cost for the defined benefit pension plan that will be amortized from net assets without donor restrictions into the net periodic benefit cost during the next fiscal year are \$4,793 and \$1,422, respectively. The estimated net actuarial loss and prior service cost for the postretirement benefit plan that will be amortized from net assets without donor restrictions into the net periodic benefit cost during the next fiscal year are \$533 and \$212, respectively.

The weighted-average rates used in the measurement of the benefit obligations as of September 30, 2019 and 2018, were as follows:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Discount rate	3.24%	3.34%	4.24%	4.27%
Rate of compensation increase	2.50%	N/A	2.50%	N/A
Expected rate of return on plan assets	N/A	N/A	N/A	N/A

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Other actuarial assumptions used as of September 30, 2019 and 2018, were as follows:

	2019	2018
Initial healthcare cost trend rate:		
Pre-65	7.02%	7.38%
Post-65	7.52%	7.92%
Ultimate healthcare cost trend rate:		
Pre-65	4.50%	4.50%
Post-65	4.50%	4.50%
Year ultimate healthcare cost trend rate is achieved	2028/2028	2026/2026

The weighted-average rates used in the measurement of the net periodic benefit cost for the years ended September 30, 2019 and 2018, were as follows:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Discount rate	4.24%	4.27%	3.88%	3.98%
Rate of compensation increase	2.50%	N/A	2.50%	N/A

Other actuarial assumptions used for the years ended September 30, 2019 and 2018, were as follows:

	2019	2018
Initial healthcare cost trend rate:		
Pre-65	7.38%	6.96%
Post-65	7.92%	8.18%
Ultimate healthcare cost trend rate:		
Pre-65	4.50%	4.50%
Post-65	4.50%	4.50%
Year ultimate healthcare cost trend rate is achieved	2026/2026	2026/2025

For the year ended September 30, 2019, the effect of a 1% change in the healthcare cost trend rate was as follows:

	1% Increase	1% Decrease
Effect on net periodic benefit cost	\$ 6,567	\$ (4,907)
Effect on accumulated benefit obligation	80,340	(62,221)

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The estimated future benefit payments as of September 30, 2019, were projected to be as follows:

<u>Fiscal Year</u>	<u>Retirement Provisions</u>	<u>Other Postretirement Benefits</u>
2020	\$ 14,866	\$ 10,389
2021	13,159	11,162
2022	14,748	11,485
2023	15,209	12,140
2024	17,295	12,778
2025 - 2029	99,736	78,007

Because the plans are unfunded, the estimated future benefit payments also represent the expected contributions to the plans for that year.

NOTE 8 – ESTIMATED LIABILITY FOR SELF-INSURANCE CLAIMS

Officers and employees of the Eastern Territory are provided health benefits under a self-insured program which is administered by a third-party claims administrator. The employee medical plan is funded by employee contributions and annual assessments to all centers of operations.

The Eastern Territory also maintains self-insurance programs for general liability, automobile, workers' compensation, and property coverage. The programs are administered by the Eastern Territory Headquarters and are intended to provide coverage for claims arising in all centers of operations. Funding for these programs is obtained through assessments to all centers of operations for each line of coverage and through earnings on designated assets held to pay claims. Assets designated by the Eastern Territory's Board of Trustees for insurance programs amounted to \$57,333 and \$57,778 at September 30, 2019 and 2018, respectively, and were included in board-designated net assets. These assets may be reallocated for other purposes at any time by the Eastern Territory's Board of Trustees.

Liabilities for self-insurance claims have been developed based on an actuarial model based on historical claims and industry experience. As of September 30, 2019 and 2018, the actuarially determined liabilities consisted of the following:

<u>2019</u>	<u>Case Reserve</u>	<u>Incurred But Not Reported</u>	<u>Total</u>
Officer and Employee Medical Plan	\$ 203	\$ 9,269	\$ 9,472
General liability, automobile, workers' compensation and property coverage	22,315	28,525	50,840
Total liability for self-insurance claims	\$ 22,518	\$ 37,794	\$ 60,312

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

<u>2018</u>	<u>Case Reserve</u>	<u>Incurred But Not Reported</u>	<u>Total</u>
Officer and Employee Medical Plan	\$ 304	\$ 9,903	\$ 10,207
General liability, automobile, workers' compensation and property coverage	<u>23,641</u>	<u>27,963</u>	<u>51,604</u>
Total liability for self-insurance claims	<u>\$ 23,945</u>	<u>\$ 37,866</u>	<u>\$ 61,811</u>

NOTE 9 – MORTGAGES AND NOTES PAYABLE

Notes Payable

On August 16, 2007, the Eastern Territory issued an offering memorandum for the sale and issuance of up to \$400,000 of Taxable Commercial Paper Notes (the "Notes") for the purpose of real estate acquisitions and facilities construction. The Notes were split into two Series, the Series 2007A Notes and the Series 2007B Notes, and were purchased or the sale arranged by JPMorgan Chase Securities, Inc. ("JPMorgan") and Merrill Lynch & Co. Inc. ("Merrill Lynch"), respectively, the dealers in the transactions. The Series 2007A Notes were sold at a discount with the face amount payable at maturity and the Series 2007B Notes were offered at both a discount and at par with the face amount payable at maturity and both series are interest bearing. The Notes carry maximum maturities of 270 days and may be issued in denominations of \$100 or in integral multiples of \$1 in excess of \$100. The Notes are unsecured general obligations of the Eastern Territory. Deutsche Bank Trust Company Americas was the issuing and paying agent.

On August 22, 2007, \$100,000 of Series 2007A Notes and \$60,000 of Series 2007B Notes were issued. On September 11, 2008, an additional \$35,000 of Series 2007A Notes and \$40,000 of Series 2007B Notes were issued. On October 15, 2009, an additional \$50,000 of Series 2007A Notes was issued. On October 9, 2010, the Eastern Territory issued an additional \$35,000 of Series 2007A Notes and \$25,000 of Series 2007B Notes. Deutsche Bank Trust Company Americas was the issuing and paying agent. On August 13, 2013, U.S. Bank Global Corporate Trust Services became the issuing and paying agent.

On November 29, 2011, the Eastern Territory entered a credit agreement with U.S. Bank for two term loans in accordance with its long-term financing strategy. The first term loan ("Term Loan A") of \$45,000 with a repayment term of 54 months was due and payable in full on December 1, 2019. On February 6, 2019, the credit agreement was amended to extend the loan maturity date to July 1, 2022. Proceeds were used to pay down \$45,000 of Series 2007B Notes issued in 2007. The second term loan ("Term Loan B") of \$55,000 with a repayment term of 10 years is due and payable in full on November 29, 2021. The loans bear interest daily at a per annum rate equal to one-month LIBOR plus the applicable margin, which amount to 0.40% (0.50% prior to December 28, 2018) and 0.80% for Term Loan A and Term Loan B, respectively. At September 30, 2019 and 2018, the Eastern Territory had a combined principal balance outstanding of \$100,000 for Term Loans A and B. Term Loans A and B are unsecured general obligations of the Eastern Territory. The interest rates on Term Loans A and B were 2.500% and 2.900%, respectively, at September 30, 2019 and 2.604% and 2.904%, respectively, at September 30, 2018.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

On May 24, 2012, the Eastern Territory entered into a credit agreement with TD Bank for a term loan in accordance with its long-term financing strategy. The term loan ("TD Term Loan") of \$100,000 with a repayment term of 10 years is due and payable in full on May 24, 2022. Proceeds were used to retire \$20,000 of Series 2007A Notes issued in 2007 and \$50,000 of Series 2007B Notes issued in 2007 and 2008. On June 5, 2012, \$14,000 of Series 2007B Notes issued in 2008 and 2010 were paid down and not reissued and on July 6, 2012, an additional \$16,000 of Series 2007B Notes issued in 2008 and 2010 were paid down and not reissued. The loan bears interest daily at a per annum rate equal to one-month LIBOR plus an applicable margin of 1.0%. At September 30, 2019 and 2018, the Eastern Territory had a principal balance outstanding of \$100,000. The interest rate on the TD Term Loan was 3.100% and 3.104% at September 30, 2019 and 2018, respectively.

On February 17, 2016, the Eastern Territory issued a Supplement to the Offering Memorandum dated April 16, 2015 (the "Supplement"). As set forth in the Supplement, the Eastern Territory reduced the principal amount of the Series 2007A Notes to \$100,000, and issued a new series of commercial paper notes in an amount up to \$100,000, which was denoted as Taxable Commercial Paper Notes, Series 2016A. J.P. Morgan Securities LLC, the dealer with respect to the 2007A Notes, serves as dealer with respect to the Series 2016A Notes. JPMorgan Chase Bank, N.A. provided \$100,000 of liquidity for the payment of maturing principal of the Series 2016A Notes pursuant to the terms of a Revolving Loan Agreement. The Series 2016A Notes carry maximum maturities of 270 days and may be issued in denominations of \$100 or in integral multiples of \$1 in excess of \$100. The Series 2016A Notes are unsecured general obligations of the Eastern Territory. U.S. Bank National Association is the issuing and paying agent.

As of September 30, 2019 and 2018, the Eastern Territory had a principal balance outstanding of \$198,810, net of discount \$1,190, and a principal balance of \$198,791, net of discount of \$1,209, respectively, for Series 2007A and Series 2016A Notes. During fiscal years 2019 and 2018, interest rates on the Series 2007A and Series 2016A Notes ranged from 1.92% to 2.80% and 1.27% to 2.30%, respectively.

Total interest expense related to the long-term financing strategy for the years ended September 30, 2019 and 2018 was \$18,807 and \$19,270, respectively. Included in this amount are net payments to counterparties related to interest rate swap agreements (see Note 10) of \$7,837 and \$10,669 for the years ended September 30, 2019 and 2018, respectively.

Mortgages Payable

United States Department of Housing and Urban Development

The Eastern Territory is obligated under various mortgages payable, which represent liabilities to the United States Department of Housing and Urban Development ("HUD") related to the purchase of land and construction of buildings for senior citizens' residences as well as for transitional and emergency shelter programs.

Funding from HUD has been in the form of mortgage notes and capital advances, some of which bear interest expense and for which repayment is not required as long as the Eastern Territory operates the programs stipulated by HUD. At the end of a 40-year period, the mortgage notes and capital advances payable to HUD are to be forgiven by HUD assuming that terms of the agreement are satisfied. Mortgages payable and capital advances in the amount of \$40,068 as of September 30, 2019 and 2018, have been included in mortgages and notes payable in the accompanying consolidated statements of financial position. All HUD mortgages and capital advances are collateralized by the related underlying assets.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

One HUD mortgage, which requires principal and interest payments, is financed with a third-party financial institution. At September 30, 2019 and 2018, the amounts outstanding were \$5,533 and \$5,614, respectively, with interest payable at 5.4% per annum. The financing is collateralized by the related underlying assets.

Other Mortgages Payable

A mortgage which requires no current principal or interest payment is financed with a New Jersey State agency. The mortgage is reduced by 20% per year over a five-year period and repayment is not required unless the Eastern Territory discontinues the related program or sells the underlying assets. At September 30, 2019 and 2018, the amounts outstanding were \$0 and \$40, respectively.

At September 30, 2019 and 2018, the Eastern Territory had multiple mortgages payable outstanding aggregating \$6,874 and \$7,046, respectively, inclusive of accrued interest payable of \$981 and \$904, respectively, with interest payable at rates varying from 0.00% to 5.61% per annum with maturities through fiscal year 2047. These mortgages are collateralized by the related underlying assets.

Future principal payments on notes and mortgages payable noted above as of September 30, 2019 are as follows:

Fiscal Year

2020	\$ 200,345
2021	149
2022	200,096
2023	101
2024	107
Thereafter	<u>11,609</u>
	412,407
 HUD mortgages not requiring repayment	 40,068
Discount on commercial paper	<u>(1,190)</u>
 Total	 <u><u>\$ 451,285</u></u>

Line of Credit and Other Credit Facilities

The Eastern Territory has a \$100,000 unsecured master line of credit (the "Master LOC") available from Bank of America. At September 30, 2019, the Eastern Territory had \$15,372 outstanding on the Master LOC, which bears interest at one-month LIBOR plus 0.50% (2.589% at September 30, 2019). At September 30, 2018, the Eastern Territory had \$39,764 outstanding on the Master LOC, which bears interest at one-month LIBOR plus 0.45% or 0.50% (2.564% or 2.614% at September 30, 2018). Amounts drawn down from the Master LOC are payable on or before July 31, 2021.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

On April 5, 2018, the Eastern Territory entered into a \$35 million unsecured credit facility agreement with U.S. Bank National Association to provide bridge financing for a capital project. Amounts drawn from the credit facility will bear interest at a rate equal to the bank cost of funds rate plus a margin (0.23% per annum) as determined on the date of each loan. Interest on outstanding amounts are payable monthly with full repayment of principal due on April 4, 2021. As of September 30, 2019 and 2018, the Eastern Territory had a principal balance outstanding of \$25,000 (interest rates ranged from 2.32% to 3.40%) and \$0, respectively. Subsequent to September 30, 2019, the Eastern Territory drew down an additional \$4.4 million from the credit facility.

On September 23, 2019, the Eastern Territory entered into a 30 day interest-free loan for \$645 with the Fund for the City of New York to provide bridge financing to cover operating expenses pending the receipt of a grant from a state agency. Subsequent to September 30, 2019, the loan was repaid.

Debt Covenants

The terms of the term loans and line of credit agreements contain requirements for maintaining certain financial and non-financial covenants. The Eastern Territory was in compliance with all applicable covenants at September 30, 2019 and 2018.

New Markets Tax Credits

During fiscal years 2015 and 2014, the Eastern Territory entered into New Markets Tax Credit transactions for the benefit of the Camden Kroc Center. Through these transactions, the Eastern Territory issued leveraged loans receivables of \$7,054 to one investment fund in fiscal 2015 and \$12,663 to two investment funds in fiscal 2014, due in 2045 and 2044, respectively, with interest payments only on the loans until 2022 and 2021, respectively. The loans bear an interest rate of 1% and are unsecured. As of September 30, 2019 and 2018, amounts due to the Eastern Territory totaled \$19,717 and are included in notes receivable on the accompanying consolidated statements of financial position.

In connection with the Camden New Markets Tax Credits transactions, the Eastern Territory obtained loans payable for \$17,641 and \$9,800 for the Camden Kroc Center during the years ended September 30, 2015 and 2014, respectively, maturing in 2045 and 2044, respectively. The loans bear interest rates that range between 0.71% and 1.15%. Interest-only payments are required until maturity upon which time the entire principal balance will become due. As of September 30, 2019 and 2018, amounts payable by the Eastern Territory totaled \$27,441 and are included in mortgages and notes payable on the accompanying consolidated statements of financial position.

During fiscal year 2016, the Eastern Territory entered into a New Markets Tax Credit transaction for the benefit of the Greater Cleveland Area Services ("GCAS"). Through this transaction, the Eastern Territory issued a leveraged loan receivable for \$11,508 to an investment fund due in 2045. The loan bears an interest rate of 1.15%. Interest-only payments are required until 2022 and the loan is unsecured. As of September 30, 2019 and 2018, amounts due to the Eastern Territory totaled \$11,508 and are included in notes receivable on the accompanying consolidated statements of financial position.

In connection with the GCAS New Markets Tax Credit transaction, the Eastern Territory obtained three loans payable totaling \$17,435 for the GCAS. The loans bear an interest rate of 1%. Interest-only payments are required until maturity in 2045. As of September 30, 2019 and 2018, amounts payable by the Eastern Territory totaled \$17,435 and are included in mortgages and notes payable on the accompanying consolidated statements of financial position.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

During fiscal year 2018, the Eastern Territory entered into a New Markets Tax Credit transaction for the benefit of the Harrisburg Corps ("Harrisburg"). Through this transaction, the Eastern Territory issued a leveraged loan receivable for \$6,802 to an investment fund due in 2040. The loan bears an interest rate of 1%. Interest-only payments are required until 2025 and the loan is unsecured. As of September 30, 2019 and 2018, amounts due to the Eastern Territory totaled \$6,802 and are included in notes receivable on the accompanying consolidated statements of financial position.

In connection with the Harrisburg New Markets Tax Credit transaction, the Eastern Territory obtained two loans payable totaling \$9,700 for Harrisburg. The loans bear an interest rate of 1.52%. Interest-only payments are required until maturity in 2048. As of September 30, 2019 and 2018, amounts payable by the Eastern Territory totaled \$9,700 and are included in mortgages and notes payable on the accompanying consolidated statements of financial position.

At the closing of each of the respective New Markets Tax Credits transactions, the Eastern Territory and investor executed put and call option agreements that would grant the respective investor the right and option to cause the Eastern Territory to purchase (within three months after the seven-year compliance period) the investor's membership interests in the fund (i.e., the "put") for a predetermined purchase price of approximately \$1. If the investor does not elect to put its interests to the Eastern Territory beyond the end of month 87, the Eastern Territory will have the right to call its purchase right in the fund for the current fair market value.

Other Financing Obligation

On October 16, 2015, the Eastern Territory entered into a sale of property in New York City for \$108,750, in exchange for cash proceeds of \$70,000 and a purchase money mortgage note of \$38,750. The principal amount is due on its maturity date of December 31, 2050, unless terminated earlier upon agreement of both parties to certain terms and conditions. Interest is payable monthly at 6% per annum. The Eastern Territory simultaneously entered into a lease for the premises, expiring no later than October 15, 2045, with an annual base rent of \$2,325, subject to the same termination conditions included in the purchase money mortgage. The lease also requires payment of property taxes and certain utilities and maintenance expenses. This sale-leaseback transaction did not qualify for sale-leaseback accounting due to the Eastern Territory's continuing involvement and as a result, the transaction was accounted for by the Eastern Territory using the financing method. Under the financing method, the Eastern Territory did not recognize any profit during the fiscal years 2019 or 2018, did not record the note receivable as of September 30, 2019 and 2018 and continued to report the property on the accompanying consolidated statements of financial position. The net book value of the property was approximately \$1,300 at September 30, 2019 and 2018. The financing obligation (net of closing costs and additional rent paid) totaled \$59,642 as of September 30, 2019 and 2018, and has been recorded within other liabilities in the accompanying consolidated statements of financial position.

Subsequent to September 30, 2019, the termination conditions stipulated in the purchase money mortgage and lease were met by the Eastern Territory. Accordingly, full repayment of the purchase money mortgage note of \$38,750 is due from the buyer during fiscal year 2020, which upon receipt, the Eastern Territory will recognize the sale and profit from the sale of property.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

NOTE 10 – INTEREST RATE SWAPS

Concurrent with the issuance of the Notes, the Eastern Territory entered into a total of six interest rate swap agreements with notional amounts totaling \$345,000 in order to hedge its interest rate risk on the Notes whereby the Eastern Territory agreed to pay a counterparty a fixed rate and the counterparty agreed to pay the Eastern Territory a variable interest rate intended to approximate the variable rate equal to 30-Day LIBOR (2.016% at September 30, 2019 and 2.260% at September 30, 2018) on the Eastern Territory's Commercial Paper and Term Loans. The interest rate swap agreements issued concurrently with the issuance of the Notes in fiscal years 2007 through 2011 were maintained to hedge interest rate risk on the 2007A Notes and 2016A Notes.

Concurrent with the issuance of Term Loan B, the Eastern Territory has entered into an interest rate swap transaction with U.S. Bank in the notional amount of \$55,000, wherein the Eastern Territory agreed to pay U.S. Bank a fixed rate of interest equal to 2.149% of the notional amount and receive from U.S. Bank an interest payment equal to 30-Day LIBOR (2.016% at September 30, 2019 and 2.260% at September 30, 2018). The interest rate swap agreement issued concurrently with the 2007 Series B Notes was maintained to hedge interest rate risk on Term Loan A.

The summary of the Eastern Territory's interest rate swap agreements as of September 30, 2019 and 2018 are as follows:

Counterparty	Notional Amount	Eastern Territory Fixed Rate	Expiration	Counterparty Interest Rate
JPMorgan	\$ 100,000	5.615%	June 1, 2040	30-Day LIBOR
Bank of America	60,000	5.615%	June 1, 2040	30-Day LIBOR
JPMorgan	40,000	4.576%	June 1, 2040	30-Day LIBOR
Merrill Lynch	35,000	4.576%	June 1, 2040	30-Day LIBOR
U.S. Bank	50,000	3.960%	June 1, 2024	30-Day LIBOR
U.S. Bank	60,000	2.975%	June 1, 2024	30-Day LIBOR
U.S. Bank	55,000	2.149%	November 1, 2021	30-Day LIBOR
	<u>\$ 400,000</u>			

The Eastern Territory accounts for its interest rate swap agreements in accordance with *Accounting for Derivative Instruments and Hedging Activities*. Fair values of interest rate swap agreements are the estimated amounts that the Eastern Territory would have received or paid, including accrued interest, to terminate the agreements on the date of the consolidated statement of financial position. The estimated fair values of the agreements are recorded as assets or liabilities within the consolidated statement of financial position. Changes in the estimated fair values are recorded in the consolidated statements of activities.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Amounts included within the consolidated financial statements as of September 30, 2019 and 2018 are as follows:

Counterparty	Fair Value as of September 30, 2019	Fair Value as of September 30, 2018	Consolidated Statement of Financial Position Location	Change in Fair Value for the Year Ended September 30, 2019	Change in Fair Value for the Year Ended September 30, 2018	Consolidated Statement of Activities Location
JPMorgan	\$ 65,121	\$ 37,700		\$ (27,421)	\$ 14,079	
Bank of America	39,073	22,820		(16,453)	8,447	
JPMorgan	19,349	8,932		(10,417)	5,006	
Merrill Lynch	16,931	7,815		(9,116)	4,380	
U.S. Bank	5,804	2,855		(3,149)	3,403	
U.S. Bank	4,283	85		(4,198)	3,490	
U.S. Bank	742	(1,252)		(1,994)	1,934	
	<u>\$ 151,303</u>	<u>\$ 78,555</u>	Interest rate swaps	<u>\$ (72,746)</u>	<u>\$ 40,739</u>	Change in fair value of interest rate swaps

NOTE 11 – CONDITIONAL ASSET RETIREMENT OBLIGATIONS

The Eastern Territory is required to recognize a conditional asset retirement obligation ("CARO") related to the cost associated with the eventual remediation and abatement of asbestos and other environmental hazards contained within its physical plant. The cost of the abatement was based upon a consultant's estimate which specializes in such abatements. At September 30, 2019 and 2018, the CARO was \$66,046 and \$65,579, respectively. Land, buildings and equipment included capitalized conditional asset retirement obligations at a cost of \$13,810 and accumulated depreciation of \$13,646 and \$13,317 at September 30, 2019 and 2018, respectively. For the years ended September 30, 2019 and 2018, the Eastern Territory recorded accretion expense of \$1,915 and \$1,885, respectively. During fiscal years 2019 and 2018, the remediation costs amounted to \$1,448 and \$855, respectively, and were recorded as a reduction to the CARO.

NOTE 12 – ENDOWMENTS

The Eastern Territory's endowment consists of approximately one thousand three hundred individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by US GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Interpretation of Relevant Law

The Eastern Territory is subject to the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), as enacted by the State of New York and thus, classifies earnings in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditure. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Trustees has interpreted NYPMIFA as not requiring the maintenance or purchasing power of the original gift amount contributed to the endowment fund, unless explicit donor restrictions to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Eastern Territory considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gifts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Eastern Territory has interpreted NYPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. Additionally, in accordance with NYPMIFA, the Board of Trustees considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Eastern Territory and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Eastern Territory
- The investment policies of the Eastern Territory

Spending Policy

The Eastern Territory has a policy of making available for distribution each year 5% of its endowment fund's average fair value over the prior 20 quarters. In establishing this policy, the Eastern Territory considered the long-term expected return on its endowment. Accordingly, over the long-term, the Eastern Territory expects the current spending policy to allow its endowment to grow at an average real rate of return greater than inflation. This is consistent with the Eastern Territory's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Return Objectives and Risk Parameters

The Eastern Territory has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets are those assets of donor-restricted funds that the Eastern Territory must hold in perpetuity or for donor-specified periods as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate benchmarks without putting the assets at imprudent risk.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Eastern Territory relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Eastern Territory targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that donors or NYPMIFA requires the Eastern Territory to retain as a fund of perpetual duration.

Deficiencies of this nature exist in donor-restricted endowment funds, which together have an original gift value of \$10,243, a current fair value of \$9,799, and a deficiency of \$444 as of September 30, 2019. Deficiencies of this nature exist in donor-restricted endowment funds, which together have an original gift value of \$6,778, a current fair value of \$6,677, and a deficiency of \$101 as of September 30, 2018. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new contributions for donor-restricted endowment funds and continued appropriations for certain programs that were deemed prudent by the Board of Trustees.

Endowment Net Asset Composition by Type of Fund

The following table summarizes endowment net asset composition by type of fund as of September 30, 2019 and 2018:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 214,531	\$ -	\$ 214,531
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	-	436,373	436,373
Accumulated investment gains			
Without purpose restrictions	-	27,883	27,883
With purpose restrictions	-	230,524	230,524
	-	258,407	258,407
Total endowment funds	<u>\$ 214,531</u>	<u>\$ 694,780</u>	<u>\$ 909,311</u>
	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 226,537	\$ -	\$ 226,537
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	-	434,257	434,257
Accumulated investment gains			
Without donor restrictions	-	30,519	30,519
With donor restrictions	-	259,632	259,632
	-	290,151	290,151
Total endowment funds	<u>\$ 226,537</u>	<u>\$ 724,408</u>	<u>\$ 950,945</u>

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The following table summarizes changes in endowment net assets for fiscal years 2019 and 2018.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, September 30, 2017	\$ 225,391	\$ 731,153	\$ 956,544
Contributions and bequests	-	14,185	14,185
Designated by Board	18,088	-	18,088
Appropriation of endowment assets for expenditure	(31,379)	(37,043)	(68,422)
Reduction of previous years accumulated unspent appropriation	-	(38,573)	(38,573)
Investment return, net	14,437	54,686	69,123
Endowment net assets, September 30, 2018	226,537	724,408	950,945
Contributions and bequests	-	2,364	2,364
Designated by Board	19,212	-	19,212
Appropriation of endowment assets for expenditure	(40,100)	(34,180)	(74,280)
Investment return, net	8,882	2,188	11,070
Endowment net assets, September 30, 2019	<u>\$ 214,531</u>	<u>\$ 694,780</u>	<u>\$ 909,311</u>

Following a review of the Eastern Territory's endowment funds during fiscal year 2018, the Eastern Territory determined that certain amounts appropriated in previous years remained unspent and were not removed and reported as a reduction of endowment assets in its accounting records as required by US GAAP. Accordingly, during the year ended September 30, 2018, the Eastern Territory recorded an additional appropriation of \$38,573 to reflect the transfer of such amounts from endowment assets to non-endowment assets, resulting in an increase in non-endowment net assets without donor restrictions of \$1,536 and an increase in non-endowment net assets with donor restrictions of \$37,037.

NOTE 13 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions is comprised of undesignated and Board-designated amounts for the following purposes at September 30, 2019 and 2018:

	2019	2018
General operating	\$ 9,737	\$ (26,036)
Board-designated		
Officer retirement and healthcare	(635,955)	(548,760)
Insurance programs	(2,979)	(4,033)
Split-interest agreements	22,520	22,023
Building/capital purposes	402,808	388,708
Other	317,275	671,385
	<u>103,669</u>	<u>529,323</u>
Land, buildings and equipment	<u>1,044,693</u>	<u>1,029,589</u>
	<u><u>\$ 1,158,099</u></u>	<u><u>\$ 1,532,876</u></u>

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at September 30, 2019 and 2018:

	2019	2018
Subject to expenditure for specified purpose or future period		
Character building/social programs	\$ 346,996	\$ 363,622
Assets of trusts administered by the Eastern Territory	13,037	14,540
Beneficial interest in trusts held by others	19,977	17,844
Building/capital purposes	27,727	41,560
Camp and recreational activities	16,041	17,425
Pledges, legacies and bequests to be paid in future periods	3,704	2,080
Total subject to expenditure for specified purpose or future period	<u>427,482</u>	<u>457,071</u>
Endowments subject to spending policy and appropriation		
Investment in perpetuity, for which earnings may be appropriated to support:		
Character building/social programs	409,822	402,951
Building/capital purposes	3,284	3,284
Camp and recreational activities	23,267	23,207
Total endowments subject to spending policy and appropriation	<u>436,373</u>	<u>429,442</u>
Not subject to appropriation or expenditure		
Assets of trusts administered by the Eastern Territory	1,309	1,727
Beneficial interest in trusts held by others	211,101	215,009
Pledges, legacies and bequests to be paid in future periods	605	846
Total not subject to appropriation or expenditure	<u>213,015</u>	<u>217,582</u>
Total net assets with donor restrictions	<u><u>\$ 1,076,870</u></u>	<u><u>\$ 1,104,095</u></u>

NOTE 15 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and/or by occurrence of other events specified by the donors for the years ended September 30, 2019 and 2018:

	2019	2018
Purpose restriction accomplished:		
Character building/social programs	\$ 29,669	\$ 26,412
Building/capital purposes	15,215	5,545
	<u>44,884</u>	<u>31,957</u>
Time restrictions expired	<u>4,844</u>	<u>9,149</u>
Total net assets released from restrictions	<u><u>\$ 49,728</u></u>	<u><u>\$ 41,106</u></u>

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

NOTE 16 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Eastern Territory's financial assets as of September 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of September 30, 2019. Amounts not available include amounts set aside for long-term obligations that could be drawn upon if the Board of Trustees approves that action. However, amounts already appropriated from the donor-restricted endowment for general expenditure within one year of the consolidated statement of financial position date have not been subtracted as unavailable.

Financial assets at September 30, 2019	
Cash and cash equivalents	\$ 133,746
Accounts receivable	33,085
Legacies and bequest receivable	22,661
Plèdges receivable, net	2,409
Investments, at fair value	<u>2,165,645</u>
Total financial assets at September 30, 2019	2,357,546
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Contractual restrictions	(29,601)
Subject to appropriation and satisfaction of purpose/time restrictions	(484,697)
Investments illiquid within one year	(307,701)
Pledges receivable collectible beyond one year	(1,030)
Board designations:	
Amounts set aside for long-term obligations	<u>(463,708)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,070,809</u>

The Eastern Territory is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Eastern Territory must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Eastern Territory's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Eastern Territory invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, the Eastern Territory could draw upon \$100,000 of an available line of credit (\$15,372 outstanding as of September 30, 2019 - see Note 9).

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

NOTE 17 – FAIR VALUE OF FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

The Eastern Territory's financial instruments consist of cash and cash equivalents, accounts receivable, legacies and bequests receivable, pledges receivable, notes receivable, investments, assets held under split-interest agreements, beneficial interest in trusts held by others, accounts payable and accrued expenses, liability for split-interest agreements, mortgages and notes payable and interest rate swaps. Investments, assets held under split-interest agreements, beneficial interest in trusts held by others, and interest rate swaps are recorded at fair value. All other financial instruments are stated either at cost or net realizable value, which approximates fair value.

Financial instruments which potentially subject the Eastern Territory to concentrations of credit risk consist primarily of cash and cash equivalents, receivables and investment securities. The Eastern Territory maintains its cash and cash equivalents with large financial institutions. At certain times, the Eastern Territory's cash account balances may exceed federally insured limits. However, the Eastern Territory has not experienced, nor does it anticipate, any losses with respect to such bank balances. Receivables are due from a large number of government agencies, entities and individuals, thereby, diversifying the related concentration of credit risk. Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with investments, it is reasonably possible that changes in risk in the near term would materially affect the amounts reported in the consolidated statements of financial position. However, the Eastern Territory's investment portfolio is diversified with several investment managers in a variety of asset classes. The Eastern Territory regularly evaluates its depository arrangements and investments, including performance thereof.

NOTE 18 – COMMITMENTS AND CONTINGENCIES

Letters of Credit

As of September 30, 2019, the Eastern Territory has issued letters of credit totaling \$18,840 to insurance companies under various insurance programs. These letters of credit are collateralized by the Eastern Territory's cash and cash equivalents and renew automatically each year.

Legal Proceedings

The Eastern Territory, in the normal course of its operations, is or could become a party to various legal proceedings and complaints, the majority of which are covered by insurance. While it is not feasible to predict the ultimate outcomes of such matters, management is not aware of any claims or contingencies, which are not covered by insurance, that would have a material adverse effect on the consolidated financial position, changes in net assets and cash flows of the Eastern Territory.

Real Estate and Construction Commitments

The Board of Trustees of the Eastern Territory had future capital commitments of approximately \$62,000 which was unspent as of September 30, 2019.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Government Grants and Contracts

The Eastern Territory receives grants and contracts from federal, state and local governments. Cost-reimbursement grant programs, including those subject to independent audit under the Office of Management and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, may be reviewed by grantor agencies. These audits and reviews could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, management believes that any costs ultimately disallowed would not materially affect the Eastern Territory's consolidated financial position.

Leases

At September 30, 2019 and 2018, the Eastern Territory was committed under operating leases, principally for office space. Rent expense was \$12,974 and \$12,955 in fiscal years 2019 and 2018, respectively. Future minimum base rents under terms of noncancelable operating leases were as follows at September 30, 2019:

Year Ending September 30:

2020	\$ 6,353
2021	3,211
2022	1,617
2023	369
2024	131
Total	<u>\$ 11,681</u>

NOTE 19 – RELATED PARTY TRANSACTIONS

For fiscal years 2019 and 2018, the Eastern Territory made payments for administrative services to The Salvation Army National Headquarters of \$1,200 and \$1,225, respectively. In addition, for fiscal years 2019 and 2018, the Eastern Territory made payments to The Salvation Army International Headquarters of \$6,332 and \$6,270, respectively, for World Services and \$6,477 and \$6,088, respectively, for other mission grants and administrative services.

NOTE 20 – ACCOUNTING FOR INCOME TAXES

The Eastern Territory follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The Eastern Territory has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it was nexus; and to identify and evaluate other matters that may be considered tax positions. The Eastern Territory has determined that as of September 30, 2019 and 2018, there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

NOTE 21 – SUBSEQUENT EVENTS

The Eastern Territory evaluated its September 30, 2019 consolidated financial statements for subsequent events through May 8, 2020, the date the consolidated financial statements were issued. The Eastern Territory is not aware of any material subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements, except as disclosed below and in Notes 3, 7 and 9.

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on the Eastern Territory's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on our funding agencies, donors, customers, thrift stores, employees and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact our consolidated financial position and changes in net assets and cash flows is uncertain and the accompanying consolidated financial statements include no adjustments relating to the effects of this pandemic.

THE SALVATION ARMY
a New York Corporation
FEIN 13-5562351
DUNS 06-2517941

Executive Address: 440 West Nyack Road
West Nyack, New York 10994-1739
T.845-620-7200 F 845-620-7615

Listing of Corporate Trustees and Officers

<u>NAME/EMPLOYMENT</u>	<u>TITLE</u>	<u>HOME ADDRESS</u>
David E. Hudson	Chairman Trustee	2401 Belle Haven Meadows Court Alexandria, VA 22308
William A. Bamford III	President, Trustee	6 Matthew Drive Chestnut Ridge, NY 10977
Philip J. Maxwell	Vice President, Trustee	9 Patriot Drive Airmont, NY 10952
Hubert S. Steele III	Treasurer, Trustee	1 Lansing Court New City, NY 10956
Michelle L. Dressler	First Assistant Treasurer Trustee	16 Henry Street Orangeburg, NY 10962
Michael J. Southwick	Secretary	15 Sunset Road Old Greenwich, CT 06870
Richard D. Allen	Assistant Secretary – Legal	20 Spruce Lane Naples, ME 04055
Thomas O. Henson	Second Assistant Treasurer	3 Tin Court Walden NY 12586
Charles S. Foster	Assistant Secretary – Property	4 Hannah Lane Valley Cottage, NY 10989
Adolph M. Orlando	Second Assistant Secretary –Property	469 Esplanade Pelham Manor, NY 10803
Beth A. Foster	Assistant Secretary – Finance	4 Hannah Lane Valley Cottage, NY 10989
Lynn R. Gensler	Trustee	5 Jon Leif Lane Chestnut Ridge, NY 10977
James P. LaBossiere	Trustee	2 Bubenko Lane Garnerville, NY 10923
Ruth A. Stoneburner	Trustee	11 Forest Ridge Rd Nyack, NY 10960
G. Lorraine Bamford	Trustee	6 Matthew Drive Chestnut Ridge, NY 10977
Deslea A. Maxwell	Trustee	9 Patriot Drive Airmont, NY 10952

As of 1 May 2020
(EXADPL)

Relevant Experience

Social Services

- Connect clients to Social Service Agencies.
- Identify barriers and assist clients in overcoming them.
- Assist clients with job search, placement and retention.
- Experience and training in the medical field.
- Familiar with Medicaid, Medicare, Long Term Care and Choices For Independence.

Management

- Trained staff and prioritized work.
- Scheduled staff breaks.
- Provided coaching of staff as needed.
- Designed and utilized budget management system.
- Created training manual to provide continuity in job performance.
- Outreach and networking.

Quality Control

- Analytical skills and the ability to accept/reject data.
- Attention to detail.
- Able to interpolate information.

Organization

- Provide informational meetings for individuals and groups.
- Proficient in New Heights, Job Match System, Refer 7, Microsoft Word, Excel and EW.
- Develop individual employment plan with clients and provided case management.

Interpersonal

- Able to work with a wide variety of clients in a professional manner.
- Demonstrated ability to work independently and as part of a team.
- Flexible, patient and motivational.

Other Skills

- Operate and balance Cash Register.
- Mechanically inclined.
- Various applicable skills within Food Service such as Food Safety SOP, Food Prep. and holding, adhering to equipment maintenance schedules etc..

Employment History

Ocean State Job Lot	Supervisor	8/2018 - Present
Sam's Club	Cafe Assoc.	10/2017 - 7/2018
BJ's Wholesale Club	Varied	7/2017 - 10/2017
Self-Employed/Caregiver	Varied	2012 - Present
ServiceLink	I & R Generalist	2011 - 2012
Granite State Independent Living	Employment Coordinator	2010-2012
NH Employment Security/DHHS	FS Employment Spec.	2008 - 2010
Concord Hospital	Information System Spec.	2000 - 2001

Education

Franklin Pierce College

BA Human Services - Social Work and Counseling Track
Honors: Magna Cum Laude

1999

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Paula Corriveau	Shelter Director	\$42,328.00	50	\$21,164.00
In search of....	Case Manager		50	
			50	
In search of....	House Supervisor		50	

**New Hampshire Department of Health and Human Services
State Grant In Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant In Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and The Salvation Army, (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 58 Clinton Street, Concord, NH 03301.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$312,915.
2. Modify P-37, General Provisions, Block 1.3 to read:
The Salvation Army
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
 - 2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
 - 2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
6. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
 - 2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
8. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1.

The Salvation Army

RFA-2020-DEHS-01-STATE-17-A01

Amendment #1

Page 1 of 4

Contractor Initials 

Date 6-18-2020

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



to read:

- 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**




All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

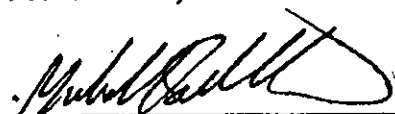
State of New Hampshire
Department of Health and Human Services

6/24/20
Date


Name: Christine Santunietto
Title: Director DEHS

The Salvation Army

6-19-2020
Date


Name: Michael J. Southwick
Title: Secretary

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/26/20
Date

Catherine Pinos
Name:
Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

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 THE SALVATION ARMY is a New York Nonprofit Corporation registered to transact business in New Hampshire on July 19, 1954. 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: 64368

Certificate Number: 0004519776



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 23rd day of May A.D. 2019.

A handwritten signature in cursive script, appearing to read "Wm Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Michelle L. Dressler, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected ~~Clerk/Secretary~~/Officer of The Salvation Army
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on September 8, 2015, at which a quorum of the Directors/shareholders were present and voting.
(Date)

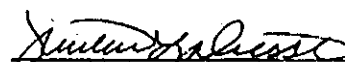
VOTED: That Michael J. Southwick, Secretary (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of The Salvation Army to enter into contracts or agreements with the State
(Name of Corporation/LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for **thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6-26-2020



Signature of Elected Officer
Name: Michelle L. Dressler
Title: First Assistant Treasurer



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/23/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CHESTERFIELD INSURANCE AGENCY, INC. P. O. BOX 237 GREEN, OH 44232-0237	CONTACT NAME: DEANNA M. KRUGER PHONE (A/C, No. Ext.): (330) 896-7639 X 8123 FAX (A/C, No.): 330-896-6548 E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: ZURICH AMERICAN INS. CO. NAIC # 16535 INSURER B: THE SALVATION ARMY RISK TRUST INSURER C: THE SALVATION ARMY, A NY CORP. INSURER D: AMERICAN ZURICH INS. CO. 40142 INSURER E: INSURER F:
INSURED THE SALVATION ARMY, A NEW YORK CORP. 440 WEST NYACK ROAD WEST NYACK, NY 10994-1739	

COVERAGES CERTIFICATE NUMBER: 004-008-62320Concord 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	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	<input checked="" type="checkbox"/> 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 checked="" type="checkbox"/> LOC OTHER:			SELF INSURED RETENTION	01/01/20	01/01/21	EACH OCCURRENCE \$ 500,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 500,000 GENERAL AGGREGATE \$ 500,000 PRODUCTS - COMPROP AGG \$ 500,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			BAP 8978527-24	01/01/20	01/01/21	COMBINED SINGLE LIMIT (Ea accident) \$ 100,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$500,000			TRUST #19578500	01/01/20	01/01/21	EACH OCCURRENCE \$ 4,500,000 AGGREGATE \$ 4,500,000
D	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/A	WC 8978533-24	01/01/20	01/01/21	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	AUTO LIABILITY EXCESS			SELF INSURED RETENTION	01/01/20	01/01/21	\$400,000 XS OF \$100,000

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

McKenna House Emergency Shelter for Homeless
100 S Fruit Street
Concord, NH 03301
Dates of June 23, 2020- December 31, 2020

CERTIFICATE HOLDER NH DDS 129 Pleasant Street Concord, NH 03301	CANCELLATION 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
--	---

© 1988-2015 ACORD CORPORATION. All rights reserved.



Certificate of Insurance Request



Date Request Submitted: 6-23-20

Date Certificate Needed: ASAP

☒ E-mail certificate to: richard.starkey@use.salvationarmy.org

☐ Fax certificate to (attn): _____

TSA Location Information	
ARC/CORP/INSTITUTION NAME:	LOCATION #:
Concord Corps	007
ADDRESS:	
58 Clinton Street	
CITY, STATE:	ZIPCODE:
Concord, NH 03301	

Location to be Insured	
NAME (IF DIFFERENT):	LOCATION #:
McKenna House	
ADDRESS:	
100 S Fruit Street	
CITY, STATE:	ZIPCODE:
Concord, NH 03301	

Certificate Holder	
NAME:	
NH DDS	
ADDRESS:	
129 Pleasant Street	
CITY, STATE:	ZIPCODE:
Concord, NH 03301	

Additional Insured (List all Parties)	
NAME (IF DIFFERENT):	
ADDRESS:	
CITY, STATE:	ZIPCODE:

Coverage Selection	
<input checked="" type="checkbox"/> General Liability Limit (if over \$500,000): <u>3,000,000</u>	<input type="checkbox"/> Worker's Compensation
<input type="checkbox"/> Automobile Limit (if over \$500,000): _____	<input type="checkbox"/> Other (specify coverages, limits & include contract)

Description	
Program, Service or Operation to be covered:	
McKenna House Shelter SIGA Grant	
Dates of Coverage:	
From: <u>June 23, 2020</u>	To: <u>June 30, 2021</u>
Specific Wording or Requirements:	



DOING THE MOST GOOD

The Salvation Army

Mission Statement

The Salvation Army, an international movement, is an evangelical part of the universal Christian church. Its message is based on the Bible. Its ministry is motivated by the love of God. Its mission is to preach the gospel of Jesus Christ and to meet human needs in His name without discrimination.

**Consolidated Financial Statements
Together with Report of Independent
Certified Public Accountants**

The Salvation Army - Eastern Territory

September 30, 2019 and 2018

Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Consolidated Statements of Financial Position as of September 30, 2019 and 2018	5
Consolidated Statement of Activities for the year ended September 30, 2019, with comparative totals for the year ended September 30, 2018	6
Consolidated Statement of Activities for the year ended September 30, 2018	7
Consolidated Statement of Functional Expenses for the year ended September 30, 2019, with comparative totals for the year ended September 30, 2018	8
Consolidated Statement of Functional Expenses for the year ended September 30, 2018	9
Consolidated Statements of Cash Flows for the years ended September 30, 2019 and 2018	10
Notes to Consolidated Financial Statements	11



GRANT THORNTON LLP

757 Third Ave., 9th Floor
New York, NY 10017-2013

D +1 212 599 0100

F +1 212 370 4520

S [linked.in/grantthorntonus](https://www.linkedin.com/company/grantthorntonus)
twitter.com/grantthorntonus

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
The Salvation Army - Eastern Territory

Report on the financial statements

We have audited the accompanying consolidated financial statements of The Salvation Army - Eastern Territory (the "Eastern Territory"), which comprise the consolidated statements of financial position as of September 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Eastern Territory'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 Eastern Territory'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 Salvation Army - Eastern Territory as of September 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

New York, New York
May 8, 2020

The Salvation Army - Eastern Territory
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of September 30, 2019 and 2018
(in thousands)

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 133,746	\$ 129,234
Accounts receivable	33,085	24,285
Legacies and bequests receivable	22,661	17,570
Pledges receivable, net	2,409	2,926
Inventory	7,265	7,307
Prepaid expenses and deferred charges	9,777	8,129
Notes receivable	38,027	38,027
Investments, at fair value	2,165,645	2,454,950
Assets of trusts administered by the Eastern Territory	92,175	95,583
Beneficial interest in trusts held by others	231,078	232,853
 Land, buildings and equipment, net		
Land	200,176	198,647
Buildings, net of accumulated depreciation of \$843,858 in 2019 and \$797,349 in 2018	855,391	875,437
Construction in progress	176,556	121,649
Equipment, net of accumulated depreciation of \$76,484 in 2019 and \$74,558 in 2018	19,910	19,869
Land, buildings and equipment, net	<u>1,252,033</u>	<u>1,215,602</u>
Total assets	<u>\$ 3,987,901</u>	<u>\$ 4,226,466</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 55,204	\$ 43,119
Liability for split-interest agreements	55,309	56,648
Mortgages and notes payable	546,878	545,899
Interest rate swaps	151,303	78,555
Conditional asset retirement obligations	66,046	65,579
Estimated liability for self-insurance claims	60,312	61,811
Estimated liability for pension and other postretirement benefits	739,310	662,292
Other liabilities	78,570	75,592
Total liabilities	<u>1,752,932</u>	<u>1,589,495</u>
Commitments and contingencies		
NET ASSETS (DEFICIT)		
Net assets without donor restrictions		
General operating	9,737	(26,036)
Board designated	103,669	529,323
Land, buildings and equipment	1,044,693	1,029,589
Total net assets without donor restrictions	<u>1,158,099</u>	<u>1,532,876</u>
Net assets with donor restrictions		
Amounts to be held in perpetuity	649,388	647,024
Other restrictions	427,482	457,071
Total net assets with donor restrictions	<u>1,076,870</u>	<u>1,104,095</u>
Total net assets	<u>2,234,969</u>	<u>2,636,971</u>
Total liabilities and net assets	<u>\$ 3,987,901</u>	<u>\$ 4,226,466</u>

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

The Salvation Army - Eastern Territory
CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended September 30, 2019,
with comparative totals for the year ended September 30, 2018
(in thousands)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenues				
Public support				
Received directly				
Contributions	\$ 155,229	\$ 4,212	\$ 159,441	\$ 195,100
Donations-in-kind and contributed services	118,395	-	118,395	130,251
Legacies and bequests	57,290	9,115	66,405	58,817
Special events	8,407	-	8,407	8,438
Pledges at present value	-	2,478	2,478	1,585
Contributions from split-interest agreements	842	12,203	13,045	18,709
Total received directly	336,163	28,006	364,169	408,900
Received indirectly				
Allocated by federated fund raising organizations	9,294	-	9,294	10,184
Total public support	345,457	28,006	373,463	419,084
Fees and grants from governmental agencies	104,362	-	104,362	95,859
Other revenues				
Program and service fees	41,386	-	41,386	37,201
Sales to the public	132,670	-	132,670	126,311
Investment return, net	(8,475)	3,151	(5,324)	202,127
Gain on sale/disposition of land, buildings and equipment	2,151	-	2,151	2,231
Other	5,196	-	5,196	18,946
Total other revenues	172,928	3,151	176,079	384,816
Total support and revenues before net assets released from restrictions and reclassifications	622,747	31,157	653,904	899,759
Net assets released from restrictions and reclassifications	49,728	(49,728)	-	-
Total support and revenues	672,475	(18,571)	653,904	899,759
Expenses				
Program services				
Corps community center services	281,032	-	281,032	291,109
Rehabilitation center services	209,437	-	209,437	205,911
Residential and institutional services	71,585	-	71,585	63,534
Other social services	203,682	-	203,682	204,317
Total program services	765,736	-	765,736	764,871
Supporting services				
Management and general	112,933	-	112,933	93,955
Fund raising	45,097	-	45,097	42,532
Total supporting services	158,030	-	158,030	136,487
Total expenses	923,766	-	923,766	901,358
Deficiency of support and revenues over expenses	(251,291)	(18,571)	(269,862)	(1,599)
Change in fair value of interest rate swaps	(72,748)	-	(72,748)	40,739
Change in value of split-interest agreements	(287)	(8,654)	(8,941)	(709)
Retirement related activity other than net periodic benefit cost	(50,451)	-	(50,451)	93,640
Change in net assets	(374,777)	(27,225)	(402,002)	132,071
Net assets at beginning of year	1,532,876	1,104,095	2,636,971	2,504,900
Net assets at end of year	\$ 1,158,099	\$ 1,076,870	\$ 2,234,969	\$ 2,638,971

The accompanying notes are an integral part of this consolidated financial statement.

The Salvation Army - Eastern Territory
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended September 30, 2018
(in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Public support			
Received directly			
Contributions	\$ 165,363	\$ 29,737	\$ 195,100
Donations-in-kind and contributed services	130,251	-	130,251
Legacies and bequests	52,184	4,633	56,817
Special events	6,438	-	6,438
Pledges at present value	-	1,585	1,585
Contributions from split-interest agreements	1,119	17,590	18,709
Total received directly	355,355	53,545	408,900
Received indirectly			
Allocated by federated fund raising organizations	10,184	-	10,184
Total public support	365,539	53,545	419,084
Fees and grants from governmental agencies	95,859	-	95,859
Other revenues			
Program and service fees	37,201	-	37,201
Sales to the public	126,311	-	126,311
Investment return, net	145,907	56,220	202,127
Gain on sale/disposition of land, buildings and equipment	2,231	-	2,231
Other	16,946	-	16,946
Total other revenues	328,596	56,220	384,816
Total support and revenues before net assets released from restrictions and reclassifications	789,994	109,765	899,759
Net assets released from restrictions and reclassifications	41,106	(41,106)	-
Total support and revenues	831,100	68,659	899,759
Expenses			
Program services			
Corps community center services	291,109	-	291,109
Rehabilitation center services	205,911	-	205,911
Residential and institutional services	63,534	-	63,534
Other social services	204,317	-	204,317
Total program services	764,871	-	764,871
Supporting services			
Management and general	93,955	-	93,955
Fund raising	42,532	-	42,532
Total supporting services	136,487	-	136,487
Total expenses	901,358	-	901,358
(Deficiency) excess of support and revenues over expenses	(70,258)	68,659	(1,599)
Change in fair value of interest rate swaps	40,739	-	40,739
Change in value of split-interest agreements	(3,402)	2,693	(709)
Retirement related activity other than net periodic benefit cost	93,640	-	93,640
Change in net assets	60,719	71,352	132,071
Net assets at beginning of year	1,472,157	1,032,743	2,504,900
Net assets at end of year	\$ 1,532,876	\$ 1,104,095	\$ 2,636,971

The accompanying notes are an integral part of this consolidated financial statement.

The Salvation Army - Eastern Territory
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2019,
with comparative totals for the year ended September 30, 2018
(in thousands)

	Program Services				Supporting Services			2019 Total	2018 Total
	Corps Community Center Services	Rehabilitation Center Services	Residential and Institutional Services	Other Social Services	Total	Management and General	Fund Raising	Total	
Salaries, officer allowances and payroll taxes	\$ 93,155	\$ 104,617	\$ 32,809	\$ 52,568	\$ 283,149	\$ 45,941	\$ 17,556	\$ 63,497	\$ 346,646
Officer and employee benefits	47,976	20,769	9,601	14,710	93,056	14,470	3,937	18,407	111,463
Professional fees	9,470	1,676	4,146	4,816	20,108	7,649	9,398	17,047	37,155
Supplies	9,479	12,186	3,234	4,878	29,777	2,424	908	3,332	33,109
Telecommunications, postage and shipping	3,629	1,553	427	934	6,543	1,768	1,919	3,687	10,230
Occupancy, furnishings and equipment	41,359	41,514	9,374	9,999	102,246	15,708	1,194	16,902	119,148
Printing and publications	2,944	733	495	2,272	6,444	4,597	7,316	11,913	18,357
Travel, meals and transportation	14,701	8,297	927	3,108	27,033	3,741	1,407	5,148	32,181
Specific assistance to individuals	3,848	1,599	3,919	88,529	97,895	-	-	-	97,895
World services	-	-	-	11,234	11,234	-	-	-	11,234
Interest expense	15,220	1,881	1,829	1,057	19,987	1,061	-	1,061	21,048
Depreciation	31,883	14,392	3,364	6,865	56,504	3,156	287	3,443	59,947
Other	7,368	220	1,460	2,712	11,760	12,418	1,175	13,593	25,353
Total expenses	\$ 281,032	\$ 209,437	\$ 71,585	\$ 203,682	\$ 765,736	\$ 112,933	\$ 45,097	\$ 158,030	\$ 923,766
									\$ 901,358

The accompanying notes are an integral part of this consolidated financial statement.

The Salvation Army - Eastern Territory
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended September 30, 2018
(in thousands)

	Program Services				Supporting Services				Total
	Corps Community Center Services	Rehabilitation Center Services	Residential and Institutional Services	Other Social Services	Total	Management and General	Fund Raising	Total	
Salaries, officer allowances and payroll taxes	\$ 97,393	\$ 98,822	\$ 28,901	\$ 47,062	\$ 272,178	\$ 45,748	\$ 16,751	\$ 62,499	\$ 334,677
Officer and employee benefits	49,585	21,800	7,874	10,747	90,006	13,976	4,658	18,634	108,640
Professional fees	9,467	1,434	3,226	4,487	18,614	8,615	7,361	15,976	34,590
Supplies	10,307	12,250	3,051	4,965	30,573	1,728	1,010	2,738	33,311
Telecommunications, postage and shipping	3,876	1,419	368	810	6,473	1,557	1,591	3,148	9,621
Occupancy, furnishings and equipment	46,295	42,970	8,544	10,528	108,337	8,540	1,564	10,104	118,441
Printing and publications	2,943	656	358	2,023	5,980	3,679	6,448	10,127	16,107
Travel, meals and transportation	15,181	8,114	872	3,705	27,872	3,876	1,980	5,856	33,728
Specific assistance to individuals	3,656	1,722	3,633	96,842	105,853	-	-	-	105,853
World services	-	-	-	10,708	10,708	-	-	-	10,708
Interest expense	14,480	1,927	1,944	1,038	19,389	1,032	-	1,032	20,421
Depreciation	32,443	13,256	4,063	7,926	57,688	3,566	383	3,949	61,637
Other	5,483	1,541	700	3,476	11,200	1,638	786	2,424	13,624
Total expenses	\$ 291,109	\$ 205,911	\$ 63,534	\$ 204,317	\$ 764,871	\$ 93,955	\$ 42,532	\$ 136,487	\$ 901,358

The accompanying notes are an integral part of this consolidated financial statement.

The Salvation Army - Eastern Territory
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended September 30,
(in thousands)

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ (402,002)	\$ 132,071
Adjustments to reconcile change in net assets to net cash used in operating activities		
Change in fair value of interest rate swaps	72,748	(40,739)
Change in minimum liability for pension and other postretirement benefits	50,451	(93,640)
Depreciation	59,947	61,637
Realized and unrealized loss (gains) on investments	30,644	(170,649)
Change in value of split-interest agreements	8,941	709
Gain on sale/disposition of land, buildings and equipment	(2,151)	(2,231)
Legacies and bequests restricted for endowment	(1,296)	(2,668)
Contributions restricted for permanent investments and split-interest agreements	(1,259)	(11,260)
Contributions restricted for acquiring and constructing land, buildings and equipment	(2,476)	(1,585)
Changes in operating assets and liabilities		
Accounts receivable	(8,800)	486
Legacies and bequests receivable	(4,486)	6,625
Pledges receivable	(225)	1,017
Inventory	42	(484)
Prepaid expenses and deferred charges	(1,648)	(455)
Split-interest agreements	4,146	17,375
Accounts payable and accrued expenses	9,097	(97)
Conditional asset retirement obligations	467	1,030
Liability for self-insurance claims	(1,499)	(490)
Liability for pension and other postretirement benefits	26,567	37,230
Other liabilities	2,978	(1,702)
Net cash used in operating activities	<u>(159,814)</u>	<u>(67,820)</u>
Cash flows from investing activities		
Purchase of investments	(605,044)	(596,245)
Issuance of notes receivable	-	(6,802)
Proceeds from sale of investments	861,541	765,493
Proceeds from sale of land, buildings and equipment	3,913	3,743
Purchase of land, buildings and equipment	<u>(95,152)</u>	<u>(87,307)</u>
Net cash provided by investing activities	<u>165,258</u>	<u>78,882</u>
Cash flows from financing activities		
Legacies and bequests restricted for endowment	691	2,473
Contributions restricted for acquiring and constructing land, buildings and equipment	3,218	4,950
Contributions restricted for permanent investments and split-interest agreements	547	186
Payments related to split-interest agreements	(6,367)	(6,643)
Proceeds from mortgages and notes payable	515,454	742,962
Payments on mortgages and notes payable	<u>(514,475)</u>	<u>(733,258)</u>
Net cash (used in) provided by financing activities	<u>(932)</u>	<u>10,670</u>
Increase in cash and cash equivalents	4,512	21,732
Cash and cash equivalents, beginning of year	<u>129,234</u>	<u>107,502</u>
Cash and cash equivalents, end of year	<u>\$ 133,746</u>	<u>\$ 129,234</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	<u>\$ 19,726</u>	<u>\$ 20,349</u>
Accounts payable for construction projects	<u>\$ 7,475</u>	<u>\$ 4,487</u>

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

The Salvation Army - Eastern Territory
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019 and 2018
(in thousands)

NOTE 1 – PURPOSE AND ORGANIZATION

The Salvation Army, founded in 1865, is a not-for-profit international religious organization and charitable movement organized and operated on a quasi-military pattern and is a branch of the Christian Church. Its membership includes officers (clergy), soldiers and adherents (laity), members of various activity groups and volunteers who serve as advisors, associates and committed participants in its service functions.

The accompanying consolidated financial statements include all programs and operations of The Salvation Army - Eastern Territory (the "Eastern Territory") incorporated as The Salvation Army (A New York Corporation), with its corporate headquarters located in West Nyack, New York. The Eastern Territory comprises the states of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Ohio and Northeast Kentucky, the Commonwealth of Puerto Rico and the U.S. Virgin Islands. The Eastern Territory also consolidates other related entities in which it has an economic interest and control. The centers of operation, which are the divisional headquarters, institutions, corps community centers, service extension units and adult rehabilitation centers, maintain their own standardized financial systems and accounting records under powers of attorney granted by corporate authority, and issue such reports and financial statements as may be called for locally, pertaining to the financial and property resources which they administer. All intercompany accounts and transactions have been eliminated.

The Eastern Territory is an organization exempt from income taxes under Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and is exempt from state income taxes under related state provisions.

The Eastern Territory operates a variety of programs including corps community centers that provide spiritual, educational and recreational services; homeless and emergency shelters; senior citizens' residences, children's homes and children's day care centers; adult rehabilitation centers and substance abuse centers; emergency disaster services; assistance for the poor, disabled, and retired; jail and hospital visitation; and camping activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with the national accounting policies of The Salvation Army. These policies are consistent with accounting principles generally accepted in the United States of America ("US GAAP").

In order to observe restrictions which donors place on grants and other gifts, as well as designations made by the Board of Trustees, all assets, liabilities and activities are accounted for in the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be designated for specific purposes or locations by action of the Board of Trustees.

Net Assets With Donor Restrictions – Net assets that are subject to donor-imposed restrictions that will be fulfilled either by actions of the Eastern Territory or the passage of time or that include a stipulation that assets provided be retained and invested permanently while permitting the Eastern Territory to use all or part of the investment return on these assets for specified or unspecified purposes.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Cash and Cash Equivalents

For purposes of these consolidated financial statements, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have original maturities of three months or less. Cash and cash equivalents do not include cash held for reinvestment which is included in investments. At September 30, 2019 and 2018, cash equivalents included \$20,811 and \$20,360, respectively, held in a money market account at a commercial bank as collateral for letters of credit for insurance purposes (see Note 18).

Pledges Receivable

Unconditional pledges receivable are recorded at net realizable value. Pledges receivable that are expected to be collected after one year are recorded at the present value of estimated future cash flows and discounted using a credit-adjusted discount rate applicable to the year in which the pledge was made. Amortization of the discount is recorded as additional contribution revenue. An allowance for uncollectible pledges receivable is based on management's judgment, including such factors as prior collection history, subsequent collections, creditworthiness of donor and nature of fundraising activity. Pledges are written off when determined to be uncollectible. Conditional pledges receivable are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Inventory

Inventory for goods purchased for resale is stated at the lower of weighted average cost or market. Inventory for goods donated for resale is recorded based on estimated fair value.

Investments

Investments are recorded at fair value. Investment return includes interest and dividends and realized and unrealized appreciation (depreciation). Investment expenses, such as custodial fees, investment advisory fees and direct internal investment expenses involving the direct conduct or direct supervision of the strategic and tactical activities involved in generating investment return, are netted against investment return in the accompanying consolidated statements of activities.

The Eastern Territorial headquarters has the responsibility for investment activity for all units within the Eastern Territory. The portfolios related to net assets with donor restrictions are maintained on a pooled "mutual fund" accounting basis, with the net investment return being allocated to each participating account on a pro rata basis. Investment return earned on portfolios related to net assets without donor restrictions is distributed to the constituent accounts on the basis of a stated percentage of the monthly account balances during the year. Amounts so deposited may be withdrawn when required for use by the centers of operation.

Charitable gift annuities are maintained in a separate portfolio and are invested in accordance with applicable state laws for such monies. The Eastern Territory maintains assets sufficient to meet annuity requirements of various state laws.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Split-Interest Agreements

Accounting standards require that the following instruments be recorded as income and net assets at the present value of their ultimate Eastern Territory interest:

Trusts Held by a Third Party

Donors have established and funded trusts which are administered by organizations other than the Eastern Territory. Under the terms of these trusts, the Eastern Territory has the irrevocable right to receive all or a portion of the income earned on the trust assets either in perpetuity or for the life of the trust. The Eastern Territory does not control the assets held by an outside trustee. The Eastern Territory records its beneficial interest in trusts held by a third party as increases in net assets with donor restrictions at the fair value of the assets contributed to the trust.

Distributions from trust assets that are free of purpose or time restrictions are recorded as net assets without donor restrictions. Distributions from trust assets that are restricted for a particular time or purpose are reported as net assets with donor restrictions and released from restrictions when the time has elapsed or the purpose has been satisfied. Adjustments to the beneficial interest to reflect changes in the fair value are reported in the consolidated statement of activities as a change in value of split-interest agreements.

Charitable Remainder Trusts

Donors have established and funded trusts under which specified distributions are to be made to a designated beneficiary or beneficiaries over the trusts' term. Upon termination of the trusts, the Eastern Territory receives the assets remaining in the trusts. Trusts are recorded as increases to net assets with donor restrictions at the fair value of trust assets, less the present value of the estimated future payments to be made under the specific terms of the trust on the date of the contribution using the Annuity 2012 mortality table. The discount rates ranged from 1.8% to 10.0% at September 30, 2019 and 2018.

Charitable Gift Annuities

Donors have contributed assets to the Eastern Territory in exchange for a promise by the Eastern Territory to pay a fixed amount or percentage for a specified period of time to the donors or to individuals or organizations designated by the donors. Under the terms of such agreements no trust exists as the assets received are held by, and the annuity liability is an obligation of, the Eastern Territory. Contribution revenue is recognized as increases to net assets with or without donor restrictions based on the existence or absence of donor-imposed restrictions and recorded at the fair value of the assets contributed, less the present value of the estimated future payments to be made under the specific terms of the agreement on the date of the contribution.

The discount rates ranged from 1.2% to 10.6% at September 30, 2019 and 2018. In fiscal years 2019 and 2018, the assumptions used in the valuation of the annuity liability include mortality data in accordance with the Annuity 2012 mortality table.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Pooled (Life) Income Funds

The Eastern Territory manages a life income fund. The fund is divided into units, and contributions from many donors are pooled and invested as a group. Donors are assigned a specific number of units based on the proportion of the fair value of their contributions to the total fair value of the pooled income fund on the date of the donor's entry into the pooled fund. The donor is paid the actual income earned on those units until his or her death. Upon the donor's death, the value of these assigned units reverts to the Eastern Territory.

The Eastern Territory recognizes its interest in the assets received as contribution revenue with donor restrictions, at the fair value of the assets received net of a discount for future interest based on the life expectancy of the donor. The contribution revenue net of this discount is recorded as contributions from split-interest agreements.

The discount rates ranged from 2.7% to 11.2% at September 30, 2019 and 2018. In fiscal years 2019 and 2018, the assumptions used in the valuation of the liability include mortality data in accordance with the Annuity 2012 mortality table.

Land, Buildings and Equipment

Land, buildings and equipment (with a purchase price of \$10 or more) are stated at cost or, if donated, at fair value at the date of donation.

Revenue Recognition

All items of support and revenue are stated on the accrual basis.

Support and revenue are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions that are not fulfilled in the accounting period. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. All expenses are reported as decreases in net assets without donor restrictions.

Contributions subject to donor-imposed restrictions are recorded as revenue with donor restrictions. When the donor-imposed restriction has been fulfilled or the stipulated time period has elapsed, the net assets are reclassified as net assets without donor restrictions and reported as net assets released from restrictions. Contributions with restrictions that are met during the fiscal year in which they are received are recorded as revenue without donor restrictions. Conditional promises to give and intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), the Eastern Territory recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration the Eastern Territory expects to be entitled to in exchange for those goods or services. Revenue for sales to public is recognized at the point in time of the sales transaction. Program and service fees are recognized as the services are rendered.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The Eastern Territory recognizes revenue from grants and contracts in accordance with Accounting Standards Update ("ASU") 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. In accordance with ASU 2018-08, the Eastern Territory evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Eastern Territory applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the Eastern Territory evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Eastern Territory is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Donations-in-Kind and Contributed Services

Material gifts-in-kind items used in the Eastern Territory's Corps and Unit programs and services (e.g., vehicles, free rent, and equipment, etc.) and donated goods distributed (e.g., clothing, furniture, and foodstuffs, etc.) are recorded at their estimated fair value as income when received and expense at the time the items are placed into service or distributed.

Goods donated for sale in the Eastern Territory's adult rehabilitation centers and thrift stores are recorded as contributions and processed donations-in-kind on the basis of a percentage of sales income determined by appraisal studies.

Contributed land, buildings and equipment are recorded at fair value at the date of donation as support and revenue without donor restrictions unless the use of such contributed assets is restricted by a donor-imposed restriction.

Contributed services are reported as contributions at their fair value if such services 1) create or enhance nonfinancial assets, or 2) they would typically need to be purchased if not provided by contribution, require specialized skills and are provided by individuals possessing such specialized skills. In addition, the appropriate value of donated services of individuals is recorded as an expense when such services qualify for cost reimbursement from third-party providers.

The Eastern Territory has a significant number of volunteers who contribute meaningful amounts of time in furtherance of the Eastern Territory's mission. Such contributions do not meet generally accepted accounting criteria for recognition as contributed services and, accordingly, are not reflected in the consolidated statement of activities.

Expenses

All expenses are stated on the accrual basis and are presented in the accompanying consolidated statements of activities and functional expenses. Expenses directly attributable to a specific functional category are reported as expenses of those functional categories. Expenses attributable to more than one functional category are allocated across program services and supporting services using a variety of cost allocation techniques. These techniques include the allocation of occupancy, furnishings and equipment, and depreciation expenses based on calculated use of the square footage of buildings. Salaries, allowances and taxes and employee and officer benefits are allocated based on an employee's time attributable to specific program and supporting services. Other expenses not attributed directly to a specific functional category are allocated based on the benefit attributed to each functional category.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Depreciation

Depreciation is provided on buildings, vehicles and equipment at straight-line rates based on estimated service lives. The estimated service lives for buildings and improvements are 20-50 years and 4-20 years for vehicles and equipment. For buildings, a half year of depreciation is charged in the year of acquisition or completion of construction, and in the year of disposition. For vehicles and equipment, a full year of depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposition.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

Reclassification

Certain information in the fiscal 2018 consolidated financial statements has been reclassified to conform to the fiscal 2019 presentation.

NOTE 3 – RECENT ACCOUNTING PRONOUNCEMENTS

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"). The ASU amends the current reporting model for not-for-profit organizations and requires certain additional disclosures. The significant changes include:

- Requiring the presentation of two net asset classes classified as "net assets without donor restrictions" and "net assets with donor restrictions";
- Modifying the presentation of underwater endowment funds and related disclosures;
- Requiring the use of the placed in-service approach to recognize the satisfaction of restrictions on gifts used to acquire or construct long-lived assets, absent explicit donor stipulations otherwise;
- Requiring an analysis of expenses by function and nature in a separate statement or in the notes to the consolidated financial statements;
- Requiring disclosure of quantitative and qualitative information on liquidity;
- Presenting investment return net of external and direct internal investment expenses; and
- Modifying other consolidated financial statement reporting requirements and disclosures intended to increase the usefulness to the reader.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

As required by the ASU, the Eastern Territory adopted ASU 2016-14 as of and for the year ended September 30, 2019. A summary of net asset reclassification impacted by the adoption of ASU 2016-14 as of September 30, 2018 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, as previously presented			
Unrestricted	\$ 1,532,876	\$ -	\$ 1,532,876
Temporarily restricted	-	457,071	457,071
Permanently restricted	-	647,024	647,024
Net assets as previously presented	<u>1,532,876</u>	<u>1,104,095</u>	<u>2,636,971</u>
Reclassification of underwater endowments	-	-	-
Net assets, as currently presented	<u>\$ 1,532,876</u>	<u>\$ 1,104,095</u>	<u>\$ 2,636,971</u>

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (ASC 606), which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Eastern Territory adopted ASC 606 on October 1, 2018. The results of applying ASC 606 using the modified retrospective approach did not have a material impact on the consolidated financial position, changes in net assets, cash flows, business processes, controls or systems of the Eastern Territory.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which requires organizations to determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If the agreement (or a referenced document) includes both, the recipient is not entitled to the transferred assets (or a future transfer of assets) until it has overcome the barriers in the agreement. The Eastern Territory adopted ASU No. 2018-08 for the year ended September 30, 2019.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the Eastern Territory for fiscal year 2020. In April 2020, the FASB issued a proposed ASU that would allow certain entities the option to defer the adoption of ASU 2016-02 by one year. As of the date the consolidated financial statements were issued, the proposed amendments are pending. The

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Eastern Territory is in the process of evaluating the impact this standard will have on the consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The new guidance improves the presentation of net periodic pension cost and net period postretirement benefit cost ("Benefit Costs") by requiring an employer to report the service cost component with the other components of employee compensation costs in operating expenses while the other components will be reported in nonoperating activities. While this guidance changes the presentation of Benefit Costs in the consolidated statement of activities, it does change the rules over how the costs are measured. ASU No. 2017-07 is effective for the Eastern Territory for fiscal year 2020. The Eastern Territory is in the process of evaluating the impact this standard will have on the consolidated financial statements.

NOTE 4 – PLEDGES RECEIVABLE, NET

Pledges receivable, net, at September 30, 2019 and 2018 include the following:

	2019	2018
Pledges receivable due in:		
Less than one year	\$ 2,433	\$ 3,188
One year to five years	1,030	506
Thereafter	-	526
	<u>3,463</u>	<u>4,220</u>
Discount to present value	(48)	(59)
Allowance for uncollectibles	<u>(1,006)</u>	<u>(1,235)</u>
Pledges receivable, net	<u>\$ 2,409</u>	<u>\$ 2,926</u>

At September 30, 2019 and 2018, the interest rates used to discount pledges receivable to present value ranged from 0.23% to 2.81% and 0.23% to 2.91%, respectively.

During fiscal years 2019 and 2018, the Eastern Territory received notification of certain intentions to give. However, due to their conditional nature, these gifts have not been reflected in the accompanying consolidated financial statements.

The Salvation Army - Eastern Territory
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
September 30, 2019 and 2018
(in thousands)

NOTE 5 – INVESTMENTS

Investments, at fair value, consisted of the following at September 30, 2019 and 2018:

	2019	2018
Marketable securities:		
Short-term securities	\$ 46,684	\$ 61,540
Corporate bonds and other fixed income securities	172,697	167,264
Government securities	121,546	129,859
Equity securities	613,705	662,641
Total marketable securities	<u>954,632</u>	<u>1,021,304</u>
Alternative investments:		
Private equity	164,558	141,622
Timber	74,552	84,770
Real estate	80,194	106,219
Hedge funds	312,327	449,802
Commingled funds	580,452	647,889
Commodities	37,477	35,009
Total alternative investments	<u>1,249,560</u>	<u>1,465,311</u>
Receivables for securities sold	68,216	33,655
Liabilities for securities purchased	(109,398)	(68,491)
Accrued income	<u>2,635</u>	<u>3,171</u>
Total investments, at fair value	<u>\$ 2,165,645</u>	<u>\$ 2,454,950</u>

Depending on the underlying asset, the fair value is determined through a national exchange price for securities with a readily determinable value or by valuations and estimates typically determined by the underlying asset manager. Although the majority of these investment values are determined through national exchanges, certain investment values may differ from the values that would have been used had a ready market for these investments existed and the differences could be material. The financial statements of these investments are audited annually (typically at December 31) by independent auditors.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Investment return, net, for the years ended September 30, 2019 and 2018 consists of the following:

	2019	2018
Dividends and interest	\$ 44,414	\$ 47,653
Realized and unrealized (loss) gains, net	(30,644)	170,649
Investment fees	(19,094)	(16,175)
Investment return, net	<u>\$ (5,324)</u>	<u>\$ 202,127</u>

NOTE 6 – FAIR VALUE MEASUREMENTS

US GAAP 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 at the measurement date.

US GAAP establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This fair value hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on inputs as follows:

Level 1 - Quoted market prices for identical assets or liabilities to which an entity has access at the measurement date.

Level 2 - Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets;
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the asset or liability; and
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 - Inputs that are unobservable and significant to the overall fair value measurement of the asset or liability.

The Eastern Territory has segregated all financial assets and liabilities that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value, except for those investments and assets of trusts administered by the Eastern Territory that are measured at fair value using the net asset value ("NAV") per share practical expedient.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The following table serves to prioritize the inputs used to value the Eastern Territory's financial assets and liabilities within the fair value hierarchy as of September 30, 2019:

	Level 1	Level 2	Level 3	Net Asset Value	Total
ASSETS					
Marketable securities:					
Short-term securities	\$ 43,041	\$ 3,643	\$ -	\$ -	\$ 46,684
Corporate bonds and other fixed income securities	3,961	168,736	-	-	172,697
Government securities	38,822	84,724	-	-	121,546
Equity securities	613,519	186	-	-	613,705
Total marketable securities	697,343	257,289	-	-	954,632
Alternative investments	-	-	23,346	1,226,214	1,249,560
Total investments *	697,343	257,289	23,346	1,226,214	2,204,192
Split-interest agreements:					
Assets of trusts administered by the Eastern Territory					
Cash and cash equivalents	2,162	-	-	-	2,162
Equity securities	36	-	-	-	36
Exchange-traded fund	1,648	-	-	-	1,648
Mutual fund	3,414	-	-	-	3,414
Common trust funds	-	-	-	84,915	84,915
Total assets of trusts administered by the Eastern Territory	7,260	-	-	84,915	92,175
Interests in trusts held by others	-	-	231,078	-	231,078
Total split-interest agreements	7,260	-	231,078	84,915	323,253
Total assets	\$ 704,603	\$ 257,289	\$ 254,424	\$ 1,311,129	\$ 2,527,445
LIABILITIES					
Interest rate swaps	\$ -	\$ 151,303	\$ -	\$ -	\$ 151,303
Total liabilities	\$ -	\$ 151,303	\$ -	\$ -	\$ 151,303

* Excluded from the summary of investments but included in the Eastern Territory's investments are pending trade receivables, pending trade payables and accrued income.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The following table serves to prioritize the inputs used to value the Eastern Territory's financial assets and liabilities within the fair value hierarchy as of September 30, 2018:

	Level 1	Level 2	Level 3	Net Asset Value	Total
ASSETS					
Marketable securities:					
Short-term securities	\$ 50,025	\$ 11,515	\$ -	\$ -	\$ 61,540
Corporate bonds and other fixed income securities	5,706	161,558	-	-	167,264
Government securities	47,937	81,922	-	-	129,859
Equity securities	662,340	301	-	-	662,641
Total marketable securities	766,008	255,296	-	-	1,021,304
Alternative investments	-	-	23,708	1,441,603	1,465,311
Total investments *	766,008	255,296	23,708	1,441,603	2,486,615
Split-interest agreements:					
Assets of trusts administered by the Eastern Territory					
Cash and cash equivalents	2,432	-	-	-	2,432
Equity securities	33	-	-	-	33
Exchange-traded fund	1,597	-	-	-	1,597
Mutual fund	3,757	-	-	-	3,757
Common trust funds	-	-	-	87,764	87,764
Total assets of trusts administered by the Eastern Territory	7,819	-	-	87,764	95,583
Interests in trusts held by others	-	-	232,853	-	232,853
Total split-interest agreements	7,819	-	232,853	87,764	328,436
Total assets	\$ 773,827	\$ 255,296	\$ 256,561	\$ 1,529,367	\$ 2,815,051
LIABILITIES					
Interest rate swaps	\$ -	\$ 78,555	\$ -	\$ -	\$ 78,555
Total liabilities	\$ -	\$ 78,555	\$ -	\$ -	\$ 78,555

* Excluded from the summary of investments but included in the Eastern Territory's investments are pending trade receivables, pending trade payables and accrued income.

The following are rollforwards of Level 3 financial assets for the years ended September 30, 2019 and 2018:

	Beginning Balance as of October 1, 2018	Purchases/ Additions	Sales/ Distributions	Net Realized and Unrealized Gains (Losses)	Ending Balance as of September 30, 2019
Real estate alternative investment	\$ 23,708	\$ 3,464	\$ (6,830)	\$ 3,004	\$ 23,346
Interests in trusts held by others	232,853	11,337	(5,739)	(7,373)	231,078
	<u>\$ 256,561</u>	<u>\$ 14,801</u>	<u>\$ (12,569)</u>	<u>\$ (4,369)</u>	<u>\$ 254,424</u>

	Beginning Balance as of October 1, 2017	Purchases/ Additions	Sales/ Distributions	Net Realized and Unrealized Gains	Ending Balance as of September 30, 2018
Real estate alternative investment	\$ 18,681	\$ -	\$ (470)	\$ 5,497	\$ 23,708
Interests in trusts held by others	225,208	16,771	(14,147)	5,021	232,853
	<u>\$ 243,889</u>	<u>\$ 16,771</u>	<u>\$ (14,617)</u>	<u>\$ 10,518</u>	<u>\$ 256,561</u>

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Net realized and unrealized gains in the table above are reflected in the accompanying consolidated statements of activities and included as part of investment return, net, and change in value of split-interest agreements.

The Eastern Territory uses the NAV per share or its equivalent as a practical expedient to determine the fair value of all the underlying investments, which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

The following table lists investments valued at NAV per share or its equivalent, by major category, at September 30, 2019:

	Strategy	NAV in Funds	# of Funds	Remaining Life	\$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Private Equity	Venture and buyout in the U.S. and international	\$ 164,558	20	1 - 12 years	\$ 95,093	No liquidity	N/A
Real Estate	Real Estate	56,848	9	8 funds 1 - 10 years, 1 fund N/A	32,885	Quarterly for 1 fund, No liquidity for remaining funds	N/A
Timber	Holdings of timber producing property	74,552	8	1 - 3 years	-	No liquidity	N/A
Commingled Funds	Distressed asset funds and credit strategies	3,876	1	2 years	750	No liquidity	N/A
Commingled Funds	Global funds	576,576	10	9 funds N/A, 1 fund pending liquidation	2,248	Monthly for 5 funds, Quarterly for 4 funds, 1 fund pending liquidation	3 funds have redemption gates
Commodities	Energy, Metals, Agriculture	37,477	3	1 fund 3 years, 2 funds 6-8 years	15,336	No liquidity	N/A
Hedge Funds	U.S. and Global Long/ Short-Term Equities	312,327	12	1 fund 14 years, 6 funds N/A 5 funds pending liquidation	-	Monthly for 3 funds, Quarterly for 2 funds, Annual for 1 fund, Biannual for 1 fund, 5 funds pending liquidation	2 funds have redemption gates
Common Trust Funds	Track or exceed certain U.S. and international equity and fixed income indices	84,915	8	N/A	-	Daily liquidity	N/A
Total		<u>\$ 1,311,129</u>	<u>71</u>		<u>\$ 146,312</u>		

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The following table lists investments valued at NAV per share or its equivalent, by major category, at September 30, 2018:

		2018					
	Strategy	NAV in Funds	# of Funds	Remaining Life	\$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Private Equity	Venture and buyout in the U.S. and International	\$ 141,622	19	1 - 9 years	\$ 79,879	No liquidity	N/A
Real Estate	Real Estate	82,511	9	8 funds 1 - 11 years, 1 fund N/A	43,495	Quarterly for 1 fund, No liquidity for remaining funds	N/A
Timber	Holdings of timber producing property	84,770	8	1 - 4 years	-	No liquidity	N/A
Commingled Funds	Distressed asset funds and credit strategies	4,430	1	1 year	750	No liquidity	N/A
Commingled Funds	Global funds	643,459	10	1 fund terminates May 2019, 9 funds N/A	2,248	Monthly for 5 funds, Quarterly for 4 funds, No liquidity for 1 fund	1 year lock up for 1 fund; 3 funds have redemption gates
Commodities	Energy, Metals, Agriculture	35,009	3	1 fund 4 years, 2 funds 7 - 9 years	22,213	No liquidity	N/A
Hedge Funds	U.S. and Global Long/ Short-Term Equities	449,802	13	1 fund 15 years, 6 funds N/A, 6 funds pending liquidation	-	Monthly for 3 funds, Quarterly for 2 funds, Annual for 1 fund, Biannual for 1 fund, 6 funds pending liquidation	2 funds have redemption gates
Common Trust Funds	Track or exceed certain U.S. and international equity and fixed income indices	87,764	8	N/A	-	Daily liquidity	N/A
Total		<u>\$ 1,529,367</u>	<u>71</u>		<u>\$ 149,385</u>		

NOTE 7 – PENSION, RETIREMENT AND OTHER POSTRETIREMENT PLANS

Employee Pension Plans

Eligible employees participate in the Employee Pension Plan (the "Plan") with other Salvation Army Territories which provides for death, disability and retirement benefits. The Plan is a defined contribution, money purchase plan.

Annual contributions to the Plan for the Eastern Territory are based on a stipulated 6% of employees' salaries. In fiscal years 2019 and 2018, the Eastern Territory incurred \$8,990 and \$9,110 of expenses under this plan, net of employee forfeitures of \$2,368 and \$2,186, respectively. The Eastern Territory has recorded a liability for contributions accrued under the Plan of \$2,193 and \$2,383 as of September 30, 2019 and 2018, respectively, and are included on the accompanying consolidated statements of financial position as part of liability for pension and other postretirement benefits.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The Eastern Territory has board-designated assets of \$4,371 and \$4,687 as of September 30, 2019 and 2018, respectively, for an inactive money purchase pension plan for employees whose benefits were frozen as of April 30, 1977. The liability for benefits accrued under this plan of \$4,371 and \$4,687 as of September 30, 2019 and 2018, respectively, are included on the accompanying consolidated statements of financial position as part of liability for pension and other postretirement benefits.

Officers' Retirement Provisions and Other Post-Retirement Benefits

The Eastern Territory has a noncontributory retirement provision for officers which provides retirement benefits, as defined by The Salvation Army policy governing such benefits. Retirement allowances are determined based upon active officer allowances and length of service.

They are self-funded principally by annual assessments to all centers of operation, by designated portions of legacy income, by earnings on assets designated for retirement benefits and by special appropriations. Such designated assets, which were \$22,982 and \$26,739 as of September 30, 2019 and 2018, respectively, are included in board-designated net assets. These assets may be reallocated for other purposes at any time by the Eastern Territory's Board of Trustees.

The Eastern Territory also provides certain healthcare and death benefits for retired Salvation Army officers as part of the retirement provision for officers. The Eastern Territory also provides a housing and furnishings allowance at the time of retirement. All Eastern Territory officers and their eligible dependents are eligible for these benefits, as defined by the Eastern Territory policy. Provisions for these benefits are self-funded in a manner similar to officers' retirement benefits. Such designated assets, which were \$73,809 and \$79,723 as of September 30, 2019 and 2018, respectively, are included in board-designated net assets. These assets may be reallocated for other purposes at any time by the Eastern Territory's Board of Trustees.

The following table summarizes the benefit obligations, fair value of plan assets, funded status, and accrued benefit cost of the plans reported on the consolidated statements of financial position at September 30, 2019 and 2018:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Benefit obligation, beginning of year	\$ 291,568	\$ 363,654	\$ 305,441	\$ 405,925
Service cost	8,315	12,110	8,975	14,113
Interest cost	12,085	15,311	11,563	15,951
Assumption changes	33,638	46,992	(17,457)	(22,459)
Actuarial loss (gain)	2,745	(28,383)	(2,054)	(40,451)
Benefit payments	(15,463)	(9,826)	(14,900)	(9,425)
Benefit obligation, end of year	<u>\$ 332,888</u>	<u>\$ 399,858</u>	<u>\$ 291,568</u>	<u>\$ 363,654</u>
Fair value of plan assets at September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funded status at September 30	<u>\$ (332,888)</u>	<u>\$ (399,858)</u>	<u>\$ (291,568)</u>	<u>\$ (363,654)</u>
Accrued benefit cost	<u>\$ 307,611</u>	<u>\$ 350,581</u>	<u>\$ 271,689</u>	<u>\$ 332,725</u>

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The amounts reflected above as assumption changes, which served to increase the fiscal year 2019 benefit obligations of the plans by \$80,630, is primarily due to a decrease in the discount rates commensurate with lower long-term interest rates. The amount reflected above as an actuarial gain, which served to decrease the fiscal year 2019 benefit obligation of the postretirement plan by \$28,383, is primarily due to differences between actual and expected plan experience relating to claims paid and demographic changes.

In December 2019, Congress passed the 2020 Further Consolidated Appropriations Act (the "Act") which repealed the Cadillac Tax, a tax on high-cost health care plans that was originally passed as a provision of the Affordable Care Act. Since the Act was enacted subsequent to September 30, 2019, the Eastern Territory's postretirement benefit obligation does not incorporate the impact of the change in law. However, had the Act been in effect as of September 30, 2019, the Eastern Territory's postretirement benefit obligation would have been reduced by approximately 5%.

The amount of contributions and benefit payments from the plans for the years ended September 30, 2019 and 2018 were:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Employer contributions	\$ 15,463	\$ 9,826	\$ 14,900	\$ 9,425
Participant contributions	-	-	-	-
Benefit payments	<u>\$ 15,463</u>	<u>\$ 9,826</u>	<u>\$ 14,900</u>	<u>\$ 9,425</u>

The following table provides the components of the net periodic benefit cost recognized as expense for the years ended September 30, 2019 and 2018:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Service cost	\$ 8,315	\$ 12,110	\$ 8,975	\$ 14,113
Interest cost	12,085	15,311	11,563	15,951
Amortization of unrecognized:				
Prior service cost	1,477	261	2,384	261
Net actuarial loss	<u>2,803</u>	<u>-</u>	<u>4,508</u>	<u>4,066</u>
Net periodic benefit cost	<u>\$ 24,680</u>	<u>\$ 27,682</u>	<u>\$ 27,430</u>	<u>\$ 34,391</u>

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

For the years ended September 30, 2019 and 2018, the change in estimated additional minimum liability for retirement and other post-retirement benefits consisted of:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Net actuarial loss (gain)	\$ 36,383	\$ 18,609	\$ (19,510)	\$ (62,911)
Amortization of net actuarial loss	(2,803)	-	(4,508)	(4,066)
Amortization of prior service cost	(1,477)	(261)	(2,384)	(261)
	<u>\$ 32,103</u>	<u>\$ 18,348</u>	<u>\$ (26,402)</u>	<u>\$ (67,238)</u>

Items not yet recognized as a component of net periodic benefit cost as of September 30, 2019 and 2018 consisted of:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Unrecognized actuarial loss	\$ 101,451	\$ 47,565	\$ 67,870	\$ 28,956
Unrecognized prior service cost	14,035	1,710	15,513	1,971
	<u>\$ 115,486</u>	<u>\$ 49,275</u>	<u>\$ 83,383</u>	<u>\$ 30,927</u>

The estimated net actuarial loss and prior service cost for the defined benefit pension plan that will be amortized from net assets without donor restrictions into the net periodic benefit cost during the next fiscal year are \$4,793 and \$1,422, respectively. The estimated net actuarial loss and prior service cost for the postretirement benefit plan that will be amortized from net assets without donor restrictions into the net periodic benefit cost during the next fiscal year are \$533 and \$212, respectively.

The weighted-average rates used in the measurement of the benefit obligations as of September 30, 2019 and 2018, were as follows:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Discount rate	3.24%	3.34%	4.24%	4.27%
Rate of compensation increase	2.50%	N/A	2.50%	N/A
Expected rate of return on plan assets	N/A	N/A	N/A	N/A

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Other actuarial assumptions used as of September 30, 2019 and 2018, were as follows:

	2019	2018
Initial healthcare cost trend rate:		
Pre-65	7.02%	7.38%
Post-65	7.52%	7.92%
Ultimate healthcare cost trend rate:		
Pre-65	4.50%	4.50%
Post-65	4.50%	4.50%
Year ultimate healthcare cost trend rate is achieved	2028/2028	2026/2026

The weighted-average rates used in the measurement of the net periodic benefit cost for the years ended September 30, 2019 and 2018, were as follows:

	2019		2018	
	Retirement Provisions	Other Postretirement Benefits	Retirement Provisions	Other Postretirement Benefits
Discount rate	4.24%	4.27%	3.88%	3.98%
Rate of compensation increase	2.50%	N/A	2.50%	N/A

Other actuarial assumptions used for the years ended September 30, 2019 and 2018, were as follows:

	2019	2018
Initial healthcare cost trend rate:		
Pre-65	7.38%	6.96%
Post-65	7.92%	8.18%
Ultimate healthcare cost trend rate:		
Pre-65	4.50%	4.50%
Post-65	4.50%	4.50%
Year ultimate healthcare cost trend rate is achieved	2026/2026	2026/2025

For the year ended September 30, 2019, the effect of a 1% change in the healthcare cost trend rate was as follows:

	1% Increase	1% Decrease
Effect on net periodic benefit cost	\$ 6,567	\$ (4,907)
Effect on accumulated benefit obligation	80,340	(62,221)

The Salvation Army - Eastern Territory
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The estimated future benefit payments as of September 30, 2019, were projected to be as follows:

<u>Fiscal Year</u>	<u>Retirement Provisions</u>	<u>Other Postretirement Benefits</u>
2020	\$ 14,866	\$ 10,389
2021	13,159	11,162
2022	14,748	11,485
2023	15,209	12,140
2024	17,295	12,778
2025 - 2029	99,736	78,007

Because the plans are unfunded, the estimated future benefit payments also represent the expected contributions to the plans for that year.

NOTE 8 – ESTIMATED LIABILITY FOR SELF-INSURANCE CLAIMS

Officers and employees of the Eastern Territory are provided health benefits under a self-insured program which is administered by a third-party claims administrator. The employee medical plan is funded by employee contributions and annual assessments to all centers of operations.

The Eastern Territory also maintains self-insurance programs for general liability, automobile, workers' compensation, and property coverage. The programs are administered by the Eastern Territory Headquarters and are intended to provide coverage for claims arising in all centers of operations. Funding for these programs is obtained through assessments to all centers of operations for each line of coverage and through earnings on designated assets held to pay claims. Assets designated by the Eastern Territory's Board of Trustees for insurance programs amounted to \$57,333 and \$57,778 at September 30, 2019 and 2018, respectively, and were included in board-designated net assets. These assets may be reallocated for other purposes at any time by the Eastern Territory's Board of Trustees.

Liabilities for self-insurance claims have been developed based on an actuarial model based on historical claims and industry experience. As of September 30, 2019 and 2018, the actuarially determined liabilities consisted of the following:

<u>2019</u>	<u>Case Reserve</u>	<u>Incurred But Not Reported</u>	<u>Total</u>
Officer and Employee Medical Plan	\$ 203	\$ 9,269	\$ 9,472
General liability, automobile, workers' compensation and property coverage	22,315	28,525	50,840
Total liability for self-insurance claims	<u>\$ 22,518</u>	<u>\$ 37,794</u>	<u>\$ 60,312</u>

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

<u>2018</u>	<u>Case Reserve</u>	<u>Incurred But Not Reported</u>	<u>Total</u>
Officer and Employee Medical Plan	\$ 304	\$ 9,903	\$ 10,207
General liability, automobile, workers' compensation and property coverage	23,641	27,963	51,604
Total liability for self-insurance claims	<u>\$ 23,945</u>	<u>\$ 37,866</u>	<u>\$ 61,811</u>

NOTE 9 – MORTGAGES AND NOTES PAYABLE

Notes Payable

On August 16, 2007, the Eastern Territory issued an offering memorandum for the sale and issuance of up to \$400,000 of Taxable Commercial Paper Notes (the "Notes") for the purpose of real estate acquisitions and facilities construction. The Notes were split into two Series, the Series 2007A Notes and the Series 2007B Notes, and were purchased or the sale arranged by JPMorgan Chase Securities, Inc. ("JPMorgan") and Merrill Lynch & Co. Inc. ("Merrill Lynch"), respectively, the dealers in the transactions. The Series 2007A Notes were sold at a discount with the face amount payable at maturity and the Series 2007B Notes were offered at both a discount and at par with the face amount payable at maturity and both series are interest bearing. The Notes carry maximum maturities of 270 days and may be issued in denominations of \$100 or in integral multiples of \$1 in excess of \$100. The Notes are unsecured general obligations of the Eastern Territory. Deutsche Bank Trust Company Americas was the issuing and paying agent.

On August 22, 2007, \$100,000 of Series 2007A Notes and \$60,000 of Series 2007B Notes were issued. On September 11, 2008, an additional \$35,000 of Series 2007A Notes and \$40,000 of Series 2007B Notes were issued. On October 15, 2009, an additional \$50,000 of Series 2007A Notes was issued. On October 9, 2010, the Eastern Territory issued an additional \$35,000 of Series 2007A Notes and \$25,000 of Series 2007B Notes. Deutsche Bank Trust Company Americas was the issuing and paying agent. On August 13, 2013, U.S. Bank Global Corporate Trust Services became the issuing and paying agent.

On November 29, 2011, the Eastern Territory entered a credit agreement with U.S. Bank for two term loans in accordance with its long-term financing strategy. The first term loan ("Term Loan A") of \$45,000 with a repayment term of 54 months was due and payable in full on December 1, 2019. On February 6, 2019, the credit agreement was amended to extend the loan maturity date to July 1, 2022. Proceeds were used to pay down \$45,000 of Series 2007B Notes issued in 2007. The second term loan ("Term Loan B") of \$55,000 with a repayment term of 10 years is due and payable in full on November 29, 2021. The loans bear interest daily at a per annum rate equal to one-month LIBOR plus the applicable margin, which amount to 0.40% (0.50% prior to December 28, 2018) and 0.80% for Term Loan A and Term Loan B, respectively. At September 30, 2019 and 2018, the Eastern Territory had a combined principal balance outstanding of \$100,000 for Term Loans A and B. Term Loans A and B are unsecured general obligations of the Eastern Territory. The interest rates on Term Loans A and B were 2.500% and 2.900%, respectively, at September 30, 2019 and 2.604% and 2.904%, respectively, at September 30, 2018.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

On May 24, 2012, the Eastern Territory entered into a credit agreement with TD Bank for a term loan in accordance with its long-term financing strategy. The term loan ("TD Term Loan") of \$100,000 with a repayment term of 10 years is due and payable in full on May 24, 2022. Proceeds were used to retire \$20,000 of Series 2007A Notes issued in 2007 and \$50,000 of Series 2007B Notes issued in 2007 and 2008. On June 5, 2012, \$14,000 of Series 2007B Notes issued in 2008 and 2010 were paid down and not reissued and on July 6, 2012, an additional \$16,000 of Series 2007B Notes issued in 2008 and 2010 were paid down and not reissued. The loan bears interest daily at a per annum rate equal to one-month LIBOR plus an applicable margin of 1.0%. At September 30, 2019 and 2018, the Eastern Territory had a principal balance outstanding of \$100,000. The interest rate on the TD Term Loan was 3.100% and 3.104% at September 30, 2019 and 2018, respectively.

On February 17, 2016, the Eastern Territory issued a Supplement to the Offering Memorandum dated April 16, 2015 (the "Supplement"). As set forth in the Supplement, the Eastern Territory reduced the principal amount of the Series 2007A Notes to \$100,000, and issued a new series of commercial paper notes in an amount up to \$100,000, which was denoted as Taxable Commercial Paper Notes, Series 2016A. J.P. Morgan Securities LLC, the dealer with respect to the 2007A Notes, serves as dealer with respect to the Series 2016A Notes. JPMorgan Chase Bank, N.A. provided \$100,000 of liquidity for the payment of maturing principal of the Series 2016A Notes pursuant to the terms of a Revolving Loan Agreement. The Series 2016A Notes carry maximum maturities of 270 days and may be issued in denominations of \$100 or in integral multiples of \$1 in excess of \$100. The Series 2016A Notes are unsecured general obligations of the Eastern Territory. U.S. Bank National Association is the issuing and paying agent.

As of September 30, 2019 and 2018, the Eastern Territory had a principal balance outstanding of \$198,810, net of discount \$1,190, and a principal balance of \$198,791, net of discount of \$1,209, respectively, for Series 2007A and Series 2016A Notes. During fiscal years 2019 and 2018, interest rates on the Series 2007A and Series 2016A Notes ranged from 1.92% to 2.80% and 1.27% to 2.30%, respectively.

Total interest expense related to the long-term financing strategy for the years ended September 30, 2019 and 2018 was \$18,807 and \$19,270, respectively. Included in this amount are net payments to counterparties related to interest rate swap agreements (see Note 10) of \$7,837 and \$10,669 for the years ended September 30, 2019 and 2018, respectively.

Mortgages Payable

United States Department of Housing and Urban Development

The Eastern Territory is obligated under various mortgages payable, which represent liabilities to the United States Department of Housing and Urban Development ("HUD") related to the purchase of land and construction of buildings for senior citizens' residences as well as for transitional and emergency shelter programs.

Funding from HUD has been in the form of mortgage notes and capital advances, some of which bear interest expense and for which repayment is not required as long as the Eastern Territory operates the programs stipulated by HUD. At the end of a 40-year period, the mortgage notes and capital advances payable to HUD are to be forgiven by HUD assuming that terms of the agreement are satisfied. Mortgages payable and capital advances in the amount of \$40,068 as of September 30, 2019 and 2018, have been included in mortgages and notes payable in the accompanying consolidated statements of financial position. All HUD mortgages and capital advances are collateralized by the related underlying assets.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

One HUD mortgage, which requires principal and interest payments, is financed with a third-party financial institution. At September 30, 2019 and 2018, the amounts outstanding were \$5,533 and \$5,614, respectively, with interest payable at 5.4% per annum. The financing is collateralized by the related underlying assets.

Other Mortgages Payable

A mortgage which requires no current principal or interest payment is financed with a New Jersey State agency. The mortgage is reduced by 20% per year over a five-year period and repayment is not required unless the Eastern Territory discontinues the related program or sells the underlying assets. At September 30, 2019 and 2018, the amounts outstanding were \$0 and \$40, respectively.

At September 30, 2019 and 2018, the Eastern Territory had multiple mortgages payable outstanding aggregating \$6,874 and \$7,046, respectively, inclusive of accrued interest payable of \$981 and \$904, respectively, with interest payable at rates varying from 0.00% to 5.61% per annum with maturities through fiscal year 2047. These mortgages are collateralized by the related underlying assets.

Future principal payments on notes and mortgages payable noted above as of September 30, 2019 are as follows:

Fiscal Year

2020	\$ 200,345
2021	149
2022	200,096
2023	101
2024	107
Thereafter	<u>11,609</u>
	412,407
HUD mortgages not requiring repayment	40,068
Discount on commercial paper	<u>(1,190)</u>
Total	<u><u>\$ 451,285</u></u>

Line of Credit and Other Credit Facilities

The Eastern Territory has a \$100,000 unsecured master line of credit (the "Master LOC") available from Bank of America. At September 30, 2019, the Eastern Territory had \$15,372 outstanding on the Master LOC, which bears interest at one-month LIBOR plus 0.50% (2.589% at September 30, 2019). At September 30, 2018, the Eastern Territory had \$39,764 outstanding on the Master LOC, which bears interest at one-month LIBOR plus 0.45% or 0.50% (2.564% or 2.614% at September 30, 2018). Amounts drawn down from the Master LOC are payable on or before July 31, 2021.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

On April 5, 2018, the Eastern Territory entered into a \$35 million unsecured credit facility agreement with U.S. Bank National Association to provide bridge financing for a capital project. Amounts drawn from the credit facility will bear interest at a rate equal to the bank cost of funds rate plus a margin (0.23% per annum) as determined on the date of each loan. Interest on outstanding amounts are payable monthly with full repayment of principal due on April 4, 2021. As of September 30, 2019 and 2018, the Eastern Territory had a principal balance outstanding of \$25,000 (interest rates ranged from 2.32% to 3.40%) and \$0, respectively. Subsequent to September 30, 2019, the Eastern Territory drew down an additional \$4.4 million from the credit facility.

On September 23, 2019, the Eastern Territory entered into a 30 day interest-free loan for \$645 with the Fund for the City of New York to provide bridge financing to cover operating expenses pending the receipt of a grant from a state agency. Subsequent to September 30, 2019, the loan was repaid.

Debt Covenants

The terms of the term loans and line of credit agreements contain requirements for maintaining certain financial and non-financial covenants. The Eastern Territory was in compliance with all applicable covenants at September 30, 2019 and 2018.

New Markets Tax Credits

During fiscal years 2015 and 2014, the Eastern Territory entered into New Markets Tax Credit transactions for the benefit of the Camden Kroc Center. Through these transactions, the Eastern Territory issued leveraged loans receivables of \$7,054 to one investment fund in fiscal 2015 and \$12,663 to two investment funds in fiscal 2014, due in 2045 and 2044, respectively, with interest payments only on the loans until 2022 and 2021, respectively. The loans bear an interest rate of 1% and are unsecured. As of September 30, 2019 and 2018, amounts due to the Eastern Territory totaled \$19,717 and are included in notes receivable on the accompanying consolidated statements of financial position.

In connection with the Camden New Markets Tax Credits transactions, the Eastern Territory obtained loans payable for \$17,641 and \$9,800 for the Camden Kroc Center during the years ended September 30, 2015 and 2014, respectively, maturing in 2045 and 2044, respectively. The loans bear interest rates that range between 0.71% and 1.15%. Interest-only payments are required until maturity upon which time the entire principal balance will become due. As of September 30, 2019 and 2018, amounts payable by the Eastern Territory totaled \$27,441 and are included in mortgages and notes payable on the accompanying consolidated statements of financial position.

During fiscal year 2016, the Eastern Territory entered into a New Markets Tax Credit transaction for the benefit of the Greater Cleveland Area Services ("GCAS"). Through this transaction, the Eastern Territory issued a leveraged loan receivable for \$11,508 to an investment fund due in 2045. The loan bears an interest rate of 1.15%. Interest-only payments are required until 2022 and the loan is unsecured. As of September 30, 2019 and 2018, amounts due to the Eastern Territory totaled \$11,508 and are included in notes receivable on the accompanying consolidated statements of financial position.

In connection with the GCAS New Markets Tax Credit transaction, the Eastern Territory obtained three loans payable totaling \$17,435 for the GCAS. The loans bear an interest rate of 1%. Interest-only payments are required until maturity in 2045. As of September 30, 2019 and 2018, amounts payable by the Eastern Territory totaled \$17,435 and are included in mortgages and notes payable on the accompanying consolidated statements of financial position.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

During fiscal year 2018, the Eastern Territory entered into a New Markets Tax Credit transaction for the benefit of the Harrisburg Corps ("Harrisburg"). Through this transaction, the Eastern Territory issued a leveraged loan receivable for \$6,802 to an investment fund due in 2040. The loan bears an interest rate of 1%. Interest-only payments are required until 2025 and the loan is unsecured. As of September 30, 2019 and 2018, amounts due to the Eastern Territory totaled \$6,802 and are included in notes receivable on the accompanying consolidated statements of financial position.

In connection with the Harrisburg New Markets Tax Credit transaction, the Eastern Territory obtained two loans payable totaling \$9,700 for Harrisburg. The loans bear an interest rate of 1.52%. Interest-only payments are required until maturity in 2048. As of September 30, 2019 and 2018, amounts payable by the Eastern Territory totaled \$9,700 and are included in mortgages and notes payable on the accompanying consolidated statements of financial position.

At the closing of each of the respective New Markets Tax Credits transactions, the Eastern Territory and investor executed put and call option agreements that would grant the respective investor the right and option to cause the Eastern Territory to purchase (within three months after the seven-year compliance period) the investor's membership interests in the fund (i.e., the "put") for a predetermined purchase price of approximately \$1. If the investor does not elect to put its interests to the Eastern Territory beyond the end of month 87, the Eastern Territory will have the right to call its purchase right in the fund for the current fair market value.

Other Financing Obligation

On October 16, 2015, the Eastern Territory entered into a sale of property in New York City for \$108,750, in exchange for cash proceeds of \$70,000 and a purchase money mortgage note of \$38,750. The principal amount is due on its maturity date of December 31, 2050, unless terminated earlier upon agreement of both parties to certain terms and conditions. Interest is payable monthly at 6% per annum. The Eastern Territory simultaneously entered into a lease for the premises, expiring no later than October 15, 2045, with an annual base rent of \$2,325, subject to the same termination conditions included in the purchase money mortgage. The lease also requires payment of property taxes and certain utilities and maintenance expenses. This sale-leaseback transaction did not qualify for sale-leaseback accounting due to the Eastern Territory's continuing involvement and as a result, the transaction was accounted for by the Eastern Territory using the financing method. Under the financing method, the Eastern Territory did not recognize any profit during the fiscal years 2019 or 2018, did not record the note receivable as of September 30, 2019 and 2018 and continued to report the property on the accompanying consolidated statements of financial position. The net book value of the property was approximately \$1,300 at September 30, 2019 and 2018. The financing obligation (net of closing costs and additional rent paid) totaled \$59,642 as of September 30, 2019 and 2018, and has been recorded within other liabilities in the accompanying consolidated statements of financial position.

Subsequent to September 30, 2019, the termination conditions stipulated in the purchase money mortgage and lease were met by the Eastern Territory. Accordingly, full repayment of the purchase money mortgage note of \$38,750 is due from the buyer during fiscal year 2020, which upon receipt, the Eastern Territory will recognize the sale and profit from the sale of property.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

NOTE 10 – INTEREST RATE SWAPS

Concurrent with the issuance of the Notes, the Eastern Territory entered into a total of six interest rate swap agreements with notional amounts totaling \$345,000 in order to hedge its interest rate risk on the Notes whereby the Eastern Territory agreed to pay a counterparty a fixed rate and the counterparty agreed to pay the Eastern Territory a variable interest rate intended to approximate the variable rate equal to 30-Day LIBOR (2.016% at September 30, 2019 and 2.260% at September 30, 2018) on the Eastern Territory's Commercial Paper and Term Loans. The interest rate swap agreements issued concurrently with the issuance of the Notes in fiscal years 2007 through 2011 were maintained to hedge interest rate risk on the 2007A Notes and 2016A Notes.

Concurrent with the issuance of Term Loan B, the Eastern Territory has entered into an interest rate swap transaction with U.S. Bank in the notional amount of \$55,000, wherein the Eastern Territory agreed to pay U.S. Bank a fixed rate of interest equal to 2.149% of the notional amount and receive from U.S. Bank an interest payment equal to 30-Day LIBOR (2.016% at September 30, 2019 and 2.260% at September 30, 2018). The interest rate swap agreement issued concurrently with the 2007 Series B Notes was maintained to hedge interest rate risk on Term Loan A.

The summary of the Eastern Territory's interest rate swap agreements as of September 30, 2019 and 2018 are as follows:

Counterparty	Notional Amount	Eastern Territory Fixed Rate	Expiration	Counterparty Interest Rate
JPMorgan	\$ 100,000	5.615%	June 1, 2040	30-Day LIBOR
Bank of America	60,000	5.615%	June 1, 2040	30-Day LIBOR
JPMorgan	40,000	4.576%	June 1, 2040	30-Day LIBOR
Merrill Lynch	35,000	4.576%	June 1, 2040	30-Day LIBOR
U.S. Bank	50,000	3.960%	June 1, 2024	30-Day LIBOR
U.S. Bank	60,000	2.975%	June 1, 2024	30-Day LIBOR
U.S. Bank	55,000	2.149%	November 1, 2021	30-Day LIBOR
	<u>\$ 400,000</u>			

The Eastern Territory accounts for its interest rate swap agreements in accordance with *Accounting for Derivative Instruments and Hedging Activities*. Fair values of interest rate swap agreements are the estimated amounts that the Eastern Territory would have received or paid, including accrued interest, to terminate the agreements on the date of the consolidated statement of financial position. The estimated fair values of the agreements are recorded as assets or liabilities within the consolidated statement of financial position. Changes in the estimated fair values are recorded in the consolidated statements of activities.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Amounts included within the consolidated financial statements as of September 30, 2019 and 2018 are as follows:

Counterparty	Fair Value as of September 30, 2019	Fair Value as of September 30, 2018	Consolidated Statement of Financial Position Location	Change in Fair Value for the Year Ended September 30, 2019	Change in Fair Value for the Year Ended September 30, 2018	Consolidated Statement of Activities Location
JPMorgan	\$ 65,121	\$ 37,700		\$ (27,421)	\$ 14,079	
Bank of America	39,073	22,620		(16,453)	8,447	
JPMorgan	19,349	8,932		(10,417)	5,006	
Merrill Lynch	16,931	7,815		(9,116)	4,380	
U.S. Bank	5,804	2,655		(3,149)	3,403	
U.S. Bank	4,283	85		(4,198)	3,490	
U.S. Bank	742	(1,252)		(1,994)	1,934	
	<u>\$ 151,303</u>	<u>\$ 78,555</u>	Interest rate swaps	<u>\$ (72,748)</u>	<u>\$ 40,739</u>	Change in fair value of interest rate swaps

NOTE 11 – CONDITIONAL ASSET RETIREMENT OBLIGATIONS

The Eastern Territory is required to recognize a conditional asset retirement obligation ("CARO") related to the cost associated with the eventual remediation and abatement of asbestos and other environmental hazards contained within its physical plant. The cost of the abatement was based upon a consultant's estimate which specializes in such abatements. At September 30, 2019 and 2018, the CARO was \$66,046 and \$65,579, respectively. Land, buildings and equipment included capitalized conditional asset retirement obligations at a cost of \$13,810 and accumulated depreciation of \$13,646 and \$13,317 at September 30, 2019 and 2018, respectively. For the years ended September 30, 2019 and 2018, the Eastern Territory recorded accretion expense of \$1,915 and \$1,885, respectively. During fiscal years 2019 and 2018, the remediation costs amounted to \$1,448 and \$855, respectively, and were recorded as a reduction to the CARO.

NOTE 12 – ENDOWMENTS

The Eastern Territory's endowment consists of approximately one thousand three hundred individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by US GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Interpretation of Relevant Law

The Eastern Territory is subject to the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), as enacted by the State of New York and thus, classifies earnings in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditure. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Trustees has interpreted NYPMIFA as not requiring the maintenance or purchasing power of the original gift amount contributed to the endowment fund, unless explicit donor restrictions to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Eastern Territory considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gifts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Eastern Territory has interpreted NYPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. Additionally, in accordance with NYPMIFA, the Board of Trustees considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Eastern Territory and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Eastern Territory
- The investment policies of the Eastern Territory

Spending Policy

The Eastern Territory has a policy of making available for distribution each year 5% of its endowment fund's average fair value over the prior 20 quarters. In establishing this policy, the Eastern Territory considered the long-term expected return on its endowment. Accordingly, over the long-term, the Eastern Territory expects the current spending policy to allow its endowment to grow at an average real rate of return greater than inflation. This is consistent with the Eastern Territory's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Return Objectives and Risk Parameters

The Eastern Territory has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets are those assets of donor-restricted funds that the Eastern Territory must hold in perpetuity or for donor-specified periods as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate benchmarks without putting the assets at imprudent risk.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Eastern Territory relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Eastern Territory targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that donors or NYPMIFA requires the Eastern Territory to retain as a fund of perpetual duration.

Deficiencies of this nature exist in donor-restricted endowment funds, which together have an original gift value of \$10,243, a current fair value of \$9,799, and a deficiency of \$444 as of September 30, 2019. Deficiencies of this nature exist in donor-restricted endowment funds, which together have an original gift value of \$6,778, a current fair value of \$6,677, and a deficiency of \$101 as of September 30, 2018. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new contributions for donor-restricted endowment funds and continued appropriations for certain programs that were deemed prudent by the Board of Trustees.

Endowment Net Asset Composition by Type of Fund

The following table summarizes endowment net asset composition by type of fund as of September 30, 2019 and 2018:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 214,531	\$ -	\$ 214,531
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	-	436,373	436,373
Accumulated investment gains	-	27,883	27,883
Without purpose restrictions	-	230,524	230,524
With purpose restrictions	-	258,407	258,407
Total endowment funds	\$ 214,531	\$ 694,780	\$ 909,311

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 226,537	\$ -	\$ 226,537
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity	-	434,257	434,257
Accumulated investment gains	-	30,519	30,519
Without donor restrictions	-	259,632	259,632
With donor restrictions	-	290,151	290,151
Total endowment funds	\$ 226,537	\$ 724,408	\$ 950,945

The Salvation Army - Eastern Territory
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The following table summarizes changes in endowment net assets for fiscal years 2019 and 2018.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, September 30, 2017	\$ 225,391	\$ 731,153	\$ 956,544
Contributions and bequests	-	14,185	14,185
Designated by Board	18,088	-	18,088
Appropriation of endowment assets for expenditure	(31,379)	(37,043)	(68,422)
Reduction of previous years accumulated unspent appropriation	-	(38,573)	(38,573)
Investment return, net	14,437	54,686	69,123
Endowment net assets, September 30, 2018	226,537	724,408	950,945
Contributions and bequests	-	2,364	2,364
Designated by Board	19,212	-	19,212
Appropriation of endowment assets for expenditure	(40,100)	(34,180)	(74,280)
Investment return, net	8,882	2,188	11,070
Endowment net assets, September 30, 2019	<u>\$ 214,531</u>	<u>\$ 694,780</u>	<u>\$ 909,311</u>

Following a review of the Eastern Territory's endowment funds during fiscal year 2018, the Eastern Territory determined that certain amounts appropriated in previous years remained unspent and were not removed and reported as a reduction of endowment assets in its accounting records as required by US GAAP. Accordingly, during the year ended September 30, 2018, the Eastern Territory recorded an additional appropriation of \$38,573 to reflect the transfer of such amounts from endowment assets to non-endowment assets, resulting in an increase in non-endowment net assets without donor restrictions of \$1,536 and an increase in non-endowment net assets with donor restrictions of \$37,037.

NOTE 13 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions is comprised of undesignated and Board-designated amounts for the following purposes at September 30, 2019 and 2018:

	2019	2018
General operating	\$ 9,737	\$ (26,036)
Board-designated		
Officer retirement and healthcare	(635,955)	(548,760)
Insurance programs	(2,979)	(4,033)
Split-interest agreements	22,520	22,023
Building/capital purposes	402,808	388,708
Other	317,275	671,385
	<u>103,669</u>	<u>529,323</u>
Land, buildings and equipment	<u>1,044,693</u>	<u>1,029,589</u>
	<u>\$ 1,158,099</u>	<u>\$ 1,532,876</u>

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at September 30, 2019 and 2018:

	2019	2018
Subject to expenditure for specified purpose or future period		
Character building/social programs	\$ 346,996	\$ 363,622
Assets of trusts administered by the Eastern Territory	13,037	14,540
Beneficial interest in trusts held by others	19,977	17,844
Building/capital purposes	27,727	41,560
Camp and recreational activities	16,041	17,425
Pledges, legacies and bequests to be paid in future periods	3,704	2,080
Total subject to expenditure for specified purpose or future period	<u>427,482</u>	<u>457,071</u>
Endowments subject to spending policy and appropriation		
Investment in perpetuity, for which earnings may be appropriated to support:		
Character building/social programs	409,822	402,951
Building/capital purposes	3,284	3,284
Camp and recreational activities	23,267	23,207
Total endowments subject to spending policy and appropriation	<u>436,373</u>	<u>429,442</u>
Not subject to appropriation or expenditure		
Assets of trusts administered by the Eastern Territory	1,309	1,727
Beneficial interest in trusts held by others	211,101	215,009
Pledges, legacies and bequests to be paid in future periods	605	846
Total not subject to appropriation or expenditure	<u>213,015</u>	<u>217,582</u>
Total net assets with donor restrictions	<u>\$ 1,076,870</u>	<u>\$ 1,104,095</u>

NOTE 15 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes and/or by occurrence of other events specified by the donors for the years ended September 30, 2019 and 2018:

	2019	2018
Purpose restriction accomplished:		
Character building/social programs	\$ 29,669	\$ 26,412
Building/capital purposes	15,215	5,545
	<u>44,884</u>	<u>31,957</u>
Time restrictions expired	<u>4,844</u>	<u>9,149</u>
Total net assets released from restrictions	<u>\$ 49,728</u>	<u>\$ 41,106</u>

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

NOTE 16 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Eastern Territory's financial assets as of September 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of September 30, 2019. Amounts not available include amounts set aside for long-term obligations that could be drawn upon if the Board of Trustees approves that action. However, amounts already appropriated from the donor-restricted endowment for general expenditure within one year of the consolidated statement of financial position date have not been subtracted as unavailable.

Financial assets at September 30, 2019	
Cash and cash equivalents	\$ 133,746
Accounts receivable	33,085
Legacies and bequest receivable	22,661
Pledges receivable, net	2,409
Investments, at fair value	<u>2,165,645</u>
Total financial assets at September 30, 2019	2,357,546
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Contractual restrictions	(29,601)
Subject to appropriation and satisfaction of purpose/time restrictions	(484,697)
Investments illiquid within one year	(307,701)
Pledges receivable collectible beyond one year	(1,030)
Board designations:	
Amounts set aside for long-term obligations	<u>(463,708)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,070,809</u>

The Eastern Territory is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Eastern Territory must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Eastern Territory's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Eastern Territory invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, the Eastern Territory could draw upon \$100,000 of an available line of credit (\$15,372 outstanding as of September 30, 2019 - see Note 9).

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

NOTE 17 – FAIR VALUE OF FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

The Eastern Territory's financial instruments consist of cash and cash equivalents, accounts receivable, legacies and bequests receivable, pledges receivable, notes receivable, investments, assets held under split-interest agreements, beneficial interest in trusts held by others, accounts payable and accrued expenses, liability for split-interest agreements, mortgages and notes payable and interest rate swaps. Investments, assets held under split-interest agreements, beneficial interest in trusts held by others, and interest rate swaps are recorded at fair value. All other financial instruments are stated either at cost or net realizable value, which approximates fair value.

Financial instruments which potentially subject the Eastern Territory to concentrations of credit risk consist primarily of cash and cash equivalents, receivables and investment securities. The Eastern Territory maintains its cash and cash equivalents with large financial institutions. At certain times, the Eastern Territory's cash account balances may exceed federally insured limits. However, the Eastern Territory has not experienced, nor does it anticipate, any losses with respect to such bank balances. Receivables are due from a large number of government agencies, entities and individuals, thereby, diversifying the related concentration of credit risk. Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with investments, it is reasonably possible that changes in risk in the near term would materially affect the amounts reported in the consolidated statements of financial position. However, the Eastern Territory's investment portfolio is diversified with several investment managers in a variety of asset classes. The Eastern Territory regularly evaluates its depository arrangements and investments, including performance thereof.

NOTE 18 – COMMITMENTS AND CONTINGENCIES

Letters of Credit

As of September 30, 2019, the Eastern Territory has issued letters of credit totaling \$18,840 to insurance companies under various insurance programs. These letters of credit are collateralized by the Eastern Territory's cash and cash equivalents and renew automatically each year.

Legal Proceedings

The Eastern Territory, in the normal course of its operations, is or could become a party to various legal proceedings and complaints, the majority of which are covered by insurance. While it is not feasible to predict the ultimate outcomes of such matters, management is not aware of any claims or contingencies, which are not covered by insurance, that would have a material adverse effect on the consolidated financial position, changes in net assets and cash flows of the Eastern Territory.

Real Estate and Construction Commitments

The Board of Trustees of the Eastern Territory had future capital commitments of approximately \$62,000 which was unspent as of September 30, 2019.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

Government Grants and Contracts

The Eastern Territory receives grants and contracts from federal, state and local governments. Cost-reimbursement grant programs, including those subject to independent audit under the Office of Management and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, may be reviewed by grantor agencies. These audits and reviews could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, management believes that any costs ultimately disallowed would not materially affect the Eastern Territory's consolidated financial position.

Leases

At September 30, 2019 and 2018, the Eastern Territory was committed under operating leases, principally for office space. Rent expense was \$12,974 and \$12,955 in fiscal years 2019 and 2018, respectively. Future minimum base rents under terms of noncancelable operating leases were as follows at September 30, 2019:

Year Ending September 30:

2020	\$ 6,353
2021	3,211
2022	1,617
2023	369
2024	131
Total	<u>\$ 11,681</u>

NOTE 19 – RELATED PARTY TRANSACTIONS

For fiscal years 2019 and 2018, the Eastern Territory made payments for administrative services to The Salvation Army National Headquarters of \$1,200 and \$1,225, respectively. In addition, for fiscal years 2019 and 2018, the Eastern Territory made payments to The Salvation Army International Headquarters of \$6,332 and \$6,270, respectively, for World Services and \$6,477 and \$6,088, respectively, for other mission grants and administrative services.

NOTE 20 – ACCOUNTING FOR INCOME TAXES

The Eastern Territory follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Salvation Army - Eastern Territory

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2019 and 2018
(in thousands)

The Eastern Territory has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it was nexus; and to identify and evaluate other matters that may be considered tax positions. The Eastern Territory has determined that as of September 30, 2019 and 2018, there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

NOTE 21 – SUBSEQUENT EVENTS

The Eastern Territory evaluated its September 30, 2019 consolidated financial statements for subsequent events through May 8, 2020, the date the consolidated financial statements were issued. The Eastern Territory is not aware of any material subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements, except as disclosed below and in Notes 3, 7 and 9.

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on the Eastern Territory's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on our funding agencies, donors, customers, thrift stores, employees and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact our consolidated financial position and changes in net assets and cash flows is uncertain and the accompanying consolidated financial statements include no adjustments relating to the effects of this pandemic.

THE SALVATION ARMY
a New York Corporation
FEIN 13-5562351
DUNS 06-2517941

Executive Address: 440 West Nyack Road
West Nyack, New York 10994-1739
T: 845-620-7200 F: 845-620-7615

Listing of Corporate Trustees and Officers

<u>NAME/EMPLOYMENT</u>	<u>TITLE</u>	<u>HOME ADDRESS</u>
David E. Hudson	Chairman Trustee	2401 Belle Haven Meadows Court Alexandria, VA 22306
William A. Bamford III	President, Trustee	6 Matthew Drive Chestnut Ridge, NY 10977
Philip J. Maxwell	Vice President, Trustee	9 Patriot Drive Airmont, NY 10952
Hubert S. Steele III	Treasurer, Trustee	1 Lansing Court New City, NY 10956
Michelle L. Dressler	First Assistant Treasurer Trustee	16 Henry Street Orangeburg, NY 10962
Michael J. Southwick	Secretary	15 Sunset Road Old Greenwich, CT 06870
Richard D. Allen	Assistant Secretary – Legal	20 Spruce Lane Naples, ME 04055
Thomas O. Henson	Second Assistant Treasurer	3 Tin Court Walden NY 12586
Charles S. Foster	Assistant Secretary – Property	4 Hannah Lane Valley Cottage, NY 10989
Adolph M. Orlando	Second Assistant Secretary –Property	469 Esplanade Pelham Manor, NY 10803
Beth A. Foster	Assistant Secretary – Finance	4 Hannah Lane Valley Cottage, NY 10989
Lynn R. Genster	Trustee	5 Jon Leif Lane Chestnut Ridge, NY 10977
James P. LaBossiere	Trustee	2 Bubenko Lane Garnerville, NY 10923
Ruth A. Stoneburner	Trustee	11 Forest Ridge Rd Nyack, NY 10960
G. Lorraine Bamford	Trustee	6 Matthew Drive Chestnut Ridge, NY 10977
Deslea A. Maxwell	Trustee	9 Patriot Drive Airmont, NY 10952

As of 1 May 2020
(EXADPL)

THOMAS RYAN

MCKENNA HOUSE

CASE MANAGER

8-13-16 to Present

Perform new client assessments, enter information in HMIS, work with clients to structure goals to obtain housing, also offer them community resources to also help with making their transition easier. Drug test clients when needed, and act accordingly when a problem arises. Listen to clients and try to solve whatever problems they may have. And most importantly keep the house safe

HOUSE SUPERVISOR

8-1-15 to 8-13-16

Overseeing 5 other staff members to help keep the house safe. Performed resident intakes, breathalyze, and U/A residents when needed. Assigned and made sure every resident had a daily chore. Assigned staff weekly work schedule. Distribute Medications to Residents, also discharging clients if need so. Checking in new meds as well as refills. Performed repairs around the house as needed

OBJECTIVE

Make sure house runs smoothly, and take care of any problems that may arise.

SKILLS

I feel I am good at relating to people, I try to understand their needs and concerns. When asked to perform a job, I try to the best of my ability to complete it.

STAFF/ MCKENNA

2-16-15 to 8-1-15

Answered phones, client pre-intakes. Breathalyze, distribute meds, keep house safe.

Self -Employed painter

1-1-01 to 1-1-13

PAINT INTERIOR-EXTERIOR HOMES. HIRED CREW WHEN NEEDED, BILLING, ESTIMATES

NHTI

8-1-17 TO PRESENT

MEMORIAL HIGH EDUCATION SCHOOL

1972-1976

GENERAL STUDIES

Elizabeth Crabtree

Education:

- LNA - White Mountain Community College
- NHTI Concord's Community College 2015-Present
- Current GPA 3.89

Coursework:

- Sociology
- Computer (PC) Applications
- Communicating Mindfully
- Human Services
- Addiction counseling
- **Trainings and Workshops:**
- Bridges over Poverty
- Trauma and homelessness
- HMIS training and certificate
- DMV training

English Composition
College Algebra / Math 120
History 1748 to present
Psychology
Financial management

Trained in Microsoft Word
Excel, PowerPoint Human Trafficking
Trained in random and scheduled drug testing
Experience with 12 step programs

Experience:

October 2017 – Present Case Manager The Salvation Army McKenna House

- Data Entry, case notes, referrals
- Complete screening and intakes with new clients
- Complete documentation for all clients entering the program and assessments
- Build/carry reports with clients
- Handles Multiple phone systems /Answer phones/ filing/ HMIS reports

2016-2017 Intern/Volunteer The Salvation Army McKenna House

2015-2016 Case Manager Outreach Volunteer Asentria Care Alliance

- Outreach and in-home visits with refugee and multicultural populations
- Completed case management, action plans, and case notes for clients

2014-2015 Volunteer Non-Profit Organization Open Hands

- Received/organized donations
- Prepared meeting rooms
- Interacted with clients with multicultural ethnicities
- Interacted and assisted with poverty
- Community Outreach networking

2012-2013 Front Desk Volunteer Granite State Independent Living

- Answered phones
- Provided customer service with elderly
- Used Microsoft Office
- Completed filing and documentation

Richard O Artz

Education

University of Central Florida

Bachelor's Degree in Business Administration – 1982

Occupational Licenses & Certificates

Narcotics Administration

Nonviolent Crisis Intervention

Professional Experience

The Salvation Army McKenna House

House Supervisor - February 2018 to present

Oversee and manage running of shelter during evening hours, shelter reception, manage all incoming phone calls and messages, maintain daily reports and logs, develop rapport with clients, oversee client program compliance, communication with director and other staff of any arising issues or concerns, USDA inventory, chore scheduling

SCSEP and Residential Staff Volunteer - Front Desk - April 2016 to February 2018

Shelter reception, manage all incoming phone calls and messages, complete forms for NH-HMIS Coordinated Entry, schedule and complete intakes of new clients, maintain daily reports and logs, develop rapport with clients, oversee client program compliance, effective and timely communication with professional staff of any arising issues or concerns

City Cab of Orlando – February 1997 to September 2012

Taxi Cab Driver

Tiffany Furniture – 1989 to December 1996

Warehouse Supervisor

Ability Summary

I am a quick learner, diligent, punctual, conscientious, and reliable. I have the ability to communicate to diverse groups of people. My experience includes retail, customer service, seven years in a supervisory position in production and warehouse, and almost two years as front office staff for a 42 bed homeless shelter. I am also familiar with data entry and internet navigation.

Jenny Connor-Belcourt, CRSW

Education

New Hampshire Technical Institute

Associate of Science – Addiction Counseling – 2010

Fullerton College, CA

Environmental Science - 1981

Occupational Licenses and Certificates

Certified Recovery Support Worker (No.0001) State of New Hampshire

Notary Public for the State of New Hampshire

New Hampshire Commercial Driver's License

Clerical Certificate

Professional Experience

The Salvation Army McKenna House - 2012 to present

Shelter Director - June 2016 to present

- Program Development, Facilities Management, Fundraising, Staff Supervision, Fiscal Management & Planning, Community Relations, Development & Implementation of Procedures

Case Manager/Recovery Support Worker – October 2012 to June 2016

- Bio/psycho/social assessments, develop rapport, work with residents to develop a case management plan toward gaining independence and transition into permanent housing, referrals, follow-up, maintaining updated records, group facilitator
- Work closely with Shelter Director and Shelter Supervisor to review case management plans of residents, team discussion of matters affecting the shelter overall (residents, building, policies, programs, etc.)

Phoenix House of New England – 2009 to 2012

Counselor/Director of IDIP

- Direct care to clients in residential treatment, facilitated educational and counseling groups, supervision of second shift staff
- Developed IDIP educational program with Phoenix House Franklin Center Director to comply with NH rules and statutes

Contoocook Covered Bridge Restaurant – 2003 to 2009

Front Manager

- Responsible for customer service, supervision of wait staff, scheduling, supplies, till

Other Activities

- Mission Board Member, First Church of Hopkinton
- Narcan Administration
- Regularly attend trainings to maintain CRSW, and those pertinent to homelessness and housing

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Jenny Connor-Belcourt	Shelter Director	47,008	50	23,504
Elizabeth Crabtree	Case Manager	25,740	50	12,870
Tom Ryan	Case Manager	16,562	50	8281
Rich Artz	House Supervisor	16,484	50	8242

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Seacoast Family Promise, (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 27 Hampton Road, Exeter, NH, 03833.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$94.661.
2. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1, to read:
3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an

SFP

6/17/2020

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

6/17/20
Date

Christine Santunello
Name: Christine Santunello
Title: Director, DEHS

Seacoast Family Promise

6/17/2020
Date

Sarah Fenn-Whitman
Name: Sarah Fenn-Whitman
Title: Executive Director

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/25/20
Date

Catherine Pinos
Name:
Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

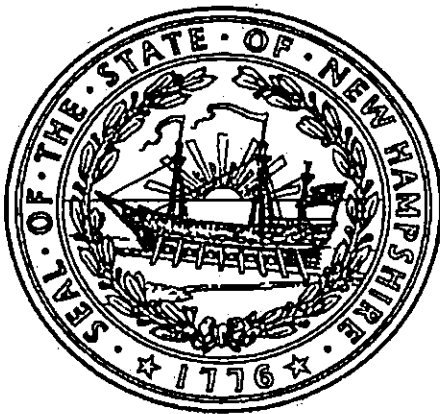
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SEACOAST FAMILY PROMISE is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on August 27, 2001. 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: 384988

Certificate Number: 0004500651



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 18th day of April A.D. 2019.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Irving Canner, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Seacoast Family Promise.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on June 10, 20 , at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Pati Frew-Waters, Executive Director (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Seacoast Family Promise to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30) days** from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6/16/2020

Irving Canner
Signature of Elected Officer
Name: Irving Canner
Title: President



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/17/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER E & S Insurance Services LLC 21 Meadowbrook Lane P O Box 7425 Gilford NH 03247-7425		CONTACT NAME: Eleanor Spinazzola PHONE (603) 293-2791 FAX (603) 293-7188 E-MAIL: Eleanorspinazzola@esinsurance.net ADDRESS:	
INSURED Seacoast Family Promise 27 Hampton Road Exeter NH 03833-4842		INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Insurance Co INSURER B: FirstComp INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 27626	

COVERAGES

CERTIFICATE NUMBER: 19-20

REVISION NUMBER:

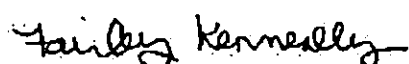
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE 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	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> 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:			PHPK2058519	11/01/2019	11/01/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2058519	11/01/2019	11/01/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
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	N/A	WC0100600-11	11/13/2019	11/13/2020	<input checked="" type="checkbox"/> PER. STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

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

CERTIFICATE HOLDER

CANCELLATION

DHHS, State of NH 129 Pleasant Street 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 
--	---

© 1988-2015 ACORD CORPORATION. All rights reserved.

Seacoast Family Promise has been serving families in need from a range of backgrounds since 2003. We help families who are experiencing homelessness to find stable housing and return to self-sufficiency. Seacoast Family Promise is a 501(c)(3) nonprofit, and an affiliate of Family Promise, a national organization that operates successfully with 200 affiliates in 41 states.

Any family can meet with hardships that cause loss of income and, consequently, their home. Whether it's due to job loss, catastrophic illness, lack of affordable housing, divorce or separation, or any number of unforeseen circumstances, Seacoast Family Promise is here to provide initial temporary housing, food and shelter. But we also offer much more: We help those families on a structured journey back to self-sufficiency and the return to a place they can call home.

Our Mission: To empower families with children experiencing homelessness to achieve sustainable independence through a community-based response.

Our Vision: We envision a community in which every family has a home, a livelihood and the foundation on which to build a better future together.

SEACOAST FAMILY PROMISE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

SEACOAST FAMILY PROMISE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 382,155
Total Current Assets	<u>382,155</u>

Property and Equipment- Net of Depreciation	632,048
---	---------

\$ 1,014,203

LIABILITIES AND NET ASSETS

LIABILITIES:

Current Liabilities

Accounts Payable and Other Expenses	\$ 4,128
Mortgage Payable	<u>6,949</u>
Total Current Liabilities	<u>11,077</u>

Noncurrent Liabilities:

Mortgage Payable	80,601
------------------	--------

COMMITMENTS AND CONTINGENCIES

NET ASSETS:

Without Donor Restrictions	376,688
With Donor Restrictions	<u>545,837</u>
	<u>922,525</u>

\$ 1,014,203

**SEACOAST FAMILY PROMISE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Contributions and Grants	\$ 429,310	\$ 62,500	\$ 491,810
Fundraising Events, net of related expenses	39,384	-	39,384
Other Income	190	30	220
	<hr/>	<hr/>	<hr/>
Total Revenues, Gains and Other Support	468,884	62,530	531,414
EXPENSES			
Program Services	222,807	-	222,807
Management and General	41,838	-	41,838
Fund Raising	22,740	-	22,740
All Other	-	10,000	10,000
	<hr/>	<hr/>	<hr/>
Total Expenses	287,385	10,000	297,385
Net Income	181,499	52,530	234,029

**SEACOAST FAMILY PROMISE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

EXPENSE	Without Donor Restrictions			With Donor Restrictions	Total
	Program Services	Support Services			
		Management & General	Fundraising		
Salaries	\$ 136,886	\$ 23,936	\$ -	\$ -	\$ 160,822
Payroll Taxes and Benefits	17,245	2,650	-	-	19,895
	154,131	26,586	-	-	180,717
Occupancy	20,578	-	-	-	20,578
Office Supplies and Expense	-	3,683	-	-	3,683
Guest Services	17,561	-	-	-	17,561
Professional Affiliations	-	4,291	-	-	4,291
Fundraising - Events	-	-	22,740	-	22,740
Insurance	5,815	-	-	-	5,815
Website and Technology	3,976	4,087	-	-	8,063
Professional Fees	7,700	-	-	-	7,700
Background Checks	1,334	-	-	-	1,334
Bedding	339	-	-	-	339
Travel	126	-	-	-	126
Training	-	549	-	-	549
All Other	11,247	2,642	-	-	13,889
Total Expenses before Depreciation	222,807	41,838	22,740	-	287,385
Depreciation	-	-	-	10,000	10,000
Total Expenses	\$ 222,807	\$ 41,838	\$ 22,740	\$ 10,000	\$ 297,385

**SEACOAST FAMILY PROMISE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CASH FLOWS PROVIDED BY (USED FOR):			
OPERATING ACTIVITIES			
Net Income	\$ 181,499	\$ 52,530	\$ 234,029
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:			
Depreciation	-	10,000	10,000
Changes in Operating Assets and Liabilities:			
Mortgage Reduction	-	(7,221)	(7,221)
Accounts Payable and Other Expenses	(812)	-	(812)
Net Cash Provided by Operating Activities	<u>180,687</u>	<u>55,309</u>	<u>235,996</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Purchase of buildings and renovations	<u>(244,505)</u>	<u>(80,279)</u>	<u>(324,784)</u>
NET (DECREASE) IN CASH	(63,818)	(24,970)	(88,788)
CASH AND CASH EQUIVALENTS			
Beginning of Year	<u>444,633</u>	<u>26,310</u>	<u>470,943</u>
End of Year	<u>\$ 380,815</u>	<u>\$ 1,340</u>	<u>\$ 382,155</u>

SEACOAST FAMILY PROMISE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – NATURE OF ORGANIZATION

Seacoast Family Promise (the Organization), is a New Hampshire nonprofit organization. Located in Exeter, New Hampshire, the Organization provides transitional housing, meals and support services to homeless families within the Seacoast area of New Hampshire and surrounding communities. The Organization is supported primarily through donor contributions and grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

The accompanying financial statements have been prepared Revenues on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization follows *Accounting for Contributions Received and Contributions Made and Financial Statements of Not-for-Profit Organizations* as required by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). Under these guidelines, the Organization is required to distinguish between contributions that increase permanently restricted net assets, temporarily restricted assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services, meeting certain criteria at fair values. These reporting standards establish standards for financial statements of not-for-profit organizations and require a Statement of Financial Position, a Statement of Activities, a Statement of Cash Flows, and a Statement of Functional Expenses.

Without Donor Restrictions- Net assets not subject to donor-imposed stipulations.

With Donor Restrictions- Net assets subject to donor-imposed stipulations that may or will met, either by actions of the Organization under / or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

SEACOAST FAMILY PROMISE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment is recorded at cost or, if donated, at estimated fair market value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets.

<u>Description</u>	<u>Estimated Life- Years</u>
Furniture and equipment	3-7
Buildings	30

When assets are retired, or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as paid; significant renewals and betterments that extend the useful lives of the assets are capitalized.

Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions.

Revenue Recognition

Funds received from various government and or community agencies represent grants awarded to the Organization to provide program services. Revenue with respect to these awards is recognized to the extent of expenses incurred under the award terms. Upon completion or expiration of a grant, unexpended funds are not available to the Organization.

SEACOAST FAMILY PROMISE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Contributed Services

Numerous unpaid volunteers have made significant contributions of their time in support of various program activities of the Organization; however, since the services do not require specialized skills, and do not enhance nonfinancial assets, no amounts have been reflected in these financial statements.

Functional Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general costs include those expenses that are not directly identifiable with any other specific function but do provide for the overall support and direction of the Organization.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and accordingly, is not liable for federal and state income taxes.

NOTE 3 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash in bank deposit accounts that are federally insured.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

As required, the Organization has applied for property tax exemption status for the year 2018 with the Town of Exeter, New Hampshire.

NOTE 5 - TAXES

All required tax returns have been timely filed and taxes, including, but not limited to, payroll taxes, were either paid prior to December 31, 2017, or paid subsequent to year-end.

SEACOAST FAMILY PROMISE
BOARD OF DIRECTORS EXTERNAL – January 2020

Maureen “Moe” Callahan (5/21) Business Development callahanmoe@gmail.com Consultant	Irving Canner (1/21) <i>President</i> iectfg@aol.com Director of Finance	Diane Charney (6/21) <i>Governance Committee Chair</i> dcharney@comcast.net Human Resources
Richard Danford (4/21) Program Committee Rdanford55@gmail.com Housing Specialist	Mark Fichera (11/22) Business Committee Mfichera10@gmail.com Business Professional	Eric Flaim (8/21) <i>Business Development</i> ejflaim@gmail.com Estate Planner
Judy George (12/20) Vice President <i>Development Committee Chair</i> georgejudy.03885@gmail.com Teacher	Ken George (12/20) Treasurer <i>Building Committee</i> ken.george@comcast.net Certified Public Accountant	Susan Hess (1/21) <i>Comm. Committee Chair</i> Shess100@gmail.com Marketing
Mercedes Monaco (10/22) Fundraising Committee mmonaco@newburyportbank.com Bank Manager	John Potter (4/21) <i>Business Development</i> nanjpotter@aol.com Psychologist	Molly Wynne (10/22) Program Committee molldietz@comcast.net Retired Teacher
		Pati Frew-Waters <i>Executive Director</i> director@seacoastfamilypromise.org

Administrative Assistant

EDUCATION

RIVIER UNIVERSITY, NASHUA, NH

MASTER OF PUBLIC HEALTH, *in progress*

Current GPA: 3.9

ANTICIPATED GRADUATION: MAY, 2021

RIVIER UNIVERSITY, NASHUA, NH

BACHELOR OF SCIENCE IN PUBLIC HEALTH, GRADUATED: MAY 2019

GPA: 3.6, DEAN'S LIST (5 SEMESTERS)

EXPERIENCE/EMPLOYMENT

NH Public Health Association Mentoring Program
Student/Mentee, Oct 2018-May 2019

New Hampshire Children's Trust
Intern, Concord, NH, January 2019-April 2019

Seacoast Family Promise
Administrative Assistant, September 2019-Present

Boston Children's Hospital, Boston, MA
Clinical Assistant, Division of Epilepsy & Clinical Neurophysiology, April 2016-August 2018

Elliot Hospital-Fitch Unit, Manchester, NH
Unit Secretary/ Licensed Nursing Assistant (LNA), January 2014-April 2016

Genesis Healthcare, Exeter, NH
Director of Recreation/ Licensed Nursing Assistant (LNA), May 2010 - January 2014

The Edgewood Center (Alzheimer's/Dementia Unit), Portsmouth, NH
Licensed Nursing Assistant, November 2009-March 2010

Seabrook Inn, Seabrook, NH
Front Desk/Administrative Assistant, September 2008-September 2009

The Orthopedic Center, Nashua, NH

Front Desk Coordinator, March 2008 - August 2008

Radiology Associates of Venice & Englewood, Englewood, FL
Front Desk Coordinator, March 2005 - August 2006

Case Manager

EDUCATION

University of New Hampshire – Durham, NH
Bachelor of Science in Social Work

May, 2016

PROFESSIONAL EXPERIENCE

Seacoast Family Promise – Exeter, NH

February, 2016 – Present

Case Manager

- Managed case load of up to 14 individuals comprised of up to 5 families experiencing homelessness.
- Used evidence-based practices and trauma-informed care to assess, create and manage family case plans.
- Completed intakes and conducted interviews with potential families entering the program.
- Established and maintained community partners and identified potential referral sources.
- Developed means of and maintained tracking of program statistics.

Aftercare Coordinator

February, 2016 – Present

- Established and implemented formalized aftercare program.
- Managed caseload of up to 46 aftercare program families annually.
- Created individualized case plans, financial management plans and measured progress of families.
- Identified and made appropriate referrals to other support services based on individual client needs.
- Prepared and helped families manage transition from shelter to permanent or transitional housing.

Seacoast Family Promise – Exeter, NH

September 2015 – May 2016

Social Work Intern

- Completed internship at Seacoast Family Promise through the University of New Hampshire's Department of Social Work BSW program.
- Participated in case management meetings, weekly goal setting, financial planning and budgeting.
- Developed and grew interpersonal, decision making and communication skills.

TRAININGS AND CERTIFICATIONS

University of New Hampshire

September, 2018 – Current

Department of Social Work Internship Supervisor

NH – HMIS

2016 – Current

Trained and Certified

University of New Hampshire Professional Development Training

November, 2018

Trauma Informed Care

The NH Alcohol and Other Drug Service Providers Association

March, 2016

Addressing Substance Misuse in the Home Environment

Dare Mighty Things

April, 2016

Military Culture Training

ADDITIONAL SKILLS

- Adaptable
- Great interpersonal skills
- Active listener
- Knowledgeable of community resources
- Detailed and accurate documentation
- Strong communication skills
- Experienced supervisor
- Organized and timely
- Reliable team member
- Self-motivated
- Proficient in Microsoft Office, Word and Excel

Executive Director:

**Seacoast Family Promise
Executive Director
2006 – present**

**Signs of Suicide
Certified Trainer
2004 - present**

**Durham MainStreet
Executive Director
2002 – 2006**

**Diocese of St. Augustine, FL
Development/Publicity Director
1994 – 2002**

**Keene State College
University of NH
Communications/Early Childhood**

**Boston University
Certificate of Fundraising**

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Pati Frew-Waters	Executive Director	62,000	0%	0
Ashley Miller	Case Manager	46,000	30%	13,800
Lauren Paradise	Administrative Assistant	42,000	0%	0

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Southwestern Community Services Inc., (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 63 Community Way, Keene, NH03431.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$527,563.
2. Modify P-37, General Provisions, Block 1.3, to read:
Southwestern Community Service Inc.
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
 - 2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
 - 2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
 - 2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1,

gm
6/18/2020

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



to read:

- 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.

Jm
6/18/2020

New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program



All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

6/23/20
Date

Christine Santanner
Name: Christine Santanner
Title: Dir. chr, DEHS

Southwestern Community Services, Inc.

6/18/2020
Date

John A Manning
Name: JOHN A MANNING
Title: CEO

New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/25/20
Date

Catherine Pinos
Name: Catherine Pinos, Attorney
Title:

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

gm
6/19/2020

State of New Hampshire

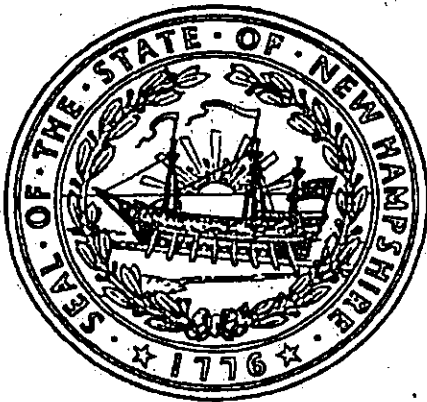
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHWESTERN COMMUNITY SERVICES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 19, 1965. 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: 65514

Certificate Number: 0004822550



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 3rd day of March A.D. 2020.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Kevin Watterson, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Southwestern Community Services, Inc.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on February 18, 20 16, at which a quorum of the Directors/shareholders were present and voting.

(Date)

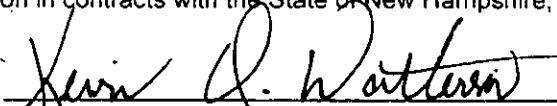
VOTED: That John A. Manning (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Southwestern Community Services, Inc. to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30) days** from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6/11/2020



Signature of Elected Officer
Name: Kevin Watterson
Title: Secretary



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/11/2020

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 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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Clark - Mortenson Insurance
P.O. Box 606
Keene NH 03431

CONTACT NAME:
PHONE (A/C No. Ext): 603-352-2121 FAX (A/C No.): 603-357-8491
E-MAIL:
ADDRESS: csr24admin@clark-mortenson.com

INSURED
Southwestern Community Services Inc
PO Box 603
Keene NH 03431

SOUTHWESTERNCOM

INSURER(S) AFFORDING COVERAGE
INSURER A: Philadelphia Insurance Company
INSURER B: Maine Employer Mutual Insurance Co.
INSURER C:
INSURER D:
INSURER E:
INSURER F:

NAIC #
0

COVERAGES

CERTIFICATE NUMBER: 1771028441

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	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> 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"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:		PHPK2000692	6/30/2020	6/30/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		PHPK2000704	6/30/2020	6/30/2021	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 DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		PHUB661676	6/30/2020	6/30/2021	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
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	3102800768	4/1/2020	4/1/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.I. EACH ACCIDENT \$ 500,000 E.I. DISEASE - EA EMPLOYEE \$ 500,000 E.I. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Workers Compensation laws apply for the state of: NH
All Officers are included

CERTIFICATE HOLDER

CANCELLATION

Department of Health & Human Services
Bureau of Contracts & Procurement Unit
129 Pleasant Street
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

Vision Statement

Southwestern Community Services

SCS seeks to **create** and **support** a climate within the communities of southwestern New Hampshire wherein **poverty is never accepted** as a chronic or permanent condition of any person's life.

Mission Statement

Southwestern Community Services

SCS strives to **empower** low income people and families. With **dignity and respect**, SCS will provide direct assistance, reduce stressors and advocate for such persons and families as they lift themselves toward **self-sufficiency**.

In **partnership** and close **collaboration** with local communities, SCS will provide **leadership** and **support** to develop resources, programs and services to further aid this population.

Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC.
AND RELATED COMPANIES

**FOR THE YEARS ENDED
MAY 31, 2019 AND 2018
AND
INDEPENDENT AUDITORS' REPORTS**

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2019 AND 2018

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statements of Cash Flows	5 - 6
Consolidated Statements of Functional Expenses	7 - 8
Notes to Consolidated Financial Statements	9 - 26
Supplementary Information:	
Consolidated Schedules of Functional Revenues and Expenses	27 - 28
Schedule of Expenditures of Federal Awards	29
Notes to Schedule of Expenditures of Federal Awards	30
Independent Auditors' Reports on Internal Control and Compliance	31 - 34
Schedule of Findings and Questioned Costs	35
Summary Schedule of Prior Audit Findings	36

To the Board of Directors of
Southwestern Community Services, Inc.
Keene, New Hampshire

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statements of financial position as of May 31, 2019 and 2018, and the related consolidated statements of cash flows, functional expenses, and notes to the consolidated financial statements for the years then ended, and the related consolidated statement of activities for the year ended May 31, 2019.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 auditors' 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 Southwestern Community Services, Inc. and related companies as of May 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Southwestern Community Services, Inc. and related companies' 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedules of Functional Revenues and Expenses, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2019, on our consideration of Southwestern Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwestern Community Services, Inc.'s internal control over financial reporting and compliance.

Leon, Mc Donnell : Roberts
Professional Association

November 5, 2019
Wolfeboro, New Hampshire

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MAY 31, 2019 AND 2018****ASSETS**

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 882,187	\$ 1,086,895
Accounts receivable	1,245,826	1,059,922
Prepaid expenses	51,722	35,019
Notes receivable	112,000	112,000
Interest receivable	<u>45,547</u>	<u>45,547</u>
Total current assets	<u>2,337,282</u>	<u>2,339,383</u>
PROPERTY		
Land and buildings	19,188,791	14,438,178
Vehicles and equipment	554,976	549,305
Furniture and fixtures	<u>220,291</u>	<u>39,817</u>
Total property	<u>19,964,058</u>	<u>15,027,100</u>
Less accumulated depreciation	<u>7,938,217</u>	<u>4,880,952</u>
Property, net	<u>12,025,841</u>	<u>10,146,148</u>
OTHER ASSETS		
Investment in related parties	198,728	88,706
Due from related parties	59,102	188,523
Cash escrow and reserve funds	849,334	517,853
Security deposits	62,996	51,896
Other assets	<u>384</u>	<u>384</u>
Total other assets	<u>1,170,544</u>	<u>847,462</u>
Total assets	<u>\$ 15,533,667</u>	<u>\$ 13,332,993</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 391,613	\$ 124,085
Accrued expenses	119,620	206,178
Accrued payroll and payroll taxes	233,900	250,692
Other current liabilities	138,740	135,573
Refundable advances	180,994	193,931
Interest payable	49,547	-
Current portion of long term debt	<u>227,221</u>	<u>216,438</u>
Total current liabilities	1,341,635	1,126,897
NONCURRENT LIABILITIES		
Long term debt, less current portion shown above	<u>9,086,445</u>	<u>8,273,983</u>
Total liabilities	<u>10,428,080</u>	<u>9,400,880</u>
NET ASSETS		
Without donor restrictions	4,922,671	3,787,422
With donor restrictions	<u>182,916</u>	<u>144,691</u>
Total net assets	<u>5,105,587</u>	<u>3,932,113</u>
Total liabilities and net assets	<u>\$ 15,533,667</u>	<u>\$ 13,332,993</u>

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2019
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>	<u>2018 Total</u>
REVENUES AND OTHER SUPPORT				
Government contracts	\$ 10,672,702	\$ -	\$ 10,672,702	\$ 11,055,093
Program service fees	2,485,405	-	2,485,405	1,868,188
Rental income	995,380	-	995,380	801,642
Developer fee income	-	-	-	50,000
Support	326,558	125,833	452,391	509,229
Sponsorship	70,893	-	70,893	105,286
Interest income	7,153	-	7,153	8,959
Forgiveness of debt	388,849	-	388,849	75,971
Miscellaneous	120,697	-	120,697	100,772
In-kind contributions	241,499	-	241,499	161,852
Total revenues and other support	15,309,136	125,833	15,434,969	14,736,992
NET ASSETS RELEASED FROM RESTRICTIONS	87,608	(87,608)	-	-
Total revenues, other support, and net assets released from restrictions	15,396,744	38,225	15,434,969	14,736,992
EXPENSES				
Program services				
Home energy programs	5,238,483	-	5,238,483	4,847,201
Education and nutrition	2,659,830	-	2,659,830	2,530,152
Homeless programs	1,994,872	-	1,994,872	2,172,388
Housing services	2,319,865	-	2,319,865	2,048,214
Economic development services	721,370	-	721,370	728,119
Other programs	894,986	-	894,986	945,391
Total program services	13,829,406	-	13,829,406	13,271,465
Supporting activities				
Management and general	1,880,406	-	1,880,406	1,749,700
Total expenses	15,709,812	-	15,709,812	15,021,165
CHANGES IN NET ASSETS BEFORE LOSS ON SALE OF PROPERTY	(313,068)	38,225	(274,843)	(284,173)
LOSS ON SALE OF PROPERTY	(6,481)	-	(6,481)	(4,583)
GAIN (LOSS) ON INVESTMENT IN LIMITED PARTNERSHIPS	18,116	-	18,116	(188)
CHANGE IN NET ASSETS	(301,433)	38,225	(263,208)	(288,944)
NET ASSETS, BEGINNING OF YEAR	3,787,422	144,691	3,932,113	3,397,772
NET ASSETS TRANSFERRED FROM LIMITED PARTNERSHIP	1,436,682	-	1,436,682	823,285
NET ASSETS, END OF YEAR	\$ 4,922,671	\$ 182,916	\$ 5,105,587	\$ 3,932,113

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (263,208)	\$ (288,944)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	580,115	467,929
Loss on sale of property	6,481	4,583
(Gain) loss on investment in limited partnerships	(18,116)	188
Forgiveness of debt	(388,849)	(75,971)
(Increase) decrease in assets:		
Accounts receivable	(185,904)	265,199
Prepaid expenses	5,509	(3,439)
Interest receivable	-	(4,480)
Due from related parties	44,240	66,149
Security deposits	5,151	(2,623)
Increase (decrease) in liabilities:		
Accounts payable	145,829	(53,220)
Accrued expenses	(106,905)	(38,863)
Accrued payroll and payroll taxes	(18,782)	9,657
Other current liabilities	3,167	(13,125)
Refundable advances	(12,937)	(44,414)
Interest payable	49,547	-
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(152,672)</u>	<u>288,626</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in escrow funds	(33,568)	5,848
Proceeds from sale of property	215,000	-
Purchase of property	<u>(139,717)</u>	<u>(142,791)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>41,715</u>	<u>(136,945)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term debt	40,048	76,143
Repayment of long term debt	<u>(160,029)</u>	<u>(112,612)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(119,981)</u>	<u>(36,469)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(230,938)	115,212
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,086,895	947,176
CASH TRANSFERRED FROM LIMITED PARTNERSHIP	<u>26,230</u>	<u>24,508</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 882,187</u>	<u>\$ 1,088,895</u>

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED MAY 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 203,408</u>	<u>\$ 142,467</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Transfer of assets from newly consolidated LP:		
Prepaid expenses	\$ (22,212)	\$ (12,328)
Land and buildings	(2,373,335)	(894,504)
Furniture and fixtures	(168,237)	(96,338)
Cash escrow and reserve funds	(297,913)	(164,110)
Security deposits	<u>(16,151)</u>	<u>(11,467)</u>
Total transfer of assets from newly consolidated LP	<u>\$ (2,877,848)</u>	<u>\$ (1,178,747)</u>
Transfer of liabilities from newly consolidated LP:		
Accounts payable	\$ 121,699	\$ 10,810
Accrued expenses	20,347	11,199
Due to related parties	85,181	-
Long term debt	<u>1,332,075</u>	<u>304,073</u>
Total transfer of liabilities from newly consolidated LP	<u>\$ 1,559,302</u>	<u>\$ 326,082</u>
Total partners' capital from newly consolidated LP	<u>\$ 1,344,776</u>	<u>\$ 877,173</u>
Partners' capital previously recorded as investment in related parties	<u>91,906</u>	<u>(53,888)</u>
Total transfer of partners' capital from newly consolidated LP	<u>\$ 1,436,682</u>	<u>\$ 823,285</u>

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2019**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Programs	Management and General	2019 Total
Payroll	\$ 432,968	\$ 1,224,968	\$ 377,595	\$ 775,425	\$ 414,730	\$ 432,828	\$ 3,858,530	\$ 753,068	\$ 4,411,598
Payroll taxes	33,521	97,819	29,527	59,738	33,519	34,195	288,419	58,304	348,723
Employee benefits	106,054	415,880	142,654	289,985	97,771	180,294	1,232,648	111,111	1,343,759
Retirement	29,200	70,408	18,908	81,936	27,831	18,181	224,462	71,547	296,009
Advertising	-	500	1,912	4,013	818	9,487	18,730	-	18,730
Bank charges	-	-	-	4,444	-	1	4,445	7,329	11,774
Bad debt expense	-	10	-	90	-	-	100	-	100
Computer cost	-	24,540	4,759	3,027	14,928	750	48,002	116,848	184,848
Contractual	629,045	32,930	230,984	38,868	2,719	118,585	1,050,959	39,743	1,090,702
Depreciation	-	28,300	108,291	281,950	-	14,207	432,748	147,367	580,115
Dues/registration	-	5,277	-	488	688	1,312	7,945	11,879	19,824
Duplicating	-	8,852	-	-	-	-	8,852	4,155	13,007
Insurance	6,714	14,798	23,590	60,872	14,130	7,164	127,068	33,892	160,960
Interest	-	7,775	8,022	21,956	-	1,610	39,363	164,045	203,408
Meeting and conference	6,873	813	2,567	8,104	565	22,569	43,291	24,957	68,248
Miscellaneous expense	181	1,895	637	34,793	3,651	2,931	43,688	19,278	63,168
Miscellaneous taxes	-	-	-	34,900	-	-	34,900	389	35,289
Equipment purchases	1,292	15,274	-	7,287	-	-	23,853	1,180	25,033
Office expense	24,820	8,499	6,695	11,475	6,458	607	58,754	11,658	70,410
Postage	97	288	138	53	214	-	770	24,238	25,008
Professional fees	4,300	-	1,301	38,095	-	-	41,696	90,968	132,664
Staff development and training	2,128	1,580	1,878	72	1,904	21,877	29,238	10,590	39,829
Subscriptions	-	-	-	655	354	-	1,009	399	1,408
Telephone	2,087	2,358	18,479	17,817	2,338	1,589	44,664	52,308	96,972
Travel	7,951	16,258	15,412	5,183	29,531	608	74,941	4,855	79,796
Vehicle	2,300	5,225	1,088	37,795	44,428	8,568	99,402	13,436	112,838
Rent	-	24,800	-	150	-	-	24,950	-	24,950
Space costs	-	194,946	332,361	512,392	1,000	376	1,041,085	108,868	1,147,931
Direct client assistance	3,947,152	214,438	868,284	10,874	23,819	21,049	4,885,214	-	4,885,214
In-kind expenses	-	241,499	-	-	-	-	241,499	-	241,499
TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION	5,238,483	2,659,830	1,994,872	2,319,805	721,370	894,988	13,829,406	1,880,408	15,709,812
Allocation of management and general expenses	712,284	361,861	271,248	315,436	98,066	121,693	1,880,406	(1,880,406)	-
TOTAL FUNCTIONAL EXPENSES	\$ 5,950,767	\$ 3,021,491	\$ 2,266,119	\$ 2,635,301	\$ 819,436	\$ 1,016,679	\$ 15,709,812	\$ -	\$ 15,709,812

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC.
CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2018

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2018 Total
Payroll	\$ 308,452	\$ 1,208,831	\$ 435,538	\$ 771,028	\$ 405,189	\$ 439,358	\$ 3,658,196	\$ 774,466	\$ 4,432,662
Payroll taxes	31,598	98,882	34,153	58,803	30,418	36,918	289,771	60,813	350,684
Employee benefits	122,782	453,204	146,394	278,393	87,744	187,020	1,275,517	54,590	1,330,107
Retirement	24,980	68,878	21,031	64,244	19,280	17,448	216,821	73,148	289,969
Advertising	-	142	1,897	4,160	2,114	18,172	24,491	-	24,491
Bank charges	15	-	120	3,834	-	-	3,969	9,079	13,048
Computer cost	-	8,185	4,300	14,144	14,298	3,500	45,427	62,052	107,479
Contractual	518,340	52,463	242,935	20,362	2,718	109,718	946,536	14,921	961,457
Depreciation	-	28,300	108,291	187,840	-	18,131	320,562	147,367	487,829
Dues/registration	-	8,038	-	343	988	997	8,384	10,175	18,539
Duplicating	1,584	8,148	-	-	-	-	9,732	4,321	14,053
Insurance	5,909	13,381	23,853	52,287	14,610	6,248	116,068	38,380	154,448
Interest	-	8,658	7,759	6,887	-	2,554	25,966	116,501	142,467
Meeting and conference	3,961	58	9,283	7,177	600	19,305	40,394	35,924	76,318
Miscellaneous expense	908	871	2,303	18,698	4,442	18,560	45,881	13,182	59,063
Miscellaneous taxes	-	-	-	26,381	-	-	26,381	986	27,367
Equipment purchases	4,670	24,320	80	12,348	-	-	41,418	2,305	43,723
Office expense	34,413	12,813	8,440	14,506	12,042	4,078	86,090	20,402	106,492
Postage	132	274	182	31	348	50	1,017	22,818	23,935
Professional fees	4,690	-	1,875	15,879	-	-	22,844	83,786	106,410
Staff development and training	1,430	23,724	2,624	8,287	6,675	28,044	69,784	2,943	72,727
Subscriptions	-	-	28	87	-	-	115	1,329	1,444
Telephone	2,088	15,297	19,881	14,589	2,435	3,238	67,307	56,576	113,883
Travel	5,335	20,013	20,312	5,185	29,509	2,000	82,364	3,509	85,873
Vehicle	2,140	2,510	712	31,826	45,200	9,201	91,589	10,681	102,570
Rent	-	25,201	-	-	-	-	25,201	-	25,201
Space costs	148	140,213	258,849	438,344	-	1,008	838,563	128,966	965,529
Direct client assistance	3,693,466	145,220	823,938	14,447	50,531	23,843	4,741,445	-	4,741,445
In-kind expenses	-	181,852	-	-	-	-	181,852	-	181,852
TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION	4,847,201	2,530,152	2,172,388	2,048,214	728,119	945,391	13,271,465	1,749,700	15,021,165
Allocation of management and general expenses	639,051	333,573	288,407	270,035	95,995	124,639	1,749,700	(1,749,700)	-
TOTAL FUNCTIONAL EXPENSES	\$ 5,486,252	\$ 2,863,725	\$ 2,458,795	\$ 2,318,249	\$ 824,114	\$ 1,070,030	\$ 15,021,165	\$ -	\$ 15,021,165

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED MAY 31, 2019 AND 2018

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Southwestern Community Services, Inc. (the Organization) is a New Hampshire nonprofit corporation formed as an umbrella corporation that offers an array of services to the elderly, disabled, and low-income households in the Cheshire and Sullivan counties of New Hampshire. Various programs provide assistance in the areas of education, child development, employment, energy and its conservation, housing, and homelessness prevention. Services are provided through Southwestern Community Services, Inc., and its related corporations, SCS Management Corporation, SCS Housing, Inc., SCS Development Corporation, SCS Housing Development, Inc., and various limited partnerships, as described below. The Organization is committed to providing respectful support service and assisting individuals and families in achieving self-sufficiency by helping them overcome the causes of poverty. The primary source of revenues is derived from governmental contracts.

Principles of Consolidation

The consolidated financial statements include the accounts of Southwestern Community Services, Inc. and the following entities as Southwestern Community Services, Inc. has both an economic interest and control of the entities through a majority voting interest in their governing board. All significant intercompany items and transactions have been eliminated from the basic consolidated financial statements.

- SCS Management Corporation
- SCS Housing, Inc.
- SCS Development Corporation
- SCS Housing Development, Inc.
- Drewsville Carriage House Associates, Limited Partnership (Drewsville)
- Jaffrey Housing Associates, Limited Partnership (Jaffrey) – Sold 2/1/19
- Troy Senior Housing Associates, Limited Partnership (Troy Senior)
- Keene East Side Senior Housing Associates, Limited Partnership (Keene East Side)
- Winchester Senior Housing Associates, Limited Partnership (Winchester) Consolidation began 8/16/17
- Swanzey Township Housing Associates, Limited Partnership (Swanzey) Consolidation began 6/30/18
- Snow Brook Meadow Village Housing Associates, Limited Partnership (Snow Brook) Consolidation began 5/01/19

Basis of Accounting

The consolidated financial statements of Southwestern Community Services, Inc. and related companies have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications. The classes of net assets are determined by the presence 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 Board of Directors.

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

As of May 31, 2019 and 2018, the Organization had net assets without donor restrictions and with donor restrictions.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2018 from which the summarized information was derived.

Refundable Advances

The Organization records grant and contract revenue as refundable advances until it is expended for the purpose of the grant or contract, at which time it is recognized as revenue.

In-Kind Support

The Organization records various types of in-kind support including professional services and materials. Contributed professional services are recognized if the service received creates or enhances long-lived assets or requires specialized skill, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all liquid investments purchased with original maturities of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at May 31, 2019 and 2018. The Organization has no policy for charging interest on overdue accounts.

Notes Receivable

The Organization has two notes receivable from an unrelated third party. The notes receivables are stated at the amount that is expected to be collected at year end. Interest is accrued at a rate of 4% annually. The balance of the notes receivable and related interest receivable was \$112,000 and \$45,547, respectively, at May 31, 2019 and 2018.

Current Vulnerability Due to Certain Concentrations

The Organization is operated in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or Legislature. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. For the years ended May 31, 2019 and 2018, approximately 68% and 75%, respectively, of the Organization's total revenue was received from government agencies. The future nature of the organization is dependent upon continued support from the government.

Concentration of Credit Risk

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

Property and Depreciation

Purchased property and equipment are stated at cost at the date of acquisition or at fair value at the date of receipt in the case of donated property. The Organization generally capitalizes and depreciates all assets with a cost greater than \$5,000 and an expected life greater than one year. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

Buildings and improvements	10 - 40 Years
Vehicles and equipment	5 - 10 Years
Furniture and fixtures	7 Years

The use of certain assets is specified under the terms of grants received from agencies of the federal government. These grants also place liens on certain assets and impose restrictions on the use of funds received from the disposition of the property. Depreciation expense for the years ended May 31, 2019 and 2018 totaled \$580,115 and \$467,929, respectively.

Advertising

The Organization expenses advertising costs as incurred.

Revenue Recognition

Amounts received from conditional grants and contracts received for specific purposes are generally recognized as income to the extent that related expenses and conditions are incurred or met. Conditional grants received prior to the conditions being met are reported as refundable advances. Contributions of cash and other assets are reported as with donor restrictions if they are received with donor imposed stipulations that limit the use of the donated assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as without donor restrictions.

Income Taxes

Southwestern Community Services, Inc. and SCS Management Corporation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and are not private foundations. As such, they are exempt from income tax on their exempt function income.

SCS Housing, Inc., SCS Development Corporation and SCS Housing Development, Inc. are taxed as corporations. SCS Housing Inc. has federal net operating loss carryforwards totaling \$1,012,604 and \$915,425 at May 31, 2019 and 2018, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2027. SCS Development Corporation has federal net operating loss carryforwards totaling \$579 and \$607 at May 31, 2019 and 2018, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2022.

The tax effects of the carryforwards as related to deferred tax assets is as follows as of May 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Tax benefit from loss carryforwards	\$212,768	\$137,408
Valuation allowance	<u>(212,768)</u>	<u>(137,408)</u>
Deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Drewsville, Jaffrey, Troy Senior, Winchester, Keene East Side, Swanzey, and Snow Brook are taxed as partnerships. Federal income taxes are not payable by, or provided for these entities. Earnings and losses are included in the partners' federal income tax returns based on their share of partnership earnings. Partnerships are required to file income tax returns with the State of New Hampshire and pay an income tax at the state's statutory rate.

Accounting Standard Codification No. 740, "Accounting for Income Taxes," established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Organization's tax position taken on its income tax returns for all open years (tax years ending May 31, 2017 – 2019), and has concluded that no additional provision for income taxes is necessary in the Organization's financial statements.

Fair Value of Financial Instruments

FASB ASC Topic No. 820-10, Financial Instruments, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with ASC 820-10, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, Topic 820-10 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under ASC Topic 820-10 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The carrying amount of cash, accounts receivables, prepaid expenses, accounts payable, accrued expenses, and refundable advances approximates fair value because of the short maturity of those instruments.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Natural expenses are defined by their nature, such as salaries, rent, supplies, etc. Functional expenses are classified by the type of activity for which expenses are incurred, such as management and general and direct program costs. Expenses are allocated by function using a reasonable and consistent approach that is primarily based on function and use. The costs of providing certain program and supporting services have been directly charged.

The Organization submits an indirect cost rate proposal for the paid leave, fringe benefits and other indirect costs to the U.S. Department of Health and Human services. The indirect cost rate is 11.96% effective from June 1, 2017 through May 31, 2020.

NOTE 2

BANK LINE OF CREDIT

The Organization has a \$250,000 revolving line of credit agreement with a bank. Interest is due monthly and is stated at the Wall Street Journal Prime Rate. The line is secured by all the Organization's assets. As of May 31, 2019 and 2018, the interest rate was 5.50% and 4.75%, respectively. There was no outstanding balance at May 31, 2019 and 2018.

NOTE 3**LONG TERM DEBT**

The long term debt at May 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
1% mortgage payable to New Hampshire Housing in monthly installments for principal and interest of \$891 through August 2032. The note is secured by real estate of the Organization (NHHFA, 96 Main Street).	\$ 145,647	\$ 154,832
Non-interest bearing mortgage payable to Community Development Finance Authority, in quarterly principal payments based on operating income formula applied to affordable housing portion of the specified real estate. The note is secured by real estate of the Organization (CDFA, 96 Main Street).	31,589	32,147
5.5% note payable to a bank in monthly installments for principal and interest of \$978 through March 2021. The note is secured by real estate of the Organization (People's United Bank, Ashuelot).	20,672	31,143
Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through September 2031, or until project is sold or refinanced. The note is secured by real estate of the Organization (NHHFA, 17 Pearl).	244,505	244,505
Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through July 2032, unless there is surplus cash from which to make a payment, or until project is sold or refinanced. The note is secured by real estate of the Organization (NHHFA, 41-43 Central).	376,363	376,363
4.25% mortgage payable to a bank in monthly installments for principal and interest of \$1,875 through December 2016, with a balloon payment that was due January 2017. The note was amended during the year ended May 31, 2019 and is now due December 2026. Under the amendment, interest rate is 4.94% and monthly installments for principal and interest are \$1,957. The note is secured by real estate of the Organization (People's United Bank, Milestones).	146,515	162,223

	<u>2019</u>	<u>2018</u>
4.375% note payable to Rural Housing Service in monthly installments for principal and interest of \$11,050 through May 2049. The note is secured by real estate of the Organization (TD Bank, Keene Office).	2,212,288	2,247,266
Non-interest bearing note payable to Cheshire County in New Hampshire. Payment is not necessary unless Organization defaults on contract. The note is secured by real estate of the Organization (CDBG, Keene Office).	460,000	460,000
4% note payable to a development company, in annual interest installments only through March 2015 at which time a final balloon payment of the entire principal balance was due. The remaining balance is still outstanding at May 31, 2019 and is classified as current. The note is secured by real estate of the Organization (MEDC, Keene Office/Community Way).	63,000	63,000
4% note payable to a development company, in annual interest installments only through March 2015 at which time a final balloon payment of the entire principal balance was due. The remaining balance is still outstanding at May 31, 2019 and is classified as current. The note is secured by real estate of the Organization (MEDC, Keene Office/Community Way).	45,000	45,000
Note payable to a bank in monthly installments for principal and interest of \$2,463 including interest through May 2039. Interest is adjusted every five years based on remaining principal balance and "Classic Advantage Rate" provided by Federal Home Loan Bank of Boston which resulted in an interest rate of 4.67% and 4.07% at May 31, 2019 and 2018, respectively. The note is secured by real estate of the Organization (TD Bank, Keene Office/Community Way).	401,891	414,567
5.19% note payable to a bank in monthly installments for principal and interest of \$889 through May 2021. The note is secured by real estate of the Organization (TD Bank, 45 Central Street).	94,733	100,254

	<u>2019</u>	<u>2018</u>
Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization (HUD, Ashuelot).	125,000	150,000
Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization (HUD, 112 Charlestown Road).	75,000	90,000
Non-interest bearing note payable to New Hampshire Housing in annual payments in the amount of 50% of annual surplus cash through July 2042 at which time the remaining balance is due. The note is secured by real estate of the Organization (NHHFA, Second Chance).	794,189	794,189
Non-interest bearing note payable to a county in New Hampshire. No payment is due and 5% of the balance is forgiven each year through 2032 when the remaining balance becomes due. The note is secured by real estate of the Organization (CDBG, Second Chance).	344,536	363,677
6.99% note payable to a finance company in monthly installments for principal and interest of \$652 through June 2019. The note is secured by a vehicle (TCF, Econoline Van).	1,293	8,741
5.54% note payable to a finance company in monthly installments for principal and interest of \$543 through August 2022. The note is secured by a vehicle (Ally, Econoline Van).	19,287	24,564

	<u>2019</u>	<u>2018</u>
Jaffrey - 30-year deferred note payable to the Town of Jaffrey, New Hampshire. Payment of principal and accrued interest at 1% were deferred until the note matures in June 2027. The note was secured by land and buildings. The balance included cumulative accrued interest of \$53,651 (CDBG). Jaffrey was sold during the year ended May 31, 2019 and the balance was forgiven.	-	303,651
Jaffrey - 6% note payable to a bank in monthly installments for principal and interest of \$485 through August 2027. The note was secured by land and buildings (TD Bank). Jaffrey was sold during the year ended May 31, 2019 and this note was paid in full.	-	41,099
Troy Senior - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in June 2029. The note is secured by real estate of the Organization (CDBG).	640,000	640,000
Troy Senior - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization (NHHFA).	140,210	140,210
Keene East Side - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in December 2028. The note is secured by real estate of the Organization (CDBG).	900,000	900,000
Keene East Side - Non-interest bearing note payable to New Hampshire Community Development Finance Authority (CDFA) to fund energy upgrades and capital improvements. Beginning in 2016, 10% of the note is forgiven each year based on the rolling balance. The mortgage may be released after ten years in January 2026. The note is secured by real estate of the Organization (CDFA).	185,899	178,172

	<u>2019</u>	<u>2018</u>
Keene East Side - Non-interest bearing note payable to New Hampshire Housing to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization (NHHFA).	228,934	228,934
Swanzy - Non-recourse, 4.90% simple interest mortgage note payable to the New Hampshire Housing (HOME), due September, 2033, principal and interest payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage.	282,720	-
Swanzy - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due September 2043, payable in monthly installments of \$1,698, including interest at 2.35% secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 40 year term of the mortgage.	377,110	-
Snow Brook - Non-recourse, mortgage note payable to New Hampshire Housing, due July 2057, payable in monthly installments of \$2,002 including interest at 4.35% secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage.	446,561	-
Snow Brook - Non-recourse, zero interest mortgage note payable to New Hampshire Housing (AHF), due June 2034, principal and interest payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage.	237,173	-

	<u>2019</u>	<u>2018</u>
Winchester - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due May 2032, payable in monthly installments of \$370, including interest at 2.00%, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage note (NHHFA).	50,436	53,826
Winchester - Non-recourse, zero interest bearing mortgage note payable to New Hampshire Housing (FAF), due May 2032, payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30-year term of the mortgage note (NHHFA).	92,058	92,058
Winchester - Non-recourse, zero interest bearing, direct subsidy AHP loan secured by the Partnership's land and buildings, subject to low-income housing restrictions under the terms of the AHP agreement. In the event of a default under the aforementioned agreement, the loan is due upon demand with interest accrued at a rate of 11.67% for the period the funds were outstanding (Federal Home Loan Bank).	<u>150,000</u>	<u>150,000</u>
Total long-term debt before unamortized deferred financing costs	9,332,609	8,490,421
Unamortized deferred financing costs	<u>(18,943)</u>	<u>-</u>
	9,313,666	8,490,421
Less current portion due within one year	<u>227,221</u>	<u>216,438</u>
	<u>\$ 9,086,445</u>	<u>\$ 8,273,983</u>

The schedule of maturities of long term debt at May 31, 2019 is as follows:

<u>Year Ending</u>	<u>Amount</u>
<u>May 31</u>	
2020	\$ 227,221
2021	121,051
2022	115,864
2023	115,596
2024	118,605
Thereafter	<u>8,634,272</u>
Total	<u>\$ 9,332,609</u>

NOTE 4 OPERATING LEASES

The Organization leases facilities, equipment and vehicles under non-cancelable lease agreements at various financial institutions. Lease periods range from month to month to 2024. Monthly lease payments range from \$60 to \$3,625. Lease expense for the years ended May 31, 2019 and 2018 totaled \$144,880 and \$136,963 respectively.

Future minimum payments as of May 31, 2019 on the above leases are as follows:

Year Ending	Amount
<u>May 31</u>	
2020	\$ 78,745
2021	21,677
2022	18,318
2023	1,050
2024	720
Thereafter	<u>120</u>
Total	<u>\$ 120,630</u>

NOTE 5 ACCRUED COMPENSATED BALANCES

At May 31, 2019 and 2018, the Organization accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$131,864 and \$130,140, respectively.

NOTE 6 CONTINGENCIES

Southwestern Community Services, Inc. is the 100% owner of SCS Housing, Inc. and SCS Housing Development, Inc. SCS Housing, Inc. and SCS Housing Development, Inc. are the general partners of ten limited partnerships formed to develop low-income housing projects through the use of Low Income Housing Tax Credits. Southwestern Community Services, Inc., SCS Housing, Inc. and SCS Housing Development, Inc. have guaranteed repayment of liabilities of various partnerships totaling approximately \$14,151,000 and \$15,553,000 at May 31, 2019 and 2018, respectively.

Partnership real estate with a cost basis of approximately \$35,831,000 and \$41,158,000 at May 31, 2019 and 2018, respectively, provides collateral on these loans.

The Organization receives funds under various state grants and from Federal sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If costs were found not to have been incurred in compliance with the laws and regulations, the Organization might be required to repay the funds.

No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed by government audits as of May 31, 2019 and 2018.

NOTE 7 **RELATED PARTY TRANSACTIONS**

During the years ended May 31, 2019 and 2018, SCS Housing, Inc. managed ten limited partnerships. Management fees charged by SCS Housing, Inc. totaled \$313,466 and \$322,973, for the years ended May 31, 2019 and 2018, respectively. Additionally, SCS Housing, Inc. has advanced the limited partnerships funds for cash flow purposes over several years.

The Organization has also advanced funds to a related entity for Department of Housing and Urban Development (HUD) sponsorship purposes.

The total amounts due and expected to be collected from the limited partnerships and related entities totaled \$59,102 and \$188,523, respectively, at May 31, 2019 and 2018.

NOTE 8 **EQUITY INVESTMENT**

Southwestern Community Services, Inc. and related companies use the equity method to account for their financial interests in the following companies:

	<u>2019</u>	<u>2018</u>
Cityside Housing Associates, LP	\$ (9,500)	\$ (9,492)
Marlborough Homes, LP	(11)	8
Payson Village Senior Housing Associates, LP	(12,503)	(12,491)
Railroad Square Senior Housing Associates, LP	(1,897)	(1,715)
Warwick Meadows Housing Associates, LP	(21)	(17)
Woodcrest Drive Housing Associates, LP	222,842	222,846
Westmill Senior Housing, LP	78	90
Swanzy Township Housing Associates, LP	-	(31,190)
Snow Brook Meadow Village Housing Associates, LP	-	(60,716)
Keene Highland Housing Associates, LP	(260)	(243)
Pilot Health, LLC	-	(18,374)
	<u>\$ 198,728</u>	<u>\$ 88,706</u>

SCS Housing Development, Inc. is a 0.01% partner of Cityside Housing Associates, LP, Marlborough Homes, LP, Payson Village Senior Housing Associates, LP, Warwick Meadows Housing Associates, LP, and Woodcrest Drive Housing Associates, LP, a 0.10% partner of Railroad Square Senior Housing Associates, LP, and a 1% partner in Westmill Senior Housing, LP during the years ended May 31, 2019 and 2018.

SCS Housing, Inc. is a 0.01% partner of Winchester Senior Housing Associates, LP, Swanzey Township Housing Associates, LP, Snow Brook Meadow Village Housing Associates, LP, and Keene Highland Housing Associates, LP during the years ended May 31, 2019 and 2018.

The remaining 99.99% ownership interest in Swanzey Township Housing Associates, LP and Snow Brook Meadow Village Housing Associates, LP were acquired by Southwestern Community Services, Inc. during the year ending May 31, 2019 (see Note 12), and therefore the limited partnership is included in the consolidated financial statements for the year ended May 31, 2019. The remaining 99.99% ownership interest in Winchester Senior Housing Associates, LP was acquired by Southwestern Community Service, Inc. during the year ended May 31, 2018 (see Note 12), and therefore the limited partnership is included in the consolidated financial statements for the year ended May 31, 2019 and 2018.

Southwestern Community Services, Inc. was a 14.3% member of Pilot Health, LLC during the year ended May 31, 2018. Pilot Health was terminated during the year ended May 31, 2019.

Summarized financial information for entities accounted for under the equity method, as of May 31, 2019 and 2018, consists of the following:

	<u>2019</u>	<u>2018</u>
Total assets	<u>\$ 5,745</u>	<u>\$ 32,782</u>
Total liabilities	2,454	47,461
Capital/Member's equity	<u>3,291</u>	<u>(14,679)</u>
	<u>\$ 5,745</u>	<u>\$ 32,782</u>
Income	\$ 426	\$ 84,713
Expenses	<u>661</u>	<u>81,478</u>
Net Income (loss)	<u>\$ (235)</u>	<u>\$ 3,235</u>

NOTE 9 RETIREMENT PLAN

The Organization maintains a tax sheltered annuity plan under the provisions of Section 403(b) of the Internal Revenue Code. All employees who have had at least 30 days of service to the Organization are eligible to contribute to the plan. The Organization begins matching contributions after the employee has reached one year of service. Employer contributions are at the Organization's discretion and totaled \$296,009 and \$289,969 for the years ended May 31, 2019 and 2018, respectively.

NOTE 10 RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are available for the following purposes:

	<u>2019</u>	<u>2018</u>
NNECAC – Annual Conference Fund	\$ 5,973	\$ 21,327
Stand Down	-	4,963
GAPS/Warm Fund	91,908	118,401
Transport	47,260	-
HS Parents Association	6,575	-
EHS	<u>31,200</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 182,916</u>	<u>\$ 144,691</u>

NOTE 11 FORGIVENESS OF DEBT

During the year ended May 31, 2019, the Organization realized forgiveness of debt income in connection with notes payable to Community Development Block Grant, HUD and Community Development Finance Authority. Forgiveness of debt income totaled \$388,849 for the year ended May 31, 2019.

During the year ended May 31, 2018, the Organization realized forgiveness of debt income in connection with notes payable to the County of Cheshire, HUD and New Hampshire Housing. Forgiveness of debt income totaled \$75,971 for the year ended May 31, 2018.

NOTE 12 TRANSFER OF PARTNERSHIP INTEREST

During the years ended May 31, 2019 and 2018, Southwestern Community Services, Inc. acquired a partnership interest in three low-income housing limited partnerships: Winchester, Swanzey and Snow Brook. The amount paid for the partnership interest in Winchester, Swanzey and Snow Brook was \$1 each, and at the time of acquisition, Southwestern Community Services, Inc. became the general partner. The following is a summary of the assets and liabilities of the partnership at the date of acquisition:

	<u>2018</u>	<u>2019</u>	
	<u>Winchester</u>	<u>Swanzey</u>	<u>Snow Brook</u>
Date of Transfer	08/16/2017	06/30/2018	05/01/2019
Cash	\$ 24,508	\$ 12,856	\$13,374
Security deposits	11,467	7,330	8,821
Cash reserves	164,110	119,061	178,852
Property, net	990,842	1,330,231	1,211,341
Other assets	<u>12,328</u>	<u>6,436</u>	<u>15,776</u>
Total assets	<u>1,203,255</u>	<u>1,475,914</u>	<u>1,428,164</u>
Notes payable	304,073	666,902	665,173
Other Liabilities	<u>22,009</u>	<u>87,108</u>	<u>140,119</u>
Total liabilities	<u>326,082</u>	<u>754,010</u>	<u>805,292</u>
Partners' capital	877,173	721,904	622,872
Partners' capital previously recorded as an investment in related parties	<u>(53,888)</u>	<u>31,190</u>	<u>60,716</u>
Partners' capital transferred	<u>\$ 823,285</u>	<u>\$ 753,094</u>	<u>\$ 683,588</u>

NOTE 13 **AVAILABILITY AND LIQUIDITY**

The following represents Southwestern Community Services' financial assets as of May 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 882,187	\$ 1,086,895
Accounts receivable	1,245,826	1,095,486
Due from related party	59,102	188,523
Notes receivable	112,000	112,000
Interest receivable	45,547	45,547
Cash escrow and reserve funds	<u>849,334</u>	<u>517,853</u>
Total financial assets	<u>3,193,996</u>	<u>3,046,304</u>
Less amounts not available to be used within one year:		
Due from related party	(59,102)	(188,523)
Notes receivable	(112,000)	(112,000)
Interest receivable	(45,547)	(45,547)
Reserve funds	<u>(729,486)</u>	<u>(444,980)</u>
Total amounts not available within one year	<u>(946,135)</u>	<u>(791,050)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,247,861</u>	<u>\$ 2,255,254</u>

The Organization has a goal to maintain unrestricted cash on hand to meet 30 days of normal operating expenditures, which are, on average, approximately \$1,224,000 and \$1,183,000 at May 31, 2019 and 2018, respectively. The Organization has a \$250,000 line of credit available to meet cash flow needs.

NOTE 14 **RECLASSIFICATION**

Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability with the current year's financial statements.

NOTE 15 **SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through November 5, 2019, the date the financial statements were available to be issued.

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2019

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2019 Total
REVENUES									
Government contracts	\$ 4,846,587	\$ 2,853,470	\$ 1,807,684	\$ 53,038	\$ 734,588	\$ 148,424	\$ 10,243,788	\$ 428,933	\$ 10,672,702
Program service fees	572,421	-	74,144	987,150	24,700	772,978	2,441,391	44,014	2,485,405
Rental income	-	-	84,704	909,276	-	1,400	995,380	-	995,380
Developer fee income	-	-	-	-	-	-	-	-	-
Support	12,751	16,848	123,635	-	108,704	130,453	452,391	-	452,391
Sponsorship	-	2,713	1,104	-	-	68,814	70,631	262	70,893
Interest income	12	-	2,183	3,211	13	21	5,440	1,713	7,153
Forgiveness of debt	-	-	59,141	329,708	-	-	388,849	-	388,849
Miscellaneous	2,770	10,389	4,844	69,863	25,148	-	113,042	7,855	120,697
In-kind contributions	-	241,499	-	-	-	-	241,499	-	241,499
Total revenues and other support	\$ 5,434,541	\$ 3,124,919	\$ 1,957,439	\$ 2,362,276	\$ 953,129	\$ 1,120,068	\$ 14,852,392	\$ 482,577	\$ 15,434,969
EXPENSES									
Payroll	\$ 432,988	\$ 1,224,986	\$ 377,595	\$ 775,425	\$ 414,730	\$ 432,828	\$ 3,858,530	\$ 753,068	\$ 4,411,598
Payroll taxes	33,521	97,919	29,527	59,738	33,519	34,195	288,419	58,304	346,723
Employee benefits	108,054	415,890	142,654	289,985	97,771	180,294	1,232,648	111,111	1,343,759
Retirement	29,200	70,408	18,908	61,936	27,831	18,181	224,462	71,547	296,009
Advertising	-	500	1,812	4,013	818	9,487	16,730	-	18,730
Bank charges	-	-	-	4,444	-	1	4,445	7,329	11,774
Bad debt	-	10	-	80	-	-	100	-	100
Computer cost	-	24,540	4,759	3,027	14,826	750	48,002	116,848	184,848
Contractual	629,045	32,930	230,984	38,898	2,719	116,585	1,050,959	39,743	1,090,702
Depreciation	-	28,300	108,291	281,950	-	14,207	432,748	147,367	580,115
Dues/registration	-	5,277	-	488	888	1,312	7,945	11,879	19,824
Duplicating	-	8,852	-	-	-	-	8,852	4,155	13,007
Insurance	6,714	14,798	23,590	80,872	14,130	7,184	127,068	33,882	160,960
Interest	-	7,775	8,022	21,958	-	1,610	39,363	184,045	203,408
Meeting and conference	8,673	613	2,567	8,104	585	22,589	43,291	24,857	68,248
Miscellaneous expense	181	1,695	637	34,793	3,651	2,931	43,858	19,278	63,166
Miscellaneous taxes	-	-	-	34,900	-	-	34,900	389	35,289
Equipment purchases	1,292	15,274	-	7,287	-	-	23,853	1,180	25,033
Office expense	24,820	8,489	8,695	11,475	6,458	807	58,764	11,056	70,410
Postage	87	288	138	53	214	-	770	24,238	25,008
Professional fees	4,300	-	1,301	36,095	-	-	41,696	90,968	132,664
Staff development and training	2,128	1,590	1,878	72	1,904	21,877	29,239	10,590	39,829
Subscriptions	-	-	-	855	354	-	1,009	399	1,408
Telephone	2,087	2,358	18,479	17,817	2,338	1,589	44,684	52,308	96,972
Travel	7,951	16,258	15,412	5,183	29,531	808	74,941	4,855	79,796
Vehicle	2,300	5,225	1,088	37,795	44,426	8,568	89,402	13,438	112,838
Rent	-	24,800	-	150	-	-	24,950	-	24,950
Specs costs	-	194,946	332,351	512,382	1,000	378	1,041,065	106,886	1,147,831
Direct client assistance	3,947,152	214,436	663,284	10,874	23,619	21,049	4,885,214	-	4,885,214
In-kind expenses	-	241,499	-	-	-	-	241,499	-	241,499
TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION	5,238,483	2,659,830	1,994,872	2,319,865	721,370	694,988	13,829,406	1,880,406	15,709,812
Allocation of management and general expenses:	712,284	381,861	271,246	315,436	98,086	121,693	1,880,406	(1,880,406)	-
TOTAL FUNCTIONAL EXPENSES	\$ 5,950,767	\$ 3,021,491	\$ 2,266,118	\$ 2,635,301	\$ 819,456	\$ 1,016,679	\$ 15,709,812	\$ -	\$ 15,709,812

See Independent Auditors' Report

SOUTHWESTERN COMMUNITY SERVICES, INC.

**CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2018**

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2018 Total
REVENUES									
Government contracts	\$ 4,934,242	\$ 2,823,898	\$ 1,020,112	\$ 47,823	\$ 758,952	\$ 186,921	\$ 10,649,748	\$ 405,345	\$ 11,055,093
Program service fee	-	-	78,508	978,904	17,915	794,863	1,868,188	-	1,868,188
Rental income	-	-	117,370	684,072	-	200	801,642	-	801,642
Developer fee income	-	-	-	50,000	-	-	50,000	-	50,000
Support	104,617	35,405	99,437	-	139,240	130,530	509,229	-	509,229
Sponsorship	-	-	80	-	-	105,206	105,286	-	105,286
Interest income	23	7	1,051	1,362	-	35	2,478	6,481	8,959
Forgiveness of debt	-	-	59,141	18,830	-	-	75,971	-	75,971
Miscellaneous	2,010	128	6,485	42,373	47,352	-	96,348	2,426	100,772
In-kind contributions	-	161,852	-	-	-	-	161,852	-	161,852
Total revenues	\$ 5,040,892	\$ 3,021,083	\$ 2,280,182	\$ 1,821,384	\$ 951,459	\$ 1,197,755	\$ 14,322,740	\$ 414,252	\$ 14,739,992
EXPENSES									
Payroll	\$ 308,452	\$ 1,208,631	\$ 435,638	\$ 771,028	\$ 405,189	\$ 439,358	\$ 3,658,196	\$ 774,486	\$ 4,432,662
Payroll taxes	31,599	99,882	34,153	56,803	30,416	36,818	289,771	60,913	350,684
Employee benefits	122,782	453,204	146,394	278,393	87,744	187,020	1,275,517	54,590	1,330,107
Retirement	24,960	69,878	21,031	64,244	19,250	17,448	210,821	73,148	289,969
Advertising	-	142	1,897	4,188	2,114	16,172	24,491	-	24,491
Bank charges	15	-	120	3,834	-	-	3,969	9,079	13,048
Computer cost	-	9,185	4,300	14,144	14,298	3,500	45,427	62,052	107,479
Contractual	518,340	52,483	242,935	20,362	2,718	109,718	945,536	14,821	961,457
Depreciation	-	28,300	108,291	167,840	-	18,131	320,562	147,387	487,929
Dues/registration	-	6,036	-	343	988	997	8,384	10,175	18,539
Duplicating	1,584	8,148	-	-	-	-	9,732	4,321	14,053
Insurance	5,909	13,361	23,653	52,287	14,610	6,248	116,068	38,380	154,448
Interest	-	8,656	7,759	8,997	-	2,554	25,966	118,501	142,467
Meeting and conference	3,981	58	9,293	7,177	800	19,305	40,394	35,924	76,318
Miscellaneous expense	909	971	2,303	18,696	4,442	18,560	45,881	19,182	59,063
Miscellaneous taxes	-	-	-	26,391	-	-	26,391	986	27,377
Equipment purchases	4,670	24,320	80	12,348	-	-	41,418	2,305	43,723
Office expense	34,413	12,613	8,440	14,506	12,042	4,076	86,090	20,402	106,492
Postage	132	274	182	31	348	50	1,017	22,918	23,935
Professional	4,890	-	1,875	15,879	-	-	22,644	63,766	106,410
Staff development and training	1,430	23,724	2,524	8,287	5,675	28,044	69,784	2,943	72,727
Subscriptions	-	-	28	87	-	-	115	1,329	1,444
Telephone	2,088	15,297	19,681	14,569	2,435	3,239	57,307	58,578	113,883
Travel	5,335	20,013	20,312	5,185	29,509	2,000	82,364	3,509	85,873
Vehicle	2,140	2,510	712	31,826	45,200	9,201	91,589	10,981	102,570
Rent	-	25,201	-	-	-	-	25,201	-	25,201
Specs costs	148	140,213	258,849	438,344	-	1,009	838,563	128,968	965,529
Direct client assistance	3,683,486	145,220	823,938	14,447	50,531	23,843	4,741,445	-	4,741,445
In-kind expenses	-	161,852	-	-	-	-	161,852	-	161,852
TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION	4,847,201	2,530,152	2,172,388	2,048,214	728,119	945,391	13,271,485	1,749,700	15,021,185
Allocation of management and general expenses	639,051	333,574	286,406	270,035	85,995	124,639	1,749,700	(1,749,700)	-
TOTAL FUNCTIONAL EXPENSES	\$ 5,486,252	\$ 2,863,726	\$ 2,458,794	\$ 2,318,249	\$ 814,114	\$ 1,070,030	\$ 15,021,185	\$ -	\$ 15,021,185

See Independent Auditors' Report

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2019**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S NUMBER	FEDERAL EXPENDITURE
U.S. Department of Agriculture				
Rural Housing Preservation Grant	10.433	Direct Funding	3403-02801-808	\$ 22,975
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	State of NH Dept. of Health & Human Services	010-060-6200000-102-500734	\$ 347,817
Child and Adult Care Food Program	10.558	State of NH, Dept. of Education	Unknown	\$ 131,288
Food Distribution Cluster				
Commodity Supplemental Food Program	10.580	State of NH Dept. of Health & Human Services	010-060-6200000-102-500734	\$ 2,863
Emergency Food Assistance Program (Admin)	10.580	Community Action Program Belknap-Merrimack Counties	Unknown	\$ 1,444
Emergency Food Assistance Program (Food Commodities)	10.580	Community Action Program Belknap-Merrimack Counties	Unknown	\$ 89,046
				<u>\$ 805,433</u>
Total U.S. Department of Agriculture				<u>\$ 805,433</u>
U.S. Department of Housing and Urban Development				
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	05-05-85-858310-717800000-102-50731	\$ 153,482
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Office of Human Services	010-042-7027-102-0731	\$ 92,399
Supportive Housing Program	14.235	State of NH, DHHS, Bureau of Homeless & Housing	05-05-85-858310-717800000-102-50731	\$ 247,881
Shelter Plus Care	14.238	State of NH, DHHS, Bureau of Homeless & Housing	05-05-85-858310-717800000-102-50731	\$ 281,485
Continuum of Care Program	14.267	State of NH, DHHS, Bureau of Homeless & Housing	05-05-85-858310-717800000-102-50731	\$ 153,421
				<u>\$ 900,462</u>
Total U.S. Department of Housing and Urban Development				<u>\$ 900,462</u>
U.S. Department of Labor				
WIOA Cluster				
WIA Adult Program	17.258	Southern NH Services	Unknown	\$ 42,283
WIA Dislocated Worker Formula Grants	17.278	Southern NH Services	Unknown	\$ 34,519
				<u>\$ 76,804</u>
Total U.S. Department of Labor/WIA Cluster				<u>\$ 76,804</u>
U.S. Department of Transportation Federal Transit Administration (FTA)				
Formula Grants for Rural Areas	20.800	State of NH, Department of Transportation	04-05-85-854010-2918	\$ 247,967
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.613	State of NH, Department of Transportation	04-05-85-854010-2918	\$ 20,359
				<u>\$ 274,326</u>
Total U.S. Department of Transportation Federal Transit Administration (FTA)				<u>\$ 274,326</u>
U.S. Department of Veterans Affairs				
VA Supportive Services for Veteran Families Program	84.033	Harbor Homes, Inc.	Unknown	\$ 97,478
				<u>\$ 97,478</u>
Total U.S. Department of Veterans Affairs				<u>\$ 97,478</u>
U.S. Department of Energy				
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Office of Energy & Planning	01-02-024010-7706-074-800587	\$ 118,194
				<u>\$ 118,194</u>
Total U.S. Department of Energy				<u>\$ 118,194</u>
U.S. Department of Health & Human Services				
Aging Cluster				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	State of NH, Office of Energy & Planning	01-02-024010-7706-074-800587	\$ 5,324
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	State of NH, DHHS, Bureau of Elderly & Adult Services	05-05-45-481010-7872	\$ 37,879
Grants to States to Support Oral Health Workforce Activities	93.230	State of NH, DHHS, Division of Family Assistance	Unknown	\$ 43,253
Drug-Free Communities Support Program Grants	93.276	Direct Funding	04703P018677-08	\$ 19,478
Affordable Care Act (ACA) - Consumer Assistance Program Grants	93.619	Direct Funding	HCBC/CFI	\$ 137,870
TANF Cluster				
Temporary Assistance for Needy Families	93.658	Southern NH Services	Unknown	\$ 6,140
Low Income Home Energy Assistance (Fuel Assistance)	93.588	State of NH, Office of Energy & Planning	01-02-02-024010-77060000-800587	\$ 290,534
Low Income Home Energy Assistance (HRRP)	93.588	State of NH, Office of Energy & Planning	01-02-02-024010-77060000-800587	\$ 4,303,069
Low Income Home Energy Assistance (SWP)	93.588	State of NH, Office of Energy & Planning	01-02-02-024010-77060000-800587	\$ 185,602
Community Services Block Grant	93.600	State of NH, DHHS, Div. of Family Assistance	01-02-02-024010-77060000-800587	\$ 218,621
Community Services Block Grant - Discretionary	93.670	State of NH, DHHS, Div. of Family Assistance	500731	\$ 4,887,172
Head Start	93.600	Direct Funding	01CH9988	\$ 406,883
Medicaid Cluster				
Medical Assistance Program	93.778	State of NH, DHHS, Office of Human Services	05-05-47-470010-62010000	\$ 22,308
				<u>\$ 2,328,236</u>
Total U.S. Department of Health & Human Services				<u>\$ 7,957,003</u>
U.S. Department of Homeland Security				
Emergency Food and Shelter National Board Program	67.024	State of NH, DHHS, Office of Human Services	Unknown	\$ 2,099
				<u>\$ 2,099</u>
Total U.S. Department of Homeland Security				<u>\$ 2,099</u>
TOTAL				<u>\$ 10,619,826</u>

See Notes to Schedule of Expenditures of Federal Awards

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2019**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Southwestern Community Services, Inc. under programs of the federal government for the year ended May 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southwestern Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

Southwestern Community Services, Inc. has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 FOOD DONATION

Nonmonetary assistance is reported in the Schedule at the fair value of the commodities received and disbursed.

NOTE 5 SUBRECIPIENTS

Southwestern Community Services, Inc. had no subrecipients for the year ended May 31, 2019.

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Southwestern Community Services, Inc.
Keene, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statement of financial position as of May 31, 2019, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related consolidated notes to the financial statements, and have issued our report thereon dated November 5, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Southwestern Community Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southwestern Community Services, Inc.'s consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Leon, McDonnell & Roberts
Professional Association*

November 5, 2019
Wolfeboro, New Hampshire

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Southwestern Community Services, Inc.
Keene, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southwestern Community Services, Inc.'s major federal programs for the year ended May 31, 2019. Southwestern Community Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Southwestern Community Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southwestern Community Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Southwestern Community Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Southwestern Community Services, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2019.

Report on Internal Control Over Compliance

Management of Southwestern Community Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southwestern Community Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Leah, McDonnell & Roberts
Professional Association*

November 5, 2019
Wolfeboro, New Hampshire

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MAY 31, 2019**

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Southwestern Community Services, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies disclosed during the audit of the consolidated financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the consolidated financial statements of Southwestern Community Services, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for Southwestern Community Services, Inc. expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as major programs were: U.S. Department of Health and Human Services; Low-Income Home Energy Assistance, 93.568, and U.S. Department of Transportation; Formula Grants for Rural Areas, 20.509.
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Southwestern Community Services, Inc. was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED MAY 31, 2019

There were no findings or questioned costs that were required to be reported in the Schedule of Findings and Questioned Costs for the year ended May 31, 2018.

Southwestern Community Services, Inc. Board of Directors - Composition - 2020 -

CHESHIRE COUNTY

SULLIVAN COUNTY

**CONSTITUENT
SECTOR**

Beth Fox
Assistant City Manager/
Human Resources Director
City of Keene

Mary Lou Huffling
Fall Mountain Emergency Food Shelf
Alstead Friendly Meals

Brianna Trombi
Head Start Policy Council
Parent Representative

**PRIVATE
SECTOR**

Kevin Watterson, Chair/Secretary
Clarke Companies (*retired*)

Anne Beattie
Newport Service Organization

**PUBLIC
SECTOR**

Jay Kahn
State Senator, District 10

Kerry Belknap Morris, M.Ed.
Early Childhood Education
River-Valley Community College

David Edkins
Walpole, NH

Derek Ferland
Sullivan County Manager

John A. Manning

Summary

Over 30 years of experience with non-profit organizations, as both an outside auditor and presently Chief Executive Officer of a large community action agency.

Experience

2014–Present Southwestern Community Services Inc.
Keene, NH

Chief Executive Officer

Has overall strategic and operational responsibility for a community action agency providing services to low and moderate income individuals. Programs include Head Start, Fuel Assistance, and multiple affordable housing projects. Responsibilities include maintaining ongoing excellence, rigorous program evaluation and consistent quality of finance, administration, fundraising, communications and systems; Works with the Board of Directors and management team to implement the objectives of SCS's strategic plan. Actively engages and energizes volunteers, board members, event committees, partnering organizations and funders. Develops and maintains strong relationships with the Board of Directors and serve as ex-officio member of the Board. Leads, coaches, develops and retains a high-performance management team. Ensures effective systems are in place to measure work performance, provide regular feedback to funding sources and community partners.

1990–2014 Southwestern Community Services Inc.
Keene, NH

Chief Financial Officer

Oversees all fiscal functions Supervises a staff of 7, with an agency budget of over \$ 13,000,000. Also oversees agency property management department, which manages over 300 units of affordable housing.

1985-1995 Keene State College Keene, NH

Adjunct Professor

Taught evening accounting classes for their continuing education program.

1978-1990 John A. Manning, Keene, NH

Certified Public Accountant

Provided public accounting services to small and medium sized clients, including multiple non-profit organizations. Performed certified audits on several clients, including Head Start and other non-profit clients

1975-1978 Kostin and Co. CPA's West Hartford, Ct.

Staff Accountant

Performed all aspects of public accounting for medium sized accounting firm. Audited large number of privately held and non-profit clients.

Education

1971-1975 University of Mass. Amherst, Ma.

- B.S. Business Administration in Accounting

Organizations

American Institute of Certified Public Accountants
NH Society of Certified Public Accountants

Margaret Freeman



Experience

2000 – Present

Southwestern Community Services Inc.
Keene, NH

Chief Financial Officer (2014 – present)

Supervising the quality of accounting and financial reporting of SCS; a Community Action Agency. Total funding of \$18 million; federal, state and local funding sources. Primary responsibilities include overseeing the accounting functions, implementation and monitoring of internal controls, reporting financial position to the Board of Directors, preparation of the annual A-133 audit, member of agencies Senior Staff.

Fiscal Director (2000-2014)

Responsible to lead and manage the daily operations of the Fiscal Department of SCS. Primary duties include budget preparation and analysis, financial statement preparation and audit coordination.

1993 –2000

Emile J. Legere Management Corp
Keene, NH

Accountant

Provided bookkeeping for real estate management/development corp. Managed 16 affordable housing properties. Responsible for cash management, general ledger, A/P, A/R, financial statement prep, and audit prep. Leasing Manager of large commercial/retail property responsible for lease management and marketing of over 30 retail spaces.

Education

Leadership New Hampshire, Graduate 2011

Plymouth State University, Plymouth, NH
M.B.A., 1999

Keene State College, Keene, NH

B.S., Management, 1991; concentration Mathematics and Computer Science

Beth Daniels

Experience

Southwestern Community Services, Inc., Keene, NH

Chief Operating Officer

03/2016-Present

- Responsible for all day-to-day program operations of the agency.
- Supervise Program Directors, including WIC, Energy, and Housing Stabilization
- Ensure that all state and federal regulations are followed while those in need receive a smooth delivery of service

Director of Energy and Employment Programs

10/2008 – 12/2016

- Oversee all daily operations for Fuel Assistance, Electric Assistance, Neighbor Helping Neighbor, Senior Energy Assistance, Weatherization, HRRP, CORE, and Assurance 16 as well as the employment programs Workplace Success, Work Experience Program, and WIA.

Workforce Development Director

11/2006 – 10/2008

- Supervise, direct, coach, and encourage staff of six within four programs
- Collaborate with agency staff, community members and state contract holders to achieve common goals, including agency name recognition and program success
- Perform all SCS Program Director tasks including PPRs and budget management

Families @ Work Employment Specialist

03/2006 - 11/2006

- Managed a caseload of fifty (50) clients throughout the Keene, Claremont, Concord, and Nashua areas
- Worked closely with staff from Southwestern Community Services, Inc. and Southern New Hampshire Services
- Gained a strong working knowledge of all SCS programs for referral purposes

Second Start, Concord, NH

Career Development Specialist

11/2004 – 03/2006

- Facilitated daily job-readiness classes and skill-building exercises
- Assisted participants with barrier resolution and the job search process
- Maintained participant records and completed reporting requirements
- Received ongoing training in teaching techniques and learning styles

Nina's Family Daycare, Swanzey, NH

10/2003 – 11/2004

Daycare Provider

- Responsible for meal planning, payment records, supplies, and activities
- Acquired CPR & First Aid certification

Southwestern Community Services, Inc., Keene, NH

Case Manager, Homeless Services

09/2002 – 10/2003

- Responsible for all daily operations of housing program, rules, and regulations
- Completed weekly and monthly progress reports
- Coordinated house meetings, workshops, case conferences, and life skills classes

Case Manager, Welfare-to-Work

05/2000 – 09/2002

- Provided job placement and retention services for caseload of forty (40) clients
- Gained working knowledge of Department of Health & Human Services, Immigration & Naturalization Services, community agencies, and SCS

<u>Education and Training</u>	
Results Oriented Management & Accountability (ROMA)	2016-2017
Grant Writing Workshop Cheshire County	05/2012
Nonviolent Crisis Intervention Crisis Prevention Institute, Inc.	2012
Leadership Training Tad Dwyer Consulting	2010-2011
Criticism & Discipline Skills for Managers CareerTrack	11/2007
How to Supervise People CareerTrack	11/2007
Career Development Facilitator Training National Career Development Association <i>120-hour NCDA training</i>	09/2005
Certified Workforce Development Specialist National Association of Workforce Development Professionals	06/2005
Infection Control & Bloodborne Pathogens Home Health Care	01/2003
Bachelor of Arts in Human Services Franklin Pierce College <i>Graduated cum laude</i>	05/2002

References Available

CRAIG A. HENDERSON

SUMMARY OF QUALIFICATIONS

- Proficient in: Word, Excel, PowerPoint, Internet, Outlook, Photoshop,
- Ability to prioritize in a fast paced environment and to learn new tasks quickly and effectively
- Dedicated, reliable and responsible
- Extensive background in Social Services, Property Management, Finance, and Customer Service

EDUCATION

- B.A. Psychology with a specialization in counseling
B.S. Business Management May, 1999
Keene State College
Keene, NH 03435

EMPLOYMENT HISTORY

Henderson & Bosley Property Management President

8/02-Present
Keene, NH

- Adhering to NH State housing laws and government housing programs
- Advertising and marketing of vacant apartments, Creating leases, Performing credit checks
- Property inspections and maintenance- including basic carpentry, landscaping etc.
- Research and management of investment opportunities

Southwestern Community Services Director of Housing Stabilization Services

10/07-Present

- Designs and implements systems to provide efficient operation of all Housing Stabilization programs.
- Manages and leads assigned staff to ensure SCS policies and procedures are followed in a manner consistent with the organization's mission, values, and culture.
- Participates in the hiring of new employees and oversees the orientation and training of all assigned staff.
- Maintain compliance with State/Government/Agency protocols, procedures, and reporting.

Southwestern Community Services Assistant Director of Housing Stabilization Services

10/07-Present
Keene, NH

- Monitor quality of services, operation of assigned programs, facilities, and staff.
- Process and certify tenant/client applications for all Supportive Housing Programs; facilitate move-in process; track and collect rents/subsidies utilizing Classic Real Estate Software; track and collect all match documentation; recertify tenants when necessary and in a timely manner.
- Maintain compliance with State/Government/Agency protocols, procedures, and reporting.

Southwestern Community Services Long Term Transitional Housing Program Administrator

02/03-10/07
Keene, NH

- Responsibilities include: Assisting the homeless of Cheshire County with budgeting and referrals to other needed services; Advocating on behalf of clients to create new networks and improve current relationships; providing counsel through tough transitions, as well as, creating and maintaining an environment of success through programs such as Mediation Training, Consumer Credit Counseling, Psychological Therapy, Parenting Classes, and First Time Homebuyers programs.
- Basic maintenance of shelter properties and inventory control
- Responsible to track data and create statistical reports based on information collected to assist in budget allocations for Southwestern Community Services

Coldwell Banker / Tattersall Real Estate Sales Associate

1/02-3/04
Keene, NH

- Assisting buyers and sellers of real estate through customer/client interaction
- Informing clients/customers of federal and state regulations, financing options, and negotiating
- Creating marketing plans and researching pricing through competitive market analysis

**Vision Appraisal Technology
Data Collector**

**5/01-2/03
Keene, NH**

- Assured accurate and consistent real-estate assessments with the emphasis in field work
- Position required strong attention to detail with the emphasis in property measurement and appraisal as well as requiring strong customer skill by acting as a liaison between town assessors office and the property owner

**Monadnet
Customer Service Supervisor**

**8/99-8/01
Keene, NH**

- Responsibilities include maintaining all major accounts and new account data; managing projects and delegating responsibilities, A/R and A/P reconciliation, Collections of delinquent accounts.
- Financial Analysis and Trend Monitoring, Billing Systems Analyst
- Direct mediation and resolution of customer service issues.

AWARDS RECEIVED

- Delta Mu Delta: National Business Honor Society
- Psi Chi: National Psychology Honor Society

CONTINUING EDUCATION AND CERTIFICATIONS

04/18/2007 Certified Occupancy Specialist – National Center for Housing Management
09/23/2008 Successful completion of "Landlord and Tenant Law" seminar – Lorman Educational Services
02/23/2016 HUD Certified Housing Quality Standards Inspector
01/21/2016 Completed 8.5 hours of Nonviolent Crisis Intervention training
04/26/2013 Certification in Fair Housing Law – Granite State Managers Association
08/10/2016 Blood Borne Pathogen Training
08/24/2016 6 hours of comprehensive low income housing tax credit training – Johnson Consulting Services, Inc

Sharon LaCount McKane

QUALIFICATION HIGHLIGHTS

- 30+ years' experience in Social Services, Human Services, and Administration
 - 10+ years supervising staff, and volunteers
 - Skilled at customer relations and interactions with large staff in diverse programs
-

WORK HISTORY

Southwestern Community Services, Keene, NH

2016 - Present

Administrative and Housing Stabilization Manager

- Supervise HSS Program Staff and Facilities, including approving timecards and PTO
- Review, build and maintain budgets for specific funding sources
- Administer and report EHP for the State of NH
- Manage HSS-GAPS Program
- Responsible for the annual evaluations of HSS Staff
- Coding and approval of HSS Program bills
- Assistance with all hiring, HR and onboarding of new program staff

Southwestern Community Services, Keene, NH

2007 - 2015

Receptionist/Administrative Office Manager/Housing Stabilization Support

- Created Diversion Assessment Tool database and input of completed forms
- Responsible for CSFP distribution, inventory, reports, mailings, organization and communication with volunteers and sites
- Supervised volunteers and seasonal staff
- Assisted Program Directors with completion and mailing of grants
- Supported all HSS staff as requested by the Director

Southwestern Community Services, Keene, NH

1986 - 2006

Receptionist/MIS Support/Web Design

- Operated telephone switchboard to answer, screen, or forward calls, providing information, taking messages, or scheduling appointments
 - Greeted persons entering establishment, determined nature and purpose of visit, and directed or escorted them to specific destinations, resolving complaints as necessary
 - Handled agency postage and fax machines and billing to all programs
 - Responsible for maintaining and designing agency web site, and staff ID badges
 - Provided computer software and hardware support to all staff
-

EDUCATION

Keene High School, Keene, NH

Diploma

Contractor Name: Southwestern Community Services, Inc.

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
John Manning	CEO	\$147867	0	0
Meg Freeman	CFO	\$95929	0	0
Beth Daniels	COO	\$71614	0	0
Craig Henderson	Director of Housing Stabilization	\$51,043	35%	\$18,000
Sharon LaCount McKane	Manager of Housing Stabilization	\$41,600	100%	\$41,600

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and The Front Door Agency, Inc., (hereinafter referred to as ("the Contractor"), a nonprofit, with a place of business at 7 Concord Street, Nashua, NH, 03064.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:

\$287,991.

2. Modify P-37, General Provisions, Block 1.3, to read:

The Front Door Agency, Inc.

3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:

2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:

4. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:

2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:

5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
6. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:

2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.

8. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1,

MD

6/19/20

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



to read:

- 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.



New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

4/23/20
Date

Christopher Santaniello
Name: Christopher Santaniello
Title: Director, DEHS

The Front Door Agency, Inc.

6/19/20
Date

Maryse Wierba
Name: Maryse Wierba
Title: CEO

New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/25/20

Date

Catherine Pinos

Name: Catherine Pinos, Attorney
Title:

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

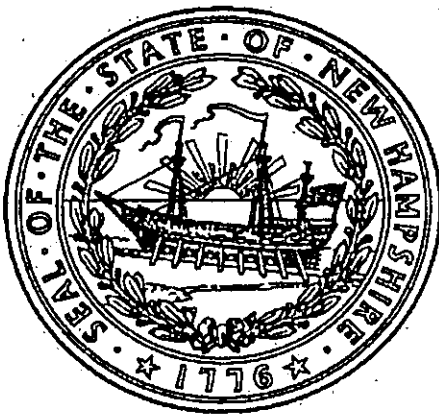
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE FRONT DOOR AGENCY, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on February 06, 1987. 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: 108359

Certificate Number: 0004886292



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 7th day of April A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Linda LaFleur, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of The Front Door Agency, Inc.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on May 13, 2020, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Maryse Wirbal, CEO (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of The Front Door Agency, Inc. to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30) days** from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6/19/20

DocuSigned by:

Linda LaFleur

06ECEECD03C8470

Signature of Elected Officer

Name: Linda LaFleur

Title: President, Board of Directors



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/22/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Eaton & Berube Insurance Agency, Inc. 11 Concord Street Nashua NH 03061	CONTACT NAME: Cathy Beauregard	
	PHONE (A/C No., Ext.): 603-689-7229 FAX (A/C No.): 603-886-4230	
	E-MAIL ADDRESS: cbeauregard@eatonberube.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: The Hanover Insurance Companies	22292
INSURED The Front Door Agency Inc 7 Concord Street Nashua NH 03064	INSURER B: AmTrust North America, Inc.	42378
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES**CERTIFICATE NUMBER:** 157619976**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	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> 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:		ZBV9151600	5/5/2020	5/5/2021	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 \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 \$
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY		ZBV9151600	5/5/2020	5/5/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
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 N/A	TWC3871469	5/5/2020	5/5/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.I. EACH ACCIDENT \$ 100,000 E.I. DISEASE - EA EMPLOYEE \$ 100,000 E.I. DISEASE - POLICY LIMIT \$ 500,000
A	Management Liab Claims Made		LHV9132930	5/5/2020	5/5/2021	D&O \$1,000,000 EPL \$1,000,000 Fiduciary \$1,000,000

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

Workers Compensation Information: No excluded officers; Coverage for NH.
Retentions on Management Liability: D&O \$2,500; EPL \$5,000; Fiduciary \$500.

CERTIFICATE HOLDER**CANCELLATION**

DHHS, State of NH
129 Pleasant Street
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

© 1988-2015 ACORD CORPORATION. All rights reserved.



MISSION STATEMENT:

To offer support, foster education and provide services to assist individuals and families transition from crisis to self-sufficiency.

CORE VALUES:

- Belief in dignity, respect and compassion for all people
- Belief through education, every person can grow and succeed.

Dignity • Respect • Compassion • Education • Integrity

AUDACIOUS GOAL:

The Front Door Agency strives to achieve a fully-funded comprehensive program, assisting individuals and families in crisis to become stabilized, transformed and ultimately empowered to flourish and achieve self-sufficiency.



THE FRONT DOOR AGENCY, INC.

Financial Statements
For the Year Ended June 30, 2019

(With Independent Auditors' Report Thereon)

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT AUDITORS' REPORT

Additional Offices:

Andover, MA
Greenfield, MA
Manchester, NH
Ellsworth, ME

The Board of Directors
The Front Door Agency, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Front Door Agency, Inc., which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Front Door Agency, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements of The Front Door Agency, Inc. for the year ended June 30, 2018 were audited by another auditor, whose report dated October 25, 2018 expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Melanson Heath

November 7, 2019

THE FRONT DOOR AGENCY, INC.

Statement of Financial Position

June 30, 2019
(with comparative totals as of June 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	2019	2018
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 574,284	\$ 133,511	\$ 707,795	\$ 611,681
Accounts receivable, net	41,925	-	41,925	23,181
Contributions receivable, net	1,817	91,290	93,107	419,021
Other current assets	547	-	547	1,632
Total Current Assets	<u>618,573</u>	<u>224,801</u>	<u>843,374</u>	<u>1,055,515</u>
Investments	799,722	410,533	1,210,255	705,882
Revolving Loan and Security Receivables, Net	151,063	-	151,063	147,463
Property and Equipment, Net	<u>1,290,744</u>	<u>-</u>	<u>1,290,744</u>	<u>1,328,331</u>
Total Assets	<u>\$ 2,860,102</u>	<u>\$ 635,334</u>	<u>\$ 3,495,436</u>	<u>\$ 3,237,191</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Current portion of long-term debt	\$ 9,205	\$ -	\$ 9,205	\$ 8,294
Accounts payable	22,453	-	22,453	21,845
Accrued payroll and related liabilities	4,016	-	4,016	4,678
Other liabilities	<u>15,496</u>	<u>-</u>	<u>15,496</u>	<u>21,699</u>
Total Current Liabilities	51,170	-	51,170	56,516
Long-term Debt, Net of Current Portion	798,128	-	798,128	860,543
Revolving Loan and Security Payables	182,327	-	182,327	173,308
Security Deposits	<u>10,269</u>	<u>-</u>	<u>10,269</u>	<u>12,134</u>
Total Liabilities	1,041,894	-	1,041,894	1,102,501
Net Assets:				
Without donor restrictions:				
Undesignated	1,416,036	-	1,416,036	953,984
Board designated	402,172	-	402,172	324,943
With donor restrictions:				
Purpose restrictions	-	272,149	272,149	171,957
Time restrictions	-	60,000	60,000	383,141
Perpetual endowment	<u>-</u>	<u>303,185</u>	<u>303,185</u>	<u>300,665</u>
Total Net Assets	<u>1,818,208</u>	<u>635,334</u>	<u>2,453,542</u>	<u>2,134,690</u>
Total Liabilities and Net Assets	<u>\$ 2,860,102</u>	<u>\$ 635,334</u>	<u>\$ 3,495,436</u>	<u>\$ 3,237,191</u>

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

THE FRONT DOOR AGENCY, INC.

Statement of Activities

For the Year Ended June 30, 2019
(with comparative totals for the Year Ended June 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
SUPPORT, REVENUE, AND OTHER				
Support:				
Contributions and grants	\$ 642,043	\$ 175,954	\$ 817,997	\$ 906,891
Debt forgiveness	53,984	-	53,984	53,984
Special events:				
Gross special events revenue	400,247	-	400,247	379,258
Less cost of special events	(29,268)	-	(29,268)	(11,263)
Net special events revenue	370,979	-	370,979	367,995
Revenue:				
Rental income, net of write-offs	144,385	-	144,385	149,897
Other:				
Investment income	41,176	5,693	46,869	53,283
Other revenue	6,154	-	6,154	2,420
Net assets released from restriction	402,076	(402,076)	-	-
Total Revenues, Support, and Other	1,660,797	(220,429)	1,440,368	1,534,470
EXPENSES				
Program Services Expense:				
Transformational housing	555,260	-	555,260	513,580
Housing stability	251,914	-	251,914	186,252
Other programs	47,988	-	47,988	63,399
Total Program Services Expense	855,162	-	855,162	763,231
Supporting Services Expense:				
Management and general	111,791	-	111,791	105,804
Fundraising and development	154,563	-	154,563	118,179
Total Supporting Services Expense	266,354	-	266,354	223,983
Total Expenses	1,121,516	-	1,121,516	987,214
Change in Net Assets	539,281	(220,429)	318,852	547,256
Net Assets, Beginning of Year	1,278,927	855,763	2,134,690	1,587,434
Net Assets, End of Year	\$ 1,818,208	\$ 635,334	\$ 2,453,542	\$ 2,134,690

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

THE FRONT DOOR AGENCY, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2019
(with comparative totals for the Year Ended June 30, 2018)

	Program Services				Supportive Services		2019	2018
	Transformational Housing	Housing Stability	Other Programs	Total Program	Management and General	Fundraising and Development	Total	Total
Personnel expense:								
Salaries and wages	\$ 238,710	\$ 75,201	\$ 29,042	\$ 342,953	\$ 57,230	\$ 107,786	\$ 507,969	\$ 426,351
Employee benefits	22,515	8,863	2,932	34,310	9,306	12,904	56,520	42,459
Payroll taxes	18,426	5,690	2,182	26,298	4,283	8,178	38,759	33,053
Direct assistance:								
Holiday/Santa Fund program	-	-	11,913	11,913	-	-	11,913	20,328
Rental assistance	9,320	81,749	-	91,069	-	-	91,069	87,205
Utility assistance	215	8,214	-	8,429	-	-	8,429	7,426
Security deposit assistance	4,770	3,326	-	8,096	-	-	8,096	3,005
Therapy - child contracted	30,011	-	-	30,011	-	-	30,011	-
Other	7,489	1,480	53	9,022	-	-	9,022	8,264
Fees for services:								
Accounting	-	-	-	-	9,125	-	9,125	8,695
Other	2,842	1,890	-	4,732	5,062	5,650	15,444	13,288
Advertising and promotion	535	159	-	694	1,514	3,370	5,578	6,325
Depreciation	73,658	1,206	-	74,864	1,010	-	75,874	76,858
Information technology	2,594	1,900	-	4,494	282	5,970	10,746	15,301
Insurance	11,756	2,993	-	14,749	3,439	-	18,188	17,980
Interest	34,794	13,882	-	48,676	-	-	48,676	51,672
Licenses and fees	-	-	-	-	-	13,128	13,128	10,376
Miscellaneous	674	42	-	716	793	5,459	6,968	3,999
Occupancy	86,687	40,546	-	127,233	10,815	6,544	144,592	127,977
Office expenses	311	2,952	1,094	4,357	7,221	8,861	20,439	18,833
Telephone and communication	9,953	1,821	772	12,546	1,711	2,481	16,738	15,582
Venues	-	-	-	-	-	3,500	3,500	3,500
Total expenses by function	555,260	251,914	47,988	855,162	111,791	183,831	1,150,784	998,477
Less expenses included on the Statement of Activities:								
Cost of special events	-	-	-	-	-	(29,268)	(29,268)	(11,263)
Total reported on the Statement of Activities	\$ 555,260	\$ 251,914	\$ 47,988	\$ 855,162	\$ 111,791	\$ 154,563	\$ 1,121,516	\$ 987,214

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

THE FRONT DOOR AGENCY, INC.

Statement of Cash Flows

For the Year Ended June 30, 2019
(with comparative totals for the year ended June 30, 2018)

	2019	2018
Cash Flows From Operating Activities:		
Change in net assets	\$ 318,852	\$ 547,256
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	75,874	76,858
Bad debt expense	13,625	4,938
Debt forgiveness	(53,984)	(53,984)
Unrealized loss (gain) on investments	63,123	(17,135)
Realized gain on investments	(65,097)	(3,041)
Changes in operating assets and liabilities:		
Accounts receivable	(32,369)	16,519
Contributions receivable	325,914	(358,449)
Other current assets	1,085	1,468
Accounts payable	608	3,707
Accrued payroll and related liabilities	(662)	(391)
Other liabilities	(8,068)	(8,150)
Net Cash Provided By Operating Activities	638,901	209,596
Cash Flows From Investing Activities:		
Proceeds from sale of investments	546,354	35,000
Purchase of investments	(1,048,753)	(131,094)
Purchase of fixed assets	(38,286)	(44,454)
Net Cash Used By Investing Activities	(540,685)	(140,548)
Cash Flows From Financing Activities:		
Principal payments of long-term debt	(7,520)	(7,332)
Change in revolving loan and security receivables	(3,600)	(26,710)
Change in revolving loan and security payables	9,019	7,468
Net Cash Used By Financing Activities	(2,101)	(26,574)
Net Change in Cash and Cash Equivalents	96,115	42,474
Cash and Cash Equivalents, Beginning of Year	611,681	569,207
Cash and Cash Equivalents, End of Year	\$ 707,796	\$ 611,681
Supplemental Disclosures:		
Interest paid	\$ 12,022	\$ 12,195

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

THE FRONT DOOR AGENCY, INC.

Notes to Financial Statements

For the Year Ended June 30, 2019

1. Organization

The Front Door Agency, Inc. (the Agency) is a non-profit public benefit corporation which was incorporated on February 6, 1987. The Front Door is unequivocally committed to helping homeless and disadvantaged people in the Greater Nashua community achieve stability, have the opportunity to transform, and ultimately flourish. Since its inception, the Agency has been offering support, fostering education and providing services to assist individuals and families transition from crisis to self-sufficiency. It believes that dignity, respect and compassion is deserved for all people and that through education, every person can grow and succeed.

The Agency's core programs were collaboratively developed to provide a comprehensive approach that addresses the root causes of homelessness and poverty. These programs include:

- **Transformational Housing Program** provides long term transitional housing to homeless single mothers and their children. With a program design of "self-help", mothers must be motivated to create change. The program is not an emergency shelter, but serves as a comprehensive long term "next step" on the road to self-sufficiency as it is the program's primary goal to reduce barriers to higher education in order to increase every client's employability and income so mothers are empowered to regain their confidence and achieve independence.

The Transformational Housing Program enables clients to remove personal barriers so they can successfully access college degree, credentialing, apprenticeship, or job-skills training programs. The program has had a great success of women graduating with degrees in areas such as accounting, paralegal, marketing, nursing, and social work. Others have earned a job skill in areas of LNA, welding, CDL driving, and culinary arts.

- **Housing Stability Program** helps all individuals and families currently experiencing homelessness or on the verge of homelessness by providing prevention and intervention assistance with rent and utilities. Through its security deposit loan program, it help families obtain housing with a no-interest or fee security deposit that is repaid over a 24-month period eliminating the barrier to entry. Others who may face a temporary crisis such as an illness or job reduction or loss of a spouse can receive short-term rental assistance to help them avoid homelessness as they regain self-sufficiency. The Agency also offers short-term rental subsidies that gradually reduce over a few months to help families become housing stable. All families receive extensive case management and budgeting assistance.

- **Financial Literacy** is a series of workshops that is offered twice per year to the general public. Personal credit reports and budgets are examined and facilitators provide direction and education on basic banking opportunities, ways to save and how to reduce costs.
- **Holiday Santa** – each year the Agency helps nearly 800 children during the holidays with gifts and clothing.

2. **Significant Accounting Policies**

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 has been implemented in fiscal year 2019 and the presentation in these financial statements has been adjusted accordingly.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments invested for long-term purposes, are excluded from this definition.

Accounts Receivable

Accounts receivable consist primarily of amounts for services and programs. The adequacy of the allowance for doubtful accounts for receivables is reviewed on an ongoing basis by the Agency's management and adjusted as required through the provision for doubtful accounts (bad debt expense).

Contributions Receivable

Unconditional contributions that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions that are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the Statement of Activities. The allowance for uncollectable contributions is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions are written off when deemed uncollectable.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statement of Financial Position. Net investment return/(loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Property and Equipment

Property and equipment additions over \$2,500 are recorded at cost, if purchased, and at fair value at the date of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 27 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation is removed, and any resulting gain or loss is included in the Statement of Activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment in fiscal years 2019 or 2018.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board has designated, from net assets without donor restrictions, net assets for a board-designated endowment and net assets for scholarships.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity while permitting the Agency to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Accounting for Contributions

Contributions are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payment due in future years have an implied restriction to be used in the year of payment is due and, therefore, are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities in the current year. Conditional promises, such as matching grants, are recognized when they become unconditional, that is, until all the conditions on which they depend are met.

Donated Services and In-Kind Donations

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by Generally Accepted Accounting Principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received.

Advertising Costs

Advertising costs are expensed as incurred and are reported in the Statement of Activities and Statement of Functional Expenses.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Agency has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for charitable contribution deductions, and has been determined not to be a private foundation. The Agency is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Agency is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. In fiscal years 2019 and 2018, the Agency was not subject to unrelated business income tax and did not file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts and contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and entities supportive of the Agency's mission.

Fair Value Measurements and Disclosures

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the assessment of the quality, risk, or liquidity profile of the asset or liability.

When available, the Agency measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for certain assets and liabilities that the Agency is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the Agency's financial statements are initial measurement of noncash gifts and unconditional promises to give, and recurring measurement of investments, the line of credit, and long-term debt. The carrying amounts of cash and cash equivalents, receivables, other current assets, accounts payable, accrued payroll and related liabilities, and other liabilities approximate fair value due to their short-term nature. The carrying value amount of receivables and payables due in more than one

year is based on the value of expected future cash receipts and disbursements, and approximates fair value.

New Accounting Standards to be Adopted in the Future

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The ASU's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of the financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard will be effective for the Agency for the year ending June 30, 2020. The Agency is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases*. The ASU requires all leases with lease terms more than 12 months to be capitalized as a right of use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance leases or operating leases. This distinction will be relevant for the pattern of expense recognition in the income statement. This ASU will be effective for the Agency for the year ending June 30, 2022. The Agency is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Contributions Received and Contributions Made

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The purpose of this amendment, due to diversity in practice, is to clarify the definition of an exchange transaction as well as the criteria for evaluating whether contributions are unconditional or conditional. This standard will be effective for the Agency for the year ending June 30, 2020. The Agency is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statement of Financial Position, are comprised of the following at June 30, 2019 and 2018:

Financial assets at year end:	2019	2018
Cash and cash equivalents	\$ 707,795	\$ 611,681
Accounts receivable, net	41,925	23,181
Contributions receivable, net	93,107	419,021
Investments	1,210,255	705,882
Total financial assets	2,053,082	1,759,765
Less amounts not available to be used within one year:		
Net assets with purpose restrictions that will not be met in one year (scholarships)	(130,176)	(116,114)
Donor-restricted endowment	(303,185)	(300,665)
	(433,361)	(416,779)
Financial assets available to meet general expenditures over the next twelve months	\$ 1,619,721	\$ 1,342,986

The Agency regular monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition to financial assets available to meet general expenditures over the next twelve months, the Agency operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As part of its liquidity management plan, the Agency also has \$75,000 line of credit available to meet cash flow needs.

4. Accounts Receivable, Net

Accounts receivable at June 30, 2019 and 2018 are comprised of the following:

Description	2019			2018		
	Receivable	Allowance	Net	Receivable	Allowance	Net
Other programs	41,925	-	41,925	23,181	-	23,181
Total	\$ 41,925	\$ -	\$ 41,925	\$ 23,181	\$ -	\$ 23,181

5. Contributions Receivable, Net

Unconditional contributions receivable are estimated to be collected as follows at June 30, 2019 and 2018:

	2019			2018		
	Receivable	Allowance	Net	Receivable	Allowance	Net
Within one year	\$ 98,940	\$ (5,833)	\$ 93,107	\$ 424,854	\$ (5,833)	\$ 419,021
One to five years	-	-	-	-	-	-
More than five years	-	-	-	-	-	-
Total	\$ 98,940	\$ (5,833)	\$ 93,107	\$ 424,854	\$ (5,833)	\$ 419,021

6. Revolving Loan and Security Receivables and Payables

Homeless Housing and Access Revolving Loan Fund (HHARLF)

The Homeless Housing and Access Revolving Loan Fund provides guarantees of rental security deposits and/or first month rent to eligible persons. A voucher is issued to the landlord for the client's security deposit and cash is advanced for the first month's rent. The client is responsible for making monthly payments toward the security deposit and/or first month's rent to the Agency. When the security deposit is paid in full, the Agency pays the landlord for the security voucher. If the lease is terminated and the landlord redeems the voucher, the Agency absorbs any unpaid balance due from the client.

Housing Security Guarantee Program (HSGP)

The Agency and the State of New Hampshire are working together with the Housing Security Guarantee Program. Landlords are provided with vouchers instead of cash for security deposits. The client agrees to pay back the Agency for the security deposit. When the deposit is repaid in full, the Agency pays the landlord in exchange for the voucher. If the lease terminates and the landlord redeems the voucher, any unpaid balance remaining from the client is billed to the State.

The receivables under these programs at June 30, 2019 and 2018 consisted of the following:

Description	2019			2018		
	Receivable	Allowance	Net	Receivable	Allowance	Net
Homeless housing and access - clients	\$ 3,483	\$ -	\$ 3,483	\$ 11,137	\$ -	\$ 11,137
Housing security guarantee - clients	107,627	-	107,627	112,336	-	112,336
Housing security guarantee - State	371	-	371	4,402	-	4,402
Revolving loan fund - clients	42,098	(2,516)	39,582	22,304	(2,716)	19,588
Total	\$ 153,579	\$ (2,516)	\$ 151,063	\$ 150,179	\$ (2,716)	\$ 147,463

7. Investments

Investments are comprised of the following at June 30, 2019:

Investment Type	2019	
	Fair Value	Level 1
Money market funds	\$ 1,005	\$ 1,005
U.S. equity funds	217,226	217,226
International equity funds	477,574	477,574
Taxable fixed income funds	453,538	453,538
Mixed asset funds	60,912	60,912
Total	\$ 1,210,255	\$ 1,210,255

As discussed in Note 2 to these financial statements, the Agency is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Agency's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for identical assets in inactive markets, and for investments measured at net asset value that can be redeemed in the near term. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

8. Endowment

The Agency's endowment policy is guided by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and the applicable laws of the State of New Hampshire to which the Agency's invested funds are subject. The Agency's Finance Committee is responsible for the management of invested funds, for making investment allocations, and for adherence to its spending policy.

Types of Funds

Net assets associated with endowment funds are classified as without-donor-restriction or donor-restricted based on the existence of absence of donor-imposed restrictions, as required by accounting principles generally accepted in the United States of America. Endowments include donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Endowments provide funding to supplement essential program budgets, implement new programs, enhance existing programs, and to fund capital needs.

Endowment net asset composition consists of the following as of June 30, 2019 and 2018:

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>June 30, 2019</u>			
Donor-restricted	\$ -	\$ 410,533	\$ 410,533
Board-designated	392,172	-	392,172
Unrestricted	<u>407,550</u>	<u>-</u>	<u>407,550</u>
Total	<u>799,722</u>	<u>\$ 410,533</u>	<u>\$ 1,210,255</u>
<u>June 30, 2018</u>			
Donor-restricted	\$ -	\$ 300,665	\$ 300,665
Board-designated	314,943	-	314,943
Unrestricted	<u>90,274</u>	<u>-</u>	<u>90,274</u>
Total	<u>\$ 405,217</u>	<u>\$ 300,665</u>	<u>\$ 705,882</u>

Return Objectives, Risk Parameters, Strategies, and Spending Policy

The Agency has adopted investment policies designed to provide a reasonable stream of income that will rise with inflation to fund activities. The primary total return objective is to exceed the long-term rate of inflation, as measured by the CPI, by 3%. Investment policies also provide for diversification, and stipulate asset mix between equities, fixed income securities, and cash.

The Agency's spending policy is to appropriate up to 7% of the average market value of the endowment fund based on the last three years average value of the endowment fund. The Agency's spending policy for the scholarship fund is to appropriate up to 5% of the average market value of the scholarship fund annually.

Changes in endowment net assets for the years ended June 30, 2019 and 2018 were as follows:

	Without Donor Restriction	With Donor Restrictions	Total
<u>Year Ended June 30, 2019</u>			
Endowment net assets, beginning of year	\$ 405,217	\$ 300,665	\$ 705,882
Investment return, net	41,176	5,693	46,869
Contributions	353,329	106,175	459,504
Appropriation of endowment assets	-	(2,000)	(2,000)
Distribution pursuant to policy	-	-	-
Endowment net assets, end of year	<u>\$ 799,722</u>	<u>\$ 410,533</u>	<u>\$ 1,210,255</u>
<u>Year Ended June 30, 2018</u>			
Endowment net assets, beginning of year	\$ 391,344	\$ 297,665	\$ 689,009
Investment return, net	48,873	-	48,873
Contributions	-	3,000	3,000
Appropriation of endowment assets	-	-	-
Distribution pursuant to policy	<u>(35,000)</u>	<u>-</u>	<u>(35,000)</u>
Endowment net assets, end of year	<u>\$ 405,217</u>	<u>\$ 300,665</u>	<u>\$ 705,882</u>

9. Property, Equipment, and Depreciation

Property and equipment consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Land, building, and improvements	\$ 2,187,853	\$ 2,136,734
Leasehold improvements	58,361	56,941
Equipment and furniture	<u>15,685</u>	<u>29,937</u>
Subtotal	2,261,899	2,223,612
Less accumulated depreciation	<u>(971,155)</u>	<u>(895,281)</u>
Total	<u>\$ 1,290,744</u>	<u>\$ 1,328,331</u>

10. Revolving Line of Credit

At June 30, 2019 and 2018 the Agency had a \$75,000 revolving line of credit available. Amounts borrowed on the credit line are payable on demand and carry an interest rate of Prime plus 0.5% (currently 5.75%). The credit line is secured by all assets, and expires on October 30, 2021. There were no borrowings on the line in fiscal years 2019 and 2018.

The line of credit is categorized in the fair value hierarchy as Level 2.

11. Long-Term Debt

Long-term debt consists of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Mortgage payable to New Hampshire Community Loan Fund, secured by land and building (C Street), due in monthly installments of \$218 including principal and interest at 4%, due August 2025.	\$ 10,385	\$ 12,233
Mortgage payable to Citizens Bank, secured by land and building (Vine Street), due in monthly installments of \$523 including principal and interest at 6.5%, due October 2022.	55,381	57,914
Mortgage payable to Community Housing Capital, secured by land and building (Shattuck Street), due in monthly installments of \$886 including principal and interest at 5%, due June 2027.	145,583	148,721
Mortgage payable to City of Nashua, secured by land and building (C Street). As long as the Agency owns the property and meets rental affordability criteria, interest is not due. In September 2011, the mortgage was amended to forgive debt equally over 20 years, retroactively to March 2007.	45,850	52,400
Mortgage payable to City of Nashua, secured by land and building (Amherst Street). As long as the Agency owns the property and meets rental affordability criteria, interest is not due. In September 2011, the mortgage was amended to forgive debt equally over 20 years beginning December 2012.	226,634	244,069
Mortgage payable to City of Nashua, secured by land and building (Shattuck Street). As long as the Agency owns the property and meets rental affordability criteria, interest is not due. In September 2011, the mortgage was amended to forgive debt equally over 11 years to January 2022.	120,000	150,000
Mortgage payable to City of Nashua, secured by land and building (Concord Street). Neither interest nor principal is due as long as the Agency owns the property and meets affordability criteria.	<u>203,500</u>	<u>203,500</u>
Total	807,333	868,837
Less amount due within one year	<u>(9,205)</u>	<u>(8,294)</u>
Long-term debt, net of current portion	<u>\$ 798,128</u>	<u>860,543</u>

Maturities of long-term debt are as follows:

<u>Fiscal</u> <u>Year</u>	<u>Total</u>
2020	\$ 9,205
2021	9,503
2022	9,709
2023	4,009
2024	4,215
Thereafter	<u>174,708</u>
	211,349
To be forgiven	392,484
No required repayment	<u>203,500</u>
Total	<u>\$ 807,333</u>

Long-term debt is categorized in the fair value hierarchy as Level 2.

12. Net Assets

Net assets without donor restrictions are comprised of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Board-designated endowment funds	\$ 392,172	\$ 314,943
Board-designated scholarship fund	10,000	10,000
Unrestricted operating funds	<u>1,416,036</u>	<u>953,984</u>
Total	<u>\$ 1,818,208</u>	<u>\$ 1,278,927</u>

Net assets with donor restrictions are comprised of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Building purchase	\$ 83,500	\$ 30,000
Renovations	6,000	2,786
HVAC	30,000	-
Literacy	2,000	-
Santa Fund	20,473	23,057
Scholarships	<u>130,176</u>	<u>116,114</u>
	272,149	171,957
Time restrictions	60,000	383,141
Perpetual endowment	<u>303,185</u>	<u>300,665</u>
Total	<u>\$ 635,334</u>	<u>\$ 855,763</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Expiration of time restrictions	\$ 383,141	\$ 20,000
Satisfaction of purpose restrictions:		
Renovations	2,786	6,058
Santa Fund	14,149	19,954
Scholarships	<u>2,000</u>	<u>-</u>
Total	<u>\$ 402,076</u>	<u>\$ 46,012</u>

13. Operating Leases

The Agency leases office space located at 7 Concord Street, Nashua, New Hampshire, at a rate of \$1,600 per month, under an agreement expiring June 2020. The Agency also rents an apartment for \$650 per month under a lease agreement expiring on January 31, 2020.

14. Retirement Plan

In March 2018, the Agency adopted a Simple Retirement Plan. All employees meeting age and wage requirements qualify for the plan. The Agency matches employee contribution up to 3% of compensation. The Agency contributed \$6,741 and \$7,246, respectively, to the plan for the years ended June 30, 2019 and 2018.

15. Contingencies

The Agency receives funding from various state and federal programs. Under the terms of these programs, the Agency is required to use the funding within the period and for purposes specified in the proposal. If expenditures of the program are found not to have been made in compliance with the proposal, the Agency might be required to repay the funds.

16. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and interest, office expenses, which are allocated on a direct expense allocation and by percentage of use. Salaries and wages, benefits, and payroll taxes, are allocated by direct time and on the basis of estimates of time and effort.

17. Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

18. Subsequent Events

Subsequent events have been evaluated through November 7, 2019, the date the financial statements were available to be issued.



BOARD OF DIRECTORS 2019-2020

MEMBERS	OCCUPATION	RESIDENCY
Jessica Ackerman, Immediate Past-President	Deloitte & Touche	Nashua
Erin Almeda, Secretary	Formally, Concord Hospital	Nashua
Jed Anderson*	Weisman, Tessier, Lambert and Halloran	Nashua
Suzanne Beaubien, President-Elect	Bellwether Community Credit Union	Nashua
Maria Botcheva	Citizens Bank	Nashua
Karen Carlisle	The Event Center-Courtyard by Marriott	Merrimack
John Chase, Treasurer	Retired, BAE Systems	Amherst
Carol Connor	Retired, The Front Door Agency	Amherst
Kevin Flynn	St. Joseph Hospital	Nashua
Nick Frasca	Frasca & Frasca, P.A.	Nashua
Lyn Healy	Education Consultant	Bedford
Joyce Hillis	Devine, Millimet and Branch	Nashua
Cory Hussey	Stanley Elevator	Hollis
Robert Kennedy*	BAE Systems	Amherst
Linda Lafleur, President	SquareTail Advisors	Londonderry
Tina-Marie Liles	PMIS	Londonderry
David S. McGinley	Retired	Bedford
Jeff Monahan	The Monahan Companies	Nashua
Meagan Pollack, Vice President	Curriculum Associates	Hudson
John Porter	Keller Williams Realty	Hollis
Walter Razzaboni, Jr.	UBS Financial Services	Nashua
Robert Shaw*	Texas Instruments	Nashua
Melissa Swidler	SWI Designs	Nashua
Alyssa Turcotte	Eaton & Berube Insurance	Manchester
Chris Wilcox	Lowell Five Bank	Nashua
John Ziemba*	Triangle Credit Union	Bedford

*Denotes Past Presidents

Cindy Enright

Objective

10+ years of ensuring small businesses run smoothly by managing the background business needs.

Employment History

Business Manager

August 2005—present The Front Door Agency, Inc, Nashua, NH

Responsibilities Include:

- Oversight and Compliance of Agency Human Resource Activities to include: hiring, termination, benefits management, payroll processing, record keeping of all employee earned time.
- Oversee and administer all bookkeeping functions for \$1.5million agency to include: A/P, A/R, journal entries, bank reconciliations, financial reporting preparation
- Preparation of invoicing to government funding sources for programs
- Direct supervision of Administrative Assistant
- Serves as the Agency's IT Director providing technical support when needed and serving as liaison with IT consultant.
- Prepare all financial schedules and ensure annual audit review by external auditors are smooth.

Administrative Assistant

Jan 2009 – February 2020 G&G Construction, Inc, Nashua, NH

- Process and distribute payroll
- Accounts Payable/Accounts Receivable
- Assist in printing job plans and submitting bid for projects

Survivor Services Case Manager

Jan 2004-Jan 2009 Fidelity Investments, Merrimack, NH

- Work with Clients to process death benefits for retirees and active employees
- Work with client service team in ensuring timely benefit processing
- Communicate with survivors continuing benefits

Channel Ed/120 Representative

May 2001-Jan 2004 Fidelity Investments, Merrimack, NH

- Educated customers in our automated channels and how they can benefit from using them
- Worked on various campaigns calling out to customers to better their business relationship
- Used various Microsoft programs to pull reports and present benefits of different campaigns to our team
- Assisted in training of new employees

Brokerage Service Representative

Oct 1999– May 2001 Fidelity Investments, Merrimack, NH

- Obtained Series 7/63 license in order to process Mutual Fund, Stock and Bond trades for customers
- Provided customer service for all account needs.

Education

Fall 2019 – Society of Human Resources Management (SHRM) Certification Prep Course

Sept 1994 – June 1997 Nashua Senior High School, Nashua, NH

- High School Diploma
- Upper Quarter, National Honor Society, National French Honor Society

Other Experience

-Fluent in French, proficient in Microsoft office programs

References

References are available on request.

Emily May Keane

Work Experience:

7/1/2019-PRESENT Phase I Case Manager, The Front Door Agency, Inc.

- Oversees case management of single mothers and their children
- Provides direction in activating their educational and financial goals
- Supports and develops a positive environment for women and children of all backgrounds
- Develops weekly house meetings to fit the needs for the clients in the home
- Screens and assesses potential candidates to the program.

5/13/17-7/1/2019 Treatment Coordinator for dual clients, South Bays, Inc.

- Lead psychotherapy groups on mental health and drug uses
- Participate in treatment planning and consult with members of our multidisciplinary team.
- Coordinate treatment for all clients admitted to the Day Treatment Programs.
- Facilitate treatment planning meetings and UR/MDT as needed and crisis management.
- Engage clients in team and individual meetings

11/28/2017-3/28/2018 Intern, Division of Child, Youth and Families

- Completed court reports and parenting plans.
- Engaged in the system of learning of care for children and parents involved in DCYF system.
- Performed home and foster care home visits.

2/1/2016-11/28/2017 Inpatient Behavioral Health, Southern New Hampshire Medical Center

- Provided oversight to the crisis stabilization unit.
- Supported veterans, people with addiction and mental health enter into both short and long-term hospital treatment.
- Provided information on public and private resources to clients to access to ensure a holistic approach of care, including shelters, housing, medication, support groups and medical care.
- Developed and enhanced connections with resources and to veteran services.
- Participated in Milieu management, working with a team of doctors and nurses to ensure overall health.
- Participated in the Behavioral Health Rapid Response Team
- Administered DBT, CBT, Art therapy, Anger management and other group therapies
- Processed daily progress notes
- Handled a daily client case load

08/05/13- 7/8/2015 Resident Group Home Program Manager, Lowell, MA

- Provided direction and support to staff and clients for a 24/7 program.
- Responded to house needs through pager system during off hours.
- Completed weekly and monthly administrative tasks to effectively run the housing portion of the program.
- Trained new staff
- Directly supervised staff
- MAP trained in State of Massachusetts
- Ordered and distributed necessary medication to residents when indicated
- Represented as a human rights officer for clients and answering questions for staff
- Responsible for staff schedule and responsibilities
- Making and going to appointments with clients
- Keeping close contact with parents and family of the clients

09/01/10-08/05/13 Residential Counselor, Crotched Mountain, Greenfield, NH

- Worked predominately with the most extreme permanent child residents at the Mountain successfully (1:1 and up to a 4:1 ratio), who suffer from a multitude of severe behavioral disorders including Autism, TBI and Bi-Polar disorder without any compromise in control or patient safety despite constant unexpected, radical and often violent behavioral changes.
- Considered by management as a consistent and reliable "go-to," counselor ready and available should any extreme situations arise, or lack of staff; and maintained a good attendance record.
- Proved dependable to staff in quieting outbursts in a timely fashion
- Responsible for fostering and upholding a balanced and stable emotional environment for and around the residents, as well as putting them to bed and procuring their safety and overall wellbeing well under my supervision.
- Showed up on time and with bountiful enthusiasm, was well rested, and carried a positive and focused energy from start to finish; backed by a personal desire to improve resident life-circumstance and attitude on life. Working with families for better care of the child

Education:

2015-2020	Capella University- Masters Degree in Clinical Mental Health
2011-2014	Granite State College- Bachelor's Degree in Mental Health
2010	Nashua Community College – Associate's Degree in Human Services

KEVIN GAGNON

Service oriented, driven professional with over 25 years of experience seeks to apply knowledge to improve efficiency and client satisfaction as a general maintenance/contractor.

EXPERIENCE

SEPTEMBER 2013 – PRESENT

MAINTENANCE SUPERVISOR, THE FRONT DOOR AGENCY, INC., NASHUA, NH

- Responsible for the direct day-to-day maintenance oversight of five transformational housing rental properties (24 units).
- Schedule, negotiate and oversee contractors on specific projects.
- Completely renovated 12 apartments including install of new kitchens, structures, flooring, painting.
- Ensure apartments meet all federal and local grant maintenance compliance.
- Schedule all routine maintenance on mechanical and fire systems.
- Provide complete landscaping renovation projects to several sites.

2012 – 2013

OUTSIDE SALES, HOLDEN HUMPHREY, CHICOPEE, MASSACHUSETTS

Provided direct consultation and sales with commercial and residential customers in the Paint Department.

2005 – 2012

SALES, NASHUA WALLPAPER AND PAINT, NASHUA, NH

Provided direct consultation and sales with commercial and residential customers in the Paint Department.

1985 – 2005

SELF-EMPLOYED, INDEPENDENT CONTRACTOR

Performed a variety of extensive construction and maintenance projects for commercial and residential customers.

EDUCATION

1985-NH TECHNICAL COLLEGE

Courses in Advanced Mathematics and Computers

JUNE 1984 - HIGH SCHOOL DIPLOMA, NASHUA HIGH SCHOOL

SKILLS

- Motivated, independent worker
- Organized and attentive to detail
- Extensive contractor relations
- Basic knowledge of HVAC, plumbing and electrical systems
- Proficient with a wide range of repair equipment, including power tools
- Take great pride in work and ensure the job is done right the first time.
- Maintain and order maintenance equipment and supplies
- Able to act quickly and effectively in emergencies
- Able to lift and carry up to 50 pounds
- Able to identify and strategize issues effectively and efficiently in order to effectively budget and plan projects.

Education

-
- | | |
|--|--------------------------|
| University of New Hampshire at Manchester- <i>Manchester, NH</i> - Bachelor of Arts | May 2015 |
| <ul style="list-style-type: none">▪ Majors: Psychology and Communication Arts, cum laude | |
| James Cook University- <i>Townsville, Queensland, Australia</i> | February 2013 -June 2013 |
| <ul style="list-style-type: none">▪ Took a full course load of classes in psychology, sociology, and general studies | |

Work Experience

-
- | | |
|---|--------------------------|
| Case Manager at The Front Door Agency- <i>Nashua, NH</i> | August 2017- Present |
| <ul style="list-style-type: none">▪ Providing extensive case management for a residential Transitional Housing Program for women and children.▪ Ensuring all residents maintain compliance with the educational and residential components of the program.▪ Conducting interviews with all potential clients, determining eligibility and setting goals.▪ Coordinating all services necessary for the family to move towards self-sufficiency. | |
| Intake Specialist at Rockingham Community Action- <i>Derry, NH</i> | August 2015- August 2017 |
| <ul style="list-style-type: none">▪ Interview clients and collect all necessary paperwork to complete fuel, electric, and crisis program applications▪ Perform outreach tasks such as identifying possible locations, distributing materials, and promoting our services▪ Understand the rules and regulations of the FAP, EAP, SEAS, WXN, and housing programs▪ Work with the elderly, disabled, and low income population | |
| Program Assistant at 21st Century Community Learning Centers- <i>Manchester, NH</i> | September 2013- May 2015 |
| <ul style="list-style-type: none">▪ Planned and ran afterschool clubs for students in grades K-5▪ Supervised students throughout the afternoon and assisted with homework | |
| Teller I at TD Bank, N.A. - <i>Wilton, NH</i> | July 2011-January 2013 |
| <ul style="list-style-type: none">▪ Assisted customers with transactions and sold TD Bank products▪ Handled confidential and sensitive information | |

Internship Experience

-
- | | |
|---|---------------------------|
| Disney College Program at Walt Disney Company- <i>Orlando, FL</i> | August 2014- January 2015 |
| <ul style="list-style-type: none">▪ Worked in Attractions and performed parade access control during the Christmas season▪ Assisted park guests with their inquiries while maintaining the Disney image and ideals | |
| Title-I Intern at Hallsville Elementary School- <i>Manchester, NH</i> | January 2014- June 2014 |
| <ul style="list-style-type: none">▪ Aided the Title-I supervisor with clerical work▪ Organized and ran Lunch-Bunch program for select students for social skill improvement▪ Conducted enrichment programs that focused on blogging skills for grades 2-5 | |

Research Experience

-
- | | |
|--|-----------------------|
| Needs Based Assessment for the YWCA of Manchester | January 2015-May 2015 |
| <ul style="list-style-type: none">▪ Created a survey, facilitated focus groups, and analyzed final results of project▪ Presented at the UNH Manchester Undergraduate Research Conference 2015 and at the YW in Manchester | |

Special Skills

Technical Skills - Proficiency with Microsoft Office products, FAP/EAP programs, Qualtrics, HMIS data forms, and SPSS

Communication Skills - Excellent interpersonal communication skills with coworkers and clients. Ability to write in many different styles including lab reports, literature reviews, and narrative essays.

Maryse Wirbal

PROFESSIONAL SUMMARY

Effective leader in a range of different capacities providing a blend of leadership experience with fiscal management, marketing, human resources, grant writing, fund raising, policy development and administrative tasks.

WORK HISTORY

Chief Executive Officer

The Front Door Agency, Inc., Nashua, NH

1998- Present

A not-for-profit, 501(c) tax-exempt human services organization assisting individuals and families in crisis transition to self-sufficiency.

Oversight and overall management, planning, vision and leadership for all aspects of the Agency including; development of programs and services, finance, resource development, human resources, communications, and board development. Duties include:

- Supporting, recruiting, and working with a Volunteer Board of Directors comprised of 23-27 business leaders throughout the community.
- Managing all office operations, including: human resources, purchasing, technology, and maintenance.
- Providing overall fiscal management and oversight to include: developing annual budget, reviewing monthly financial reports and cash flow, providing good stewardship of donor and grant support, maintaining capital assets, overseeing major fund raising events, donor cultivation, writing grant proposals.
- Ensuring quality programs and services are available and meet the overall mission of the agency in a cost effective and efficient manner.
- Serving as the lead ambassador for the agency
- Creating and providing adherence to policies and procedures for the agency
- Leading the agency in the Strategic Planning Process held every four years
- Participating in community forums, collaborations, partnerships

Major Accomplishments include: Developing five transitional housing projects with little debt; increasing programs and budget by nearly 60%; conceiving, initiating and enhancing fund raising activities; increasing donor support; developing and implementing five Agency strategic plans and accomplishing 90% of goals; establishing a \$550,000 endowment fund; creating and maintaining community collaborations.

Business Manager

1995-1998

Nashua Pastoral Care Center, Inc., Nashua, NH

Responsible for the day-to-day administrative and fiscal responsibilities including; account payables, account receivables, payroll, and financial statement preparation, employee benefit programs, purchasing and fund raising.

Accounting Associate

Velcro USA, Inc., Manchester, NH

1994-1995

Duties included; managing payables for eight regions, oversight of fifty telephone accounts, monthly accruals, cash receipts, analysis of expenditures, reconciliation of bank statements, and processing payroll for 500+ employees nationwide.

Teller Supervisor

First NH Bank – Nashua Trust Division, Nashua, NH

1987-1992

Duties included: customer relations, balancing cash drawer and ATM daily, supervising tellers, managing weekly cash shipments, on-call support.

EDUCATION

Recognized as the Next 20-Emerging Leaders in Nashua by the Telegraph	December 2012
Leadership New Hampshire, Concord, NH	June 2005
Leadership Greater Nashua, Greater Nashua Chamber of Commerce	June 1998
BS, Business Finance; Minor, Economics SOUTHERN NEW HAMPSHIRE UNIVERSITY, Manchester, New Hampshire	May 1993
Certificate, Basic Tax Preparation H & R Block, Merrimack, NH	1996

COMMUNITY INVOLVEMENT/INTERESTS
--

Advisory Member, Santander Bank Regional Community Board	2018-Present
Member, Rotary Club of Nashua	1998-Present
<i>Served as its President; 2014-2015</i>	
Executive Board Member, Greater Nashua Continuum of Care	1998-Present
Vice-President, Hunt Community Board of Directors	2017-Present
Board Member, Hunt Community	2005-2013/2014-Present
Board Member, SilverStone Living	2014-Present
Member, United Way of Greater Nashua Community Needs Assessment Committee	1999-2015
Member, Recognizing Top Women Leaders in Greater Nashua	
Community as recognize by The Telegraph	2013-2015
Advisory Member, Nashua Area Health Center	2003-2012
Executive Board Member, Greater Nashua Chamber of Commerce	2004-2010
School Board Member, Infant Jesus School, Nashua	2005-2009
Board Member, Greater Nashua Dental Connection, Inc.	1998-2005
<i>(founding member, served as its Treasurer, and President)</i>	
Member, Nashua Mayor's Task Force on Affordable Housing	2003

REFERENCES FURNISHED UPON REQUEST
--

REBECCA GAGNE

SUMMARY

A Human Services Professional with over fifteen years experience working in a residential program for women and children. Experience includes: team leadership, substance abuse; mental health; domestic violence, property management, community outreach, and empowering families to transition from crisis to self-sufficiency.

PROFESSIONAL EXPERIENCE

Director of Transformational Housing

April 2012-Present

THE FRONT DOOR AGENCY, INC., Nashua, New Hampshire

A not-for-profit, 501(c) tax-exempt organization assisting individuals and families in crisis transition to self-sufficiency formally known as the Nashua Pastoral Care Center, Inc.

Providing oversight for a residential Transformational Housing Program for women and children. Duties include:

- Assessing and monitoring young families headed by single mothers with independent life skills.
- Ensuring all residents maintain compliance with the educational and residential components of the program.
- Assessing and interviewing potential candidates.
- Creating and reviewing each program participant's contracts.
- Establishing outcome measurements and ensuring program objectives are met.
- Supervision of all direct service staff, residential aides, program administrative staff and maintenance personnel.
- Overseeing maintenance issues at all three owned properties.
- Providing oversight on all program policies and procedures.
- Participating in community activities.
- Representing the agency in the community.

Case Manager

December 2001-April 2012

THE NASHUA PASTORAL CARE CENTER, Nashua, New Hampshire

Providing extensive case management for a residential Transitional Housing Program for women and children. Duties include:

- Assessing and monitoring young families headed by single mothers with independent life skills.
- Ensuring all residents maintain compliance with the educational and residential components of the program.
- Assessing and interviewing potential candidates.
- Creating and reviewing each program participant's contracts.
- Providing support, advocating and assisting in eliminating barriers to enhance resident's ability to succeed.
- Coordinating all services necessary for the resident to become a self-sufficient member of the community.
- Participating in community activities.

Case Manager

May 2001-December 2001

GIRLS INC., Nashua, New Hampshire

Duties included assisting ten young women ages 14-21 with daily living in a nonprofit residential living facility. Job required effective coordination and linkage of all academic and career related components, time management, positive role modeling, empathetic listening, developing and following individual treatment plans, connecting with people and resources, and follow up. Other duties involved organizing the volunteer program, coordinating educational sessions and activities.

Pre-School Teacher

July 2000-May 2001

GIRLS INC., Nashua, New Hampshire

Duties included: planning and implementing a monthly curriculum aiding children physically, socially, emotionally, and intellectually; providing age appropriate activities to encourage creative expression and appreciation of the arts; and creating a monthly parent newsletter.

EDUCATION

Leadership Greater Nashua

Sept 2016-June 2017

Comprehensive overview of the various elements of the Greater Nashua Community
Velocity Performance's Leadership Academy

Certified CPR AED

August 2014

Certified Non-violent Crisis Intervention

Since 2008

Graduate

NEW ENGLAND SCHOOL ON ADDICTION STUDIES

June 2008 & 2006

New Hampshire Training Institute on Addictive Disorders

BA in Psychology

December 1999

KEENE STATE COLLEGE, Keene, New Hampshire

Member, Delta Phi Epsilon (1997-1999)

AS in Chemical Dependency

May 1999

KEENE STATE COLLEGE, Keene, New Hampshire

VOLUNTEER EXPERIENCE

Board of Directors

SKIP (School Kids in Peterborough)

2014-2017

Day of Caring Committee Member:

United Way of Greater Nashua

2011- 2015

Big Sister:

Big Brothers and Big Sisters Organization of Nashua

2004-2012

Internship:

Alvirne High School, Hudson, NH Guidance Department

1999

REFERENCES FURNISHED UPON REQUEST

The Front Door Agency, Inc.

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Rebecca Gagne	Director of Transformational Housing	\$ 62,400	75%	\$ 46,800
Kelsey Sanborn	TH Phase II Case Manager	\$ 31,000	50%	\$ 15,500
Emily Sanborn	TH Phase I Case Manager	\$ 35,000	25%	\$ 8,750
Cindy Enright	Business Manager	\$ 46,000	10%	\$ 4,576
Kevin Gagnon	TH Maintenance Supervisor	\$ 46,000	10%	\$ 4,576
Maryse Wirbal	CEO	\$102,500	5%	\$ 5,125

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 1st Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and The Way Home Inc., (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 214 Spruce Street, Manchester, NH, 03103.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$140,656.
2. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
 - 2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
 - 2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
 - 2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1, to read:
 - 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

Christine Santaniello

June 26, 2020
Date

Name: Christine Santaniello
Title: Director, DEHS

The Way Home, Inc.

6/19/2020
Date

Branka Beaudoin
Name: Branka Beaudoin
Title: CEO

New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

06/26/20
Date:

Catherine Pinos
Name:
Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

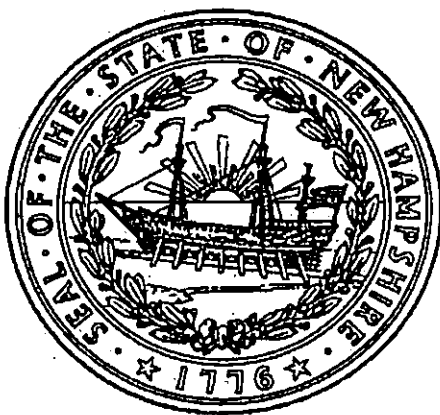
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE WAY HOME, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on August 25, 1989. 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: 145298

Certificate Number: 0004932354



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 18th day of June A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Sara Beaudry, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Vice President of The Way Home
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on June 16, 2020, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Bianka Beaudoin, CEO or Mary Sliney, COO (may list more than one person)
(Name and Title of Contract Signatory)

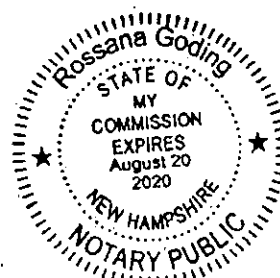
is duly authorized on behalf of The Way Home to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for **thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6-19-20

Sara Beaudry
Signature of Elected Officer
Name: Sara Beaudry
Title: Vice President



Rossana Goding, 6/19/2020
Rockingham County



THEWAYH-01

NPOULIN

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/31/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # AGR8150 Clark Insurance One Sundial Ave Suite 302N Manchester, NH 03103	CONTACT NAME: Nancy Poulin, ACSR	
	PHONE (A/C, No, Ext): (603) 716-2368	FAX (A/C, No): (603) 622-2854
	E-MAIL ADDRESS: npoulin@clarkinsurance.com	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Great American Insurance Co	NAIC # 16691
INSURED The Way Home Inc 214 Spruce St Manchester, NH 03103	INSURER B:	
	INSURER C:	
	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	ADDL SUBR INSD WYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> 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"/> PROJECT <input type="checkbox"/> LOC OTHER:		PAC3172877 00	7/15/2019	7/15/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 PROFESSIONAL \$ 1,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY		CAP3172878 00	7/15/2019	7/15/2020	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 \$ 10,000		UMB3172879 00	7/15/2019	7/15/2020	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N N/A If yes, describe under DESCRIPTION OF OPERATIONS below					PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

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

CERTIFICATE HOLDER

CANCELLATION

NH DHHS Contracts Unit
Brown Building
129 Pleasant St
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

Monique Ruth

Insurer: **EASTERN ALLIANCE INSURANCE COMPANY**

Policy Number: **01-0000113502-02**

Previous Policy: **03-0000113502-01**

Workers Compensation and Employers Liability Policy Information Page

(1) Name and Mailing Address of the Insured: The Way Home, Inc. 214 Spruce Street Manchester, NH 03103-4812	Agency: Davis & Towle Morrill & Everett Inc PO Box 1260 Concord, NH 03302 Agency Code: 6667
---	---

Fed ID Number: 22-3004892
Bureau ID Number: 280017272

Legal Entity: Non-Profit Corporation
NCCI Company Number: 42997

(2) **Policy Period:** From 01/01/2020 to 01/01/2021, 12:01 a.m. standard time at the insured's mailing address.

(3) **Coverage:**

A. **Workers Compensation Insurance:** Part One of this policy applies to the Workers Compensation Law of the following states:
NH

B. **Employers Liability Insurance:** Part Two of this policy applies to work in each of the states listed in item (3)A. The limits of our liability under Part Two are as follows:

Bodily Injury by Accident - each accident	\$500,000
Bodily Injury by Disease - policy limit	\$500,000
Bodily Injury by Disease - each employee	\$500,000

C. **Other States' Insurance:** Part Three of this policy applies to all states except any state listed in item (3)A. and the states of:
NORTH DAKOTA, OHIO, WASHINGTON, WYOMING

D. This policy includes the following forms and endorsements:

See Listing of Endorsements – Extension of Information Page

(4) The premium for this policy will be determined by our Manual of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

See Schedule of Operations – Extension of Information Page

Minimum Premium \$1,000
Expense Constant \$160

Total Estimated Annual Premium \$13,234

Countersigned by _____



Mission: To assist lower income families and individuals obtain and keep safe, affordable housing, offer supportive services to nurture their independence, and advocate for greater opportunity.

Vision: To continue to be an innovative, responsive grassroots organization committed to creatively helping those with the least resources increase access, raise hope, and build self-esteem.

Guiding Principles: Our Integrated Approach to Success in Safe, Affordable Housing flows out of Beliefs:

- that the basic human need for safe, affordable housing must be met for all persons without discrimination;
- that long-term positive outcomes require the combination of housing and supportive services, life-skill education and empowerment of individuals, with community advocacy for policies that support access to safe, affordable housing;
- that self-help skills learned within a caring community builds more sustainable success;
- that public / private partnerships are needed to remove systemic barriers to stable housing.

We use a peer educator empowerment model to help families at risk of homelessness take effective action to improve the lives of their own families and to use their experiences to help others. We have established a housing resource center in center city Manchester at which we create an atmosphere that is welcoming, supportive, but also challenging. By combining self-help with a supportive community, we reach out to families stressed by poverty and homelessness.

THE WAY HOME, INC.

***Audited Financial Statements and
Supplementary Information***

***For The Fiscal Years Ended
June 30, 2019 and 2018***

THE WAY HOME, INC.

Table of Contents

1.	Independent Auditor's Report.....	1-2
2.	Statements of Financial Position.....	3-4
3.	Statements of Activities and Changes in Net Assets.....	5
4.	Statements of Functional Expenses.....	6
5.	Statements of Cash Flows.....	7-8
6.	Notes to the Financial Statements.....	9-19
7.	Supplementary Information.....	20-35

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Way Home, Inc.
Manchester, New Hampshire

We have audited the accompanying financial statements of The Way Home, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Way Home, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements for The Way Home, Inc. as of June 30, 2018 were audited by other auditors whose report dated October 23, 2018, expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 20 thru 35 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Penchansky & Co., PLLC
Certified Public Accountants
Manchester, New Hampshire
December 10, 2019

THE WAY HOME, INC.
Statements of Financial Position
As of June 30,

	<u>Net Assets Without</u> <u>Donor Restrictions</u>	<u>Net Assets With</u> <u>Donor Restrictions</u>	<u>2019</u> <u>Totals</u>	<u>2018</u> <u>Totals</u>
<u>ASSETS</u>				
<u>Current Assets:</u>				
Cash and Cash Equivalents	\$ 36,423	\$ 150,675	\$ 187,098	\$ 165,381
Grants Receivable	106,396	0	106,396	92,766
Pledges Receivable	342	0	342	658
Accounts Receivable	83,911	0	83,911	70,466
Staff Loans	3,645	0	3,645	2,325
Prepaid Expenses	23,619	0	23,619	17,410
Total Current Assets	<u>254,336</u>	<u>150,675</u>	<u>405,011</u>	<u>349,006</u>
<u>Fixed Assets:</u>				
Land, Buildings and Improvements	2,715,146	0	2,715,146	2,644,816
Furniture and Equipment	<u>194,819</u>	<u>0</u>	<u>194,819</u>	<u>194,819</u>
Total Fixed Assets	2,909,965	0	2,909,965	2,839,635
Less: Accumulated Depreciation	<u>(854,913)</u>	<u>0</u>	<u>(854,913)</u>	<u>(783,787)</u>
Net Fixed Assets	<u>2,055,052</u>	<u>0</u>	<u>2,055,052</u>	<u>2,055,848</u>
<u>Other Assets:</u>				
Loan Receivable	230,314	0	230,314	230,078
LSRLF Receivable	29,153	0	29,153	29,153
Pin and Book Inventory	<u>1,830</u>	<u>0</u>	<u>1,830</u>	<u>1,830</u>
Total Other Assets	<u>261,297</u>	<u>0</u>	<u>261,297</u>	<u>261,061</u>
Total Assets	<u>\$ 2,570,685</u>	<u>\$ 150,675</u>	<u>\$ 2,721,360</u>	<u>\$ 2,665,915</u>

- Continued on Next Page -

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Statements of Financial Position
As of June 30,

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>2019 Totals</u>	<u>2018 Totals</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>Current Liabilities:</u>				
Accounts Payable	\$ 39,856	\$ 0	\$ 39,856	\$ 32,470
Accrued Liabilities	37,951	0	37,951	21,033
Funds Held in Trust	11,537	0	11,537	18,736
Current Maturities on Long-Term Debt	14,692	0	14,692	24,005
Line of Credit	45,000	0	45,000	0
Total Current Liabilities	<u>149,036</u>	<u>0</u>	<u>149,036</u>	<u>96,244</u>
<u>Non-Current Liabilities:</u>				
Long-Term Debt, Net of Current Maturities	1,936,935	0	1,936,935	1,876,123
Guaranteed Security Deposits	438,364	0	438,364	413,661
Total Non-Current Liabilities	<u>2,375,299</u>	<u>0</u>	<u>2,375,299</u>	<u>2,289,784</u>
Total Liabilities	<u>2,524,335</u>	<u>0</u>	<u>2,524,335</u>	<u>2,386,028</u>
<u>Net Assets:</u>				
Without Donor Restrictions	46,350	0	46,350	125,237
With Donor Restrictions	<u>0</u>	<u>150,675</u>	<u>150,675</u>	<u>154,650</u>
Total Net Assets	<u>46,350</u>	<u>150,675</u>	<u>197,025</u>	<u>279,887</u>
Total Liabilities and Net Assets	<u>\$ 2,570,685</u>	<u>\$ 150,675</u>	<u>\$ 2,721,360</u>	<u>\$ 2,665,915</u>

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Statements of Activities and Changes in Net Assets
For The Years Ended June 30,

	Net Assets Without <u>Donor Restrictions</u>	Net Assets With <u>Donor Restrictions</u>	2019 <u>Totals</u>	2018 <u>Totals</u>
<u>Support and Revenue:</u>				
Donations	\$ 100,318	\$ 0	\$ 100,318	\$ 98,145
Government Grants	0	887,854	887,854	937,769
Foundations and Other Grants	0	158,703	158,703	36,697
Fundraising Events	43,964	0	43,964	7,562
Rental income	329,565	0	329,565	213,523
Miscellaneous Revenue	4,831	0	4,831	13,966
Insurance Proceeds	902	0	902	0
In-Kind Contributions	42,008	0	42,008	64,539
Interest	2,812	0	2,812	1,569
Forgiveness of Debt	6,670	0	6,670	8,977
Net Assets Released from Restrictions	<u>1,050,532</u>	<u>(1,050,532)</u>	<u>0</u>	<u>0</u>
Total Support and Revenue	<u>1,581,602</u>	<u>(3,975)</u>	<u>1,577,627</u>	<u>1,382,747</u>
<u>Operating Expenses:</u>				
<u>Programs:</u>				
Client Services	958,591	0	958,591	437,670
Property Management and Supportive Housing	<u>448,719</u>	<u>0</u>	<u>448,719</u>	<u>731,917</u>
Total Program Expenses	<u>1,407,310</u>	<u>0</u>	<u>1,407,310</u>	<u>1,169,587</u>
<u>Supporting:</u>				
Fundraising & Special Events	67,711	0	67,711	38,481
Management & General	<u>185,468</u>	<u>0</u>	<u>185,468</u>	<u>245,267</u>
Total Operating Expenses	<u>1,660,489</u>	<u>0</u>	<u>1,660,489</u>	<u>1,453,335</u>
Net Increase (Decrease) in Net Assets	(78,887)	(3,975)	(82,862)	(70,588)
Net Assets, Beginning of Year	<u>125,237</u>	<u>154,650</u>	<u>279,887</u>	<u>350,475</u>
Net Assets, End of Year	<u>\$ 46,350</u>	<u>\$ 150,675</u>	<u>\$ 197,025</u>	<u>\$ 279,887</u>

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Statements of Functional Expenses
For The Years Ended June 30,

	<u>Programs</u>		<u>Supporting Service</u>		<u>2019</u> <u>Totals</u>	<u>2018</u> <u>Totals</u>
	<u>Client Services</u>	<u>Property Management & Supportive Housing</u>	<u>Management & General</u>	<u>Fundraising & Special Events</u>		
<u>Expenses:</u>						
Salaries and Wages	\$ 283,031	\$ 84,524	\$ 118,646	\$ 28,814	\$ 515,015	\$ 464,577
Benefits & Payroll Taxes	89,309	29,007	17,365	9,391	145,072	154,239
Professional Services	5,947	31,282	61,857	0	99,086	55,179
Supplies	5,792	22	5,937	83	11,834	8,909
Telephone and Internet	5,337	926	9,547	0	15,810	16,387
Postage	917	0	2,190	417	3,524	4,674
Occupancy	246	62,621	11,225	0	74,092	70,175
Insurance	0	14,768	9,534	0	24,302	35,395
Building Maintenance and Supplies	1,748	100,312	14,547	33	116,640	49,206
Vehicle Expenses	0	1,580	0	0	1,580	1,830
Apartment Furnishings	1,804	4,352	0	0	6,156	3,094
Depreciation	2,242	46,614	22,271	0	71,127	63,821
Printing	1,375	273	292	2,547	4,487	2,381
Travel, Mileage and Conference	2,223	817	922	386	4,348	11,043
Memberships, Fees and Subscriptions	0	75	1,102	0	1,177	1,069
Meetings Expense	1,341	0	1,643	160	3,144	179
Miscellaneous Expenses	2,267	539	5,062	45	7,913	8,694
Interest Expense	1,659	3,366	1,751	0	6,776	2,267
In-Kind Goods and Services	42,008	0	0	0	42,008	64,539
Payroll Service	0	0	2,169	0	2,169	2,106
Fundraising Expense	0	0	0	17,833	17,833	9,533
Equipment Rental and Maintenance	1,501	0	16,115	0	17,616	15,559
Specific Assistance to Individuals	415,635	12,396	0	4,720	432,751	368,857
General Program Expense	61,212	42,856	(82,554)	3,282	24,796	25,533
Real Estate Taxes	0	11,233	0	0	11,233	14,089
Facility Allocation	18,219	15,934	(34,153)	0	0	0
Housing Resource Center Allocations	14,778	(14,778)	0	0	0	0
	<u>\$ 958,591</u>	<u>\$ 448,719</u>	<u>\$ 185,468</u>	<u>\$ 67,711</u>	<u>\$ 1,660,489</u>	<u>\$ 1,453,335</u>

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Statements of Cash Flows
For The Years Ended June 30,

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>2019 Totals</u>	<u>2018 Totals</u>
<u>Cash Flows from Operating Activities:</u>				
Net Increase (Decrease) in Net Assets	\$ <u>(78,887)</u>	\$ <u>(3,975)</u>	\$ <u>(82,862)</u>	\$ <u>(70,588)</u>
<u>Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:</u>				
Depreciation	71,127	0	71,127	63,821
(Increase) Decrease in Grants Receivable	(13,630)	0	(13,630)	(15,900)
(Increase) Decrease in Pledges Receivable	316	0	316	10,499
(Increase) Decrease in Accounts Receivable	(13,445)	0	(13,445)	(4,235)
(Increase) Decrease in Staff Loans	(1,320)	0	(1,320)	0
(Increase) Decrease in Prepaid Expenses	(6,209)	0	(6,209)	9,299
(Increase) Decrease in Loans Receivable	(236)	0	(236)	17,005
(Increase) Decrease in LSRLF Receivable	0	0	0	2,985
Increase (Decrease) in Accounts Payable	7,386	0	7,386	(2,000)
Increase (Decrease) in Accrued Liabilities	16,918	0	16,918	0
Increase (Decrease) in Funds Held in Trust	(7,199)	0	(7,199)	(13,003)
Increase (Decrease) in Security Deposits Payable	<u>24,703</u>	<u>0</u>	<u>24,703</u>	<u>(2,699)</u>
Total Adjustments	<u>78,411</u>	<u>0</u>	<u>78,411</u>	<u>65,772</u>
Net Cash Flows Provided by (Used in) Operating Activities	<u>(476)</u>	<u>(3,975)</u>	<u>(4,451)</u>	<u>(4,816)</u>
<u>Cash Flows from Investing Activities:</u>				
Payments for the Purchase of Fixed Assets	<u>(70,330)</u>	<u>0</u>	<u>(70,330)</u>	<u>(81,240)</u>
Net Cash Flows Provided by (Used in) Investing Activities	\$ <u>(70,330)</u>	\$ <u>0</u>	\$ <u>(70,330)</u>	\$ <u>(81,240)</u>

-Continued on Next Page-

The Way Home, Inc.
Statements of Cash Flows
For The Years Ended June 30,

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>2019 Totals</u>	<u>2018 Totals</u>
<u>Cash Flows from Financing Activities:</u>				
Principal Payments on Notes Payable and Line of Credit	\$ (96,300)	\$ 0	\$ (96,300)	\$ 0
Proceeds from Notes Payable and Line of Credit	192,798	0	192,798	4,713
Net Cash Flows Provided by (Used in) Financing Activities	96,498	0	96,498	4,713
Net Increase (Decrease) in Cash and Cash Equivalents	25,692	(3,975)	21,717	(81,343)
Cash and Cash Equivalents - Beginning of Year	10,731	154,650	165,381	246,724
Cash and Cash Equivalents - End of Year	<u>\$ 36,423</u>	<u>\$ 150,675</u>	<u>\$ 187,098</u>	<u>\$ 165,381</u>
<u>Supplemental Cash Flow Disclosures:</u>				
Interest (net of amount capitalized)	6,776	0	6,776	2,267
Income Taxes	0	0	0	0
<u>Supplemental Disclosure of Non-Cash Activities:</u>				
In-Kind contributions	<u>\$ 42,008</u>	<u>\$ 0</u>	<u>\$ 42,008</u>	<u>\$ 64,539</u>

See Notes and Independent Auditors Report

THE WAY HOME, INC.
Notes to the Financial Statements
June 30, 2019 and 2018

Nature of Organization

The Way Home, Inc. (the "Organization") is a non-profit organization, founded in 1988 and located in Manchester, New Hampshire, and is dedicated to helping low-income households obtain and sustain safe, affordable housing throughout the state of New Hampshire, as well as:

- Providing assistance for homelessness prevention
- Outreach and intervention services, including homelessness prevention grants
- Rental housing counseling which teach tenants self-help skills, housing advocacy, and assists with landlord negotiations
- Financial management education for homeless persons, low income renters and at-risk homeowners
- Transitional housing apartments for homeless families and their children

The Organization was originally known as The Security Deposit Loan Fund of Greater Manchester, whose primary purpose was to make loans that will be utilized for the security deposits, targeting low-income households, which, without the security deposit loan and housing counseling services would otherwise remain or become homeless.

Note 1 - Summary of Significant Accounting Principles:

Method of Accounting

The Organization maintains its accounting records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred.

Basis of Presentation

The Organization adopted Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Made, which requires that certain unconditional promises to give and contributions be recorded as support in the period received.

The Organization presents information regarding its financial position and activities according to Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU make improvements to the information provided in the financial statements and notes for not-for-profit entities. In accordance with the update, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

-Continued on Next Page-

THE WAY HOME, INC.
Notes to the Financial Statements
June 30, 2019 and 2018

Note 1 - Summary of Significant Accounting Principles - continued:

Basis of Presentation - continued

Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid deposits with maturity of three months or less to be cash and/or cash equivalents.

Use of Estimates in the Preparation of Financial Statements

Management used estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code. There are no state income taxes due to the fact that the State of New Hampshire recognizes Section 501(c)(3) for exemption of organizations that are organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes.

The Organization's evaluation on June 30, 2019 revealed no uncertain tax positions that would have a material impact of the financial statements. The Organization's information returns are subject to possible examination by the taxing authorities. For federal purposes, the returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

-Continued on Next Page-

THE WAY HOME, INC.
Notes to the Financial Statements
June 30, 2019 and 2018

Note 1 - Summary of Significant Accounting Principles - continued:

Fixed Assets

Fixed assets are recorded at historical cost at the time of acquisition. Depreciation is calculated by the straight-line method over their estimated useful lives ranging from five to fifteen years. The Organization capitalizes property and equipment in excess of \$5,000 while repairs and maintenance and other minor purchases are charged to operations as incurred. The estimated useful lives of the assets are as follows:

<u>Description</u>	<u>Method</u>	<u>Life</u>
Furniture and Fixtures	Straight-Line	5 years
Equipment	Straight-Line	5 years
Buildings	Straight-Line	40-50 years
Leasehold Improvements	Straight-Line	20 years

Grants, Pledges and Accounts Receivable

Grants, pledges and accounts receivable are reported at net realizable value. Net realizable value is equal to the gross amount of receivables less an estimated allowance for uncollectible accounts. Historically, the Organization has not experienced material write-offs and, therefore, has not established an allowance account.

Funds Held in Trust

The Organization reports funds held for particular operating purposes are deemed to be held in trust as these funds are for the use by the clients of the housing programs for utilities and various support. At June 30, 2019 and 2018, there was funds held in trust of \$11,537 and \$18,736, respectively.

Contributed Materials, Equipment and Services

The Organization receives contributed goods and professional services recognized at fair market value as the services received require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses

The costs of providing the various program services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation of expenses, such as office and occupancy as well as salaries and benefits are done so by an allocation of participation in program or estimated of time and effort.

-Continued on Next Page-

THE WAY HOME, INC.
Notes to the Financial Statements
June 30, 2019 and 2018

Note 2 – Line of Credit:

As of June 30, 2019, there was a \$75,000, unsecured line of credit available through St. Mary's Bank. Interest is currently charged at Prime Rate (5.5% as of June 30, 2019) plus 1%. At June 30, 2019, there was \$45,000 outstanding on this credit line.

Note 3 – Long-Term Debt:

At June 30, 2019 and 2018, notes payable were as follows:

Description	June 30, <u>2019</u>	June 30, <u>2018</u>
A) Note Payable to the NH Housing Finance Authority dated October 11, 2001, 0% interest, secured by real estate located at 214 Spruce Street, Manchester, NH with conditional repayment terms, based off surplus cash availability, which expire after 30 years.	\$ 530,630	\$ 532,533
B) Note Payable to the city of Manchester, NH dated June 12, 2001, 0% interest, secured by real estate located at 214 Spruce Street, Manchester, NH with conditional repayment terms which expire after 20 years	6,620	13,290
C) Note Payable to the NH Housing Finance Authority dated December 3, 2008, 1.75% interest, with monthly payments of principle and interest of \$604.17, beginning February 1, 2009, and matures January 1, 2039 secured by real estate located at 14-16 and 24-26 Ferry Street, Allentown, NH	120,554	125,646
D) Note Payable to the NH Housing Finance Authority dated December 3, 2008, 0% interest, maturing June 24, 2028, secured by real estate, located at 14-16 and 24-26 Ferry Street, Allentown, NH , with conditional repayment terms based off cash availability	\$ 356,128	\$ 356,128

-Continued on Next Page-

THE WAY HOME, INC.
Notes to the Financial Statements
June 30, 2019 and 2018

Note 3 – Long-Term Debt - continued:

E) Note Payable to the City of Manchester, NH dated October 31, 2012, 0% interest, secured by real estate located at 502 Spruce Street, Manchester, NH with conditional repayment terms expiring after 5 years	\$ 44,999	\$ 44,999
F) Note Payable with no recourse to the NH Housing Finance Authority, dated March 17, 2010, 0% interest, 30 year term for the purpose of acquisition, construction and permanent financing of property at 224 Spruce Street, Manchester, NH	492,448	492,448
G) Note Payable and Tax Credit Loan, City of Manchester, NH, dated August 7, 2012, 0% interest, principle payable on October 1 st each year for 25 years beginning in 2013, secured by real estate located at 85-87 Laurel Street, Manchester, NH	291,237	291,237
H) Note Payable to the City of Manchester, NH, dated July 1, 2016, 0% interest, principle payable on October 1 st each year for 10 years beginning in 2017, secured by real estate located at 214 Spruce Street, Manchester, NH	52,956	43,847
I) Note Payable to the NH Community Loan Fund, dated July 9, 2018, 5% interest, payments of \$320.27 per month for 15 year term for the purpose of repairs at 502 Spruce Street, Manchester, NH, with payments	38,956	0
J) Note Payable to the City of Manchester, NH, dated July 1, 2018, 0% interest, payable monthly on October 1 st each year for 10 years beginning in 2019, secured by real estate located at 502 Spruce Street, Manchester, NH	17,100	0
Total Notes Payable	1,951,628	1,900,128
Less: Current Portion of Long Term debt	(14,691)	(24,005)
Total Notes Payable, Net of Current Portion	<u>\$ 1,936,937</u>	<u>\$ 1,876,123</u>

-Continued on Next Page-

THE WAY HOME, INC.
Notes to the Financial Statements
June 30, 2019 and 2018

Note 3 – Long-Term Debt - continued:

Future minimum principal payments are as follows:

For The Fiscal Years Ended June 30,	Notes Payable
2020	\$ 14,691
2021	7,350
2022	7,534
2023	7,725
2024	7,923
Thereafter	1,906,405
Total	\$ 1,951,628

Both of the \$530,630 and the \$6,620 loans are financed with federal funding through the HOME Investment Partnership Program. So long as the Organization continues to comply with the terms of these loans, that is, to provide housing and related services to low income, nearly homeless families, the Organization will not be required to repay these loans or any imputed interest on these obligations.

Under the terms of the City of Manchester, \$6,620 loan, upon receipt and approval of annual compliance reports, the Organization can decrease the outstanding principal of the mortgage by 6.67% (\$6,670) per year, commencing June 12, 2007. As of June 30, 2019, pursuant to these terms, the Organization has reduced its liability by a total of \$93,380.

Under the terms of the \$356,128 New Hampshire Housing Finance Authority loan, the Organization is required to segregate reserves to meet future insurance, real estate taxes, and maintenance and replacement obligations. The Organization maintains separate restricted accounts to meet these requirements. The note is financed with federal funding the HOME Investment Partnership Rental Housing Production Program and is subordinate to the NH Housing Finance Authority 1.75% interest bearing note

The \$52,956 note financed through the City of Manchester Community Improvement Program for the 214 Spruce Street Essential Facility Upgrade project was entered into on July 1, 2017 and will not exceed a total loan balance of \$90,350. The loan is payable over 10 years at 0% interest, with \$4,518 to be forgiven annually so long as the Organization can demonstrate the agreed-upon objectives have been achieved.

The \$17,100 note financed through the City of Manchester Community Improvement Program for the 502 Spruce Street Renovations project was entered into on July 1, 2018 and will not exceed a total loan balance of \$18,000. The loan is payable over 10 years at 0% interest, with \$900 to be forgiven annually, for 10 years, so long as the Organization can demonstrate the agreed-upon objectives have been achieved.

-Continued on Next Page-

THE WAY HOME, INC.
Notes to the Financial Statements
June 30, 2019 and 2018

Note 4 – In-Kind Contributions:

A number of volunteers have donated significant amounts of their time to the Organization's administrative and program services, and as such, are valued in a manner consistent with federal guidelines and volunteer services organization rates.

Contributed professional services are recognized at fair market value if the services received require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The amounts reflected in the accompanying financial statements as contributions in-kind are offset by like amounts included in expenses. The Organization received \$42,008 and \$64,539 of goods and donated professional services for the years ending June 30, 2019 and 2018, respectively.

	June 30, <u>2019</u>	June 30, <u>2018</u>
Revenues		
In-Kind Contributions	\$ <u>42,008</u>	\$ <u>64,539</u>
Expenses		
In-Kind Services:		
Client Services	4,220	0
Management & General	37,788	64,539
Fundraising	<u>0</u>	<u>0</u>
Total	\$ <u>42,008</u>	\$ <u>64,539</u>

Note 5 – Accrued Vacation:

The Organization's policy for paid time off is to accrue vacation benefits as of the first day of employment and can be used after a 90 day probationary period. The cap on available benefits is based on the length of time in employment with the Organization and is payable to employee on termination. The liability for accrued vacation was \$16,664 and \$19,849 as of June 30, 2019 and 2018, respectively.

The Organization provides paid leave time for illness and other personal reasons, however, is not able to be bought back and therefore, is not required to accrue any liability.

-Continued on Next Page-

THE WAY HOME, INC.
Notes to the Financial Statements
June 30, 2019 and 2018

Note 6 – Loan Receivable and Allowance for Uncollectible Receivables:

The Organization utilizes the NH HSGP (Note 8), which provides guarantees for rental security deposits, therefore, the only amounts that are reflected as uncollectible would be customers whose guarantees are not underwritten by the program. As of June 30, 2019, all security deposit loan receivables were underwritten by a funder in a manner that allowed for closing of the remaining uncollectible receivables.

Note 7 – Restricted and Board Designated Net Assets:

Effective September 30, 1992, the Board of Directors of the Organization voted to segregate funds restricted by grantors for security deposit loans from the loan fund balance, with the excess designated by the board as restricted loan funds. See notes 3 and 8 regarding loans and funds restricted for guaranteed security deposits and other board restricted funds.

Note 8 – Programs:

A) Guaranteed Security Deposits

A Letter of Guarantee Program has been developed and implemented by the Organization. Pursuant to this program, the Fund guarantees that a landlord will receive the appropriate percentage of security deposit when the Program's client vacated an apartment or the full security deposit when the client has completed their loan repayment. The program requires the landlord to communicate and become more active in the deposit process. The New Hampshire Housing Security Guarantee Program (HSGP) underwrote more than 80% of the Letters of Guarantee issue by The Way Home for its Housing Assistance program. The NH HSGP provides guarantees for rental security deposits to eligible persons in accordance with New Hampshire RSA 126: A, 50.

Funds related to the State guarantee program may be drawn only upon determination of uncollectibility of a security deposit loan.

B) Specific Assistance to Individuals

Pursuant to the requirements of grantors, during 2019 and 2018, the Organization distributed \$432,751 and \$368,857, respectively, on behalf of individuals for such items as security deposits, rents, utilities, to end or prevent homelessness. Much of this assistance was in the form of grants for qualified individuals, underwritten by several different program funds, including HUD HOME Tenant Based Rental Assistance, HUD Emergency Solutions Grant, HUD Continuum of Care Permanent Supportive Housing, and NH State Grant in Aid. The remaining assistance for homeless and at-risk renters was in the form of default reimbursement for the rental assistance loans, underwritten by NH HSGP and NH HHARLF programs.

-Continued on Next Page-

THE WAY HOME, INC.
Notes to the Financial Statements
June 30, 2019 and 2018

Note 8 – Programs - continued:

C) Healthy Home Services Program

The Healthy Home Services Program is a peer educator empowerment process that guides emerging leaders from the low income community to protect children from environmental hazards in the home. Through their work, the City of Manchester was named as an EPA Child Health Champion Community and also secured HUD grants to remediate lead paint hazards. The Way Home's Healthy Home Services Program includes healthy home apartment inspections, in-home peer support with education and resources, education on lead poisoning prevention and safe pest management, education on reporting substandard housing conditions.

D) Steps to Success Supportive Services Linked to Housing Counseling & Supportive Housing Programs

Steps to Success Supportive Services is available to clients in the Organizations transitional housing, permanent housing, and general housing counseling programs and builds skills for homelessness and at-risk clients to gain access to and remain in permanent housing. The program is provided by housing counselors and advocates who help individuals to set appropriate goals and coach them on action steps to meet these goals. The program services are also used as part of the HUD Continuum of Care (CoC) funded permanent supportive housing programs; its HUD ESG & HUD CoC funded rapid re-housing programs; and for special needs clients in its general housing counseling programs.

E) Under the Bridge Program

Under the Bridge is a self-advocacy and fundraising program based on a book of stories and poems written by Manchester, New Hampshire homeless individuals and is used as a tool for training staff who work with the homeless and at-risk population and for general public information. Proceeds from the sale of the book are used for special needs of The Organization's homeless clients and the very poor clients at risk of homelessness.

F) Michaela Fund

Donations received provide assistance to the Organization's clients with basic necessities, and are managed by a staff member affiliated with the Sisters of Mercy and are committed to servicing the poor.

G) Homeless Housing and Access Revolving Loan Fund (HHARLF) Program

The HHARLF Program provides guarantees of rental security deposits and/or first month's rent to eligible persons. This is a loan program with a guarantee to the landlord that, in the event of a default, they will be reimbursed the amount of the security deposit. The client will be responsible to make monthly payments towards the security deposit and/or first month's rent to the HHARLF provider and, when the deposit is paid in full, the security deposit will be transferred to the landlord.

-Continued on Next Page-

THE WAY HOME, INC.
Notes to the Financial Statements
June 30, 2019 and 2018

Note 8 – Programs - continued:

H) HUD Certified Housing Counseling Agency Program

Applicants of the Organization's housing services meet with housing counselors approved by the U.S. Department of Housing and Urban Development (HUD) Housing Counseling Agency for education classes for homeless persons, low income renters and homeowners at-risk of foreclosure, as well as those seeking rental assistance are scheduled for a financial literacy class.

I) Permanent Supportive Housing – Your Way Program

The Permanent Supportive Housing - Your Way Program is an intensive model of housing and services designed to serve individuals with a disabling condition that contributed to long term homelessness.

Note 9 – Related Party Transactions

Currently, two Board of Director members are also clients of the Organization who receive services from the Organization. The Board of Directors is aware of the relationship and the individuals' services are monitored by an employee of the Organization.

Note 10 – Concentration of Credit Risk – Cash in Bank:

The Organization maintains a cash balance with a bank, which at times exceeds federally insured limits. Management considers this risk minimal.

Note 11 – Liquidity and Availability of Financial Assets:

The Organization's primary source of revenue is from government grants, required to be used in accordance with the purpose restrictions imposed by the grantor. Below is a summary of financial assets available within one year and free of donor restrictions.

Financial assets available within one year and free of donor restrictions:

Cash & Cash Equivalents	\$ 36,423
Grants Receivable	106,396
Pledges Receivable	342
Accounts Receivable	83,911
Total	<u>\$ 227,072</u>

-Continued on Next Page-

THE WAY HOME, INC.
Notes to the Financial Statements
June 30, 2019 and 2018

Note 12 – Subsequent Events:

Subsequent events have been evaluated thru December 10, 2019, which is the date the financial statements were available to be issued. Management has marketed the residential properties used for client services of 224 Spruce St., 14 & 26 Ferry St., 85 Laurel St., and 502 Spruce St. for sale. No purchase and sale has been received as of the date of subsequent events.

SUPPLEMENTARY INFORMATION

THE WAY HOME, INC.

**Supplementary Information - Schedule of Rental Operating Expenses - Project #90275 - 214 Spruce Street
For The Years Ended June 30,**

	<u>2019</u>	<u>2018</u>
Expenses:		
Administrative:		
Management Fee	\$ 12,956	\$ 13,072
Marketing	0	0
Audit Expense	1,000	1,000
Legal	0	0
Other Admin	82,372	57,585
Total Admin Expense:	<u>96,328</u>	<u>71,657</u>
Utilities:		
Electricity	7,753	6,845
Fuel	3,495	2,608
Water - Sewer	2,619	2,380
Other Utility Expense	1,896	1,906
Total Utility Expense:	<u>15,763</u>	<u>13,739</u>
Maintenance Expense:		
Custodial Payroll	0	0
Custodial Supplies	461	493
Maintenance Support	0	19,179
Exterminating	0	0
Trash Removal	203	92
Snow Removal	2,547	3,018
Painting & Decorating	2,641	1,382
Grounds & Landscaping	0	0
HVAC Repairs and Maintenance	0	0
Elevator Repairs & Contract	2,370	1,018
Repairs (Materials)	12,210	0
Repairs (Contract)	0	0
Other Maintenance	939	1,161
Total Maintenance Expenses:	<u>21,371</u>	<u>26,343</u>
General Expenses:		
Insurance	11,307	7,466
Uncollectible Accounts	0	0
Total General Expenses:	<u>11,307</u>	<u>7,466</u>
Total Rental Operating Expense:	\$ <u>144,769</u>	\$ <u>119,205</u>

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Supplementary Information - Schedule of Receipts & Disbursements -
Project #90275 - 214 Spruce Street
For The Years Ended June 30,

	<u>2019</u>	<u>2018</u>
Source of Funds:		
Rental Operations:		
Tenant Paid Rent	\$ 26,247	\$ 24,707
HAP Rent Subsidy	23,201	25,374
HOME Rental Assistance	24,542	30,841
Total Rental Operations:	<u>73,990</u>	<u>80,922</u>
Other Income:		
Service Income	1,003	1,069
Interest Income	1,653	897
Insurance - Loss of Business Income	0	0
Other Income - SGIA Shelter Funds	51,856	45,374
Other Income - Program Grants/Fundraising	1,000	200
Other Income - Apartment Damages & Fees	60	25
Total Other Income:	<u>55,572</u>	<u>47,565</u>
Total Rental Operations Receipts:	<u>129,562</u>	<u>128,487</u>
Disbursements:		
Administrative	96,328	71,657
Utilities	15,763	13,739
Maintenance	21,371	26,343
General	11,307	7,466
Other	0	0
Total Rental Operations Disbursements:	<u>144,769</u>	<u>119,205</u>
Cash Provided by Rental Operations before Debt Service:	(15,207)	9,282
Amortization of Mortgages	0	0
Cash Provided by Rental Operations after Debt Service:	<u>(15,207)</u>	<u>9,282</u>
Other Receipts:		
Transfer from Tenant Security Deposit Account	0	0
Ownership Advances	0	0
Transfers from Restricted Cash Reserves & Escrows	0	0
Other Disbursements or Transfers:		
Transfers to Restricted Cash Reserves & Escrows	(5,801)	(4,200)
Transfer to Tenant Security Deposit Account	0	0
Payment of Partner's Distributions	0	0
Other - Return on Equity/Owner's Fee	0	0
Net Increase or (Decrease) in Project Account Cash:	(21,008)	5,082
Project Account Cash Balance at Beginning of Year	0	0
Project Account Cash Balance at End of Year	0	0
Composition of Project Account Cash Balance at End of Year		
Petty Cash	0	0
Unrestricted Reserve (if applicable)	0	0
Total Project Account Cash at End of Year	<u>\$ (21,008)</u>	<u>\$ 5,082</u>

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Supplementary Information - Schedule of Restricted Cash Reserves and Escrows - Project #90275 - 214 Spruce Street
For The Years Ended June 30, 2019

Description of Fund:	Balance at Beginning of Year	Deposits Transfers From Operating Account	Net Interest Earned	Withdrawals Transfers To Operating Account	Balance at End of Year
<u>Restricted Accounts:</u>					
Tax Reserve	\$ 4,960	\$ 0	\$ 58	\$ 0	\$ 5,018
Insurance Reserve	2,794	5,895	67	(5,913)	2,843
Replacement Reserve	47,860	5,801	843	(12,446)	42,058
Operating Reserve	37,099	0	684	0	37,783
Other Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted Cash Reserves & Escrows	\$ <u>92,713</u>	\$ <u>11,696</u>	\$ <u>1,652</u>	\$ <u>(18,359)</u>	\$ <u>87,702</u>

THE WAY HOME, INC.
Supplementary Information - Schedule of Surplus Cash Calculation -
Project #90275 - 214 Spruce Street
For The Years Ended June 30, 2019

Net Income/(Loss)	\$ (15,207)
Add Depreciation & amortization	17,498
Deduct Required Principal Payments	0
Deduct Required Payments to Replacement Reserve	(5,801)
Deduct Interest Income on Restricted Cash Reserves & Escrows	(1,653)
Add/Deduct any NHHFA Approved Items (Detailed list required)	0
Add Distribution from Reserves	<u>0</u>
Surplus Cash	\$ <u><u>(5,163)</u></u>
Distribution of surplus cash:	
Owner's Distribution	\$ <u><u>0</u></u>

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Supplementary Information - Year to Date Compilation of Owner's Fee/Distributions -
Project #90275 - 214 Spruce Street
For The Years Ended June 30, 2019

Fiscal Year Ending	Maximum Allowable Distribution 4% of Gross Receipts	Distribution Received	Balance
6/30/2002	504	0	504
6/30/2003	4,187	0	4,691
6/30/2004	4,838	0	9,529
6/30/2005	4,910	0	14,439
6/30/2006	4,983	0	19,422
6/30/2007	5,147	0	24,569
6/30/2008	4,743	0	29,313
6/30/2009	3,840	0	33,152
6/30/2010	3,428	0	36,580
6/30/2011	4,852	0	41,432
6/30/2012	4,209	0	45,641
6/30/2013	3,858	0	49,499
6/30/2014	3,393	0	52,892
6/30/2015	2,967	0	55,858
6/30/2016	4,145	0	60,003
6/30/2017	5,106	0	65,109
6/30/2018	5,139	0	70,248
6/30/2019	5,182	0	75,430

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Supplementary Information - Schedule of Rental Operating Expenses - Project #90472 - Ferry Street
For The Years Ended June 30,

	<u>2019</u>	<u>2018</u>
Expenses:		
Administrative:		
Management Fee	\$ 10,587	\$ 9,856
Marketing	0	0
Audit Expense	1,000	500
Legal	0	0
Other Admin	5,117	11,937
Total Admin Expense:	<u>16,704</u>	<u>22,293</u>
Utilities:		
Electricity	3,220	3,841
Fuel	6,523	5,266
Water - Sewer	4,705	4,530
Other Utility Expense	5,294	0
Total Utility Expense:	<u>19,742</u>	<u>13,637</u>
Maintenance Expense:		
Custodial Payroll	15,196	0
Custodial Supplies	0	8
Maintenance Support	17,640	30,761
Exterminating	0	0
Trash Removal	1,672	1,854
Snow Removal	5,645	7,275
Painting & Decorating	13	1,199
Grounds & Landscaping	66	400
HVAC Repairs and Maintenance	0	0
Elevator Repairs & Contract	0	0
Repairs (Materials)	6,959	0
Repairs (Contract)	0	0
Other Maintenance	3,066	1,415
Total Maintenance Expenses:	<u>50,257</u>	<u>42,912</u>
General Expenses:		
Insurance	4,005	6,097
Real Estate Taxes	2,300	5,300
Uncollectible Account	1,550	2,350
Mortgage Interest Payments	2,762	2,267
Total General Expenses:	<u>10,617</u>	<u>16,014</u>
Total Rental Operating Expense:	<u>\$ 97,320</u>	<u>\$ 94,856</u>

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Supplementary Information - Schedule of Receipts & Disbursements -
Project #90472 - Ferry Street
For The Years Ended June 30,

	<u>2019</u>	<u>2018</u>
Source of Funds:		
Rental Operations:		
Tenant Paid Rent	40,546	62,325
HAP Rent Subsidy	63,336	36,382
HOME Rental Assistance	0	0
Total Rental Operations:	<u>103,882</u>	<u>98,707</u>
Other Income:		
Service Income	1,014	1,275
Interest Income	982	494
Insurance - Loss of Business Income	0	0
Other Income - SGIA Shelter Funds	0	0
Other Income - Program Grants/Fundraising	0	0
Other Income - Apartment Damages & Fees	0	639
Total Other Income:	<u>1,996</u>	<u>2,408</u>
Total Rental Operations Receipts:	<u>105,878</u>	<u>101,115</u>
Disbursements:		
Administrative	16,704	22,293
Utilities	19,742	13,637
Maintenance	50,257	42,912
General	10,617	16,014
Other	0	0
Total Rental Operations Disbursements:	<u>97,320</u>	<u>94,856</u>
Cash Provided by Rental Operations before Debt Service:	8,558	6,259
Amortization of Mortgages	<u>0</u>	<u>0</u>
Cash Provided by Rental Operations after Debt Service:	8,558	6,259
Other Receipts:		
Transfer from Tenant Security Deposit Account	0	0
Ownership Advances	0	0
Transfers from Restricted Cash Reserves & Escrows	0	0
Other Disbursements or Transfers:		
Transfers to Restricted Cash Reserves & Escrows	(8,400)	(7,200)
Transfer to Tenant Security Deposit Account	0	0
Payment of Partner's Distributions	0	0
Other - Mortgage Principal Payments	<u>(5,092)</u>	<u>(4,983)</u>
Net Increase or (Decrease) in Project Account Cash:	(4,934)	(5,924)
Project Account Cash Balance at Beginning of Year	<u>(94,654)</u>	<u>(88,730)</u>
Project Account Cash Balance at End of Year	<u>\$ (99,588)</u>	<u>\$ (94,654)</u>
Composition of Project Account Cash Balance at End of Year		
Petty Cash	0	0
Unrestricted Reserve (if applicable)	0	0
Total Project Account Cash at End of Year	0	0

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Supplementary Information - Schedule of Restricted Cash Reserves and Escrows - Project #90472 - Ferry Street
For The Years Ended June 30, 2019

Description of Fund:	Balance at Beginning of Year	Deposits: Transfers From Operating Account	Net Interest Earned	Withdrawals Transfers To Operating Account	Balance at End of Year
<u>Restricted Accounts:</u>					
Tax Reserve	\$ 5,307	\$ 5,558	\$ 118	\$ (5,300)	\$ 5,683
Insurance Reserve	2,239	9,296	97	(3,051)	8,581
Replacement Reserve	43,519	8,400	760	(19,860)	32,819
Operating Reserve	289	0	7	0	296
Other Reserve	<u>17</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17</u>
Total Restricted Cash Reserves & Escrows	\$ <u>51,371</u>	\$ <u>23,254</u>	\$ <u>982</u>	\$ <u>(28,211)</u>	\$ <u>47,396</u>

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Supplementary Information - Schedule of Surplus Cash Calculation -
Project #90472 - Ferry Street
For The Years Ended June 30, 2019

Net Income/(Loss)	\$ 8,558
Add Depreciation & Amortization	10,111
Deduct Required Principal Payments	(5,092)
Deduct Required Payments to Replacement Reserve	(8,400)
Deduct Interest Income on Restricted Cash Reserves & Escrows	(982)
Add/Deduct any NHHFA Approved Items (Detailed list required)	0
Add Distribution from Reserves	<u>0</u>
Surplus Cash	\$ <u><u>4,195</u></u>
Distribution of surplus cash:	
Owner's Distribution	\$ <u><u>0</u></u>

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Supplementary Information - Year to Date Compilation of Owner's Fee/Distributions -
Project #90472 - Ferry Street
For The Years Ended June 30, 2019

Fiscal Year Ending	Maximum Allowable Distribution 4% of Gross Receipts	Distribution Received	Balance
6/30/2009	2,205	0	2,205
6/30/2010	2,844	0	5,049
6/30/2011	3,513	0	8,561
6/30/2012	3,436	0	11,998
6/30/2013	3,471	0	15,468
6/30/2014	3,560	0	19,028
6/30/2015	3,401	0	22,430
6/30/2016	4,022	(3,172)	23,279
6/30/2017	3,974	0	27,253
6/30/2018	4,045	0	31,298
6/30/2019	4,235	0	35,533

See Notes and Independent Auditor's Report

THE WAY HOME, INC.

**Supplementary Information - Schedule of Rental Operating Expenses - Project #90538 - 224 Spruce Street
For The Years Ended June 30,**

	<u>2019</u>	<u>2018</u>
Expenses:		
Administrative:		
Management Fee	\$ 2,100	\$ 4,112
Marketing	0	0
Audit Expense	500	500
Legal	0	0
Other Admin	5,117	6,018
Total Admin Expense:	<u>7,717</u>	<u>10,630</u>
Utilities:		
Electricity	2,596	2,974
Fuel	2,488	3,071
Water - Sewer	2,343	3,865
Other Utility Expense	25	0
Total Utility Expense:	<u>7,452</u>	<u>9,910</u>
Maintenance Expense:		
Custodial Payroll	0	0
Custodial Supplies	0	0
Maintenance Support	8,962	12,618
Exterminating	0	0
Trash Removal	0	0
Snow Removal	1,775	2,670
Painting & Decorating	0	31
Grounds & Landscaping	0	0
HVAC Repairs and Maintenance	0	0
Elevator Repairs & Contract	0	0
Repairs (Materials)	0	0
Repairs (Contract)	16,011	1052
Other Maintenance	1,518	1,089
Total Maintenance Expenses:	<u>28,266</u>	<u>17,460</u>
General Expenses:		
Insurance	3,958	4,666
Real Estate Taxes	4,018	3,966
Uncollectible Accounts	0	0
Mortgage Interest Payments	0	0
Total General Expenses:	<u>7,976</u>	<u>8,632</u>
Total Rental Operating Expense:	\$ <u>51,411</u>	\$ <u>46,632</u>

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Supplementary Information - Schedule of Receipts & Disbursements -
Project #90538 - 224 Spruce Street
For The Years Ended June 30,

	<u>2019</u>	<u>2018</u>
Source of Funds:		
Rental Operations:		
Tenant Paid Rent	\$ 27,100	\$ 22,650
HAP Rent Subsidy	18,959	10,678
HOME Rental Assistance	0	8,681
Total Rental Operations:	<u>46,059</u>	<u>42,009</u>
Other Income:		
Service Income	0	0
Interest Income	172	164
Commercial Income	0	0
Other Income - SGIA Shelter Funds	0	6,482
Other Income - Program Grants/Fundraising	0	0
Other Income - Apartment Damages & Fees	0	0
Total Other Income:	<u>172</u>	<u>6,646</u>
Total Rental Operations Receipts:	<u>46,231</u>	<u>48,655</u>
Disbursements:		
Administrative	7,717	10,630
Utilities	7,452	9,910
Maintenance	28,266	17,460
General	7,976	8,632
Other	0	0
Total Rental Operations Disbursements:	<u>51,411</u>	<u>46,632</u>
Cash Provided by Rental Operations before Debt Service:	(5,180)	2,023
Amortization of Mortgages	0	0
Cash Provided by Rental Operations after Debt Service:	(5,180)	2,023
Other Receipts:		
Transfer from Tenant Security Deposit Account	0	0
Ownership Advances	0	0
Transfers from Restricted Cash Reserves & Escrows	0	0
Other Disbursements or Transfers:		
Transfers to Restricted Cash Reserves & Escrows	(1,750)	(1,008)
Transfer to Tenant Security Deposit Account	0	0
Payment of Partner's Distributions	0	0
Other - Return on Equity/Owner's Fee	0	0
Net Increase or (Decrease) in Project Account Cash:	(6,930)	1,015
Project Account Cash Balance at Beginning of Year	(1,732)	(2,747)
Project Account Cash Balance at End of Year	<u>\$ (8,662)</u>	<u>\$ (1,732)</u>
Composition of Project Account Cash Balance at End of Year		
Petty Cash	0	0
Unrestricted Reserve (if applicable)	0	0
Total Project Account Cash at End of Year	<u>\$ 0</u>	<u>\$ 0</u>

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Supplementary Information - Schedule of Restricted Cash Reserves and Escrows - Project #90538 - 224 Spruce Street
For The Years Ended June 30, 2019

Description of Fund:	Balance at Beginning of Year	Deposits: Transfers From Operating Account	Net Interest Earned	Withdrawals Transfers To Operating Account	Balance at End of Year
<u>Restricted Accounts:</u>					
Tax Reserve	\$ 1,767	\$ 4,597	\$ 46	\$ (4,232)	\$ 2,178
Insurance Reserve	1,667	5,810	45	(4,229)	3,293
Replacement Reserve	4,212	1,750	78	(125)	5,915
Operating Reserve	135	0	3	0	138
Other Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Restricted Cash Reserves & Escrows	\$ <u>7,781</u>	\$ <u>12,157</u>	\$ <u>172</u>	\$ <u>(8,586)</u>	\$ <u>11,524</u>

THE WAY HOME, INC.
Supplementary Information - Schedule of Surplus Cash Calculation -
Project #90538 - 224 Spruce Street
For The Years Ended June 30, 2019

Net Income/(Loss)	\$ (5,180)
Add Depreciation & amortization	12,296
Deduct Required Principal Payments	0
Deduct Required Payments to Replacement Reserve	(1,750)
Deduct Interest Income on Restricted Cash Reserves & Escrows	(172)
Add/Deduct any NHHFA Approved Items (Detailed list required)	0
Add Distribution from Reserves	<u>0</u>
Surplus Cash	\$ <u><u>5,194</u></u>
Distribution of surplus cash:	
Owner's Distribution	\$ <u><u>0</u></u>

See Notes and Independent Auditor's Report

THE WAY HOME, INC.
Supplementary Information - Year to Date Compilation of Owner's Fee/Distributions -
Project #90538 - 224 Spruce Street
For The Years Ended June 30, 2019

Fiscal Year Ending	Maximum Allowable Distribution 4% of Gross Receipts	Distribution Received	Balance
6/30/2011	1,019	0	1,019
6/30/2012	1,576	0	2,595
6/30/2013	1,681	0	4,275
6/30/2014	1,565	0	5,841
6/30/2015	1,606	0	7,447
6/30/2016	1,577	0	9,024
6/30/2017	1,518	0	10,542
6/30/2018	1,946	0	12,488
6/30/2019	1,849	0	14,337

The Way Home Board of Trustees – as of June 19, 2020

Rick Blais – Board President

Primerica Advisors – Senior Vice President

Sara Beaudry – Board Vice President

Intown Manchester – Executive Director

Melissa Magoon – Board Treasurer

BerryDunn- Tax Manager

Anne Ketterer – Board Secretary

Lavallee Brensinger Architects – Project Manager– *Architect*

Ron Sayres – Board Member At-Large

SKY Counseling Services LLC – MS, MLADC

Jim Foster – Board Member

Bank of America – Senior Vice President New Hampshire, Market Manager

Kari-Lynn Knight – Board Member

Housing & Homeless Advocate

Robert Previti – Board Member

Stebbins, Lazos & Van Der Beken, P.A- Attorney:

Courtney Creighton – Board Member

St. Mary's Bank – Collections Supervisor

Cindy M. Bringhurst

COMPETENCIES:

- 10 years experience as a Manager: providing oversight and responsible for programs that include staff, volunteers and clients/consumers.
- 20+ years experience of advocacy and community networking support.
- Solid computer skills: Microsoft Office, Access/database management, Publisher, PowerPoint
- Bachelors of Science in Business Information Systems and Master in Business Administration.

EMPLOYMENT:

The Way Home Manchester, NH

7/16-Present

The Way Home is and agency that has various programs available to assist individuals and families that are either "at risk" of homelessness, or who are homeless.

Supportive Services Manager/ Housing Counselor

Responsible for the oversight, program planning and case management component of The Way Home's Transitional and Supportive Housing Programs. Additionally, provide Housing Counseling through The Way Home's Housing Resource Center, which evaluates the supports needed for the individuals and families that we serve to reach housing stability. Once this assessment is completed, recommendations for programs that we offer and referrals are made to assist those seeking out our services. Housing search is facilitated by actions to build positive landlord relationships.

Gateways Community Services Nashua, NH

5/14-6/16

Gateways Community Services provides support for individuals with disabilities and their families who reside in region VI, the Nashua area.

Independent Contractor

Provide a home to a young woman with Autism. I am responsible for the advocacy for her day and residential programming, budgetary aspects and timely paperwork relative to goals and progress. In addition, I serve as her guardian and am responsible for the recruitment and oversight of Family Support Staff, day and residential programs.

Independent Services Network Manchester, NH

Independent Services Network is a statewide organization that offers a variety of programs that focus on the integration of individuals with disabilities within the community. They have various programs that aid in the implementation of this

philosophy: Residential, Day and an Art Program.

Independent Contractor

1993-2014

Earned "Excellence in Service" award from Area Agency Region VI in 1999.
Earned "Award of Excellence" from Independent Services Network in 1996.
Provide a home for an individual with Autism for 20 years; served as an advocate, and am responsible for the successful implementation of residential goals.

Residential Manager

6/06-2010

My responsibilities were inclusive of the oversight of programs for individuals that reside in regions IV and VI. For every one of these programs, it was important to monitor the goals/objectives, needs, and it was also the expectation that this be done with strict adherence to state regulations. Furthermore, I fully participated in the RFP process, which encompasses the review of confidential information, consultation with interested parties, writing/submission of the proposal and the timely creation of a budget based on the needs of the program to the respective agency. Additionally, I maintained a database, which I created to track valuable information and contacts with all of the interested parties.

EDUCATION:

Rivier University

Nashua, New Hampshire

B.S. Business Information Systems

5/05 Graduate

M.A. of Business Administration

1/09 Graduate

- Undergrad and Graduate degrees integrated Spanish language and literature classes.

OTHER:

- Semi-fluent in Spanish, able to speak, read and write in this language.

Christella Ishimwe

Summary of Skills

Customer Service Skills

- Patient with staff and clients requests
- Outgoing and friendly with costumers
- Provided alternatives and suggestions
- Ability to use positive reinforcements
- Focused and observant to changes in environment

Communication Skills

- Skilled in speaking 6 different languages
- Listened to customer's requests and desires
- Maintained relationships internally and externally
- Proficient at persuading clients to try new products
- Followed tasks accordingly until completion

Computer Skills

- Proficient typing and transcription
- Computer and technical Skills (software knowledge)
- Organization and time management abilities
- Accuracy and attention to specific details
- Nitro PDF Pro
- Webserver data entry

Organization Skills

- Maintained a clean and sanitary environment abilities
- Followed safety procedures and protocols
- Created and kept deadlines
- Capable of multitasking
- Organized inventory and recorded daily tasks
- Facilitate time management

Work & Volunteer Experience

The Language Bank	Data Clerk	Manchester, NH	2019
Bishop O'Neal Preschool	Food Drive Helper	Manchester, NH	2018
Alene Candles	Machine Operator	Milford NH	2018
Freed's Bakery	Machine Operator	Manchester NH	2016-2017
Hannaford	Cashier/Customer Services	Bedford NH	2014-2015

Education & Certification

Rochester Community Education	High School Diplomat	2019
National Career Readiness Certification	Manchester NH,	2019

Christina Sleeper

EXPERIENCE:

The Way Home: Manchester, New Hampshire 2014 – Current

Housing Advocate – Housing Relocation & Stabilization

- Assist with Housing Info & Referral with homeless and at-risk clients
- Assist with housing search & navigation of housing stabilization resources
- Apartment Inspections for health & safety and for security deposit programs
- Peer education for families with asthma, lead paint, lice, and other household pests
- Case Management (Step to Success Coaching) toward Housing Stabilization
- Filing, Input Data, Some Project Reports

The Way Home: Manchester, New Hampshire 1998 - Current

Peer Educator

- Public advocate for the Healthy Homes program at The Way Home
- Outreach & education on in-home hazards, focus on asthma-triggers, childhood lead poisoning prevention, reduce costs & hazards in head lice management
- Liaison with multiple housing counselors, CAP programs, social services, child advocate, for various school nurses, teachers, and parents, for environmental health issues
- Supervised peer educators and volunteers

The Way Home: Manchester, New Hampshire

Healthy Home and Housing Services Program Support - as needed 1998- Current

- Prioritize and schedule maintenance needs for all residential units and staff offices
- Coordinate maintenance staff, volunteers, and outside vendor needs
- Cleaning of office and common areas within buildings
- Oversee family donation center and deliveries
- Coordinated Toys for Tots program for clients of The Way Home

TRAINING & CERTIFICATIONS:

Notary Public for The State Of New Hampshire	2018 - ongoing
Mis-Lead Americas' Secret Epidemic	2018
Green Clean and Healthy Effective Cleaning Webinar Training	2018
Visual Lead Hazard Assessment	2018
Healthy Homes Conference	2018
NH Pediatric Medical Education	2017
Data to Drive by in funding to reduce Asthma Triggers Webinar Training	2017
New Hampshire Healthy Home Conference	2017
EPA Environments Guidance for Clinicals and Public Health Professionals	2017
New Hampshire Conference on Homelessness	2016 -2017
Healthy Home Specialist Training	2015
EPA/HUD RRP Certified Renovator	2015
Mental Health First Aid Training	2015
HORDING AND Cluttering Prevention Intervention Training	2015
Crisis Interviewing Training	2015
Motivational Interviewing Training	2015
American Lung Association / Breathe NH Workshops	1998 - ongoing
Manchester Health Department Lead Poisoning Prevention Training	1998 - ongoing
Manchester Health Department Family Support for Head Lice Intervention	1998 - ongoing
NH State Lead Dust Wipe Sampling Technicians License	1998
& Lead Renovator Course	

Lea J. Key

Employment History

The Way Home 2000 - Present

- **Housing Counselor** - with special attention to homeless prevention practical and effective combination of advocacy; self-empowerment and understanding of reasonable modifications to create avenues of success
- < **Assistant Security Deposit Project Manager** Assists record keeping for the Housing Security Guarantee (HSGP) Program and the NH Homeless and Housing Assistance Revolving Loan Fund (HHARLF) Program
- < **Special Needs Advocate** - working with the disabled , resources

Salvation Army 1998 - 2000

Cook for Kid's Café Program

Veteran's Administration, Manchester 1986 - 1996

Certified Nurses Assistant,

Kokua Nurses, Honolulu, Hawaii 1980 - 1982

Certified Nurses Assistant ,

Training

1998-2018

PIC- Parent advocate training

Peer Educator, Minority Health Coalition, Manchester N.H.

The Way Home AmeriCorps* Housing Advocacy Project

Practical experience with court advocacy regarding evictions

Home visits for special needs clients

Steps to Success Coach for 20 families with diverse needs

Nat'l Summit on Homelessness training in Wash, DC - 2002 and 2006

NH Homeless Providers Conference (3 years)

N.H. Homeless Providers Conference , North Conway , NH (3 years)

N.H. Legal Assistance - Housing and Court Advocacy (eviction process)

HUD Grant Writing-February 2004

HUD McKinney Technical Assistance Workshop-2003 Evaluation Training - 2005

Member-Manchester Continuum of Care- 2003-Present

Member of Advisory Board for Re-Entry Program - New Hampshire State Prison 2005 - 2009

Education:

Bachelor of Science - Springfield College of Human Service

CNA License

References on Request

Updated 3/2019

Lindsey Lussier

(603) 761-1440 / lindsey.lussier@unh.edu

EDUCATION

University of New Hampshire, Durham, NH

May 2019

Master of Social Work

- NASW Master of Social Work 2019 Student of the Year
- Summa cum laude
- Master student representative on the Social Work Diversity Committee

University of New Hampshire, Durham, NH

May 2017

Dual major Bachelor of Science, Social Work; Bachelor of Arts, Women's Studies
Minor in Social Justice Leadership

PROJECTS

Development of an Undergraduate Course, Durham, NH

March 2019

Graduate Assistant

- Researched Critical Race Theory and gathered articles and videos related to the topic
- Developed coursework, assignments, and a syllabus

RELATED EXPERIENCE

Bernie 2020, Manchester, NH

November 2019 - February 2020

New Hampshire Regional Field Director

- Managed a team of eight (8) field organizers and fifteen (15) student volunteers
- Trained and ensured that organizers perform their essential job duties
- Gathered report findings on organizers, numbers, and the Greater Manchester region as a whole for strategic planning as a team and with upper management
- Won the most important region that led Sanders to win the New Hampshire primary

Bernie 2020, South West, NH

July - November 2019

New Hampshire Field Organizer

- Identified, recruited, and trained volunteers who signed up for events a total of 161 times
- Organized and participated in canvassing for a total of 3,787 doors attempted and 542 door IDs
- Developed teams of volunteers and supported volunteer leaders
- Utilized VoteBuilder and Mobilize and create documents and spreadsheets

Manchester Family Justice Center, Manchester, NH

June 2018- May 2019

MSW Intern

- Completed intakes, assessments, case management, and confidential documentation with survivors of violence
- Collaborated and networked with other agencies and organizations to improve service delivery for clients
- Performed agency evaluations to increase social effectiveness
- Submitted grant proposals

University of New Hampshire, Durham, NH

June 2018- May 2019

Graduate Assistant

- Assisted a faculty member with research tasks
- Found relative research articles, information, and best practices
- Managed quantitative and qualitative data entry and analysis
- Created PowerPoints, Word Documents, and Excel spreadsheets

Families in Transition (FIT)- Family Willows & Family Shelter, Manchester, NH
May 2018

June 2017-

Program Aide

- Completed intakes, assessments, and documentation with families
- Provided crisis interventions for families
- Conducted activities with participants
- Conducted program interviews for prospective clients
- Managed electronic health record project

Families in Transition- Family Place, Homeless Shelter, Manchester, NH
May 2017

September 2016-

Family Place BSSW Intern

- Completed intakes, assessments, and documentation with families
- Provided case management services for three families at a time
- Recorded shelter inquiries and conducted program interviews for prospective clients
- Facilitated bi-weekly building meetings

ADDITIONAL EXPERIENCE

J&F Farms Inc., Derry, NH
Farm Stand Attendant & Cashier

May 2012- September 2018

Mary Sliney

RESUME

The Way Home, Inc, Manchester, NH

- 7/2019-Present Chief Operating Officer - Programs
1989 - 2019 Executive Director / Special Project Manager
1995 - 2002 Housing Services and Healthy Home Services Project Manager
1988 - 1996 Security Deposit Loan Fund Manager
- SKILLS:** Organizational Management & Accounting
budget & financial reports preparation
program development & grant writing, public relations
business procedures development
Staffing Team Development
supervising staff & volunteers
training staff & volunteers
Community Advocacy
identifying and convening stakeholders
facilitating group process and problem-solving forums
issue oriented strategic planning, empowerment training
- 1987 - 1990 Leadership Development - Women in Search of Hope, (WISH) Manchester, NH
- SKILLS:** program planning
group process facilitation
communication and negotiation
conflict resolution
designing & implementing empowerment programs
- 1977 - 1987 Community Organizer - WISH and Public Housing Project, Manchester, NH
- SKILLS:** listening to needs and issues, identifying potential leaders
building participation, designing strategies, action plans
educating, problem solving
- Other Experience:** Manchester Homeless CoC Leadership – 2001-Present
Developed 4 properties for Family Special Needs Housing, 2002 - 2013
Member, Manch. 10 Yr Plan to End Homelessness Steering Com 2008-2015
Member, NH Healthy Home Steering Committee 2009-present
Member, Manchester Healthy Housing committees; 1998-present
Childhood Lead Poisoning Stakeholder's Group, 2014-present
Member, NH Lead Collaborative, 2007- 2016
Member, Gov's Inter-Agency Council Ending Homelessness, 2003-2012
Member, NH Asthma Project Steering Committee, 2003-2012
Graduate of Leadership NH; 2002 Class
Executive Committee, NH Coalition to End Homelessness, 2000-2006
Graduate, Manchester Chamber of Commerce 1998 Leadership Class
Chair, Manchester Area Homeless Continuum of Care; 1995-2000
Chairperson, Low Income Housing Network of Gtr Manch.; 1988-1998
Internship - Regional Self-reliance; 1981-83
Social Justice Educator - NH Sisters of Mercy; 1977-81
- Education:** MST, Environmental Education, Antioch New England, Keene, NH, 1983
BA, Mt. St. Mary College, Hooksett, NH, 1971

Mari E. DeBlois

The Way Home

Education

Bachelor of Science Degree in Consumer Studies

Minor in Merchandising

University of New Hampshire, Durham, NH, May 1983

Certifications

- 05/93-02/09 **Certified Consumer Credit Counselor** by National Foundation for Consumer Credit
- 05/05- Present **Certified Housing Counselor** by National Foundation for Consumer Credit
- 03/09- Present **Certified Foreclosure Intervention and Default Counseling** by NCHEC
- 09/09- Present **Certified Post- Purchase Homeownership Education** by NCHEC
- 11/10- Present **Certified Housing Counseling** by NCHEC
- 08/11-Present **Certified Pre-Purchase Homeownership Education** by NCHEC
- 02/13-Present **Certified Homeownership Counseling for Program Managers and Executive Directors** by NCHEC
- 08/14-Present **Certified in Financial Capability** by NCHEC

Trainings: Certificate of Completion

- NCHEC - Beginning to Intermediate Foreclosure Prevention, June 2006
- Home Equity Conversion Mortgages, May 2006
- Foreclosure Intervention and Default Counseling Certification Part 1, August 2008
- Advanced Foreclosure; Case Study Practicum, February 2009
- Developing and Implementing an Effective Foreclosure Program, February 2009
- Post-Purchased Education Methods, August 2009
- Home Equity Conversion Mortgages Advanced Level Training, December 2009
- Home Equity Conversion Mortgages, December 2009
- Developing Effective Loss Mitigation Negotiation and Sales Skills, December 2009
- Reverse Mortgage Counseling: Case Study Practicum, March 2010
- Introduction to HUD's HECM Counseling Program Procedures and Roster, March 2010
- Effective Group and Telephone Foreclosure Counseling Specialist, March 2010
- Homeownership Counseling Certification: Principles, practices and Techniques Part I, November 2010
- Homebuyer Education Methods: Training the Trainer, August 2011
- Delivering Effective Financial Education for Today's Consumer, December 2011
- Financial Coaching: Helping Clients Reach Their Goals, December 2011
- Credit Counseling for Maximum Results, September 2012, August 2017
- Transitioning Consumers, September 2012
- Making Home Affordable, December 2012, Sept 2013
- Lending Basics for Homeownership Counselors, December 2012, May 2014
- Homeownership Counseling Certification for Program Managers and Executive Directors February 2013

- Enhancing the Effectiveness of a Foreclosure Intervention Counseling Program, September 2013
- Navigating Mortgage Practices, Terms and Disclosure Forms with Today's Borrower, September 2013, May 2018
- Advance Reporting and Customization for CounselorMax, December 2013, August 2018, December 2018
- Client Management and Tracking with CounselorMax, December 2013, August 2018, December 2018
- Compliance with State and Federal Regulations, May 2014
- Developing Your Leadership Potential, August 2014
- Program Compliance and Reporting for HUD-Approved Counseling Agencies, August 2014
- Building Skills for Financial Confidence, August 2014
- FHA-Insured Loans: An Affordable Mortgage Option, May 2015
- Loan Servicing and Collections, May
- Maximizing Client Workflow for Greater Business Results, August 2015
- Fair Housing-What Professionals Need to Know, 2015
- Ready, Set, Prep: Tackling the HUD Counselor Exam Step by Step, August 2015
- Homeownership Counseling Certification: Principles, Practices and Techniques, Part 1, January 2016
- Introduction to Housing Counseling, May 2016
- Foreclosure Basics for Homeownership Counselors, May 2016
- Senior Services for Housing Counselors, August 2016
- Counseling Clients Seeking Rental Housing, August 2016
- Effective Approaches to Student Loan Counseling, August 2016
- Financial Capability Program Design for Managers, February 2017
- Financial Coaching Advance Practicum: Taking your Practice to the Next Level February 2017

Certificate of Achievement

- Alternatives to Foreclosure for Housing Counselors, Freddie Mac, June 2007
- HUD Approved Lead Safe Renovation Training Program, State of New Hampshire Dept. of Health and Human Services, March 2008

Pre-Licensing Education Certificate

- 20 Hour SAFE Comprehensive Mortgage Loan Originator: Mortgage Lending Principles & Practices, MBBA of NH, May 2010

Employment

07/05- Present ***HUD Housing Counseling Specialist, The Way Home, Manchester NH***

- Works with homeowners to prevent mortgage default
- Worked NHHFA to for HomeHelpNH.org for homeowners to prevent foreclosure in NH
- Works with homeless, low income rental clients to secure safe and affordable housing
- Trains all housing counselors on Fannie Mae HCO, CounselorMax and administrates the systems

- Helps to maintain housing by analyzing housing needs: works with clients in and obtaining Public Housing and Section 8 Program
- Works with clients on budgeting, credit problems and developing an action plan
- Assists clients with rental and mortgage delinquencies to prevent eviction or foreclosure
- Educates transitional housing program clients on credit management, budgeting, banking, savings, ID theft, predatory lending and Fair Housing
- Assists in some grant writings
- Prepares HUD 9902 and logic model reports
- Interviews clients applying for security deposits loans to help secure affordable housing
- Inspects apartments for damages/safety in meeting Manchester housing codes
- Assists in fundraising activities for the agency and marketing events
- Presents at NeighborWorks of Greater Manchester for first time home buyer seminars
- Member of the safety committee

05/88- 07/05. *Certified Housing Counselor and Certified Credit Counselor, Consumer Credit Counseling Service of NH & VT, Concord NH*

- Interviewed clients with housing issues, budget problems, and credit problems
- Motivated clients to make needed changes for financial improvement
- Evaluated the client financial status and guided clients through the decision-making process
- Make proper referral to employment agencies, government agencies and other valued sources
- Provided clients with a Debt Management Program and an action plan to correct immediate problems
- Responsible for marketing to social agencies, creditors, and employers
- Responsible for education presentations to keep the community informed about budgeting, wise use of credit and housing issues
- Provided counseling for clients by face-to-face, phone, and online sessions
- Quality Assurance Team leader for three years insuring high quality of service provided by the agency to clients, community, and employees

Interests

05/93- Present Co- President, The Women's Club of The Parish of The Transfiguration
 10/96- 05/18 Religious Education Teacher, Parish of The Transfiguration
 03/07- 12/11 Secretary, Manchester Accessible Housing Initiative
 06/95- 07/99 Patients Advisory Board, Dartmouth- Hitchcock Clinic

Rossana Goding

SUMMARY

Detail-oriented finance and accounting professional. Proven success effectively communicating, managing payroll, analyzing financial data, budget allocations, and ensuring compliance with State, Federal and accounting practices.

HIGHLIGHTS

- | | |
|---------------------------|-----------------------|
| • Grants Management | • Journal Entries |
| • Accounts Payable | • Payroll |
| • Variance Resolution | • Financial Reporting |
| • Account Reconciliations | • Account Analysis |
| • Month End Preparation | • GAAP |

PROFESSIONAL EXPERIENCE

Staff Accountant, Families in Transition

5/2019-1/2020

- Grants Management; 15 State and Federally funded awards totaling approximately 2.2 million dollars.
- Develop and enhance various accounting reports as required.
- Tracked and monitored financial activities of grant funded programs to ensure compliance with State and Federal regulations
- Prepared monthly reports for grantors for reimbursement of program expenses; reconciled total expenses.
- Communicated with contract officers in resolving budgeting and compliance issues.
- Journal entries, cash receipts, and adjusting journal entries.
- Executed bi-weekly payroll cycle for 175+ exempt and nonexempt employees using Paylocity.
- Ensured that all employee timesheets were approved by supervisors in a timely fashion, and that timesheet data was processed accurately, including calculation of shift differentials and overtime pay.
- Input and maintain all employee payroll information including Federal, State and local tax changes, W-4's, direct deposits, child support orders/garnishments and other miscellaneous custom fields.
- Provide prompt, courteous, and efficient customer service to employees who had questions regarding their pay, deductions, or the payroll process.
- Payroll journal entries.
- Accurate and timely processing of up to 250 invoices per month using Sage Intacct for multi-site organization.
- Ensured that all invoices were paid according to cash discount potential and beneficial payment terms.
- Monthly vendor reconciliations.
- Prepared and issued vendor payments.
- Credit Card reconciliations, 5; journal entries.
- Resolved months of backlogged work, restored order and organization to processes/records in disarray, researched and solved billing problems.
- Communicated with management and vendors on payments, invoice errors, and any account questions.
- Provided year-end audit support.

Accounting Associate, Turbocam Automated Production Systems (6-month assignment)

6/2018-12/2018

- Timely processing of approximately 400 vendor invoices per month in Epicor.
- Ensured that all invoices were paid according to cash discount potential and beneficial payment terms.
- Maintained vendor database, in accordance with company policies.
- Reconciled accounts payable with monthly supplier statements; ensured accuracy for entry into the general ledger.
- Reconciled 2 credit cards with the accounts payable module with focus on accuracy and prevention of risk.
- Communicated with management and vendors on payments, invoice errors, and account questions.
- Prepared and issued vendor payments.

Financial Analyst, The Mental Health Center of Greater Manchester

5/2018-8/2018

(Extension of Catholic Medical Center's IDN Initiative, 3-month assignment, transferred to their payroll)

- Financial management and budgeting support through the analysis of accounting reports related to the Region 4's Federally funded 1115 Demonstration Waiver.
- Researched and reconciled expenses to authorize reimbursement and ensure fiscal compliance with OMB circulars.
- Staff development & training.

Catholic Medical Center

Financial Analyst, Community Benefits

12/2009-present

1/2020-present

3/2019-5/2019

1/2015-11/2017

- Financial reporting, account reconciliations and auditing support of grant funded programs within CMC Community Health and Mission Department.
- Provided education and training support to ensure adequate staffing needs within Community Health Services.
- Developed Catholic Medical Center's Community Benefit Report through the collection and analysis of quantitative and qualitative data; effectively communicated findings to CMC Leadership.

Financial Analyst (IDN Initiative)

11/2017-5/2017

- Financial reporting, auditing support and financial management of \$30 million budget for the Region 4 Federally funded 1115 Demonstration Waiver consisting of 43 community-based agencies.
- Worked with Risk in the development and implementation of contracts with all agencies who were to receive funding via the 1115 Demonstration Waiver.
- Researched and reconciled expenses to authorize reimbursement and ensure fiscal compliance with OMB circulars.
- Payroll

Administrative Assistant

1/2014-1/2015

Medicaid & ACA Outreach Enrollment Specialist

10/2013-1/2014

Customer Service Specialist

12/2009-10/2013

- Financial reporting and auditing support of grant funded programs.
- Payroll processing; general office operations.
- Provided health insurance education and enrollment assistance to uninsured and underinsured individuals for health insurance entitlements.

EDUCATION

Southern New Hampshire University, Manchester, NH
Bachelor of Science: Accounting

Manchester Community College, Manchester, NH
Associate of Science: Accounting

Castle College, Manchester, NH
Associate of Science: Business Administration

TECHNICAL SKILLS

Outlook, Excel, Word, PowerPoint, Sage Intacct, Epicor, Paylocity, Kronos

Bianka Beaudoin

Education

MBA | OCTOBER 2017 | NEW ENGLAND COLLEGE
Non-Profit Leadership & Digital & Social Media
BS | 2008 | SPRINGFIELD COLLEGE
Major: Human Services
BS candidate | 1995 | Lesley University
Major: Human Services

Skills & Abilities

LEADERSHIP & MANAGEMENT

- Successfully worked with Board of Trustees to update strategic/sustainably plan and execute action items to increase revenue, over previous year, coach staff, update programs and policies to improve delivery of services
- Successful experience in recruiting, training, and coaching board of trustee's members and key volunteers.
- Effective and successful implementation and execution of special events, grants, sponsorship requests all while adhering to project timelines.
- Supervision of the day-to-day operations including agency staff, budget, program, services.

DEVELOPMENT

- Worked with senior leadership team, board of trustees, and fundraising committee to forecast fundraising plans.
- Proven ability to build relationships in the business community to recruit donations of time, talent, and treasure.
- Successful experience in fundraising throughout New Hampshire with the American Cancer Society and The Way Home.
- Results driven development of new fundraising plans, refreshing ongoing events, and managing campaigns to move the organization's fundraising goals forward and remain relevant to the donors in the community..
- Developed, coordinated, and executed annual campaigns increasing revenue year over year.
- Developed and executed a grant calendar sustaining current funds, researching new opportunities, re-engaging lapsed partners, and writing new grant requests.

COMMUNICATION, MARKETING & ADVOCACY

- Excellent communication, public speaking, and people skills - sharing the story, mission, and action items through television, radio, print, and social media.
- Advocate on the local, state, and federal level collaborating with leaders to meeting mission related policies and changes.
- Executed the strategy to upgrade and internally manage a new website that offers mobile friendly abilities; manage content to keep it updated and relevant.
- Skilled in building a brand and sharing the mission in the community.
- Ability to influence key stakeholders, community leaders, and a wide range of individuals to build stewardships and brand messaging.

Experience

CHIEF EXECUTIVE OFFICER | THE WAY HOME | JUNE 2019 – PRESENT

DEVELOPMENT/OPERATIONS DIRECTOR | SEPTEMBER 2017 – JUNE 2019

KEY ACTIVITIES INCLUDE:

- Worked with leadership team, board of trustees to set organization vision, restructured programs and increased operating reserves while reducing operating expenses.
- Led, developed, and executed annual strategic fundraising plan, securing financial support from individuals, foundations, and corporation.

- Successfully Board Governance – Recruiting, training, and supporting Board to increase agency engagement, outreach visits, and fundraising goals.
- Cultivated and maintained relationships with donors (both new and long-term).
- Created, managed, and executed an efficient way to acknowledge supporters.
- Streamlined multiple data areas to improve donor relations, tracking, development, and CRM.
- Trained and mentored staff and volunteers to help them achieve their goals surrounding their involvement at TWH.
- Lead board and volunteers to develop and effectively execute new special event that exceeded fundraising goal.
- Rebranded an event to increase participation and revenue.
- Coordinate with external and internal supports to maintain safe and affordable housing.

COMMUNITY DEVELOPMENT MANAGER | AMERICAN CANCER SOCIETY | MAY 2013 – SEPTEMBER 2017

KEY ACTIVITIES INCLUDE:

- Executed a highly successful portfolio of Relay For Life events, with accountability for significant income targets, as well as promoting event-related mission and advocacy activities.
- Trained and mentored volunteers in all aspects of volunteer management, strategic development, and financial planning to assist volunteers with their goals well aligning with the mission of ACS.
- Manage various technologies and tracking tools to ensure quality event data.
- Engage the community in Relay For Life events using marketing techniques to drive increased participation – event committee, team members, sponsors, and survivor/caregiver – including youth, college level, and dogs events through Relay Recess, Relay Field Day, Colleges Vs Cancer, Bark For Life, and Coaches vs. Cancer.
- Created and implemented strategic Marketing materials creation and management for event website, social media, etc.
- Represented the American Cancer Society's mission through acting as spokesperson at various chamber events, TV, and radio sharing with diverse groups the mission and vision of the American Cancer Society.

DEVELOPMENT ASSOCIATE | AMERICAN CANCER SOCIETY | AUGUST 2011 -MAY 2013

KEY ACTIVITIES INCLUDE:

- Surpassed assigned fiscal goals creating relationships with inbound calls and new relationships in the community.
- Provided professional and courteous customer service to internal and external constituents.
- Assisted with event websites and social media management.
- Coordinated with staff to secure office volunteer project management.
- Processed data from event staff and volunteers and entered it into internal tracking systems.
- Worked as part of a team and independently.

HOUSING SPECIALIST | WAYPONT | FEBRUARY 2008 – SEPTEMBER 2011

KEY ACTIVITIES INCLUDE:

- Efficient data entry into various internet and in-office databases
- Resourceful in program development under the Homeless Prevention and Rapid Re-Housing grant to implement program policy and procedure in accordance with HUD and agency guidelines
- Provided support, guidance, and mentoring to homeless and at-risk young adults to reach housing goals

Volunteer Leadership Experience includes:

- Kiwanis Club of Manchester – September 2017 – present
- Manchester Continuum of Care (MCoC) – Board Member – March 2020 – present
- Holy Cross Family Learning Center – Board of Directors June 2016 – August 2019
- Greater Manchester Chamber of Commerce – Chamber Ambassador June 2014 – September 2017
- Graduate - Greater Manchester Chamber of Commerce Leadership class of 2015
- Intown Manchester – Episodic Volunteer

The Way Home

Key Personnel – SGIA SFY21

NAME	JOB TITLE	SALARY	PERCENT PAID FROM THIS CONTRACT	AMOUNT PAID FROM THIS CONTRACT
Bianka Beaudoin	CEO	\$60,000	7.00%	\$4,200.00
Rossana Goding	Finance Manager	\$52,000	7.00%	\$3,640.00
Mary Sliney	COO-Programs	\$50,000	20.00%	\$10,000.00
Lea Key	Housing Counselor	\$35,800	15.00%	\$5,370.00
Mari DeBlois	Housing Counselor	\$58,000	15.00%	\$8,700.00
Cindy Bringham	Director of Housing Supports	\$43,411	40.00%	\$17,364.40
Christina Sleeper	Healthy Home Housing Advocate IV	\$35,360	15.00%	\$5,304.00
Lindsey Lussier	Housing Counselor	\$34,600	15.00%	\$5,190.00
To Be Hired	Business Office Assistant	\$32,200	10.00%	\$3,220.00
Mark Sheehan	Maintenance Tech	\$32,240	25.00%	\$8,060.00
Christella Ishimwe	Housing Advocate I	\$31,200	25.00%	\$7,800.00

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program**

This 2nd Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Tri-County CAP, Inc., (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 30 Exchange Street, Berlin, NH, 03570.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on July 10, 2019 (Item #16), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$126,299.
2. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
 - 2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
 - 2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
 - 2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1, to read:
 - 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

6/24/20
Date

Christine Santaniello
Name: Christine Santaniello
Title: Director, DEHS

Tri-County CAP, Inc.

6/17/2020
Date

Jeanne Robillard
Name: Jeanne Robillard
Title: Chief Executive Officer



**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

07/01/20
Date

Name: Catherine Pinos
Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____

State of New Hampshire

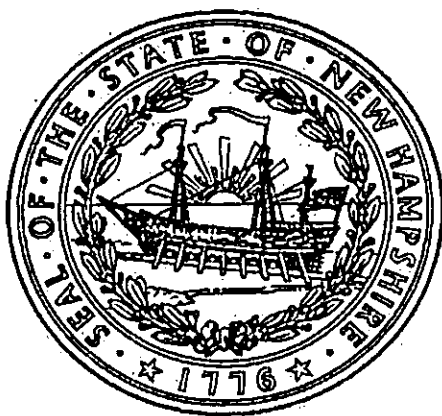
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. (TRI-COUNTY CAP) is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 18, 1965. 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: 63020

Certificate Number: 0004876884



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 1st day of April A.D. 2020.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Sandy Alonzo, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Tri-County Community Action Program, INC.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on 3/26/2020 at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That Jeanne Robillard CEO / Randall Pilotte CFO (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Tri-County Community Action Program, INC. to enter into contracts or agreements with the State

(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority remains valid for thirty (30) days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 6/17/2020

Sandy Alonzo
Signature of Elected Officer
Name: Sandy Alonzo
Title: Board Chair

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

15FY20 Board Resolution: Resolution of the Corporation

Authority to Sign

The Board of Directors of Tri County Community Action Program, Inc. (the "Corporation") takes the following action.

Resolved,

That the Tri-County Community Action Program, Inc. Chief Executive Officer (CEO), Jeanne L. Robillard, Randall S. Pilotte, Chief Financial Officer (CFO) and Regan L. Pride, Chief Operating Officer (COO) are hereby authorized on behalf of this Corporation to enter into contracts with the Federal Government, State of New Hampshire, and any other parties as deemed necessary and to execute any and all documents, agreements and other instruments and amendments, revisions or modifications thereto, as may be deemed necessary, desirable or appropriate for the corporation, this authorization being enforced and effective until June 30th, 2021.

Attest, the resolution adopted therein was duly authorized by the Board of Directors on May 26th, 2020

By: 

Name: Sandy Alonzo

Title: Board Chair

By: 

Name: Anne Barber

Title: Interim Vice Chair



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/25/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER FIA/Cross Insurance 1100 Elm Street Manchester NH 03101		CONTACT NAME: Karen Shaughnessy PHONE (A/C, No, Ext): (603) 689-3218 FAX (A/C, No): (603) 645-4331 E-MAIL ADDRESS: kshaughnessy@crossagency.com	
INSURED Tri-County Community Action Program, Inc. 30 Exchange Street Berlin NH 03570		INSURER(S) AFFORDING COVERAGE INSURER A: Tokio Marine Holdings, Inc. INSURER B: Granite State Health Care and Human Services Self- INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: 20-21 All Lines 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	ADDL SUBR INSD	WYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			PHPK2003516	07/01/2020	07/01/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMPROP AGG \$ 3,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2003523	07/01/2020	07/01/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Underinsured motorist \$ 1,000,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB683002	07/01/2020	07/01/2021	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
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	N/A	HCHS20200000241 (3a.) NH	02/01/2020	02/01/2021	<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			PHPK2003516	07/01/2020	07/01/2021	Each Occurrence \$1,000,000 Aggregate \$3,000,000

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

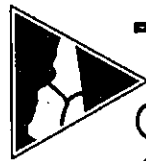
CERTIFICATE HOLDER

NH DHHS 129 Pleasant Street Concord NH 03301
--

CANCELLATION

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

© 1988-2015 ACORD CORPORATION. All rights reserved.



TRI-COUNTY COMMUNITY ACTION

Serving Coös, Carroll & Grafton Counties since 1965

Helping People. Changing Lives.

Mission Statement

Tri-County Community action provides opportunities to strengthen communities by improving the lives of low to moderate income families and individuals.

CEO: Jeanne L. Robillard COO: Regan L. Pride CFO: Randall S. Pilotte

30 Exchange Street, Berlin NH 03570 P: 603-752-7001

www.tccap.org FB@TriCountyCommunityActionProgram

Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.
AND AFFILIATE

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018
AND
INDEPENDENT AUDITORS' REPORTS**

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Consolidated Financial Statements:	
Statements of Financial Position	3
Statement of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6 - 7
Notes to Financial Statements	8 - 28
Supplementary Information:	
Schedule of Expenditures of Federal Awards	29 - 31
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	32 - 33
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	34 - 35
Schedule of Findings and Questioned Costs	36

**Leone,
McDonnell
& Roberts**

MEMBERS OF THE
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
WOLFEBORO • NORTH CONWAY
DOVER • CONCORD
STRATHAM

To the Board of Directors of
Tri-County Community Action Program, Inc. and Affiliate
Berlin, New Hampshire

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Tri-County Community Action Program, Inc. and Affiliate (New Hampshire nonprofit organizations), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, the related consolidated statements of cash flows and functional expenses for the years then ended, the related consolidated statement of activities for the year ended June 30, 2019 and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' judgement, 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 consolidated financial position of Tri-County Community Action Program, Inc. and Affiliate as of June 30, 2019 and 2018, and its consolidated cash flows for the years then ended, and the changes in its net assets for the year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Tri-County Community Action Program, Inc. and Affiliate's 2018 consolidated financial statements, and we expressed an unmodified audit opinion on those consolidated financial statements in our report dated October 19, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2019, on our consideration of Tri-County Community Action Program, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tri-County Community Action Program, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tri-County Community Action Program, Inc.'s internal control over financial reporting and compliance.

Leon McDonnell & Roberts
Professional Association

October 21, 2019
North Conway, New Hampshire

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

	<u>ASSETS</u>	
	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,400,750	\$ 1,329,038
Restricted cash	583,963	380,902
Accounts receivable	1,274,083	1,156,657
Property held for sale	47,000	-
Pledges receivable	231,161	212,207
Inventories	85,886	87,569
Prepaid expenses	34,037	25,640
Total current assets	<u>3,656,880</u>	<u>3,192,013</u>
PROPERTY		
Property and equipment	12,086,152	12,812,689
Less accumulated depreciation	<u>(5,178,535)</u>	<u>(5,203,324)</u>
Property, net	<u>6,907,617</u>	<u>7,609,365</u>
OTHER ASSETS		
Restricted cash	<u>418,936</u>	<u>325,863</u>
TOTAL ASSETS	<u>\$ 10,983,433</u>	<u>\$ 11,127,241</u>
	<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES		
Demand note payable	\$ -	\$ 516,022
Current portion of long term debt	148,449	142,733
Current portion of capital lease obligations	4,870	4,445
Accounts payable	221,571	237,276
Accrued compensated absences	204,079	203,121
Accrued salaries	210,952	187,508
Accrued expenses	89,524	131,888
Refundable advances	197,157	191,069
Other liabilities	<u>598,195</u>	<u>387,168</u>
Total current liabilities	<u>1,674,797</u>	<u>2,001,230</u>
LONG TERM DEBT		
Long term debt, net of current portion	5,227,835	5,373,937
Capital lease obligations, net of current portion	<u>3,355</u>	<u>8,226</u>
Total liabilities	<u>6,905,987</u>	<u>7,383,393</u>
NET ASSETS		
Without donor restrictions	3,399,192	2,926,057
With donor restrictions	<u>678,254</u>	<u>817,791</u>
Total net assets	<u>4,077,446</u>	<u>3,743,848</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,983,433</u>	<u>\$ 11,127,241</u>

See Notes to Consolidated Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
REVENUES AND OTHER SUPPORT				
Grant and contracts	\$ 14,074,008	\$ 401,106	\$ 14,475,114	\$ 14,309,086
Program funding	1,187,509	-	1,187,509	1,259,037
Utility programs	1,287,103	-	1,287,103	1,079,361
In-kind contributions	477,167	-	477,167	351,187
Contributions	230,986	-	230,986	395,225
Fundraising	39,303	-	39,303	59,536
Rental income	625,046	-	625,046	679,112
Interest income	643	-	643	348
(Loss) gain on disposal of property	(32,892)	-	(32,892)	48,487
Loss on write down of property held for sale	(255,492)	-	(255,492)	-
Other revenue	196,364	-	196,364	81,938
Total revenues and other support	17,809,745	401,106	18,210,851	18,263,317
NET ASSETS RELEASED FROM RESTRICTIONS	540,843	(540,843)	-	-
Total revenues, other support, and net assets released from restrictions	18,350,588	(139,537)	18,210,851	18,263,317
FUNCTIONAL EXPENSES				
Program Services:				
Agency Fund	950,639	-	950,639	922,701
Head Start	2,451,296	-	2,451,296	2,481,816
Guardianship	767,241	-	767,241	760,009
Transportation	916,089	-	916,089	879,729
Volunteer	118,408	-	118,408	122,941
Workforce Development	354,263	-	354,263	394,252
Alcohol and Other Drugs	-	-	-	444,581
Carroll County Dental	747,474	-	747,474	642,637
Support Center	391,650	-	391,650	276,172
Homeless	714,066	-	714,066	577,783
Energy and Community Development	7,788,560	-	7,788,560	7,480,943
Elder	1,462,613	-	1,462,613	1,142,818
Housing Services	172,852	-	172,852	176,511
Total program services	16,835,151	-	16,835,151	16,302,993
Supporting Activities:				
General and administrative	1,032,207	-	1,032,207	1,102,448
Fundraising	9,895	-	9,895	8,023
Total supporting activities	1,042,102	-	1,042,102	1,110,471
Total functional expenses	17,877,253	-	17,877,253	17,413,464
CHANGE IN NET ASSETS	473,135	(139,537)	333,598	849,853
NET ASSETS, BEGINNING OF YEAR	2,926,057	817,791	3,743,848	2,893,995
NET ASSETS, END OF YEAR	\$ 3,399,192	\$ 678,254	\$ 4,077,446	\$ 3,743,848

See Notes to Consolidated Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 333,598	\$ 849,853
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	447,689	463,483
Loss (gain) on disposal of property	32,892	(48,487)
Loss on write down of property held for sale	255,492	
(Increase) decrease in assets:		
Accounts receivable	(117,426)	170,337
Pledges receivable	(18,954)	(8,403)
Inventories	1,683	(21,928)
Prepaid expenses	(8,397)	19,705
Restricted cash	(296,134)	235,922
Increase (decrease) in liabilities:		
Accounts payable	(15,705)	(281,171)
Accrued compensated absences	958	(39,424)
Accrued salaries	23,444	(9,374)
Accrued expenses	(42,364)	24,261
Refundable advances	6,088	(6,479)
Other liabilities	<u>211,027</u>	<u>(258,143)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>813,871</u>	<u>1,092,152</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property	14,283	278,972
Purchases of property and equipment	<u>(95,588)</u>	<u>(141,335)</u>
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(81,305)</u>	<u>137,637</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment on demand note payable	(516,022)	(90,412)
Repayment of long-term debt	(140,386)	(311,983)
Repayment of capital lease obligations	<u>(4,446)</u>	<u>(4,058)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(660,854)</u>	<u>(406,451)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	71,712	823,338
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,329,038</u>	<u>505,700</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,400,750</u>	<u>\$ 1,329,038</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	<u>\$ 152,078</u>	<u>\$ 182,514</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Property donated	<u>\$ -</u>	<u>\$ 18,830</u>

See Notes to Consolidated Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC

CONSOLIDATED STATEMENT OF FUNCTIONAL
FOR THE YEAR ENDED JUNE 30, 20

	Agency Fund	Head f	Total	General & Administrative	Fundraising	Total
Direct Expenses						
Payroll	\$ 199,241	\$ 1,366	\$ 5,482,305	\$ 598,457	\$ -	\$ 6,058,762
Payroll taxes and benefits	49,259	3	1,413,250	163,274	-	1,578,624
Assistance to clients	22,359	-	5,788,314	-	-	5,788,314
Consumable supplies	3,408	1,978	846,305	11,436	-	857,741
Space costs and rentals	7,828	1	523,719	66,568	-	590,287
Depreciation expense	169,653	589	447,669	3,157	-	450,826
In-kind expended	-	-	477,167	-	-	477,167
Consultants and contractors	20,400	-	222,318	16,029	-	238,347
Utilities	168,297	181	378,836	5,708	-	384,344
Travel and meetings	11,024	542	297,607	20,789	-	318,396
Other direct program costs	2,535	224	157,696	9,225	9,895	176,816
Fiscal and administrative	18,817	731	103,147	94,740	-	197,887
Building and grounds maintenance	93,988	594	179,346	30	-	179,376
Interest expense	117,585	-	152,965	953	-	153,918
Vehicle expense	2,747	-	199,965	-	-	199,965
Insurance	56,671	318	89,016	30,772	-	119,788
Maintenance of equipment and rental	562	331	83,909	12,647	-	96,556
Fixed fees	8,265	-	13,817	422	-	14,239
Total Direct Expenses	950,639	2,452	16,835,151	1,032,207	9,895	17,877,253
Indirect Expenses						
Indirect costs	1,032,207	-	1,032,207	(1,032,207)	-	-
Total Direct & Indirect expenses	\$ 1,982,846	\$ 2,452	\$ 17,867,358	\$ -	\$ 9,895	\$ 17,877,253

See Notes to Consolidated Financials

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. A/

CONSOLIDATED STATEMENT OF FUNCTIONAL E/
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Agency Fund</u>	<u>Head Start</u>	<u>Total</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Direct Expenses						
Payroll	\$ 99,755	\$ 1,250,897	\$ 5,214,049	\$ 870,592	\$ -	\$ 5,884,641
Payroll taxes and benefits	23,319	339,0 -	1,260,319	164,414	-	1,424,733
Assistance to clients	74,171	-	5,536,546	-	-	5,536,546
Consumable supplies	1,723	240,832	949,850	11,219	-	961,069
Space costs and rentals	21,013	184,4 -	578,542	72,385	-	650,927
Depreciation expense	324,623	1,689	483,483	-	-	483,483
In-kind expended	12,500	206,0 -	351,188	-	-	351,188
Consultants and contractors	15,615	28,9 -	315,842	15,662	-	331,504
Utilities	135,551	32,682	326,659	3,589	-	330,248
Travel and meetings	1,093	50,215	278,787	8,470	-	288,257
Other direct program costs	44,933	9,764	192,849	28,234	8,023	229,106
Fiscal and administrative	243	28,390	94,549	106,359	-	200,908
Building and grounds maintenance	62,822	62,560	198,381	180	-	198,561
Interest expense	127,777	3 -	183,401	1,241	-	184,642
Vehicle expense	4,282	-	184,961	-	-	184,961
Insurance	65,654	14,052	154,315	5,085	-	159,400
Maintenance of equipment and rental	-	52,1 -	127,333	14,018	-	141,351
Fixed fees	-	-	4,312	-	-	4,312
Total Direct Expenses	1,015,074	2,481,911	16,395,368	1,102,448	8,023	17,505,837
Indirect Expenses						
Indirect costs	88,950	248,0 -	1,102,448	(1,102,448)	-	-
Capitalized Expenses						
Less capitalization of assets	(92,373)	-	(92,373)	-	-	(92,373)
Total Direct & Indirect expenses	\$ 1,009,651	\$ 2,730,011	\$ 17,405,441	\$ -	\$ 8,023	\$ 17,413,464

See Notes to Consolidated Financials

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Principles of Consolidation

The consolidated financial statements include the accounts of Tri-County Community Action Program, Inc. and its affiliate, Cornerstone Housing North, Inc. The two organizations are consolidated because Tri-County Community Action Program, Inc. controls 100% of the voting power of Cornerstone Housing North, Inc. All significant intercompany items and transactions have been eliminated from the basic financial statements. Tri-County Community Action Program, Inc. (the Organization) is a New Hampshire non-profit corporation that operates a wide variety of community service programs which are funded primarily through grants or contracts from various federal, state, and local agencies. Cornerstone Housing North, Inc. (a New Hampshire nonprofit corporation) was incorporated under the laws of the State of New Hampshire for the acquisition, construction and operation of community-based housing for the elderly.

Nature of activities

The Organization's programs consist of the following:

Agency

Tri-County CAP Administration provides central program management support and oversight to the Organization's many individual programs. This includes planning and budget development, bookkeeping and accounting, payroll and HR services, legal and audit services, IT support, management support, financial support and central policy development.

Tri-County CAP Administration is the liaison between Tri-County Community Action Program, Inc., Board of Directors and its programs, ensuring that programs comply with agreements made by the Board to funding sources and vendors.

Other responsibilities include the management and allocation of funding received through a Community Services Block Grant, as well as management of the Organization's real estate property.

Head Start

Head Start provides comprehensive services to low-income children and their families. Head Start supports children's growth and development in a positive learning environment through a variety of activities as well as providing services, which include in addition to early learning, health and family well-being. All children receive health and development screenings, nutritious meals, oral health and mental health support. Parents and families are supported in achieving their own goals, such as housing stability, continued education, and financial stability.

Programs support and strengthen parent-child relationships as their child's primary educator. Head Start staff work as partners with parents to identify and provide individualized activities that support their child's growth and development.

Tri County Community Action Head Start serves 217 children in Carroll, Coos & Grafton counties in 9 locations with 13 center-based classrooms and 1 home-based option.

Guardianship

The Organization's Guardianship program provides advocacy and guardian services for the vulnerable population of New Hampshire residents (developmentally disabled, chronically mentally ill, traumatic brain injury, and the elderly suffering from Alzheimer's, dementia, and multiple medical issues) who need a guardian and who have no family member or friend willing, able, or suitable to serve in that capacity. This program serves 414 individuals. Additional services include, conservatorship, representative payee-ship, federal fiduciary services, benefit management services and private probate accounting services.

Transportation

The Organization's transit program provides various transportation services: public bus routes, door-to-door service by request, long distance medical travel to medical facilities outside our regular service area, and special trips for the elderly to go shopping and enjoy other activities that are located outside the regular service area. The Organization's fleet of 17 wheelchair accessible vehicles offers transportation options to the elderly and disabled, as well as to the general public.

Volunteer

The Coos County Retired & Senior Volunteers Program (RSVP) maintains a minimum group of 394 volunteers, ages 55 and older, of which 287 actively served during the last reporting period. These volunteers share their skills, life experiences, and time with over 60 local non-profit and public agencies throughout Coos County that depend on volunteer assistance to meet the needs of their constituents. Our volunteers donate over 46,764 hours yearly.

Workforce Development

The Organization is assisting transitional and displaced workers as they prepare for new jobs, and also assisting currently-employed workers to gain the skills required for better jobs.

The Organization is helping to implement New Hampshire's Unified State Plan for Workforce Development, in line with the federal Workforce Investment Act. Workforce training programs, with training facilities in three towns, provide temporary assistance for needy families (TANF) recipients with 20-30 hours per week of training in the areas of employment skills, computer skills, and business experience, and also place participating TANF recipients in community-based work experience sites.

Alcohol & Other Drugs (AOD)

Services provided through the AOD program included assisting the alcoholic/addicted person on the road to recovery, through three phases: Crisis Intervention, Sobriety Maintenance, and Assessment and Referral to appropriate treatment facilities.

The Residential Treatment Programs (Friendship House) provided chemically dependent individuals with the fundamental tools of recovery, including educational classes, group and individual counseling, work and recreational therapy, and attendance at in-house and community-based alcoholics anonymous and narcotics anonymous meetings. The AOD program also offered assistance with its impaired driver programs.

Effective October 1, 2017, the Organization is no longer responsible for the Alcohol & Other Drugs (AOD) program. The grants for the program were transferred to North Country Health Consortium (NCHC), as they took over the program. The Friendship House was sold to Affordable Housing Education and Development (AHEAD).

Carroll County Dental

The Tamworth Dental Center (the Center) offers high quality oral health care to children with NH Medicaid coverage. The Organization also serves uninsured and underinsured children and adults using a sliding fee scale that offers income-based discounts for care. The Center accepts most common dental insurances for those who have commercial dental insurance coverage. A school-based project of the Dental Center, School Smiles, offers oral health education, screening, treatment and referrals for treatment to over 1,000 children in 9 schools in the vicinity of the Center.

Support Center

The Organization's Support Center at Burch House provides direct service and shelter to victims and survivors of domestic and sexual violence and stalking in Northern Grafton County. Support Center services are accessible 24 hours a day, 365 days a year. They include: crisis intervention; supportive counseling; court, hospital and policy advocacy and accompaniment; emergency shelter; support groups; community education and outreach; violence prevention programs for students; information, referrals and assistance accessing other community resources.

Homeless

Homeless services include an outreach intervention and prevention project that strives to prevent individuals and families from becoming homeless, and assists the already homeless in securing safe, affordable housing. The Organization provides temporary shelter space for homeless clients.

The Organization also provides some housing rehabilitation services to help preserve older housing stock.

Energy Assistance and Outreach

Energy Assistance Services provide fuel and electric assistance through direct pay to vendors or a discount on the client's bill. Community Contact sites allow local participants access to energy assistance programs and other emergency services. The offices provide information to the Organization's clients about other programs offered, as well as other programs available through other organizations in the community.

Low-Income Weatherization

The NH weatherization program helps low-income families, elderly, disabled, small children and individuals lower their home energy costs; increase their health, safety, and comfort; and improve the quality of living while improving housing stock in communities around the state utilizing energy cost saving, health and safety and carbon lowering measures. The NH Weatherization Assistance Program also creates local NH jobs.

Elder

The Organization's elder program provides senior meals in 15 community dining sites, home delivered meals (Meals on Wheels) to the frail and homebound elderly, and senior nutrition education and related programming. The Coos County ServiceLink Aging & Disability Resource Center assists with person-centered counseling, Medicare counseling, Medicaid assistance, long-term care counseling services, and caregiver supports.

Housing Services

Comerstone Housing North, Inc. is subject to a Project Rental Assistance Contract (PRAC) with the United States Department of Housing and Urban Development (HUD), and a significant portion of their rental income is received from HUD.

The Organization includes a 12-unit apartment complex in Berlin, New Hampshire for the elderly. This operates under Section 202 of the National Housing Act and is regulated by HUD with respect to the rental charges and operating methods.

The Organization has a Section 202 Capital Advance. Under guidelines established by the U.S. Office of Management and Budget *Uniform Guidance, Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, the Section 202 Capital Advance is considered to be a major program.

Method of accounting

The consolidated financial statements of Tri-County Community Action Program, Inc. have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under this basis, revenue, other than contributions, and expenses are reported when incurred without regard to the date of receipt or payment of cash.

Basis of presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions include net assets that are not subject to any 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 board of directors.

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

The Organization has net assets with donor restrictions of \$678,254 and \$817,791 at June 30, 2019 and 2018, respectively. See Note 13

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Support that is restricted is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Most of the receivables are amounts due from federal and state awarding agencies and are based on reimbursement for expenditures made under specific grants or contracts. A portion of the accounts receivable balance represents amounts due from patients at Carroll County Dental program. Past due receivables are written off at management's discretion using the direct write off method; this is not considered a departure from accounting principles generally accepted in the United State because the effects of the direct write method approximate those of the allowance method. Management selects accounts to be written off after analyzing past payment history, the age of the accounts receivable, and collection rates for receivables with similar characteristics, such as length of time outstanding. The Organization does not charge interest on outstanding accounts receivable.

Property and Depreciation

Acquisitions of buildings, equipment, and improvements in excess of \$5,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Buildings, equipment, and improvements are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets.

Depreciation expense related to assets used solely by an individual program is charged directly to the related program. Depreciation expense for assets used by more than one program is charged to the program based upon a square footage or other similar allocation.

Depreciation expense related to administrative assets is included in the indirect cost pool and charged to the programs in accordance with the indirect cost plan. Maintenance and repairs that do not materially prolong the useful lives of assets are charged to expense as incurred.

Estimated useful lives are as follows:

Buildings and improvements	20 to 40 years
Vehicles	5 to 8.5 years
Furniture and equipment	5 to 15 years

Client Rents and HUD Rent Subsidy

Cornerstone Housing North, Inc.'s rents are approved on an annual basis by the Department of Housing and Urban Development. Rental increases are prohibited without such approval. The clients are charged rent equal to 30% of their income less adjustments allowed by the Department of Housing and Urban Development. Rent subsidies are received from the Department of Housing and Urban Development for the difference between the allowed rents and the amounts received from the clients.

Refundable Advances

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are performed or incurred. Funds received in advance of grantor conditions being met aggregated \$197,157 and \$191,069 as of June 30, 2019 and 2018, respectively.

Nonprofit tax status

The Organization is a *not-for-profit* Section 501(c)(3) organization in accordance with the Internal Revenue Code. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and qualifies for a charitable contribution deduction for individual donors. The Organization files information returns in the United States. The Organization's Federal Form 990 (Return of Organization Exempt from Income Tax), is subject to examination by the IRS, generally for three years after it is filed. The Organization is no longer subject to examinations by tax authorities for years prior to 2015.

The Organization follows FASB ASC, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Organization does not believe they have taken uncertain tax positions, therefore, a liability for income taxes associated with uncertain tax positions has not been recognized.

Due to changes in the tax law in the 2017 Tax Cuts and Jobs Act, the Organization is subject to file an Unrelated Business Income Tax Return for unallowed expenses for the year ended June 30, 2019. These expenses fall under the qualified taxable fringe benefits. The total tax due for the year ended June 30, 2019 is approximately \$8,900.

Cornerstone Housing North, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Organization to be other than a private foundation within the meaning of Section 509(a).

Retirement plan

The Organization maintains a tax-sheltered annuity plan under the provisions of Section 403(b) of the Internal Revenue Code. All employees are eligible to contribute to the plan beginning on the date they are employed. Each employee may elect salary reduction agreement contributions in accordance with limits allowed in the Internal Revenue Code. Employer contributions are at the Organization's annual discretion. In January 2013, employer contribution payments ceased, therefore as of June 30, 2019 and 2018, there were no discretionary contributions recorded. Further information can be obtained from the Organization's 403(b) audited financial statements.

Donated services and goods

Contributions of donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

Contributed noncash assets are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as net assets with donor restrictions. In the absence of such stipulations, contributions of noncash assets are recorded as net assets without donor restrictions.

Donated property and equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at the net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

As of June 30, 2019 and 2018, there were promises to give that were absent of donor stipulations, but restricted in regards to timing, and therefore classified as net assets with donor restrictions in the amount of \$231,161 and \$212,207, respectively. This amount was included in grants and contracts on the Consolidated Statement of Activities.

Use of estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

Accounting Standards Codification No. 825 (ASC 825), *Disclosures of Fair Value of Financial Instruments*, requires the Organization to disclose fair values of its financial instruments. The carrying amount of the Organization's financial instruments which consists of cash, accounts receivable, deposits and accounts payable, approximate fair value because of the short-term maturity of those instruments.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Program salaries and related expenses are allocated to the various programs and supporting services based on actual or estimated time employees spend on each function as reported on a timesheet.

Workers Compensation expenses are charged to each program based upon the classification of each employee and allocated to the various program based upon the time employees spend on each function as noted above.

Paid Leave is charged to a leave pool and is allocated to each program as a percentage of total salaries.

Fringe Benefits are charged to a Fringe Benefit Pool. These expenses include employer payroll taxes, pension expenses, health and dental insurance and unemployment compensation. The pool is allocated to each program based upon a percentage of salaries.

Depreciation expense is allocated to each program based upon specific assets used by the program and is reported as depreciation expense on the statements of functional expenses.

Other occupancy expenses are applicable to assets which are used by multiple programs. Buildings are primarily charged to the benefiting program based upon an analysis of square footage. Costs related to a building include depreciation, insurance, utilities, building maintenance, etc. These costs are reported as space costs on the statements of functional expenses.

Insurance: automobile insurance is allocated to programs based on vehicle usage; building liability insurance is allocated to programs based on square footage of the buildings; and insurance for furniture and equipment is allocated to programs using the book basis of the insured assets.

The remaining shared expenses are charged to an Indirect Cost Pool and are allocated to each program based upon a percentage of program expenses. The expenses include items such as administrative salaries, general liability insurance, administrative travel, professional fees and other expenses which cannot be specifically identified and charged to a program.

The Organization submits an indirect cost rate proposal for the paid leave, fringe benefits and other indirect costs to the U.S. Department of Health and Human Services. The proposal, effective for the fiscal year beginning July 1, 2018, received provisional approval and is effective, until amended, at a rate of 12.50%. Per the agreement with the U.S. Department of Health and Human Services, the Organization's final rate for the year ended June 30, 2018 was 11.45%. The actual rate for the year ended June 30, 2019 was approximately 10.44%, which is allowable because it is less than the provisional rate.

Advertising policy

The Organization uses advertising to inform the community about the programs it offers and the availability of services. Advertising is expensed as incurred. The total cost of advertising for the years ended June 30, 2019 and 2018 was \$11,698 and \$18,616, respectively.

Debt Issuance Costs

During the year ended June 30, 2019, the Organization retrospectively adopted the provisions of the FASB Accounting Standards Update (ASU) No. 2015-03, "*Simplifying the Presentation of Debt Issuance Costs*." The ASU is limited to simplifying the presentation of debt issuance costs, and the recognition and measurement guidance for debt issuance costs is not affected by the ASU. Amortization expense of \$887 has been included with interest expense in the consolidated statements of functional expenses for both 2019 and 2018.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE 2. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Financial assets at year-end:		
Cash and cash equivalents, undesignated	\$ 1,400,750	\$ 1,329,038
Accounts receivable	1,274,083	1,156,657
Pledges receivable	<u>231,161</u>	<u>212,207</u>
Total financial assets	<u>2,905,994</u>	<u>2,697,902</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	678,254	817,791
Less net assets with time restrictions to be met in less than a year	<u>(348,631)</u>	<u>(540,643)</u>
Amounts not available within one year	<u>329,623</u>	<u>277,148</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,576,371</u>	<u>\$ 2,420,754</u>

It is the Organization's goal to maintain financial assets to meet 60 days of operating expenses which approximates \$2,786,000 and \$2,729,000 respectively, at June 30, 2019 and 2018.

NOTE 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less. At year end and throughout the year, the Organization's cash balances were deposited with multiple financial institutions. At June 30, 2019 and 2018, the balances in interest and non-interest-bearing accounts were insured by the FDIC up to \$250,000. At June 30, 2019 and 2018, there was approximately \$1,750,000 and \$1,200,000, of deposits held in excess of the FDIC limit, respectively. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents and considers this a normal business risk.

Cash Restrictions

The Organization is required to maintain a deposit account with a bank as part of the loan security agreement disclosed at **Note 7**. It is required to maintain a balance of \$19,968 in the account, which is restricted from withdrawal except to make payments of debt service or as approved by the US Department of Agriculture.

Amounts withdrawn to make payments of debt service must be replenished with monthly deposits until the maximum required deposit balance is achieved. The balance as of June 30, 2019 and 2018 was \$20,010 and \$19,980, respectively. The Organization has made all of their scheduled deposits for the years ended June 30, 2019 and 2018. These amounts are included in restricted cash on the Statements of Financial Position.

The Organization is required to maintain a deposit account with another bank as part of a bond issue (see bond payable in **Note 7**). The required balance in the account is \$173,817 and is equal to 12 monthly payments. The balance as of June 30, 2019 and 2018 was \$176,298 and \$176,570, respectively, and the Organization was in compliance with this requirement. These amounts are included in restricted cash on the Statements of Financial Position.

The Organization maintains a deposit account on behalf of clients who participate in the Guardianship Services Program. The balance in the account is restricted for use on behalf of these clients and an offsetting liability is reported on the financial statements as other current liabilities. The total current liability related to this restriction at June 30, 2019 and 2018 was \$582,116 and \$378,605, respectively. These amounts are included in other liabilities on the Statements of Financial Position. The total restricted cash within this account at June 30, 2019 and 2018 was \$582,116 and \$378,605, respectively, and is included in the restricted cash balance on the Statements of Financial Position.

At June 30, 2019, the Organization had \$45,198 in restricted cash relating to the property that is held for sale at year end. Upon the sale of the property, it will be donated to another non-profit Organization.

Certain cash accounts related to Cornerstone Housing North, Inc. are restricted for certain uses in the Organization under rules and regulations prescribed by the Department of Housing and Urban Development. The total amount restricted at June 30, 2019 and 2018 was \$179,277 and \$131,610, respectively. See **Note 15**.

NOTE 4. INVENTORY

In 2019 and 2018, inventory included weatherization materials which had been purchased in bulk. These items are valued at the most recent cost. A physical inventory is taken annually. Cost is determined using the first-in, first-out (FIFO) method. Inventory at June 30, 2019 and 2018, consists of weatherization materials totaling \$85,886 and \$87,569, respectively.

During the year ended June 30, 2018, the Organization adopted the provisions of the FASB Accounting Standard Update (ASU) 2015-11, *Inventory, (Topic 330): Simplifying the Measurement of Inventory*, which simplifies the subsequent measurement of inventory by requiring inventory to be measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price of inventory in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The Organization has evaluated ASU 2015-11 and has determined that there is no material impact to the financial statements.

NOTE 5. ACCRUED EARNED TIME

For the years ending June 30, 2019 and 2018, employees of the Organization were eligible to accrue vacation for a maximum of 160 hours. At June 30, 2019 and 2018, the Organization had accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$204,079 and \$203,121, respectively.

NOTE 6. PROPERTY

Property consists of the following at June 30, 2019:

	<u>Capitalized Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Building	\$ 9,709,749	\$ 3,469,618	\$ 6,240,131
Equipment	1,950,063	1,708,917	241,146
Construction in progress	2,500	-	2,500
Land	<u>423,840</u>	<u>-</u>	<u>423,840</u>
	<u>\$12,086,152</u>	<u>\$ 5,178,535</u>	<u>\$ 6,907,617</u>

Property consists of the following at June 30, 2018:

	<u>Capitalized Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Building	\$10,003,944	\$ 3,448,411	\$ 6,555,533
Equipment	2,384,905	1,754,913	629,992
Land	<u>423,840</u>	<u>-</u>	<u>423,840</u>
	<u>\$12,812,689</u>	<u>\$ 5,203,324</u>	<u>\$ 7,609,365</u>

The Organization has use of computers and equipment which are the property of state and federal agencies under grant agreements. The equipment, whose book value is immaterial to the financial statements, is not included in the Organization's property and equipment totals.

Depreciation expense for the years ended June 30, 2019 and 2018 totaled \$447,669 and \$463,483, respectively.

The Organization has property held for sale at June 30, 2019 amounting to \$47,000, which is classified as a current asset in the accompanying consolidated statements of financial position. The total loss on the write down to market value of this property was \$255,492.

NOTE 7. LONG TERM DEBT

The long term debt of the Organization as of June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Note payable with the USDA requiring 360 monthly installments of \$1,664, including interest at 5% per annum. Secured by general business assets. Final installment due January 2027.	\$ 124,867	\$ 138,225
Note payable with a bank requiring 120 monthly installments of \$3,033, including interest at 4.69% per annum. Secured by first mortgages on two commercial properties. Final installment due April 2021.	328,896	349,131
Note payable with a bank requiring 60 monthly installments of \$459, including interest at 5% per annum. This note was an unsecured line of credit that was converted to a term loan during the year ended June 30, 2016. Final installment due April 2021.	9,618	14,500
Note payable to a financing company requiring 72 monthly installments of \$312, including interest at 5.49% per annum. Secured by the Organization's vehicle. Final installment due August 2021.	7,642	10,874
Note payable to a financing company requiring 72 monthly installments of \$313, including interest at 5.54% per annum. Secured by the Organization's vehicle. Final installment due July 2021.	7,385	10,637
Note payable to a financing company requiring 60 monthly installments of \$143, including interest at 5.99% per annum. Secured by the Organization's vehicle. Final installment due November 2020.	2,331	3,863

Note payable to a financing company requiring 72 monthly installments of \$248, including interest at 6.10% per annum. Secured by the Organization's vehicle. Final installment due February 2023.

9,739 12,041

Note payable with a bank requiring 60 monthly installments of \$2,512, including interest at 5.51% per annum. Secured by second mortgage on commercial property. Final balloon payment is due in March 2023.

395,429 403,244

Bond payable with a bank requiring monthly installments of \$14,485, including interest of 2.75% plus the bank's internal cost of funds multiplied by 67% with an indicative rate of 3.28%. Secured by first commercial real estate mortgage on various properties and assignments of rents at various properties. Final installment due August 2040.

2,634,595 2,719,260

Cornerstone Housing North, Inc. capital advance due to the Department of Housing and Urban Development. This capital advance is not subject to interest or principal amortization and will be forgiven after 40 years, or in August 2047.

1,617,600 1,617,600

Cornerstone Housing North, Inc. mortgage payable due to New Hampshire Housing Finance Authority. The mortgage is not subject to interest or principal amortization. Payments are deferred for 40 years, final payment due in August 2047.

250,000 250,000

Total long term debt before unamortized debt issuance costs

5,388,102 5,529,375

Unamortized deferred financing costs

(11,818) (12,705)

Total long term debt

5,376,284 5,516,670

Less current portion due within one year

(148,449) (142,733)

\$ 5,227,835 \$ 5,373,937

The scheduled maturities of long-term debt as of June 30, 2019 were as follows:

<u>Years ending</u> <u>June 30</u>	<u>Amount</u>
2020	\$ 148,449
2021	437,624
2022	123,156
2023	485,481
2024	118,295
Thereafter	<u>4,075,097</u>
	<u>\$ 5,388,102</u>

As described at **Note 3**, the Organization is required to maintain a reserve account with a bank for the first two notes payable listed above.

NOTE 8. CAPITAL LEASE OBLIGATIONS

During the year ended June 30, 2016, the Organization leased a phone system and copier under the terms of capital leases, expiring in November 2020 and March 2021, respectively. During the year ended June 30, 2017, the Company leased an additional copier under the terms of a capital lease, expiring in May 2021. The assets and liabilities under the capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are depreciated over their estimated lives.

The obligations included in capital leases at June 30, 2019 and 2018, consisted of the following:

	<u>2019</u>	<u>2018</u>
Lease payable to a financing company with monthly installments of \$208 for principal and interest at 9.5% per annum. The lease is secured by the phone system and will mature in November 2020.	\$ 3,291	\$ 5,362
Lease payable to a financing company with monthly installments of \$122 for principal and interest at 8.841% per annum. The lease is secured by a copier and will mature in March 2021.	2,261	3,467

Lease payable to a financing company with monthly installments of \$122 for principal and interest at 8.918% per annum. The lease is secured by a copier and will mature in May 2021.

	2,673	3,842
	8,225	12,671
Less current portion	<u>(4,870)</u>	<u>(4,445)</u>
	<u>\$ 3,355</u>	<u>\$ 8,226</u>

The scheduled maturities of capital lease obligations as of June 30, 2019 were as follows:

<u>Years ending</u> <u>June 30</u>	<u>Amount</u>
2020	\$ 4,870
2021	<u>3,355</u>
	<u>\$ 8,225</u>

NOTE 9. DEMAND NOTE PAYABLE

The Organization has available a \$750,000 line of credit with its primary financial institution which is secured by real estate mortgages and assignments of leases and rents on various properties as disclosed in the line of credit agreement. Borrowings under the line bear interest at 5.00% per annum, and totaled \$316,000 at June 30, 2018. There was no balance outstanding at June 30, 2019. The line is subject to renewal each January.

The Organization was issued an unsecured revolving line of credit in 2014 with the New Hampshire Department of Administration Services. The Organization was not required to make payments of interest or principal prior to maturity. At June 30, 2018, the outstanding debt totaled \$200,022, which included accrued interest of \$21,434. The unsecured revolving line of credit was paid off in full during the year ended June 30, 2019.

NOTE 10. OPERATING LEASES

The Organization has entered into numerous lease commitments for space. Leases under non-cancelable lease agreements have various starting dates, lengths, and terms of payment and renewal. Additionally, the Organization has several facilities which are leased on a month to month basis. For the years ended June 30, 2019 and 2018, the annual rent expense for leased facilities totaled \$181,127 and \$165,227, respectively.

Future minimum lease payments under non-cancelable operating leases having initial terms in excess of one year as of June 30, 2019, are as follows:

<u>Years ending</u> <u>June 30</u>	<u>Amount</u>
2020	\$ 147,778
2021	65,003
2022	<u>3,301</u>
	<u>\$ 216,082</u>

NOTE 11. IN-KIND CONTRIBUTIONS

The Organization records the value of in-kind contributions according to the accounting policy described in Note 1. The Head Start, transportation and elder programs rely heavily on volunteers who donate their services to the Organization. These services are valued based upon the comparative market wage for similar paid positions.

The Organization is also the beneficiary of a donation of in kind in the form of below market rent for some of the facilities utilized by the Head Start and elder programs. The value of the in-kind rent is recorded at the difference between the rental payment and the market rate for the property based upon a recent appraisal.

Many other individuals have donated significant amounts of time to the activities of the Organization. The financial statements do not reflect any value for these donated services since there is no reliable basis for making a reasonable determination.

NOTE 12. CONCENTRATION OF RISK

Tri-County Community Action Program, Inc. receives a majority of its support from federal and state governments. For the years ended June 30, 2019 and 2018, approximately \$13,951,828 (77%) and \$13,773,803 (75%), respectively, of the Organization's total revenue was received from federal and state governments. If a significant reduction in the level of support were to occur, it would have a significant effect on the Organization's programs and activities.

Cornerstone Housing North, Inc. receives a large majority of its support from the U.S. Department of Housing and Urban Development. For the years ended June 30, 2019 and 2018, approximately 69% of the Organizations total revenue was derived from the U.S. Department of Housing and Urban Development. In the absence of additional revenue sources, the future existence of Cornerstone Housing North, Inc. is dependent upon the funding policies of the U.S. Department of Housing and Urban Development.

The majority of Cornerstone Housing North, Inc.'s assets are apartment projects, for which operations are concentrated in the elderly person's real estate market. In addition, the Organization operates in a regulated environment. The operation of the Organization is subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the administrative burden, to comply with the change.

NOTE 13. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following specific program services as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Temporary Municipal Funding	\$ 231,161	\$ 212,207
10 Bricks Shelter Funds	142,190	142,190
FAP	117,470	136,614
Restricted Buildings	87,541	190,049
Support Center	25,939	-
Weatherization	25,000	-
Loans - HSGP	19,907	21,454
FAP/EAP	11,290	23,249
RSVP Program Funds	7,056	5,021
Senior Meals	5,130	-
Head Start	3,999	4,172
Donations to Maple Fund	1,571	1,586
Homeless Programs	-	27,680
USDA	-	10,332
Loans - HHARLF	-	6,967
IDN Capacity Fund	-	32,194
Community Needs Assessment	-	4,076
Total net assets with donor restrictions	<u>\$ 678,254</u>	<u>\$ 817,791</u>

NOTE 14. COMMITMENTS AND CONTINGENCIES

Grant Compliance

The Organization receives funds under several federal and state grants. Under the terms of the grants the Organization is required to comply with various stipulations including use and time restrictions. If the Organization was found to be noncompliant with the provisions of the grant agreements, the Organization could be liable to the grantor or face discontinuation of funding.

Environmental Contingencies

On March 30, 2009, the Organization's Board of Directors agreed to secure ownership of a 1.2-acre site located in Berlin, New Hampshire. There are 2 buildings on this site designated as the East Wing and West Wing Buildings which were formerly used as a research and development facility for the Berlin Mills Company.

The exterior soil and interior parts of the East Wing Building contained contaminants which required environmental remediation. In a letter dated May 2, 2012, the State of New Hampshire Department of Environment Services (the Department) noted that the remedial actions for the exterior soils and parts of the East Wing Building had been completed to the Department's satisfaction:

In addition, the Department noted that the contaminants related to the West Wing Building did not pose an exposure hazard to site occupants, area residents, and the environment, provided the West Wing Building is maintained to prevent further structural deterioration. If further deterioration occurs and contaminants are released into the environment, the Organization could be required to take additional action including containment and remediation.

Loss Contingencies

During the year ended June 30, 2018, legal actions were brought against the Organization. Due to the uncertainty of the outcome of such cases as of June 30, 2019, as well as the uncertainty of the Organization's potential liability, no amount has been accrued by the Organization at this time.

NOTE 15. REPLACEMENT RESERVE AND RESIDUAL RECEIPTS ACCOUNTS

Under Cornerstone Housing North, Inc.'s regulatory agreement with HUD, the Organization is required to set aside amounts into a replacement reserve for the replacement of property and other project expenditures approved by HUD. HUD-restricted deposits of \$129,407 and \$106,548 were held in a segregated account at June 30, 2019 and 2018, respectively. HUD-restricted deposits generally are not available for operating purposes.

Cornerstone Housing North, Inc.'s use of the residual receipts account is contingent upon HUD's prior written approval. Residual receipts of \$46,514 and \$21,326 were held in a segregated account for the years ended June 30, 2019 and 2018, respectively.

HUD has initiated policies to recapture funds built up in residual receipts accounts upon renewal of the Organization's project rental assistance contract. The policies direct that the amounts in excess of certain limits in the residual receipts account be (a) used to offset rent subsidies due from HUD under HAP contracts, or (b) remitted directly to HUD. The policies generally require project owners to limit the monies accumulated in the residual receipts account to \$250 per unit.

In accordance with the policy noted above, subsequent to year end the Organization was required to remit funds to HUD totaling \$31,412. In addition to the funds remitted, HUD approved the Organization to withdraw \$11,852 from the residual receipts account for equipment.

NOTE 16. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Non-recognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through October 21, 2019, the date the financial statements were available to be issued.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S IDENTIFYING NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Health and Human Services</u>				
Head Start	93.600		01CH10000-04-00	\$ 1,424,301
Head Start	93.600		01CH10000-05-00	1,068,269
			TOTAL	2,512,590
Low-Income Home Energy Assistance	93.568	State of New Hampshire Office of Energy and Planning	G-18B1NHUEA	93,918
Low-Income Home Energy Assistance	93.568	State of New Hampshire Office of Energy and Planning	G-19B1NHUEA	5,820,283
Low-Income Home Energy Assistance	93.568	State of New Hampshire Office of Energy and Planning	G-18B1NHUEA 1056420	305,368
Low-Income Home Energy Assistance	93.568	State of New Hampshire Office of Energy and Planning	G-19B1NHUEA 1056420	241,539
			TOTAL	6,461,123
AGING CLUSTER				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (SEAS)	93.044	State of New Hampshire Office of Energy and Planning	18AANH73SP	5,383
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (Sr Wheels)	93.044	State of New Hampshire Department of Health and Human Services	512-500352	111,276
			TOTAL	116,659
Special Programs for the Aging - Title III, Part C - Nutrition Services (Congregate & HD Meals)	93.045	State of New Hampshire Department of Health and Human Services	541-500386	284,654
Nutrition Services Incentive Program (NSIP)	93.053	State of New Hampshire Department of Health and Human Services	NONE	61,200
			CLUSTER TOTAL	462,493
Community Services Block Grant	93.567	State of New Hampshire Department of Health and Human Services	102-600731	738,731
YANF CLUSTER				
Temporary Assistance for Needy Families (NHFP Workplace Success)	93.558	Southern New Hampshire Services, Inc.	16-0HHE-BWW-CSP-05	307,922
Temporary Assistance for Needy Families (JARC)	93.558	State of New Hampshire Department of Health and Human Services	102-500731	24,800
			CLUSTER TOTAL	332,722
HIV Care Formula Grants (Ryan White Care Program)	93.917	State of New Hampshire Department of Health and Human Services	630-500371	9,910
Social Services Block Grant (Title XX I&R)	93.667	State of New Hampshire Department of Health and Human Services	545-500387	113,843
Social Services Block Grant (Title XX HD)	93.667	State of New Hampshire Department of Health and Human Services	544-500386	82,574
Social Services Block Grant (Guardianship)	93.687	State of New Hampshire Department of Health and Human Services	102-500731	13,582
			TOTAL	209,999
Promoting Safe and Stable Families/Family Violence Prevention and Services/Discretionary	93.556 & 93.592	State of New Hampshire Coalition against Domestic and Sexual Violence	SPIROV	53,297
Preventative HHS Block Grant & Injury Prevention and Control Research	93.136 & 93.758	State of New Hampshire Coalition against Domestic and Sexual Violence	SVP	8,628
Projects for Assistance in Transition from Homelessness (PATH)	93.150	State of New Hampshire Bureau of Homelessness and Housing	05-95-42-423010-7928	73,172
Prevent Sexual Assault on College Campuses	93.XXX	University of New Hampshire, Durham	CSAPP	678
Total U.S. Department of Health and Human Services				\$ 10,861,348

ISE-COUNTY COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
U.S. Department of Energy				
Weatherization Assistance for Low-Income Persons	81.042	State of New Hampshire Governor's Office of Energy & Community Services	EE0007935	\$ 273,188
Total U.S. Department of Energy				\$ 273,188
U.S. Corporation for National and Community Service				
Retired and Senior Volunteer Program	94.002		16SRANH001	\$ 86,939
Total U.S. Corporation for National and Community Service				\$ 86,939
U.S. Department of Agriculture				
Child and Adult Care Food Program	10.558	State of New Hampshire Department of Education	NONE	\$ 122,661
Total U.S. Department of Agriculture				\$ 122,661
U.S. Department of Homeland Security				
Emergency Food & Shelter Program (FEMA)	97.024			\$ 10,406
Emergency Management Performance Grants (FEMA)	97.042	State of New Hampshire Department of Safety	EMB-2017-EP-00005-S01	23,288
Total U.S. Department of Homeland Security				\$ 33,706
U.S. Department of Justice				
Crime Victim Assistance (VOCA)	16.575	State of New Hampshire Coalition against Domestic and Sexual Violence	NONE	\$ 154,433
Sexual Assault Services Formula Program (SASP)	16.017	State of New Hampshire Coalition against Domestic and Sexual Violence	2017-KF-AX-0019	16,176
QVW Technical Assistance Initiative	16.526	Grafton County Court	QVW-2016-13829	27,552
Total U.S. Department of Justice				\$ 198,161
U.S. Department of Transportation				
Formula Grants for Rural Areas (Section 5311)	20.509	State of New Hampshire Department of Transportation	NH-18-XD46	\$ 293,800
TRANSIT SERVICES PROGRAMS CLUSTER				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	State of New Hampshire Department of Transportation	64-06-00-00-0018-2718-077-300375	29,859
Enhanced Mobility of Seniors and Individuals with Disabilities (5310 POS, NCC)	20.513	State of New Hampshire Department of Transportation	64-06-00-00-0018-2718-077-300375	53,092
			CLUSTER TOTAL	82,951
Total U.S. Department of Transportation				\$ 376,751
U.S. Department of Housing and Urban Development				
Emergency Solutions Grant Program	14.231	State of New Hampshire Department of Health and Human Services	102-500731	\$ 67,203
Continuum of Care Program (HOEP)	14.267	State of New Hampshire Department of Health and Human Services	55-2018-04-015-01-Carew 4	144,922
Total U.S. Department of Housing and Urban Development				\$ 212,125

TRICOUNTY COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR/PROGRAM TITLE	FEDERAL CFOA NUMBER	PASS-THROUGH GRANTOR'S NAME	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
U.S. Department of Labor				
WIA/WIOA CLUSTER				
WIA/WIOA Adult Program	17,258	Southern New Hampshire Services, Inc.	2018-0004	\$ 39,250
WIA/WIOA Dislocated Worker Formula Grants	17,278	Southern New Hampshire Services, Inc.	2018-0004	39,058
Total U.S. Department of Labor			CLUSTER TOTAL	\$ 78,308
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 12,243,187

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards (this Schedule) includes the federal grant activity of Tri-County Community Action Program, Inc. under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Tri-County Community Action Program, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE C - INDIRECT RATE

Tri-County Community Action Program, Inc. has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Tri-County Community Action Program, Inc.
Berlin, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tri-County Community Action Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 21, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Tri-County Community Action Program Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tri-County Community Action Program Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-County Community Action Program Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Leone McDonnell & Roberts
Professional Association

October 21, 2019
North Conway, New Hampshire

**Leone,
McDonnell
& Roberts**

REGISTERED ACCOUNTANTS
CERTIFIED PUBLIC ACCOUNTANTS
WOLFEBORO • NORTH CONWAY
DOVER • CONCORD
STRATHAM

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Tri-County Community Action Program, Inc.
Berlin, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Tri-County Community Action Program Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tri-County Community Action Program Inc.'s major federal programs for the year ended June 30, 2019. Tri-County Community Action Program Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Tri-County Community Action Program Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tri-County Community Action Program Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Tri-County Community Action Program Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Tri-County Community Action Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Tri-County Community Action Program, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tri-County Community Action Program Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program, that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Leone McDonnell & Roberts
Professional Association

October 21, 2019
North Conway, New Hampshire

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

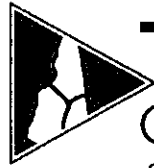
1. The auditors' report expresses an unmodified opinion on the financial statements of Tri-County Community Action Program, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Tri-County Community Action Program, Inc. which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs during the audit are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance*.
5. The auditors' report on compliance for the major federal award programs for Tri-County Community Action Program, Inc. expresses an unmodified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with 2 CFR 200.516(a) are reported in this Schedule.
7. The programs tested as major programs included:
 - U.S. Dept. of Health & Human Services, LIHEAP – CFDA #93.568
 - U.S. Dept. of Health & Human Services, Head Start – CFDA #93.600
 - U.S. Dept. of Energy, Weatherization Assistance for Low Income Individuals – CFDA #81.042
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Tri-County Community Action Program, Inc. was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None



TRI-COUNTY COMMUNITY ACTION

Serving Coös, Carroll & Grafton Counties since 1965

Helping People. Changing Lives.

Board of Directors

FY2020

Coos County

Board Chair

Sandy Alonzo

Carroll County

Interim Vice Chair

Anne Barber

Michael Dewar

Karolina Brzozowska

Julie Davis

Grafton County

Linda Massimilla

Tricia Garrison

Richard Mcleod

Jeanne L. Robillard

CORE STRENGTHS

Program development, management and administration • Community collaborations
Development of policy, protocol, and service delivery to meet funder standards
Grant writing and management • Budget performance and financial reporting
Innovative solutions & problem solving • Capacity building
Professional presentations • Public speaking
Dedication • Imagination • Determination • Fortitude

PROFESSIONAL EXPERIENCE

Tri-County Community Action Programs, Inc.

Chief Executive Officer

Berlin, NH 2018 - current FT employment

Tri-County Community Action Programs, Inc.

Chief Operating Officer

Berlin, NH 2016 - 2018

Responsible for the operations of six agency Divisions with 15 individual programs that provide over 60 consumer services across three counties of Northern New Hampshire. Essential duties include; supervision of Division Directors, oversee and monitor program resources, revenues, expenditures and budget performance; tactical oversight of programs to meet or exceed agency defined strategic goals; develop and implement strategies to improve individual programs and overall agency program and fiscal performance; oversee and lead special projects such as the Annual Report, Strategic Plan, Community Needs Assessment process, and work with Senior Management Team to develop new service initiatives. Provide tactical guidance to Division Directors to trouble shoot issues and problems in the daily operations of programs.

Tri-County Community Action Programs, Inc.

Division Director: TCCAP Prevention Services

Berlin, NH 2015- 2016

Responsible for four agency programs under the umbrella of TCCAP Prevention Services; oversee division resources, revenues, and expenditures and monitor budget performance; general oversight of programs to meet or exceed agency defined strategic goals; supervise program directors; write grants to support programs, monitor results, and prepare grant reports and financial statements for funders and agency; develop fundraising and marketing strategies for programs; represent program through participation in state and local initiatives relative to program/division goals and service delivery; collaborate with stakeholders and elected officials, including presenting legislative testimony.

Tri-County Community Action Programs, Inc.

Program/Division Director: Support Center at Burch House

Littleton, New Hampshire 2007- 2013

Oversee daily operation and supervision of domestic and sexual violence crisis center and residential shelter; write grants to support programs, monitor results, and prepare grant reports and financial statements for funders and parent agency; oversee program resources, revenues and expenditures, and monitor budget performance and progress toward strategic goals; create and direct victim advocacy programs to ensure compliance with grant deliverables and applicable state and federal law; develop fundraising and marketing strategies; participate in state and local collaborations to enhance victim services; represent program in state and federal victim service initiatives, including presentation of legislative testimony; create and present trainings for medical and legal professionals on legal standards and best practices for victim services.

Bookkeeper: Women's Rural Entrepreneurial Network (WREN)

Bethlehem, NH current PT employment

Responsible for grant fiscal tracking, reporting, funds release and account transfers, bi-weekly payroll and 941 payments, accounts payable and receivable, month end reconciliations for bank accounts, credit cards, petty cash, retail and market sales; monthly POS/QB reconciliation for three retail locations, preparing monthly cash flow, forecasts, and standard fiscal reports for Board of Directors.

Tri-County Community Action Programs, Inc.

Direct Services/Volunteer Coordinator: Support Center at Burch House

Littleton, New Hampshire 1997 to 2007

Provide advocacy and direct service to victims of domestic and sexual violence; supervise court advocacy programs; recruit, train and supervise staff, volunteers, and interns; develop agency systems, policies and protocols; create and present community outreach presentations and campaigns; present school-based violence prevention classes for grades K-12 ; provide on-call coverage of crisis line

Director: Haverhill Area Juvenile Diversion Program

Woodsville, New Hampshire 1999-2001

Recruit, train, and supervise volunteer diversion committees; establish community programming for diverted youth; supportive counseling of youth; maintain collaborative relationships between the court system, juvenile service officers, local police departments, and diversion program; prepare and file court reports on diverted youth; community outreach and education

Counselor/Title I Teacher: Northern Family Institute-Jefferson Shelter

Jefferson, New Hampshire 1996-1999

Provide individual supportive counseling to adjudicated youth, facilitate peer support groups, develop and implement treatment plans and case management services to clients, supervise and tutor youth in classroom setting, supervise youth in daily living skills

Education

BS in Human Services, Springfield College School of Human Services, Boston, MA

Criminal Justice Concentration, *Graduated with 4.0 GPA*

AS in Drug and Alcohol Rehabilitation Counseling (DARC Program)

Southern Connecticut Community College, New Haven, CT

Additional Skills, Professional Leadership and Civic Affiliations

- ◆ Chairman, Bethlehem Board of Selectmen, Town of Bethlehem Twice Elected 2006-2010
- ◆ Chairman, Arts Alliance of Northern New Hampshire 2000-2003, *Treasurer 1996-1998*
- ◆ Chairman, Haverhill Area Family Violence Council 1998-2003
- ◆ Certified PRIME FOR LIFE-Impaired Driver Intervention Program Instructor #NH16199
- ◆ Registered Sexual Harassment Prevention Trainer in the State of New Hampshire
- ◆ Board Member, Women's Rural Entrepreneurial Network 2014; *Individual Member 2008-2017*
- ◆ Bethlehem Planning Board 2010 - 2015
- ◆ Bethlehem Conservation Commission 2006 - *current*
- ◆ Granite United Way, North Country Cabinet Member 2011-2012
- ◆ TCCAP: Commendation- Division Director Award, 2011
- ◆ Bethlehem Citizen's Advisory Committee on Recycling 2007-2010
- ◆ Licensed Foster Parent, State of NH 2000-2006
- ◆ Small Business Owner : Aurora Energies 2015- *current*
- ◆ Speakeasy Trio Jazz Vocalist/ Sweet Jamm Swing Band Jazz Vocalist 1997- *current*
- ◆ Member, United States Figure Skating Association/International Skating Institute *current since 1993*

RANDALL S. PILOTTE

SUMMARY

Accounting professional with over 29 years of experience, of which 21 years were with a single private manufacturer. 16 years of experience managing accounting professionals. Key competencies include:

Financial Statements	Accounts Payables	Inventory	Fixed Assets
Payroll	Bank Reconciliations	Accounts Receivables	Sales/Use Tax
Budgeting	Cash Flow Management	Audits	Forecasting

EXPERIENCE

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC., Berlin, NH

06/2013-Present

CFO (2017 – Present)

Work closely with the CEO, Treasurer and Finance Committee to identify performance goals for the Agency and to maintain systems to monitor performance against those goals. Plan, direct, coordinate, implement and evaluate the financial management systems and activities of the Agency with a budget of \$18M.

- Prepare/provides complete and accurate financial, statistical, and accounting records for the Agency and outside regulatory agencies.
- As a member of the senior management team, assists in the formulation and execution of corporate finance policies, objectives and programs.
- Prepares program and agency budgets in conjunction with the CEO and Program Directors. Plan, direct, coordinate, implement and evaluate fiscal performance reviews of Tri-County CAP's divisions.
- Hire, train, direct and evaluate employee performance within the department; recommend promotions and salary adjustments.
- Provides supervision and direction for the Facilities Management Team, ensuring that all mortgages, leases and covenants are maintained for Tri-County CAP's facilities. Creation of five-year capital plan.
- Reviews cash flows for each division, monitor cash management practices, and monitor investments associated with each property.
- Prepared five-year debt reduction plan.

Fiscal Director/Interim CFO (2016 – 2017)

- Direct and manage a fiscal staff of 5 and processes associated with the general ledger, payroll, and accounts payable, accounts receivable, cash receipts and fixed assets.
- Prepare and supervise the production of financial statements including Balance Sheet, Revenue and Expense Reports, and Cost Summaries on a monthly and annual basis.
- Maintain proper accounting controls on grants and contributions to ensure accurate revenue reporting and expense tracking to support periodic monitoring's by funders and auditors.
- Ensure all balance sheet, revenue and expense accounts are analyzed and reconciled periodically.
- Collaborate with Division Directors to monitor departmental revenue and expenses versus budget.
- Worked with the CFO to develop real time monthly and annual financial reporting; and implementing departmental goals.
- Prepare audit schedules for external auditors.
- Collaborate with external auditors in completing annual audit in a timely manner.

Accounting Manager (2015-2016)

Sr. Accountant (2013-2014)

RANDALL PILOTTE RESUME:

KENT NUTRITION GROUP, INC. (f/k/a Blue Seal Feeds, Inc.), Londonderry, NH

03/1989-09/2010

Assistant Controller (2005-2010)

- Ensured an accurate and timely monthly and year end close, consisting of the preparation of a consolidated and individual financial statement in accordance with GAAP for nine manufacturing plants and 11 retail stores with gross revenues in excess of \$200M. Additional responsibilities included preparing journal entries, account analysis, inventory review and observation, fixed assets, and depreciation.
- Managed, trained, and supervised a staff accountant responsible for ensuring accurate journal entries, inventory reconciliation, tonnage tax returns, bank reconciliations, and assignment of special projects.
- Oversaw all aspects of proprietary software, multi-state payroll system for 500 employees. Prepared all federal and state payroll tax reports, including quarterly and year-end returns, processing of W2s, and supervision of payroll clerk.
- Interfaced with 18 various banks throughout New England and Mid-Atlantic area used as depositories.
- Prepared multi-state sales/use tax returns and acted as point of contact for audits.
- Pro-actively coached and consulted plant and store management on the annual budget development process.
- Oversaw month-end accruals.
- Assisted and responded to auditors' requests on annual audit.
- Filed annual franchise and abandoned property reports with appropriate states.

Accounting Manager (1999-2005)

Supported the Corporate Controller's initiatives by providing supervision and oversight to the Accounting function. Supervised and trained two accounts payable clerks on Chart of Accounts, Accounts Payable, timely and accurate processing and payment of vendor's invoices, employee travel reimbursements, and standard accounting practices.

Accountant/Payroll Supervisor (1994-1999)**Accountant (1989-1994)**

NORTHERN TELECOM, INC., Concord, NH

05/1987-03/1989

Associate Results Accountant (1988-1989)**Accounts Payable (1987-1988)****E D U C A T I O N**

Bachelor of Science, Accounting, FRANKLIN PIERCE COLLEGE, Concord, NH

REGAN L. PRIDE

SUMMARY

My experience spans the fields of engineering, computer technology, education, and public administration. This unique combination brings a wide array of knowledge and skills to the table for your organization. I am a team player, a patient trainer, and adept at interpersonal relations.

RELEVANT KNOWLEDGE AND SKILL AREAS

- Confidence in public speaking for business and technical applications, and instructional settings
- Strong writing skills and interpersonal communication skills, ability to teach others, and build consensus
- Approachable, warm and personable style in teaching classes and interacting with colleagues
- Robust education in mathematics, engineering and general science topics
- Fluency with entire Microsoft Office application suite.
- Fluency with AutoCAD computer-aided drafting software
- Familiarity with ArcView GIS software.
- Familiar with Avante Enterprise Resource Planning software
- Familiar with BMSI fund accounting and Avitar assessing/tax billing software
- Adept at Macromedia/Adobe Dreamweaver MX web site design software

WORK EXPERIENCE

NORTH COUNTRY COUNCIL REGIONAL PLANNING COMMISSION, Littleton, NH

TITLE: Planner, 2012-2013 + 2015-2018

Managed solid waste technical assistance program funded by USDA Rural Development. Conducted "Full Cost Accounting" studies of municipal solid waste department operations. Reviewed and updated operating plans for municipal solid waste facilities. Organized household hazardous waste collection events. Created and delivered training programs for solid waste operator certification. Created pilot programs to reduce & divert food waste from landfills in 4 communities.

2013-2014

INNOVATIVE STRUCTURAL BUILDING PRODUCTS

TITLE: Project Manager

Performed a variety of functions including business plan preparation and product development associated with a start-up company in the engineered wood sheathing industry. I created engineering drawings, built and tested prototypes, and assisted in marketing activities.

2000 - Present

ICANTOO ENTERPRISES, Lisbon, NH

TITLE: Owner, Computer Applications Consulting

Assistance and training with business and technical applications. Created customized solutions involving AutoCAD, MS Word, MS Excel, MS Access software applications. I also perform web site HTML and CGI development, hardware setup, upgrades, and troubleshooting.

Recent clients/projects include:

- New England Electric Wire Corp - Implementation of Avante MRP & APS scheduling software, computerized WIP labeling system, computer workstation installations, user/operator training.
- Littleton, NH Senior Softball League - custom programming and support of statistical software
- Louisiana Corporate Credit Union - Web site design and maintenance.
- Brammer Creek - Web site design for wholesale food distributor.

2006 – 2012

TOWN OF LISBON, NH, Lisbon, NH

TITLE: Town Administrator, CPM

Prepared annual town budgets and performed presentations at budget hearings and town meeting. Prepared annual financial reports (MS-2, MS-4, MS-6) for the town. Generated tax warrants, and water/sewer warrants. Analyzed water/sewer revenues and developed rate structure to balance department's budget. Performed the functions of financial administration, personnel management, grant administration, welfare administration, emergency management, and project management.

1990-2000 & 2004 – 2006

NEW ENGLAND CATHETER CORPORATION, Lisbon, NH

(Subsidiary of New England Wire Technologies)

TITLE: Engineer, Medical Products

Performed process engineering support in the manufacture of wire-reinforced medical tubing including: equipment specification, process/procedure development, tooling design, and statistical data analysis. Developed customized spreadsheets for product design, and manufacturing process control.

I was also employed with the parent company as an engineer/CAD operator from 1990 to 2000. While in this capacity, I led personal computer users groups, installed the first Ethernet network in the company engineering department, and developed computer file management systems and backup routines.

2002 – 2004

SCHOOL ADMINISTRATIVE UNIT 35, Littleton, NH

TITLE: Distance Learning Coordinator

This position involved collaboration with teachers and staff to develop interactive educational programs utilizing distance learning/videoconferencing technology. Programs were distributed between three high school campuses. Duties included setup, configuration, operation and maintenance of videoconferencing endpoints, and operation of bridge/gateway at central office. I served as webmaster for SAU website. I also performed various computer support duties.

EDUCATION/CERTIFICATIONS

NH Bureau of Education and Training

CPM Certificate (Certified Public Manager)

University of California at Berkeley, Engineering Department

92 semester credits in Mechanical Engineering Major

CONTINUING EDUCATION

- NH Certified Public Supervisor program
- Radvision H.232 technician course
- Six Sigma process control course by Boston Scientific Corp.
- Extrusion Theory course at University of Massachusetts, Lowell

PROFESSIONAL & CIVIC ASSOCIATIONS

- Board of Directors, North Country Council Regional Planning Commission, Bethlehem, NH; 2007-2012. Served as chairman in 2011.
- Grafton-Coos Regional Coordinating Council (for public transit); Littleton, NH; 2009-2012
- Member of NHMMA, NHGFOA, NHLWAA – 2006-2012
- Board of Selectman, Lisbon, NH March 2000-2006. Served as chairman from 2002 to 2006.
- Board of Directors, Lisbon Main Street, Inc., Lisbon, NH; 2008-2012;
- Economic Restructuring Committee of Lisbon Main Street, Inc., 2002-present
- Member of Granite State Distance Learning Network, 2002-2004

REFERENCES

Professional references shall be produced upon request and presented at time of interview.



Kristy Letendre

"If human beings are perceived as potentials rather than problems, as possessing strengths instead of weaknesses, as unlimited rather than dull and unresponsive, then they thrive and grow to their capabilities."

~ Barbara Bush

Experience

May 2019–Present

Division Director · TCCAP, Inc-Prevention

Responsible to provide Sr. Leadership and oversight to the development, design, daily operation, compliance, and financial solvency of the programs and facilities under Prevention Services which include Guardianship Services; Homeless Programs, including Tyler Blain Homeless Shelter, and Advocacy and Support Services for Victims of Domestic Violence and Sexual Assault, including Emergency Shelter Services at the Support Center at Birch House

Sept 2018–Present

Division Operations Coordinator · TCCAP, Inc-Prevention

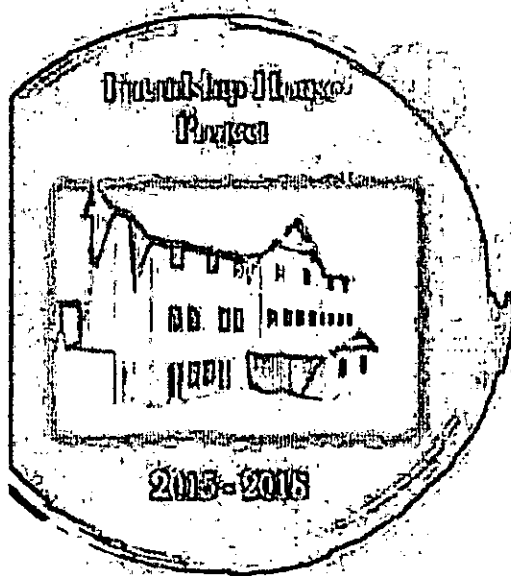
Responsible for monitoring compliance of grant deliverables and legal / ethical integrity of programs and services offered throughout the Division. Responsible to compile and analyze division data; reporting trends and outcomes to Sr. management and local stakeholders. Responsible to develop, review, and update program written policy, procedures, and work flows. Responsible for program development and oversight.

May 2017–August 2018

North Country SUD Continuum of Care Facilitator / Lead Transition Coordinator · North Country Health Consortium

COCF: The North Country Region's designated state liaison responsible to work with regional key stakeholders to conduct a comprehensive assets and gaps analysis; reporting back findings to NH DHHS and facilitate the development of a comprehensive plan aimed to create a robust, effective, and well-coordinated Continuum of Care (CoC) in the North Country for addressing substance use disorders (SUD) that include health, prevention, early identification/intervention, treatment and recovery supports. Responsible for community education and engagement.

LTC: Responsible to oversee the merger and acquisition of the Division of Alcohol and other Drug Services, including the region's 32-bed residential treatment facility. Responsible to provide Technical Assistance with Program Development, transfer of State, Federal, and Commercial contracts, initial Credentialing and Licensure of the new treatment facility following construction completion, and managing preparation for CARF Accreditation.



April 2014–May 2017

Division Director TCCAP, Inc- Clinical Services

Responsible to provide Sr. Leadership and oversight to the development, design, daily operation, compliance, and financial solvency of the programs and facilities under Clinical Services including the Division of Alcohol and other Drug Services, Friendship House; the region's 32- bed Residential Treatment facility, and the Tamworth Dental Center Practice.

May 2004–April 2014

Associate Division Director TCCAP, Inc- Division of Alcohol and Drugs

In conjunction with the Division Director, responsible to provide joint Sr. Leadership and oversight to the development, design, daily operation, compliance, and financial solvency of the programs and facilities under the Division of Alcohol and other Drug Services, including Friendship House, the region's 32- bed Residential Treatment facility, the out-patient SUD treatment practice with 6 satellite sites throughout the 3 counties in the North Country and the Impaired Driver Care Management Program.

Accomplishments

Friendship House New Construction-Bethlehem, NH-\$2 MIL - 2015-2018

17,588-sq ft, 32-Bed Residential Substance Use Disorder Treatment Facility

- Submission of state and federal grant applications resulting in \$2.7 MIL in awards & executed a grass roots advocacy campaign securing the remaining \$2.5 MIL in anonymous donations
- Issued all final project approvals on the design, project development, construction, submission of permit applications and town zoning requirements, and licensure and compliance standards.

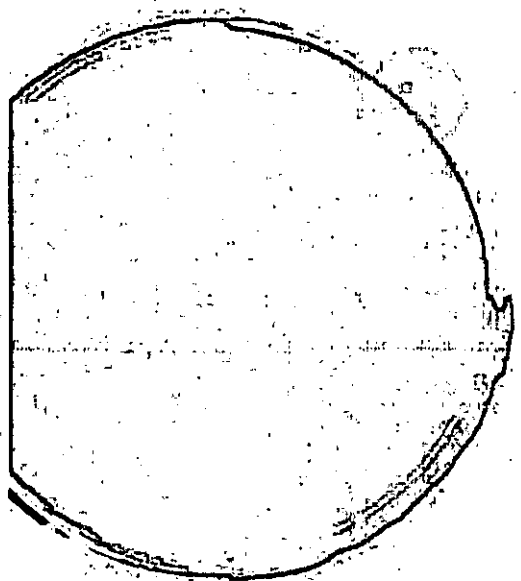
Implemented New Reimbursement System, 2015

- Eliminated the Division's dependence on grant funding by successfully procuring contracts and credentialing with NH Medicaid, MCO's, and Commercial insurance companies creating eligibility to submit claims on a fee-for-service basis stabilizing revenue and enhancing rates for service.
- Successfully negotiated a contract amendment with DHHS to expand billable services to include Outpatient and Intensive Outpatient services resulting in an increase to from \$1.8 MIL. to \$2.5MIL.

Expert Panelist - Guidance Document on Best Practices: Community-Based MAT for Opioid Use Disorders in New Hampshire, First Edition, 2016

Civic Involvement

2019 - Present	MWV Supports Recovery Advisory Board	- Member
2017 - Present	North Country Serenity Center BOD	- Officer
2016 - Present	Stand-Up Androscoggin Valley Coalition	- Member
2016 - 2018	Project Aware, BHHS, Advisory Board	- Member
2017 - Present	Littleton ATOD Coalition	- Member
2018 - Present	Lancaster Area Coalition	- Member
2016 - 2017	NCHC Board of Directors	- Member



Skills

Creative flair	Good sense of humor	Excellent written and oral communication skills
Engaging Community Presenter	Cultural intelligence	Well-informed in policy and procedure development
Proficient in Office Suite	Versatile and adaptable	Proficient in budget development and management
Solution focused problem resolution	Computer and technology adept	Lateral thinking and logical reasoning
Unique leadership through empowerment	Knowledgeable grant writer	Innovative
Detail oriented	Creative strategic planner	Experienced non-profit management
Excellent Community and political relations	Advocacy	Approachable, relatable, and relevant

Education

Plymouth State University, Plymouth NH.

2017-In Progress | Business Administration

Coursework: accounting, economics, finance, management, marketing theories and practices of business ethics and social responsibility, quantitative skills to analyze.

White Mountains Community College, Berlin NH.

2015-2017 | Business Administration

Coursework: management, accounting, finance, strategy, economics, statistics, marketing, operations/project management, entrepreneurship, and computer applications. Completed requirements of the first two years of a four-year business administration degree, AS-equivalent, 1.0 GPA

White Mountains Community College, Berlin NH.

2011 | Leadership North Country

Coursework: The program selects a diverse group aspiring leaders in northern New Hampshire through a competitive nomination and application process. Candidates participate in a 9-month program focused on education, arts and culture, leadership and civil engagement, travel and tourism, and government and politics.

References

Available upon request

Carolyn Towne

SUMMARY OF QUALIFICATIONS

A dynamic and passionate self-starter with diversified experience and strong interest in non-profit and social service organizations, working with underserved populations, and crisis intervention services.

PROFESSIONAL EXPERIENCE

Tri-County Community Action Program Director of Housing Supports

2018-Present

- Supervise a team of 5 including 4 Homeless Intervention and Prevention Specialists and 1 Housing Stabilization Coordinator.
- Oversee the operations of and report on program's grant and loan programs to include PATH, ESG, EHP, PSH, HSGP, and HHARLF.
- Assist with completing grant/funding applications and represent TCCAP homeless programs at local, State, and other levels.
- Maintain good working relationship with State and other funders as well as other service providers.
- Assist with developing new programs to help address homelessness in the North Country.
- Agency Administrator for HMIS.

Families in Transition Housing Advocate

2016-2018

- Provided individual case management services for participants in transitional housing, permanent supportive housing and shelter.
- Supported participants in creating an action plan and achieving individual goals related to obtaining and/or maintaining stable housing, recovering from SUD, improving financial management skills, obtaining/maintaining mainstream benefits, improving physical and/or mental health, obtaining gainful employment and/or increasing education, improving parenting skills, and engaging in activities of daily living.
- Connected participants to community resources and benefits while communicating with collateral contacts as needed to coordinate appropriate level of care, support with navigating systems, and facilitate stable housing.
- Coordinated and facilitate workshops related to programming such as program orientation, apartment maintenance, self-care, employment, financial management, and program graduation.
- Maintained caseload files and document services in a timely manner.

The Support Center at Burch House Education and Outreach Coordinator

2015-2016

- Provided violence prevention education and outreach presentations to schools, community groups, social service agencies, police departments, and medical personnel, including the creation and distribution of relevant educational brochures.
- Provided direct services to victims and survivors of domestic violence, sexual violence and stalking and their families to include court accompaniment, crisis intervention via hotline, and accompaniment to child advocacy center.
- Outreached the community, in-person and via social networking, to increase awareness of the impact of domestic and sexual violence on victims, their families, and the community and to inform of services offered by the agency and ways to access these services.
- Created and managed online donation opportunities.

Families in Transition Housing Program Manager (2013 - 2015)

2010-2015

- Supervised a team of 5 Housing Advocates and managed the agency's housing program, consisting of 17 buildings and 200+ units of housing for 180 clients.
- Provided oversight and managed the supportive services provided to the housing program participants including: Workshops, individual case management, special events, and back-up for the 24hr crisis line.

- Collaborated with other community providers in order to ensure the success of housing participants.
- Collaborated with colleagues to develop, implement, and evolve programming.
- Collaborated on and provided oversight of housing program's strategic plan to ensure that programming and services were focused on goals, following strategies outlined, and meeting outcome expectations.
- Presented program outcomes to senior management team on a quarterly basis.
- Collaborated with the Chief Operating Officer to create, update, and implement housing program policies.
- Attended weekly LADC/Clinical supervision and attended continuing education trainings to ensure best services possible provided to participants.

Housing Advocate (2010- 2015)

- Provided individual case management services for participants.
- Supported participants in creating an action plan and achieving individual goals related to obtaining and/or maintaining stable housing, recovery from SUD, improving financial management skills, obtaining/maintaining mainstream benefits, improving physical and/or mental health, obtaining gainful employment and/or increasing education, improving parenting skills, and engaging in activities of daily living.
- Connected participants to community resources and communicated with collateral contacts as needed to coordinate appropriate level of care and facilitate stable housing.
- Coordinated and facilitated workshops related to programming such as program orientation, apartment maintenance, self-care, employment, financial management, and program graduation.
- Maintained caseload files and document services in a timely manner.

YWCA Supervised Visitation and Child Exchange Center, Manchester, NH 2007-2014

Visit Supervisor

- Facilitated a safe and neutral environment for court ordered supervised visits and exchanges between a child(ren) and their nonresidential parent.
- Responsible for supervising contact between child(ren) and non-residential parent during the visit.
- Ensured strict adherence to the center's policies and procedures by providing clear direction and redirection as needed during the visit.
- Documented objective observations before, during, and after visits.

Child and Family Services, Laconia, NH 2009-2010

Parent Aide

- Supervised visits between child(ren) in placement and their parent(s). Modeled appropriate parenting techniques and provided coaching regarding life skills.
- Supported parent(s) with identifying and accessing appropriate community resources.
- Completed treatment plans, assessments, and documentation of visit notes in a timely manner.

Fellowship Housing Opportunities, Concord, NH 2007-2009

Community Integration Coordinator

- Provided direct care and support with symptom management and activities of daily living in a residential setting for people suffering with severe and persistent mental illness.
- Coordinated and provided therapeutic behavioral services and medication support services to clients suffering with severe and persistent mental illness to clients within the residence and in the community.
- Resolved medication issues via communication with client, outreach staff, pharmacy personnel and client's treatment team as needed.

EDUCATION and SKILLS

BA in Psychology, Summa Cum Laude, University of New Hampshire at Manchester, Manchester NH
 Certified trainer in Connect Suicide Prevention and Postvention Curriculum
 Certified CALM (Counsel on Access to Lethal Means) Trainer
 Proficient in Microsoft Office Suite

ADDITIONAL CONTINUING EDUCATION QUALIFICATIONS

- Motivational Interviewing: Advancing the Practice
- Dialectical Behavioral Therapy for Case Managers
- Brazelton Touchpoints
- Trauma-Informed Care
- Cognitive Behavioral Therapy for Case Managers
- Relational Cultural Theory
- Evidence-Based and Strength-Centered Case Management
- SOAR

MATHIEU DUCLOS

Mduclos@tccap.org

To obtain a position in the field of human services that maximizes and enhances my skill set, challenges me, and supports continued professional growth

EXPERIENCE

AUGUST 2018- PRESENT

TCCAP-TYLER BLAIN HOUSE

SHELTER MANAGER

Responsible for the overall operation of the shelter. Responsible to interview, hire, train and manage shelter support staff; set the shelter rules and procedures and serve as the "go-to" person whenever shelter staff has concerns. Responsible for managing the shelter's annual budget, identifying alternate funding opportunities, organizing fundraisers, and strategic planning that aligns with the agency's vision and mission.

MAY 2017- AUGUST 2018

TCCAP/NORTH COUNTRY HEALTH CONSORTIUM

IDCMP ADMINISTRATIVE ASST/ INSTRUCTOR

Responsible for overseeing new client intake process, initial substance misuse screening and development of service plan requirements required to satisfy DUI/DWI offense. Responsible to coordinate and correspond with NH Dept. of Safety, Bureau of Drug and Alcohol Services, prosecutor, and area district and superior courts. Responsible for processing Impaired Driver Class registrations, scheduling class, and inventory monitoring, control and procurement. Required to adhere to HIPAA and 42 CFR part 2 regulations.

As a NH certified IDEP instructor, responsible to teach 20- hour IDEP, document presence, progress, and identify problematic substance using patterns that require further evaluation.

JUNE 2016-MAY 2017

TCCAP-FRIENDSHIP HOUSE

TLP SUPERVISOR

Responsible for providing residents with unique challenges, one on one or in small groups', instruction designed to develop basic life skills, introduce and support entry level hands on training and work experience; in either the culinary or maintenance areas of the Transitional Living Program, and to foster self-empowerment helping the clients gain independence.

Responsible for overseeing the efficient operation of a residential health care facility kitchen and food service preparation, inventory control, management and procurement, complying to all health and safety code standards and regulations, while monitoring and adhering to budgetary limitations.

JANUARY 2014-MAY 2016

ZUMA TEX/MEX RESTAURNT

Responsible for overseeing the efficient running and profitability of the front of the house, maintaining high production, productivity, quality, and adhering to all health, safety codes and customer service standards

EDUCATION

FALL 2016-PRESENT

HUMAN SERVICES, WHITE MOUNTAIN COMMUNITY COLLEGE

ONGOING

NH TRAINING INSTITUTE OF ADDICTIVE DISORDERS

- HIV PREVENTION
- SUICIDE PREVENTION
- ETHICS AND BOUNDARIES
- DWI LAWS

JUNE 1997

H.S. DIPLOMA, NEW BEDFORD HIGH SCHOOL

SKILLS

- PRIME FOR LIFE INSTRUCTOR CERTIFIED
- NH approved IDEP instructor
- Serv-Safe trained
- CRSW eligible
- CPR/AED certified
- Narcan Trained

ACTIVITIES

Board of directors Serenity Center 2017-2018

President of Board of Directors Serenlty Center 2018-present

Key Note Speaker/panelist in speaking engagements throughout Tri County service area

Featured as a part of a 6 week community education awareness special on N. Country Radio

Volunteered for Special Olympics for 15 years

Volunteered for committee running benefit concerts for American Cancer Society for 7 years

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Jeanne Robillard	Chief Executive Officer	\$115,000	0%	N/A
Randall Pilotte	Chief Financial Officer	\$75,000	0%	N/A
Regan Pride	Chief Operating Officer	\$70,000	0%	N/A
Kristy Letendre	Division Director	55,000	5%	\$2,750.00
Carolyn Towne	Homeless Program Manager	45,000	10%	\$4,500.00
Mathieu Duclos	Shelter Manager Program	40,000	100%	\$40,000

New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program



State of New Hampshire
Department of Health and Human Services
Amendment #1 to the State Grant in Aid Homeless Assistance Program

This 2nd Amendment to the State Grant in Aid Homeless Assistance Program contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Waypoint, (hereinafter referred to as ("the Contractor")), a nonprofit, with a place of business at 464 Chestnut Street, Manchester, NH 03105.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2019 (Item #40), and amended on August 28, 2019 (Item #20B) the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to Standard Contract Language, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to, modify the price limitation and modify the scope of services to support continued delivery of these services; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$252,556.
2. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1. to read:
2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless statewide, including but not limited to:
3. Modify Exhibit A, Scope of Services, Section 2, Subsection 2.1.4. to read:
2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:
4. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 1, in its entirety.
5. Delete Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.1, in its entirety.
6. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 2, Subsection 2.2, to read:
2.2. The Department will reimburse the Contractor based on the total emergency shelter beds in a program as reported to the Department of Housing and Urban Development. The rate includes all services provided in this Contract on behalf of the individual per day.
7. Modify Exhibit B, Methods and Conditions Precedent to Payment, Section 3, Subsection 3.1, to read:
3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the fiftieth (15th) day of each month, for the previous month, and accompanied by an

**New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program**



invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.



New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program

All terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #2 remain in full force and effect. This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

6/24/20
Date

Christina S.
Name: Christina Santaniello
Title: Director, DEHS

Waypoint

6/17/2020
Date

Borja Alvarez de Toledo
Name: BORJA ALVAREZ DE TOLEDO
Title: President/CEO

New Hampshire Department of Health and Human Services
State Grant in Aid Homeless Assistance Program



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

07/01/20
Date

Catherine Pinos
Name:
Title: Catherine Pinos, Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

State of New Hampshire

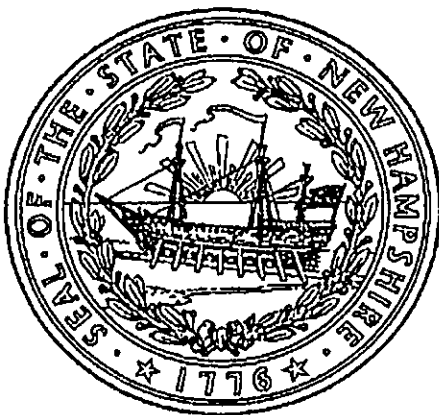
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that WAYPOINT is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on September 25, 1914. 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: 62585

Certificate Number: 0004898322



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 April A.D. 2020.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, KENNETH SHELDON, Board Chair, do hereby certify that:
(Name of the elected Officer of the Agency, cannot be contract signatory)

1. I am a duly elected Officer of WAYPOINT.
(Agency Name)

2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of
the Agency duly held on 12/4/18:
(Date)

RESOLVED: That this corporation enters into a contract with the State of New Hampshire, acting through its
Department of Health and Human Services.

RESOLVED: That the PRESIDENT AND 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.

BORJA ALVAREZ DE TOLEDO is the duly elected PRESIDENT/CEO
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of
the 17th day of June, 2020

Kenneth R. Sheldon
Kenneth R. Sheldon, Chair



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/29/2020

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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER FIAI/Cross Insurance 1100 Elm Street Manchester NH 03101		CONTACT NAME: Andrea Nicklin PHONE (A/C, No, Ext): (603) 669-3218 FAX (A/C, No): (603) 645-4331 E-MAIL: anicklin@crossagency.com ADDRESS:	
INSURED Waypoint Po Box 448 Manchester NH 03105		INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Indemnity Ins Co INSURER B: Granite State Health Care and Human Services Self- INSURER C: Travelers Casualty & Surety Co of America INSURER D: INSURER E: INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 20-21 All Lines

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	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input checked="" type="checkbox"/> OTHER:			PHPK2151359	07/01/2020	07/01/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Employee Benefits \$ 1,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2151341	07/01/2020	07/01/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$ 5,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB728723	07/01/2020	07/01/2021	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
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 <input checked="" type="checkbox"/> N	N/A	HCHS20200000242	02/01/2020	02/01/2021	<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
C	Fidelity & Forgery			105912196	04/01/2020	04/01/2021	Limit 500,000 Deductible 5,000

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

DHHS: State of NH, Division for Children, Youth & Families are listed as additional insureds with respects to the CGL as per written contract.

CERTIFICATE HOLDER

CANCELLATION

DHHS: State of NH Director Division for Children, Youth 129 Pleasant Street 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
--	--	---

© 1988-2015 ACORD CORPORATION. All rights reserved.



WAYPOINT

Help Along the Way

Formerly
CHILD AND FAMILY SERVICES

MISSION STATEMENT:

Empowering people of all ages through an array of human services and advocacy



HEADQUARTERS

toll free (800) 640.6486
office (603) 518.4000
fax (603) 668.6260

464 Chestnut Street
PO Box 448

Manchester, NH 03105
waypointnh.org



WAYPOINT

Help Along the Way

WAYPOINT

Consolidated Financial Statements

For the Year Ended December 31, 2019

(With Independent Auditors' Report Thereon)

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8
SUPPLEMENTARY INFORMATION:	
Consolidated Schedule of Operating Expenses - 2019	30
Consolidated Schedule of Operating Expenses - 2018	31

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Waypoint

Additional Offices:
Nashua, NH
Andover, MA
Greenfield, MA
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Waypoint, which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 Waypoint as of December 31, 2019, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Waypoint's 2018 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated March 26, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidated Schedules of Operating Expenses for 2019 and 2018 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2020 on our consideration of Waypoint's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Waypoint's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Waypoint's internal control over financial reporting and compliance.

Melanson Heath

May 26, 2020

WAYPOINT

Consolidated Statement of Financial Position

December 31, 2019

(with comparative totals as of December 31, 2018)

	2019		2019	2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 177,479	\$ -	\$ 177,479	\$ 1,078,577
Accounts receivable, net	1,260,930	-	1,260,930	714,112
Contributions receivable	79,161	-	79,161	60,000
Prepaid expenses	145,979	-	145,979	192,744
Total Current Assets	1,663,549	-	1,663,549	2,045,433
Noncurrent Assets:				
Investments	15,894,841	2,992,179	18,887,020	16,140,394
Beneficial interest held in trusts	-	1,837,101	1,837,101	1,679,591
Property and equipment, net	6,460,382	-	6,460,382	6,358,505
Total Noncurrent Assets	22,355,223	4,829,280	27,184,503	24,178,490
Total Assets	\$ 24,018,772	\$ 4,829,280	\$ 28,848,052	\$ 26,223,923
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	\$ 139,382	\$ -	\$ 139,382	\$ 217,685
Accrued payroll and related liabilities	646,070	-	646,070	564,736
Other liabilities	66,628	-	66,628	67,299
Bonds payable	150,000	-	150,000	140,000
Total Current Liabilities	1,002,080	-	1,002,080	989,720
Bonds payable, net of current portion	3,915,000	-	3,915,000	4,065,000
Deferred loans - NHHFA	1,250,000	-	1,250,000	1,250,000
Interest rate swap agreements	1,072,580	-	1,072,580	885,525
Total Liabilities	7,239,660	-	7,239,660	7,190,245
Net Assets:				
Without donor restrictions	16,779,112	-	16,779,112	14,373,688
With donor restrictions	-	4,829,280	4,829,280	4,659,990
Total Net Assets	16,779,112	4,829,280	21,608,392	19,033,678
Total Liabilities and Net Assets	\$ 24,018,772	\$ 4,829,280	\$ 28,848,052	\$ 26,223,923

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

WAYPOINT

Consolidated Statement of Activities

For the Year Ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	2019 Total	Total
SUPPORT AND REVENUE:				
Support:				
Government grants	\$ 5,486,443	\$ 16,056	\$ 5,502,499	\$ 5,401,404
Contributions	426,853	869,431	1,296,284	1,722,592
In-kind contributions	87,864	-	87,864	94,633
Income from special events, net	487,018	-	487,018	369,175
Revenue:				
Service fees	5,524,270	-	5,524,270	5,422,960
Other	65,971	-	65,971	64,715
Net assets released from restrictions:				
Program releases	1,194,247	(1,194,247)	-	-
Endowment releases	74,751	(74,751)	-	-
Endowment transfer to support operations	627,685	-	627,685	661,375
Total Support and Revenue	13,975,102	(383,511)	13,591,591	13,736,854
OPERATING EXPENSES:				
Program services	12,086,191	-	12,086,191	11,550,792
Management and general	1,308,438	-	1,308,438	1,380,172
Fundraising	517,402	-	517,402	427,546
Total Operating Expenses	13,912,031	-	13,912,031	13,358,510
Change in net assets before non-operating items	63,071	(383,511)	(320,440)	378,344
NON-OPERATING ITEMS:				
Investment income (loss)	2,985,010	395,291	3,380,301	(1,006,030)
Unrealized gain (loss) on interest rate swap	(187,054)	-	(187,054)	176,817
Change in beneficial interest	-	157,510	157,510	(188,315)
Interest income	1,851	-	1,851	1,608
Endowment transfer to support operations	(627,685)	-	(627,685)	(661,375)
Total Non-Operating Items	2,172,122	552,801	2,724,923	(1,677,295)
Change in net assets	2,235,193	169,290	2,404,483	(1,298,951)
Net Assets, Beginning of Year, as restated (NOTE 19)	14,543,919	4,659,990	19,203,909	20,332,629
Net Assets, End of Year	\$ 16,779,112	\$ 4,829,280	\$ 21,608,392	\$ 19,033,678

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

WAYPOINT

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2019 Total</u>	<u>2018 Total</u>
Personnel expense:					
Salaries and wages	\$ 6,901,838	\$ 814,197	\$ 340,669	\$ 8,056,704	\$ 7,780,410
Employee benefits	886,121	84,083	24,372	994,576	827,827
Payroll related costs	861,733	72,205	27,088	961,026	834,465
Mileage reimbursement	425,994	931	199	427,124	445,083
Contracted services	527,006	74,153	54,573	655,732	662,720
Subtotal personnel expense	9,602,692	1,045,569	446,901	11,095,162	10,550,505
Accounting	-	31,699	-	31,699	28,700
Assistance to individuals	716,800	-	-	716,800	718,608
Communications	139,255	8,358	4,741	152,354	166,740
Conferences, conventions, meetings	48,489	5,949	3,600	58,038	56,018
Depreciation	326,931	39,920	-	366,851	334,662
In-kind contributions	88,014	-	-	88,014	94,633
Insurance	65,690	9,585	2,597	77,872	74,104
Interest	251,532	67,874	-	319,406	317,772
Legal	-	20,671	-	20,671	3,949
Membership dues	22,789	1,916	3,152	27,857	29,992
Miscellaneous	30,221	14,869	1,959	47,049	40,193
Occupancy	543,136	29,481	13,070	585,687	548,507
Printing and publications	29,318	2,803	29,732	61,853	91,540
Rental and equipment maintenance	89,746	24,229	6,542	120,517	122,782
Supplies	80,964	3,366	5,099	89,429	115,040
Travel	50,614	2,149	9	52,772	64,765
Total Functional Expenses	\$ <u>12,086,191</u>	\$ <u>1,308,438</u>	\$ <u>517,402</u>	\$ <u>13,912,031</u>	\$ <u>13,358,510</u>

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

WAYPOINT

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2019
(with comparative totals for the year ended December 31, 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 2,404,483	\$ (1,298,951)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	366,851	334,662
Contributions restricted for endowment	-	(16,717)
Realized (gain) loss on investments	(129,565)	(136,619)
Unrealized (gain) loss on investments	(2,805,664)	1,688,070
Change in beneficial interest in trusts	(157,510)	188,315
Change in interest rate swap	187,055	(176,817)
Inclusion of new entity in consolidated financial statements	20,085	-
Changes in operating assets and liabilities:		
Accounts receivable	(546,818)	170,636
Contributions receivable	(19,161)	(20,000)
Prepaid expenses	46,765	48,802
Accounts payable	(78,303)	122,018
Accrued payroll and related liabilities	81,334	(101,766)
Other liabilities	(671)	(1,763)
Net Cash Provided (Used) By Operating Activities	(631,119)	799,870
Cash Flows From Investing Activities:		
Purchases of investments	(511,347)	(693,481)
Proceeds from sale of investments	699,950	631,845
Purchase of fixed assets	(318,582)	(426,805)
Net Cash Used By Investing Activities	(129,979)	(488,441)
Cash Flows From Financing Activities:		
Contributions restricted for endowment	-	16,717
Payment of long-term debt	(140,000)	(140,000)
Net Cash Used By Financing Activities	(140,000)	(123,283)
Net Change In Cash and Cash Equivalents	(901,098)	188,146
Cash and Cash Equivalents, Beginning	1,078,577	890,431
Cash and Cash Equivalents, Ending	\$ <u>177,479</u>	\$ <u>1,078,577</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	\$ <u>319,406</u>	\$ <u>317,772</u>

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

WAYPOINT

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2019

1. Organization

Waypoint (the Organization) is a nonprofit organization, founded in 1850, that currently aids more than 20,000 individuals, statewide, through an array of social services.

These services span the life cycle from prenatal to seniors, and can be grouped into the following categories:

Early Childhood – Family Support & Education Services

Over 4,500 parents received education and support to improve parenting, strengthen families, prevent child abuse and neglect, and ensure healthy development of children. Over 500 young children starting life at a disadvantage received critical services to ensure a good beginning and to optimize their chance for life-long success. Some of the programs focused on early childhood include:

Early Support and Services – Early Support and Services provides family-centered support and therapies to infants and toddlers who have developmental disabilities, delays or are at risk of developmental delays. Services work to optimize babies' cognitive, physical, emotional and social development, and chance for success. Services are provided in the child's natural environment (home, day care, playground, etc.).

Home Visiting Services – A number of different prevention programs are offered in the home during those critical early years of a child's life. A spectrum of services includes support to new mothers and those struggling to parent; services for children with chronic health conditions; prenatal services for babies being born at a disadvantage into low-income families; and programs to encourage positive early parent/child relationships and promote optimal early childhood development. Services are provided by nurses, social workers, developmental specialists, occupational therapists, health educators, and home visitors.

Adoption – A licensed child-placing agency, the Organization has been forming families through adoption since 1914. The Organization's adoption professionals provide home studies and adoption services for families looking to adopt and provide counselling and support to birthparents who are considering the adoption option.

Children, Youth, and Family - Intervention and Treatment Programs

The Organization contracts with the State of New Hampshire, the federal government, and insurance companies, to provide a continuum of services for children, adolescents and young adults. Programs are delivered in the home, schools, or community, and include mental health counseling and substance abuse treatment, as well as a complex system of family stabilization and preservation programs, child protection services, and services for at-risk youth. Some of the programs include:

Foster care – The Organization works with the State of New Hampshire in placing children who have been rescued from dangerous home environments, into safe, stable, loving homes. The Organization recruits and supports foster families and works to facilitate permanency for each child.

Home Based Services – The Organization has a number of programs provided in the family home that are designed to help families who are struggling through daily life - where children are at risk. Services work to thwart domestic violence, rebuild families, and to improve family functioning. The Organization empowers families with the skills and resources they need to provide for their children and become self-sufficient.

Runaway and Homeless Youth Services

The Organization is the sole provider of services for runaway and homeless youth in Manchester and the Seacoast. A full spectrum of services features outreach to at-risk youth that includes survival aid on the streets and basic needs fulfillment at the drop-in center, as well as crisis intervention, educational and vocational advocacy, housing, and case management. The Organization also provides behavioral health and substance use counseling where needed. The Organization works with school systems, police, and other agencies in addressing the needs of New Hampshire's homeless youth.

Senior Care and Independent Living

The Organization helps seniors and individuals with chronic illness or disability to live at home safely and with dignity, and to maintain quality of life. Under the title of Home Care, services are delivered by homemakers, companions, personal care service providers, and LNAs. The Organization's caregivers go to client homes to help with everything from cooking and cleaning to personal hygiene, medication reminders, mobility, travel to appointments, paying bills, help with daily tasks, and communication with family members.

Other Programs

Camp Spaulding – Since 1921, Camp Spaulding has helped campers from all types of backgrounds enjoy the benefits of a traditional, resident camp experience. In 2015, the Organization formed a partnership with the YMCA of Greater Nashua whereby the Organization will own the camp and the YMCA will handle daily

operations and summer programming. This collaboration will combine a 96-year camp history, an exceptional facility, strong community support, and the expertise of two premier New Hampshire nonprofit organizations.

The New Hampshire Children's Lobby – Established in 1971, the New Hampshire Children's Lobby is the advocacy wing of Child and Family Services. The program's mission is to improve the lives of children and families through legislative, judicial, and public policy initiatives. This combination of advocacy and direct service practice uniquely positions the Organization to serve the best interest of New Hampshire children.

The Children's Place and Parent Education Center – The Children's Place and Parent Education Center (TCP) in Concord, NH is a 501(c)(3) organization incorporated in 1978 to provide both educational and social programs and services to strengthen and enrich the lives of families with children, two months through six years old.

2. Significant Accounting Policies

Change in Accounting Principle

ASU 2014-09 Revenue from Contracts with Customers and 2018-08 Contributions Received and Contributions Made

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606)*, as amended, and ASU No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, as management believes these standards improve the usefulness and understandability of the Organization's financial reporting.

ASU 2014-09 and 2018-08 have been implemented in 2019, and the presentation in these consolidated financial statements has been adjusted accordingly. Analysis of various provisions of these standards resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited consolidated financial statements (presented in these consolidated financial statements as comparative financial information) were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the new standards.

ASU 2016-01 Equity Investments

In 2019, the Organization adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which relates to the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments.

Principles of Consolidation

The consolidated financial statements include Waypoint, Child and Family Realty Corporation, and The Children's Place and Parent Education Center, commonly controlled organizations. All inter-organization transactions have been eliminated.

Comparative Financial Information

The accompanying consolidated financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2018, from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments invested for long-term purposes, including endowments that are perpetual in nature, are excluded from this definition.

Accounts Receivable

Accounts receivable consists primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

Contributions Receivable

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

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Consolidated Statement of Financial Position. Net investment return/(loss) is reported in the Consolidated Statement of Activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

The Organization maintains pooled investment accounts for its restricted endowment. Realized and unrealized gains and losses are allocated to the individual endowments based on the relationship of the market value of each endowment to the total market value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

Beneficial Interest Held in Trusts

The Organization is the beneficiary of perpetual charitable trusts. The beneficial interest in trusts is reported at its fair value, which is estimated as the fair value of the underlying trust assets. Distributions of income from trust assets are restricted as to use and are reported as increases in net assets with donor restrictions until expended in accordance with restrictions. The value of the beneficial interest in the trusts is adjusted annually for the change in its estimated fair value. Those changes in value are reported as increases in net assets with donor restrictions. The assets in the trusts will never be distributed to the Organization.

Property and Equipment

Property and equipment additions over \$1,000 are recorded at cost, if purchased, and at fair value at the date of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 50 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation is removed, and any resulting gain or loss is included in the Consolidated Statement of Activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Assets not in service are not depreciated.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment in 2019 or 2018.

Interest-Rate Swap

An interest-rate swap is utilized to mitigate interest-rate risk on bonds payable. The related liability is reported at fair value in the Consolidated Statement of Financial Position, and unrealized gains or losses are included in the Consolidated Statement of Activities.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statement of Financial Position.

Revenues derived from providing program services, including facility rentals, are recognized as the services are provided. Revenue related to facility rentals is recognized when the performance obligation of providing the space is satisfied. Program services fees paid in advance are deferred to the period to which they relate. All other amounts paid in advance are deferred to the period in which the underlying event or rental takes place. Due to the nature and timing of the performance and/or transfer of services, certain contract liabilities at December 31 of each year are recognized in the following year.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by Generally Accepted Accounting Principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received.

Advertising Costs

Advertising costs are expensed as incurred and are reported in the Consolidated Statement of Activities and Consolidated Statement of Functional Expenses.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Consolidated Statement of Activities. The Consolidated Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Measure of Operations

The Consolidated Statement of Activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing programs and services and include the Organization's annual endowment transfer to support operations. Non-operating activities are limited to resources outside of those programs and services and are comprised of non-recurring gains and losses on sales and dispositions, investment income, changes in the value of beneficial interests and interest rate swaps.

Income Taxes

Waypoint and the Children's Place and Parent Education Center have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as organizations described in IRC Section

501(c)(3), qualify for charitable contribution deductions, and have been determined not to be private foundations. Child and Family Realty Corporation is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(25).

Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, each is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. In 2019 and 2018, Waypoint was not subject to unrelated business income tax and did not file an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires 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 may differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts and contributions receivable is considered to be limited due to high historical collection rates. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the Consolidated Statement of Financial Position. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Investment Committee believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Fair Value Measurements and Disclosures

Certain assets and liabilities are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs

that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the assessment of the quality, risk, or liquidity profile of the asset or liability.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for certain assets and liabilities that the Organization is required to measure at fair value (for example, unconditional contributions receivable and in-kind contributions).

The primary uses of fair value measures in the Organization's consolidated financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.
- Recurring measurement of endowment investments (Note 6) – Level 1.
- Recurring measurement of beneficial interests in trusts (Note 7) – Level 3.

- Recurring measurement of line of credit (Note 9) – Level 2.
- Recurring measurement of bonds payable and interest rate swap (Note 10) – Level 2.
- Recurring measurement of deferred loans (Note 11) – Level 2.

The carrying amounts of cash and cash equivalents, accounts and contributions receivable, prepaid expenses, accounts payable, accrued payroll and related liabilities, and other liabilities approximate fair value due to their short-term nature.

New Accounting Standards to be Adopted in the Future

Leases

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02, *Leases*. The ASU requires all leases with lease terms more than 12 months to be capitalized as a right of use asset and lease liability on the Statement of Financial Position at the date of lease commencement. Leases will be classified as either finance leases or operating leases. This distinction will be relevant for the pattern of expense recognition in the Statement of Activities. This ASU will be effective for the Organization for the year ending December 31, 2021. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Consolidated Statement of Financial Position, are comprised of the following at December 31, 2019:

Financial assets at year end:		
Cash and cash equivalents	\$	177,479
Accounts receivable, net		1,260,930
Contributions receivable		79,161
Investments		18,887,020
Beneficial interest held in trusts		<u>1,837,101</u>
Total financial assets		22,241,691
Less amounts not available to be used within one year:		
Net assets with donor restrictions	4,829,280	
Less:		
Net assets with purpose restrictions to be met in less than a year	(538,689)	
Donor-restricted endowment subject to spending policy rate (4.00%) and appropriation	<u>(98,140)</u>	4,192,451
Board-designated endowment	15,894,841	
Less: Board-designated endowment annual spending policy rate (4.00%)	<u>(563,860)</u>	<u>15,330,981</u>
Less total amounts not available to be used within one year		<u>19,523,432</u>
Financial assets available to meet general expenditures over the next year	\$	<u>2,718,259</u>

Endowment funds consist of donor-restricted endowments and funds designated by the Board to function as endowments. Income from donor-restricted endowments is restricted for specific purposes. The portion of endowment funds that are perpetual in nature are not available for general expenditure.

Board-designated endowment is subject to an annual spending rate as determined by the Board. Although there is no intention to spend from board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of its liquidity management plan, the Organization also has a \$1,500,000 revolving line of credit available to meet cash flow needs.

4. Accounts Receivable

Accounts receivable consist of the following at December 31, 2019 and 2018:

	2019			2018		
	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Grants receivable	\$ 678,502	\$ -	\$ 678,502	\$ 379,362	\$ -	\$ 379,362
Fees for service	584,728	(2,300)	582,428	338,650	(3,900)	334,750
Total	<u>\$ 1,263,230</u>	<u>\$ (2,300)</u>	<u>\$ 1,260,930</u>	<u>\$ 718,012</u>	<u>\$ (3,900)</u>	<u>\$ 714,112</u>

5. Prepaid Expenses

Prepaid expenses at year end relate primarily to prepaid insurance and contracts.

6. Investments

Investments at fair value consist of mutual funds totaling \$18,887,020 and \$16,140,394 at December 31, 2019 and 2018, respectively. During 2019, the Organization recognized \$2,935,229 of net gains and losses on investments. Of that amount, \$2,935,229 was recognized on investments of equity securities held at December 31, 2019.

Under the terms of the Organization's line of credit agreement (Note 9), the Organization has agreed not to pledge these investments as security on any other debt.

The Organization's policy is to avail itself of a Board-approved percentage of investment income for operations with any remaining interest, dividends, or appreciation reinvested. The spending policy approved by the Board of Trustees for 2019 was 4.25% of the average fair market value of all investments over the previous twelve quarters.

As discussed in Note 2 to these consolidated financial statements, the Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the December 31, 2019. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for the identical asset in inactive markets, and for investments measured at net asset value that can be redeemed in the near term. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

The Organization uses the following ways to determine the fair value of its investments:

Mutual funds: Determined by the published value per unit at the end of the last trading day of the year, which is the basis for transactions at that date.

7. Beneficial Interest Held in Trusts

The Organization is the sole beneficiary of three funds that are administered by the New Hampshire Charitable Foundation (NHCF). Income from the funds is to provide assistance to children attending Camp Spaulding and for capital improvements to the camp. The fund resolution provides that distributions from the funds can be made at the discretion of the NHCF Board of Directors.

At December 31, 2019 and 2018, the fair market value of the funds, which approximates the present value of future benefits expected to be received, was \$858,994 and \$800,624, respectively.

In addition, the Organization has a split-interest in three charitable remainder trusts. The assets are held in trust by banks as permanent trustees of the trusts. The fair value of these beneficial interests is determined by applying the Organization's percentage interest to the fair value of the trust assets as reported by the trustee.

<u>Trust</u>	<u>Percentage Interest</u>	<u>2019</u>	<u>2018</u>
Greenleaf	100%	\$ 384,004	\$ 350,806
Spaulding	100%	332,956	297,837
Cogswell	50%	<u>261,147</u>	<u>230,324</u>
Total		<u>\$ 978,107</u>	<u>\$ 878,967</u>

Beneficial interest held in trusts is reported at fair value, which is estimated as the present value of expected future cash inflows on a recurring basis. As discussed in Note 2, the valuation technique used by the Organization is a Level 3 measure because there are no observable market transactions.

8. Property, Equipment, and Depreciation

Property and equipment is comprised of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land and land improvements	\$ 1,114,949	\$ 1,114,949
Buildings and improvements	8,862,063	8,335,089
Furniture, fixtures, and equipment	843,251	796,686
Vehicles	107,581	107,581
Software	377,333	285,372
Construction in progress	<u>5,415</u>	<u>38,870</u>
Subtotal	11,310,592	10,678,547
Less accumulated depreciation	<u>(4,850,210)</u>	<u>(4,320,042)</u>
Total	\$ <u>6,460,382</u>	\$ <u>6,358,505</u>

9. Line of Credit

The Organization has a \$1,500,000 revolving line of credit agreement with a bank. The line of credit expired on June 30, 2019 and was extended through June 30, 2020. The line is secured by a first lien on accounts receivable, double negative pledge on all investments of the borrower, and carries a variable rate of interest at the Wall Street Journal prime rate (4.75% at December 31, 2019), adjusted daily. At December 31, 2019, the balance on this line of credit was \$529.

10. Bonds Payable

During 2007, the New Hampshire Health and Education Facilities Authority (the "Authority") sold \$5,540,000 of its Revenue Bonds, Child and Family Services Issue, Series 2007, and loaned the proceeds of the bonds to the Organization to refund its Series 1999 Series Bonds and to finance certain improvements to the Organization's facilities. The Series 2007 Bonds were issued with a variable interest rate determined on a weekly basis. Prior to issuing the Bonds, the Organization entered into an interest rate swap agreement (the "Swap Agreement") with Citizens Bank of NH (the "Counterparty") for the life of the bond issue to hedge the interest rate risk associated with the Series 2007 Bonds. The interest rate swap agreement requires the Organization to pay the Counterparty a fixed rate of 3.915%; in exchange, the Counterparty will pay the Organization a variable rate on the notional amount based on the 67% of one month LIBOR. Counterparty payments to the Organization were intended to offset Organization payments of variable rate interest to bond holders. Counterparty credit worthiness and market variability can impact the variable rates received and paid by the Organization, with the potential of increasing Organization interest payments. As

a result, the cost of the interest rate swap for 2019 and 2018 is added to interest expense in the Consolidated Statement of Functional Expenses. The bonds mature in 2038 and can be repaid at any time.

The Organization is required to include the fair value of the swap in the Consolidated Statement of Financial Position, and annual changes, if any, in the fair value of the swap in the Consolidated Statement of Activities. For example, during the bond's 30-year holding period, the annually calculated value of the swap will be reported as an asset if interest rates increase above those in effect on the date of the swap was entered into (and as an unrealized gain in the Consolidated Statement of Activities), which will generally be indicative that the net fixed rate the Organization is paying on the swap is below market expectations of rates during the remaining term of the swap. The swap will be reported as a liability (and as an unrealized loss in the Consolidated Statement of Activities) if interest rates decrease below those in effect on the date the swap was entered into, which will generally be indicative that the net fixed rate the Organization is paying on the swap is above market expectations of rates during the remaining term of the swap. The annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which will be zero at the end of the bond's 30-year term. At December 31, 2019 and 2018, the Organization recorded the swap liability position of \$1,072,580 and \$885,525, respectively. During 2009, there occurred a downgrading of the credit rating of the Counterparty to the letter of credit reimbursement agreement, which triggered a mandatory tender of the Series 2007 Bonds in whole and a temporary conversion of one-hundred percent of the principal amount to a bank purchase mode under the terms of said letter of credit reimbursement agreement. Since it became evident that the credit markets would not soon return to normalcy, the Organization elected to convert the Series 2007 Bonds from a weekly rate mode to a bank purchase mode. This new bank purchase mode created a rate period in which the Series 2007 Bonds bear interest at the tax adjusted bank purchase rate of 68% of the sum of the adjusted period LIBOR (30 day) rate and 325 basis points. The bank purchase mode commenced on July 31, 2009 and expired on July 31, 2014; however, the expiration date was extended by the Counterparty and the Organization had the option to convert back to the weekly rate mode. The Series 2007 Bond documents require the Organization to comply with certain financial covenants. As of December 31, 2019, the Organization was in compliance with these covenants.

The following is a summary of future payments on the previously mentioned bonds payable:

<u>Year</u>	<u>Amount</u>
2020	\$ 150,000
2021	160,000
2022	165,000
2023	175,000
2024	180,000
Thereafter	<u>3,235,000</u>
Total	\$ <u>4,065,000</u>

11. Deferred Loans - NHHFA

Note payable to the New Hampshire Housing and Finance Authority dated June 7, 2005. The face amount of the note is \$550,000, does not require the payment of interest, and is due in 30 years. The note is secured by real estate located in Dover, New Hampshire.

Note payable to the New Hampshire Housing and Finance Authority dated May 22, 2007. The face amount of the note is \$700,000, does not require the payment of interest, and is due in 30 years. The note is secured by real estate located in Manchester, New Hampshire.

12. Endowment Funds

The Organization's endowment consists of various individual funds established for a variety of purposes. Endowment includes both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by Generally Accepted Accounting Principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Board-designated Endowment

As of December 31, 2019, the Board of Trustees had designated \$15,894,841 of net assets without donor restrictions as a general endowment fund to support the mission of the Organization.

Donor-designated Endowments

The Board of Trustees of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date for donor-restricted perpetual endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as perpetually restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment fund that is not classified as perpetually restricted is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Funds with Deficiencies

The Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization complies with UPMIFA and has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. The Organization had no underwater endowment funds at December 31, 2019.

Investment Policy

The Organization has adopted an investment and spending policy to ensure a total return (income plus capital change) necessary to preserve and enhance the principal of the fund and, at the same time, provide a dependable source of support for current operations and programs. The withdrawal from the fund in support of current operations is expected to remain a constant percentage of the total fund, adjusted for new gifts to the fund.

In recognition of the prudence required of fiduciaries, reasonable diversification is sought where possible. Experience has shown financial markets and inflation rates are cyclical and, therefore, control of volatility will be achieved through investment styles. Asset allocation parameters have been developed for various funds within the

structure, based on investment objectives, liquidity needs, and time horizon for intended use.

Measurement of investment performance against policy objectives will be computed on a total return basis, net of management fees and transaction costs. Total return is defined as dividend or interest income plus realized and unrealized capital appreciation or depreciation at fair market value.

Spending Policy

The Organization's spending policy rate in 2019 was 4.25% of the average total endowment value over the trailing 12 quarters with a 1% contingency margin. This includes interest and dividends paid out to the Organization.

The net asset composition of endowment net assets as of December 31, 2019 and changes in endowment net assets for the year ended December 31, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions			Total	Total Net Endowment Assets
		Purpose Restricted	Cumulative Appreciation	Perpetually Restricted		
Endowment net assets, beginning of year	\$ 14,007,444	\$ -	\$ 453,544	\$ 1,679,406	\$ 2,132,950	\$ 16,140,394
Contributions	66,325	-	-	-	-	66,325
Appropriations from endowment	(675,249)	-	(74,751)	-	(74,751)	(700,000)
Temporary appropriation for purpose-restricted net assets	(538,689)	538,689	-	-	538,689	-
Investment income, net	<u>2,985,010</u>	-	<u>395,291</u>	-	<u>395,291</u>	<u>3,380,301</u>
Endowment net assets, end of year	<u>\$ 15,894,841</u>	<u>\$ 538,689</u>	<u>\$ 774,084</u>	<u>\$ 1,679,406</u>	<u>\$ 2,992,179</u>	<u>\$ 18,887,020</u>

13. Net Assets

Net assets without donor restriction are comprised of the following at December 31, 2019 and 2018:

	2019	2018
Undesignated net assets	\$ 884,271	\$ 366,244
Board designated endowment	<u>15,894,841</u>	<u>14,007,444</u>
Total	<u>\$ 16,779,112</u>	<u>\$ 14,373,688</u>

Net assets with donor restrictions are comprised of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Camp	\$ 71,265	\$ 113,699
Child abuse prevention	98,265	153,836
Family counseling	9,398	14,160
Family resource center	34,569	-
Homecare	111,587	92,430
Human trafficking	10,000	30,000
IT and other projects	108,522	208,891
Teen and youth	<u>95,083</u>	<u>234,433</u>
	538,689	847,449
Endowment:		
Accumulated earnings restricted by donors for:		
General operations	176,893	131,716
Camp operations	198,902	92,896
Other purposes	<u>398,289</u>	<u>228,932</u>
	774,084	453,544
Original gift restricted by donors for:		
General operations	133,407	133,407
Camp operations	548,988	548,988
Other purposes	<u>997,011</u>	<u>997,011</u>
	<u>1,679,406</u>	<u>1,679,406</u>
Total restricted endowment	2,453,490	2,132,950
Not subject to spending policy or appropriation:		
Beneficial Interest in trusts	<u>1,837,101</u>	<u>1,679,591</u>
Total	<u>\$ 4,829,280</u>	<u>\$ 4,659,990</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2019:

Satisfaction of purpose restrictions:

Camp	\$ 119,417
Child abuse prevention	150,071
Family counseling	41,834
Family resource center	2,211
Homecare	295,499
Human trafficking	50,000
IT and other projects	312,866
Teen and youth	<u>222,349</u>
	1,194,247

Restricted-purpose spending-rate
distributions and appropriations:

General operations	11,268
Camp operations	27,789
Other purposes	<u>35,694</u>
	<u>74,751</u>

Total	\$ <u>1,268,998</u>
-------	---------------------

14. Assistance to Individuals

The \$716,800 in "Assistance to individuals" (see Consolidated Statement of Functional Expenses) is comprised of the following (rounded to the nearest thousand):

Payment to parents of foster children	\$ 302
Housing assistance to youth at risk of homelessness	144
Gift cards provided to families during holiday season	59
Food for at risk youth	25
Other assistance such as medical, childcare, transportation, and family activities	<u>186</u>
Total	\$ <u>716</u>

15. Functionalized Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses

require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include clerical, IT, and administration, which are allocated to program and supporting services based primarily on a percentage of personnel costs related to programs and supporting services.

16. Defined Contribution Plan

The Organization maintains a 403(b) Thrift Plan (the Plan). The Plan is a defined contribution plan that all eligible employees may immediately make elective participant contributions to upon hire. A pretax voluntary contribution is permitted by employees up to limits imposed by the Internal Revenue Code and other limitations specified in the Plan. There were no contributions made to the plan by the Organization for the years ended December 31, 2019 and 2018, respectively.

17. Operating Leases

The Organization leases office space under the terms of non-cancellable lease agreements that expired at various times during 2019. The Organization also rents additional facilities on a month to month basis. Rent expense under these agreements totaled \$182,763 and \$182,368 for the years ended December 31, 2019 and 2018, respectively.

18. Related Party Transactions

The Organization procures a portion of their legal services from a local law firm that employs an attorney who also serves on the Organization's Board of Directors. The attorney board member does not personally perform the legal services. For the year ended December 31, 2019, the total legal expense from related parties was \$15,680.

19. Prior Period Restatement

Beginning net assets for 2019 have been increased by \$170,231 to include the assets, liabilities, and net assets of The Children's Place and Parent Education Center, which is now included in these consolidated financial statements. On November 1, 2019 Waypoint's Board of Directors took over responsibility for this organization. The comparative totals that are presented with these consolidated financial statements have not been restated.

20. Concentration of Risk

The majority of the Organization's grants are received from agencies of the State of New Hampshire. As such, the Organization's ability to generate resources via grants is

dependent upon the economic health of that area and of the State of New Hampshire. An economic downturn could cause a decrease in grants that coincides with an increase in demand for the Organization's services.

21. Subsequent Events

Subsequent events have been evaluated through May 26, 2020, the date the consolidated financial statements were available to be issued.

The COVID-19 outbreak in the United States (and across the globe) has resulted in economic uncertainties. The disruption is expected to be temporary, but there is considerable uncertainty around the duration and scope. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our individuals served, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain. In response to the impact that COVID-19 has had on our Organization, a Paycheck Protection Program (PPP) Loan was applied for, and \$1,741,500 received on April 24, 2020.

WAYPOINT

Consolidated Schedule of Operating Expenses For the Year Ended December 31, 2019

	Family Counseling	Teen and Youth	Child Abuse Treatment & Family Strengthening	Child Abuse Prevention	Early Intervention	Homework	Adoptions and Pregnancy Counseling	Child Advocacy	Summer Camp	Total Program	Management and General	Fundraising	2019 Total
Salaries and wages	\$ 392,683	\$ 811,578	\$ 1,797,236	\$ 1,565,113	\$ 359,348	\$ 1,758,488	\$ 88,632	\$ 121,616	\$ 7,144	\$ 6,901,833	\$ 814,197	\$ 340,660	\$ 8,056,704
Employee benefits	36,382	123,479	255,330	224,471	31,739	198,672	11,097	3,730	1,221	826,121	84,083	24,372	994,576
Payroll related costs	55,625	95,590	231,536	195,954	42,973	220,779	9,016	9,631	629	861,733	72,205	27,088	961,026
Mileage reimbursement	4,517	37,951	230,948	66,254	21,254	63,078	1,726	203	53	425,994	931	199	427,124
Contracted services	10,066	53,084	86,374	138,533	25,490	26,769	6,713	5,386	174,591	527,006	74,153	54,573	655,732
Accounting	-	-	-	-	-	-	-	-	-	-	31,699	-	31,699
Assistance to individuals	57	231,225	355,852	115,078	8	-	7,614	-	5,965	716,800	-	-	716,800
Communications	4,283	37,160	37,355	35,008	5,136	16,498	1,949	1,311	453	139,255	8,358	4,741	152,354
Conferences, conventions, meetings	1,480	5,540	4,918	8,887	868	9,187	350	16,987	272	48,469	5,949	3,600	58,038
Depreciation	8,408	130,051	49,246	44,442	8,408	8,408	4,804	2,402	76,762	325,931	39,920	-	366,851
In-kind contributions	-	45,647	42,367	-	-	-	-	-	-	88,014	-	-	88,014
Insurance	4,078	11,053	21,357	17,108	3,377	7,044	709	760	210	65,690	9,585	2,597	77,872
Interest	13,973	39,925	81,548	73,863	13,974	13,974	7,985	3,993	1,996	251,532	67,874	-	319,406
Legal	(7,826)	-	-	-	-	7,826	-	-	-	-	-	-	20,671
Membership dues	5,699	1,530	2,425	8,235	385	3,466	170	757	112	22,789	1,916	3,152	27,857
Miscellaneous	(28,712)	3,212	3,536	8,736	2,618	33,253	6,586	234	658	30,221	14,869	1,959	47,049
Occupancy	58,958	191,947	163,147	101,733	11,823	6,820	3,105	3,915	1,628	543,136	29,481	13,070	585,687
Printing and publications	1,565	4,042	3,924	10,568	1,356	5,734	1,020	951	158	29,318	2,803	29,732	51,853
Rental and equipment maintenance	(692)	14,221	28,684	26,300	4,936	11,373	2,754	1,414	756	89,745	24,229	5,542	120,517
Supplies	10,530	32,348	19,132	13,321	1,185	3,297	502	574	75	80,964	3,365	5,099	89,429
Travel	3,779	27,015	8,192	14,803	851	-	112	438	424	50,614	2,149	9	52,772
Total	\$ 574,853	\$ 1,891,710	\$ 3,423,407	\$ 2,668,407	\$ 535,729	\$ 2,394,726	\$ 154,938	\$ 174,314	\$ 258,107	\$ 12,066,191	\$ 1,308,438	\$ 517,402	\$ 13,912,031

See Independent Auditors' Report.

WAYPOINT

Consolidated Schedule of Operating Expenses For the Year Ended December 31, 2018

	Family Counseling	Teen and Youth	Child Abuse Treatment & Family Strengthening	Child Abuse Prevention	Early Intervention	Homecare	Adoptions and Pregnancy Counseling	Child Advocacy	Summer Camp	Total Program	Management and General	Fundraising	2018 Total
Salaries and wages	\$ 465,270	\$ 940,297	\$ 1,571,090	\$ 1,435,811	\$ 344,092	\$ 1,649,913	\$ 81,328	\$ 118,831	\$ 6,728	\$ 6,614,360	\$ 849,923	\$ 318,127	\$ 7,780,410
Employee benefits	39,759	135,622	190,979	181,757	33,660	144,054	12,964	2,883	897	742,615	56,141	19,071	827,827
Payroll related costs	56,957	100,911	173,279	161,282	37,294	196,825	7,437	9,278	521	743,794	65,549	25,122	834,465
Mileage reimbursement	5,860	41,849	249,506	66,137	18,647	59,274	1,294	69	156	442,792	1,878	413	445,083
Contracted services	28,809	43,507	95,385	165,055	20,355	23,245	9,429	2,312	171,937	560,035	96,132	6,553	662,720
Accounting	-	-	-	-	-	-	-	-	-	-	28,700	-	28,700
Assistance to individuals	5,064	190,794	353,345	133,826	-	3,014	10,071	-	7,494	718,608	-	-	718,608
Communications	8,493	38,575	41,973	33,808	4,940	16,451	1,998	1,522	584	143,344	10,147	8,249	166,740
Conferences, conventions, meetings	3,014	3,581	2,415	19,919	1,544	1,649	3	1,957	1	34,183	19,533	2,302	56,018
Depreciation	7,672	118,639	44,925	40,542	7,670	7,670	4,383	2,191	64,553	298,245	36,417	-	334,662
In-kind contributions	1,510	61,077	27,626	-	-	-	-	-	-	90,213	3,420	1,000	94,633
Insurance	5,631	11,048	17,880	15,802	3,223	6,877	711	775	165	62,170	9,468	2,466	74,104
Interest	13,902	39,721	81,429	73,485	13,903	13,903	7,944	3,972	1,985	250,245	67,527	-	317,772
Legal	-	-	-	-	-	-	-	-	-	-	3,949	-	3,949
Membership dues	1,531	1,254	1,224	7,241	8	6,366	3	502	3	18,132	7,947	3,313	29,992
Miscellaneous	1,647	4,518	6,725	3,475	1,052	5,881	648	174	232	24,352	13,157	2,674	40,193
Occupancy	45,179	148,763	140,092	111,318	10,107	27,452	3,222	3,597	5,889	495,619	41,138	11,700	548,507
Printing and publications	2,831	9,092	14,541	12,070	3,003	12,054	435	1,220	672	55,968	12,655	22,915	91,540
Rental and equipment maintenance	5,310	15,574	30,366	27,270	5,186	6,293	2,860	1,435	623	95,167	25,586	2,029	122,782
Supplies	10,874	26,700	21,931	17,739	3,589	12,408	654	719	71	94,635	17,700	2,655	115,040
Travel	958	35,453	4,662	14,225	989	3,233	134	147	464	51,265	3,144	356	64,765
Total	\$ 711,421	\$ 1,968,075	\$ 3,084,373	\$ 2,520,782	\$ 509,267	\$ 2,196,563	\$ 145,518	\$ 151,634	\$ 263,179	\$ 11,550,792	\$ 1,380,172	\$ 427,546	\$ 13,358,510

See Independent Auditors' Report.



WAYPOINT

Help Along the Way

Formerly
CHILD AND FAMILY SERVICES

BOARD OF TRUSTEES

SEPTEMBER 2019

Borja Alvarez de Toledo

President and CEO

Lauren Adams

Melissa Biron

Elaine Brody

Nina Chang

Bill Conrad

Maria Devlin

Tiffany Diamond

Jane Gile

Wendy Gladstone

Brad Kuster

Marilyn Mahoney

Holly Mintz

Lyndsee Paskalis

Shayleen Roberts

Mark Rouvalis

Ken Sheldon

Jeffrey Seifert

Stephanie Singleton

Jennifer Stebbins



HEADQUARTERS

toll free (800) 640.6486
office (603) 518.4000
fax (603) 668.6260

464 Chestnut Street
PO Box 448
Manchester, NH 03105
waypointnh.org

COLLEEN M. IVES

CHIEF OPERATING OFFICER

Proactive executive with a formidable record of driving systemic change and business expansion. Nimble administrator with strategic planning, business process improvement, cost controls and performance management experience. Collaborative leader with inspirational and decisive management style who achieves exceptional, rather than expected, results. Catalyst for open communications towards a climate of learning to benefit company and individuals.

PROFESSIONAL EXPERIENCE

WAYPOINT, Manchester, NH • 2018-Present

Statewide private nonprofit that works to advance the well-being of children and families through an array of community-based services.

Chief Operating Officer

- Oversees all aspects of program delivery including; fiscal and personnel management, quality assurance and program development

ROCKPORT MORTGAGE CORPORATION, Gloucester, MA • 2008-2017

Leading national lender of US Housing & Urban Development insured commercial loans in healthcare, multifamily and affordable housing sectors.

Vice President, Operations & Quality Control

- Report to principals with overall responsibility for achieving strategic objectives through oversight of the day-to-day operations of five multi-disciplinary underwriting teams by providing support at the transactional level as well as in the development of procedures and operating practices to match RMC's continued growth.
- Ensure RMC'S compliance with their federally mandated Quality Control Plan through employee development initiatives, monitoring of RMC'S operational practices while integrating new HUD directives into RMC'S existing best practices.

IVES DEVELOPMENT ASSOCIATES, Manchester, NH • 2005-2016

Consultancy providing strategic planning and leadership development to public, private and nonprofit companies throughout New England.

Principal

Design and facilitate customized corporate retreats, including strategic planning sessions, executive and Board of Directors' training and development, creation or re-affirmation of vision, mission and values and efforts to re-align leadership around key priorities and future direction of the organization. Integrate opportunities to shift organizational culture to more open and candid communications.

- Led an 18-month comprehensive change initiative that:
 - Resulted in the development of a transition plan for the assimilation of an Interim Executive Director including an operations plan that aimed to recalibrate the culture;
- Transformed climate of accountability for a \$55M client by implementing Balanced Scorecard strategic measurement system. Designed, coordinated and facilitated on-site internal and external analysis of 11 retail locations in 9 states, analyzing threats and weaknesses in business to build a platform for growth.

CAREER NOTE: Concurrent with consulting enterprise (2006 – 2010), designed and taught introductory and upper level psychology and sociology courses at Granite State College in Concord, Manchester and Portsmouth, New Hampshire.

GRANITE STATE INDEPENDENT LIVING, Concord, NH • 2001-2005

Statewide nonprofit offering long-term care, employment, transportation, advocacy, and other community-based services.

Acting Executive Director & Chief Operating Officer

Led internal operations, including service and program delivery, finance, human resources, fundraising and marketing. Transformed organization's culture by promoting a climate of excellence, systemic solutions and learning that benefited the organization and individual employees. Evaluated operational results and facilitated business processes and controls that promoted efficiency and internal information flow. Developed short- and long-range operating plans. Supported up to 14 management-level employees, staff of 90, and \$13M annual operating budget. Held complete performance management authority as well as autonomy to engage in private and state/federal contracts.

- Increased revenue by 78% with more effective grant administration, successful applications for new competitive grants, initiating a comprehensive development / fundraising plan, and increasing the fee-for-service lines of business.
- Increased consumers served from 400 to 3,000+ individuals within three-year period by restructuring existing programs, developing new programs and increasing program accountability with monthly management reports.
- Established foundation for 36-month capacity building plan to enhance infrastructure and overall operations by conducting full organizational audit and successfully presenting to Board of Directors.
- Expanded services and leveraged long-term grant opportunity through company acquisition. Successfully integrated organizational cultures and business practices, including human resource policies, management teams and compensation/benefits.
- Recommended, designed and implemented internal controls and operating procedures for all departments (Human Resources, Finance, Public Relations/ Development, Long-Term Care, Community Living and Employment Services).
- Increased efficiency, raised credibility of financial reporting and reduced headcount by implementing state of the art technology with expertise of retained IT consultant.

NEW HAMPSHIRE DEPARTMENT OF EDUCATION, VOCATIONAL REHABILITATION, SERVICES FOR BLIND AND VISUALLY IMPAIRED, Concord, NH • 1992-2000

Statewide organization providing Registry of Legal Blindness, Sight Services for Independent Living, Vocational Rehabilitation and a Business Enterprise program.

Statewide Director

Managed professional staff of 8 to deliver services that included 15 statewide rehabilitative support groups, career counseling and vending machine/food service enterprises in State and Federal buildings.

- Awarded \$1.2M 3-year federal grant to provide peer support services in 15 locations across the state
- Led Department to highest rank in standards and benchmarks among 7 other regional offices.
- Enhanced team atmosphere by integrating 4 distinct statewide programs into a cohesive unit.
- Cultivated relationships and formal partnerships with various stakeholders in the statewide network of social and human services and employment arenas.

EDUCATION

Doctorate in Human and Organizational Systems
Master of Arts in Human Development
Fielding Graduate University, Santa Barbara, California

Master of Arts/CAGS in Rehabilitation Counseling
Bachelor of Arts in Psychology and Philosophy
Assumption College, Worcester, Massachusetts

Gina Corey Ferrante, C.P.A.

Windham, NH 03087

Core Skills:

- System Integration
- Internal Controls
- Audit Preparation
- Policies and Procedures
- Budget Preparation and Analysis
- Streamlining accounting processes

Work Experience:

Community Teamwork, Inc. 2013-2019 Lowell, Massachusetts

Director of Finance and Accounting

Reporting to the CFO, manage staff in the accounting department and coordinating annual budget for \$90 million agency providing housing, WIC, Energy and Child Care Services to low-income individuals

- Prepare agency cost allocations
- Ensure compliance with agency's 150 federal, state and private contracts
- Prepare agency budgets and analyze financial results
- Analyze and improve accounting processes and fiscal controls throughout the agency
- Oversees the financial management of the organization and monitoring of organizational performance and fiscal controls
- Coordinate Annual Audit and review Accounting Pronouncements for applicability

Michael F. Reilly, PC 2006-2013 Haverhill, Massachusetts

Audit Manager

- Planned and managed the audit process for several non-public companies and not-for-profit organizations including the Northern Essex Community College Foundation, ARC of Northeast Haverhill and Simple Living, Inc.
- Worked with clients to help improve efficiencies and establish accounting controls
- Prepared tax returns for individuals and non-public and not-for-profit corporations

Digital Equipment Corporation 1987-1992 Acton, Massachusetts

Accounting Systems Analyst

- Designed and installed accounting systems for Digital and Digital customers
- Internal Auditor
- Audited departments internal to Digital in preparation for the outside auditors

Epsilon Data Management 1985-1987

Burlington, Massachusetts

Director of Accounting

- Managed the monthly/quarterly closing process
- Prepared financial statements (B/S, P&L, & Cash flows)
- Performed analytical analysis
- Managed, supported and prepared the quarterly and year-end audit schedules

Ryder Systems, Inc. 1984-1985

Miami, Florida

Manager of Accounting

- Managed the monthly/quarterly closing process
- Prepared financial statements (B/S, P&L, & Cash flows)
- Performed analytical analysis
- Prepared the quarterly and year-end audit schedules

Price Waterhouse 1981-1984

Miami, Florida

Senior Accountant

- Planned, and managed the audit process for several non-public companies including the Miami Dolphins, and area construction companies
- Prepared tax returns for individuals and small corporations during the busy season

Education:

Florida International University

Masters of Science in Taxation

University of Miami

BBA Accounting

Systems: Abila Fund Accounting, Office (Word, Excel, PowerPoint), Outlook, QuickBooks, Profx

Borja Alvarez de Toledo, M.Ed.

Professional Profile

- A seasoned leader with more than 18 years of senior level non-profit management experience.
- Strong business acumen with emphasis on developing processes to ensure the alignment of strategy, operations, and outcomes with a strength based approach to leadership development.
- Collaborative leader using systemic and strategic framework in program development, supervision and conflict resolution.

Professional Experience

Waypoint, formerly Child and Family Services of New Hampshire
Manchester, NH

December 2013- Present

~ President and CEO

- Responsible for program planning and development, insuring that Waypoint meets the community needs.
- Advance the public profile of Waypoint by developing innovative approaches and building productive relationships with government, regional and national constituencies.
- Acts as advisor to the Board of Directors and maintains relationships with the regional Boards
- Responsible for all aspects of financial planning, sustainability and oversight of Waypoint's assets
- Work with Development staff and Board of Directors to design and implement all fundraising activities, including cultivation and solicitation of key individuals, foundations and corporations

Riverside Community Care
Dedham, MA

2009- 2013

~ Division Director, Child and Family Services

- Responsible for strategic vision, planning and implementation of the programmatic, operational and financial sustainability of a \$17M division with more than 300 employees.
- In partnership with The Guidance Center, Inc.'s board of directors, played leadership role in successfully merging with Riverside Community Care, through a process that involved strategic planning, analysis and selection of a viable partner.
- Provide supervision to managers using a strength based approach and a collaborative coaching model to leadership development.

The Guidance Center, Inc.
Cambridge, MA

1998 - 2009

~ Chief Operating Officer

2007 - 2009

- Hired initially as Director of an intensive home-based family program and through successive promotions became responsible for all operations in the organization.
- Responsible for supervision of Division Directors, strategic planning and development of new initiatives.
- Developed strategic relationships with state and local funders, and partnered with community agencies to support the healthy growth of children and families.

Private Practice in Psychotherapy and Clinical Consultation
Madrid, Spain

1992 - 1998

Universidad Pontificia de Comillas
Madrid, Spain

1991 - 1998

~Adjunct Faculty

- Taught graduate level courses in Family and Couples Therapy program
- Practicum program supervisor: Supervised first year Master's Degree students through live supervision in the treatment of multi-problem families.

Centro Médico-Psicopedagógico
Madrid, Spain

1994 - 1997

~Clinical Coordinator/Director of Training.

- Member of a multi-disciplinary team that provided assessment and treatment to families victims of terrorism and had developed Post Traumatic Stress Disorder.

ITAD (Institute for Alcohol and Drug Treatment),
Madrid, Spain

1991- 1994

~ Senior Drug and Alcohol Counselor, Drug and Alcohol Program

- Provided evaluation and treatment for chemically dependent adults and their families.

~ Senior Family Therapist, Couples and Family Therapy Program

- Worked as a family therapist in the evaluation and treatment of adolescents and families.

Charles River Health Management
Boston, MA

1989 - 1991

~ Senior Family Therapist, Home Based Family Treatment Program.

Education

Graduate Certificate of Business

University of Massachusetts, Lowell, 2000.

Master's Degree in Education

Counseling Psychology Program. Boston University, 1989.

B.A. in Clinical Psychology

Universidad Pontificia de Comillas, Madrid, Spain. 1988

Publications

- 2009 Ayers, S & Alvarez de Toledo, B. Community Based Mental Health with Children and Families. In A. R. Roberts (Ed.), *Social Worker's Desk Reference* (2nd ed.), New York: Oxford University Press, 2009
- 2006 *Topical Discussion: Advancing Community-Based Clinical Practice and Research: Learning in the Field*. Presented at the 19th Annual Research Conference: A System of Care for Children's Mental Health: Expanding the Research Base, February 2006, Tampa, FL.
- 2001 Lyman, D.R.; Siegel, R.; Alvarez de Toledo, B.; Ayers, S.; Mikula, J. *How to be little and still think big: Creating a grass roots, evidence based system of care*. Symposium presented at the 14th Annual Research Conference in Children's Mental Health, Research and Training Center for Children's Mental Health, February 2001, Tampa, FL.
- 2006 Lyman, D.R., B. Alvarez de Toledo, *The Ecology of Intensive community based intervention*. In Lightburn, A., P. Sessions. *Handbook of Community Based Clinical Practice*. Oxford University Press, 2006, England.
- 2001 Lyman, D.R., B. Alvarez de Toledo (2001) *Risk factors and treatment outcomes in a strategic intensive family program*. In Newman, J.C, C. Liberton, K. Kutash and R. Friedman, (Eds.) *A System of Care for Children's Mental Health: Expanding the Research Base* (2002), pp. 55-58. Research and Training Center for Children's Mental Health, University of South Florida, Tampa, FL.
- 1994-98 Research papers and professional presentations in peer reviewed journals in Spain

Languages

Fluent in Spanish, French and Italian.

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Borja Alvarez de Toledo	CEO	185,411	0%	
Colleen Ives	COO	114,400	0%	
Gina Ferrante	CFO	115,000	0%	



Jeffrey A. Meyers
Commissioner

Christine L. Santaniello
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF ECONOMIC & HOUSING STABILITY

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9474 1-800-852-3345 Ext. 9474
Fax: 603-271-4230 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

June 7, 2019

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Economic and Housing Stability, to enter into agreements with the vendors listed below in an amount not to exceed \$7,000,000, to provide the State Grant in Aid (SGIA) Homeless Assistance program, effective July 1, 2019, through June 30, 2021, upon Governor and the Executive Council approval. 100% General Funds.

Vendor Name	Vendor Number	Location
Bridge House Shelters	165288 - B001	260 Highland Street Plymouth NH 03264
Community Action Partnership of Strafford County	177200 - B004	577 Central Ave Ste 10 Dover NH 03820
Community Action Program, Belknap and Merrimack	177203 - B003	2 Industrial Park Drive Concord NH 03302
Concord Coalition to End Homelessness	267140 - B001	22 Stack Drive Bow NH 03304
Cross Roads House	166570 - B001	600 Lafayette Road Portsmouth NH 03801
Families in Transition, NH	157730 - B001	122 Market Street Manchester NH 03101
Friends Program	154987 - B001	202 N State Street Concord NH 03301
Helping Hands Outreach Center	174226 - R001	50 Lowell Street Manchester NH 03101
Hundred Nights, Inc	TBD	17 Lamson Street Keene NH 03431
Lakes Region Community Developers	156571 - B001	658 Union Ave Laconia NH 03246
Marquerites Place	157465 - B001	87 Palm Street Nashua NH 03060
My Friend's Place	156274 - B001	368 Washington Street Dover NH 03820
Nashua Soup Kitchen & Shelter, Inc	174173 - R001	2 Quincy Street Nashua NH 03061
New Generation	177295 - B001	9 Tide Mill Road Greenland NH 03840
NH Coalition Against Domestic and Sexual Violence	155510 - B001	One Hundred North Main Street Concord NH 03301

Salvation Army Carey House, Laconia	177627 - B001	177 Union Ave Laconia NH 03246
Salvation Army McKenna House, Concord, Eastern Territory	177627 - B003	58 Clinton Street Concord NH 03301
Seacoast Family Promise	TBD	27 Hampton Road Exeter NH 03833
Southern NH Services	177198 - B006	40 Pine Street Manchester NH 03108
Southwestern Community Services	177511 - R001	63 Community Way Keene NH 03431
The Front Door Agency	156244 - B001	7 Concord Street, Nashua NH 03064
The Way Home, Inc	166673 - B001	214 Spruce Street Manchester NH 03103
Waypoint	177166 - B002	464 Chestnut Street Manchester NH 03105
		Total: \$7,000,000

Funds are available in the following account(s), and are anticipated to be available in State Fiscal Years 2020 and 2021, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office. During each State Fiscal Year of the contract, there is a shared price limitation among the vendors of \$3,500,000. Consequently, there is no guaranteed minimum or maximum amount of client or service volume.

05-95-42-423010-79270000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: DIVISION OF ECONOMIC AND HOUSING STABILITY, BUREAU OF HOUSING STABILITY, HOUSING - SHELTER PROGRAM

State Fiscal Year	Class/Account	Class Title	Job Number	Total Amount
2020	102-500731	Contracts for Prog Svc	TBD	\$3,500,000
2021	102-500731	Contracts for Prog Svc	TBD	\$3,500,000
			Total	\$7,000,000

EXPLANATION

The purpose of this request is to administer the State Grant in Aid (SGIA) Homeless Assistance program. The Contractors listed above shall be required to either: provide emergency shelter services and case management services or case management services only. The Department will reimburse the Contractor at a rate of \$11.00 for services provided to each individual per day.

Approximately 4,500 individuals will be served during each State Fiscal Year of this contract.

The Contractors will provide emergency shelter to individuals and families who are homeless. The Contractors will also provide case management services to individuals and families who are currently in a shelter or those who are unsheltered to link them with housing, other essential services, and provide ongoing case management. The case management services are personalized, based on the strengths and support needs for each individual or family. Case management services include, but are not limited to, housing navigation services, assistance with applications for housing, public assistance, referrals for healthcare, including mental health or substance use treatment, education, and employment supports.

The Contractors shall be monitored for performance through reports available from the HMIS system as follows:

- Length of time persons remain homeless.
- The extent to which persons who exit homelessness to permanent housing destinations return to homelessness.
- Successful exit to permanent housing destinations.

The vendors listed above were selected for this project through a competitive bid process. A Request for Applications was posted on the Department of Health and Human Services' web site from March 28, 2019 through April 25, 2019. The Department received twenty six (26) eligible applications, with one vendor withdrawing after submission. The applications were reviewed and scored by a team of individuals with program specific knowledge. The review included a thorough discussion of the strengths and weaknesses of the applications. The Bid Summary is attached.

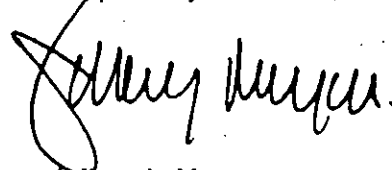
As referenced in Exhibit C-1 of this contract, this Agreement has the option to extend for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

Should Governor and Executive Council not authorize this request, individuals and families who are experiencing housing instability will not receive the essential services and supports for themselves and their families.

Area served: Statewide

Source of Funds: Source of Funds: 100% General Funds

Respectfully submitted,



Jeffrey A. Meyers
Commissioner



New Hampshire Department of Health and Human Services
Office of Business Operations
Contracts & Procurement Unit
Summary Scoring Sheet

State Grant-In-Aid Homeless
Assistance Program

RFA-2020-DEHS-01-STATE

RFA Name

RFA Number

Reviewer Names

Bidder Name

1. Bridge House Shelter
2. New Generation, Inc.
3. Marguerite's Place
4. Southwestern Community Services
5. Cross Roads House
6. Community Action Program
7. Waypoint
8. Seacoast Family Promise
9. Nashua Soup Kitchen & Shelter, Inc.
10. NH Coalition Against Domestic & Sexual Violence
11. The Salvation Army-Carey House
12. The Salvation Army-McKenna House

Pass/Fail	Maximum Points	Actual Points
	100	90
	100	100
	100	100
	100	100
	100	100
	100	95
	100	100
	100	95
	100	100
	100	100
	100	100

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____

13	<u>New Hampshire Legal Assistance</u>
14	<u>Helping Hands Outreach Center</u>
15	<u>Southern New Hampshire Services</u>
16	<u>Headrest, Inc.</u>
17	<u>Tri-County Community Action Program, Inc.</u>
18	<u>Lakes Region Community Developers</u>
19	<u>My Friend's Place, Emergency Shelter Program</u>
20	<u>Families in Transition/New Hampshire</u>
21	<u>Community Action Partnership of Strafford County</u>
22	<u>Friends Program</u>
23	<u>Concord Coalition To End Homelessness</u>
24	<u>The Front Door Agency-Transformational Housing Program</u>
25	<u>Hundred Nights</u>
26	<u>The Way Home, Inc.</u>
28.	<u>0</u>
29.	<u>0</u>
30.	<u>0</u>
31.	<u>0</u>

	100	100
	100	100
	100	100
	100	0
	100	100
	100	100
	100	100
	100	100
	100	100
	100	70
	100	100
	100	100
	100	0
	100	0
	100	0
	100	0

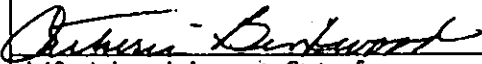
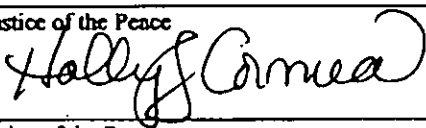
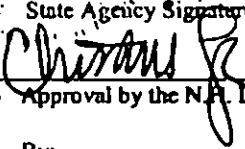
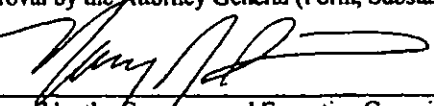
Subject: State Grant in Aid Homeless Assistance Program (FEA-2020-DEHS-01-STATE-01)

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 NH Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Bridge House		1.4 Contractor Address 260 Highland Street Plymouth NH 03264	
1.5 Contractor Phone Number 603-536-7631	1.6 Account Number 05-95-42-423010-7927-102-500731	1.7 Completion Date 6/30/21	1.8 Price Limitation 7,000,000
1.9 Contracting Officer for State Agency Nathan D. White, Director		1.10 State Agency Telephone Number 603-271-9631	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory CATHERINE BENTWOOD E.J. BRIDGE HOUSE	
1.13 Acknowledgement: State of _____, County of _____ On _____, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal] HOLLY J. CORMIEA Notary Public - New Hampshire My Commission Expires December 5, 2023			
1.13.2 Name and Title of Notary or Justice of the Peace Holly J. Cormiea Facility Manager Bridge House			
1.14 State Agency Signature  Date: 5/31/19		1.15 Name and Title of State Agency Signatory Christine Santamaria, Director, DEHA	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: 6/3/2019			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/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 A 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 1.18, 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 1.14 ("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, and 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 terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account 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 B 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 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 opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright 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 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further 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 remedied, 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 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 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 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.

9.2 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.

9.3 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.

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall 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 A.

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.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. 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 maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive 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; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 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 thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

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. 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. **WAIVER OF BREACH.** 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.

17. **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.

18. **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.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be 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.

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 provisions set forth in the attached EXHIBIT C 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 relating hereto.



Scope of Services

1. Provisions Applicable to All Services

- 1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. For the purposes of this Agreement, the Department has identified the Contractor as a Contractor, in accordance with 2 CFR 200.330.

2. Scope of Services

- 2.1. The Contractor shall provide emergency shelter services to individuals and families who are homeless or at risk of becoming homeless statewide. Including but not limited to:
 - 2.1.1. Ensuring temporary shelter (non-permanent shelter) is designed to meet the basic needs of individuals and families who have no other housing options and who would otherwise be without a place to sleep.
 - 2.1.2. Ensuring basic needs of each individual are met that at a minimum include a safe, protective, and sanitary environment, on a short-term emergency or transitional basis, as described in RSA 126-A:26.
 - 2.1.3. Operating a facility in accordance with Exhibit C-1 Operation of Facilities: Compliance with Laws and Regulations that includes at a minimum:
 - 2.1.3.1. Building maintenance and repair.
 - 2.1.3.2. Security systems.
 - 2.1.3.3. Heating and possible cooling equipment..
 - 2.1.3.4. Property and business insurance.
 - 2.1.3.5. Utilities and furnishings.
 - 2.1.3.6. Amenities such as bathrooms.
 - 2.1.4. The Contractor shall provide Case Management Services to assist individuals and families who are homeless or at-risk of becoming homeless to access and apply for other services with the goal of obtaining permanent housing. Activities include but are not limited to:

CB
5-29-19



Exhibit A

- 2.1.4.1. Assessing individuals and families' needs for well-being and obtaining housing, and developing an individualized plan to meet those needs.
- 2.1.4.2. Developing an individualized plan with the types of services and assistance programs to meet their needs.
- 2.1.4.3. Assisting individuals and families with accessing emergency shelter.
- 2.1.4.4. Assisting individuals and families with applying for and accessing permanent housing.
- 2.1.4.5. Assisting individuals and families with applying for mainstream benefits, including, but not limited to, SSI, TANF, SNAP, Medicaid, Veteran and other State or Federal benefits.
- 2.1.4.6. Assisting individuals and families with accessing community providers and supports, for, including but not limited to, mental health services, substance use treatment, medical care, employment, veterans benefit, financial and food assistance, and education supports.
- 2.1.5. The Contractor shall comply with the program requirements, which include but are not limited to:
 - 2.1.5.1. Following best practices in providing emergency shelter services in accordance with the National Alliance to End Homelessness, "The Five Keys to Effective Emergency Shelter" that include but are not limited to:
 - 2.1.5.1.1. Housing First Approach
 - 2.1.5.1.2. Safe and appropriate diversion
 - 2.1.5.1.3. Immediate and low-barrier access
 - 2.1.5.1.4. Housing-focused, rapid exit services
 - 2.1.5.1.5. Data to measure performance
 - 2.1.5.2. Participating in Coordinated Entry as required by the State, a centralized or coordinated process designed to get people in permanent support housing, in accordance with the NH BOS CES Policy Manual adopted on January 23, 2018, that is herein incorporated by reference and as amended.
 - 2.1.5.3. Accepting homeless and at risk of homelessness individuals and families regardless of their sobriety and other conditions such as but not limited to mental health services, medication stability, sexual orientation, vulnerability to illness, vulnerability to victimization, vulnerability to physical assault, racial equality, marital status or ability to pay program fee, in accordance with federal Housing Urban Development (HUD) guidance for low threshold eligibility programs.



- 2.1.5.4. Entering data into the Homeless Management Information System (HMIS) to collect client-level data and data on the provision of housing and services to homeless individuals and families, in accordance with the federal HUD data standards for emergency shelter, unless restrictive by law such as for domestic violence. The data standards may be found at: <http://nh-hmis.org/sites/default/files/reference/NH-HMIS-PnP-112018.pdf>
- 2.1.5.5. Agreeing to on-site monitoring, on an annual basis, to review compliance, progress, and performance, which includes, but is not limited to:
 - 2.1.5.5.1. Reviewing policies and procedures for services provided.
 - 2.1.5.5.2. Reviewing financial analyses.
 - 2.1.5.5.3. Reviewing for compliance with safety and hazard requirements.
 - 2.1.5.5.4. Reviewing Data and HMIS entry standards.
- 2.1.5.6. Complying with New Hampshire Administrative Rules He-M 314 Rights of Persons Using Emergency Shelters. http://www.gencourt.state.nh.us/rules/state_agencies/he-m300.html and ensuring that individuals understand their rights

3. Reporting

- 3.1. The Contractor shall submit monthly reports to the Department, with the corresponding monthly invoice for payment that includes the aggregate number of individuals served, in accordance with Section 2.1.5.4 above, no later than the 10th day of the following month.
- 3.2. The Contractor shall submit an annual report to the Department, with the aggregate number of individuals served in accordance with Section 2.1.2.4, beginning September 30, 2020 and each year thereafter.

4. Performance Measures

- 4.1. The Contractor's performance shall be measured to ensure that the data is entered into HMIS in accordance with Section 2.1.5.4, above, and clients are receiving the assistance needed to meet their goals.
- 4.2. The Contractor shall be monitored for performance through reports available from the HMIS system that include but are not limited to:
 - 4.2.1. Length of time persons remain homeless
 - 4.2.2. The extent to which persons who exit homelessness to permanent housing destinations return to homelessness
 - 4.2.3. Successful exit to permanent housing destinations

CB
5-29-19



New Hampshire Department of Health and Human Services
State Grant in Aid to Homeless Program

Exhibit B

Method and Conditions Precedent to Payment

1. Price Limitation: This agreement is one of multiple agreements that will serve the State Grant in Aid to Homeless program. ***No maximum or minimum client and service volume is guaranteed.*** Accordingly, the price limitation among all agreements is identified in Block 1.8 of the P-37 for the duration of the agreement.
2. The funding source for this agreement for State Grant in Aid (SGIA) Homeless Assistance program are 100% General Funds
 - 2.1. Funds for SGIA Homeless Assistance program across all vendors, statewide, are anticipated to be \$7,000,000 and available in the following amounts:
 - 2.1.1. \$3,500,000 for State Fiscal Year 2020.
 - 2.1.2. \$3,500,000 for State Fiscal Year 2021.
3. Payments shall be made as follows:
 - 3.1. All reimbursement requests for all Project Costs, including the final reimbursement request for this Contract, shall be submitted by the tenth (10th) day of each month, for the previous month, and accompanied by an invoice from the Contractor for the amount of each requested disbursement along with a payment request form and any other documentation required, as designated by the State, which shall be completed and signed by the Contractor.
 - 3.2. In lieu of hard copies submitted to the address listed in Section 5.4. Exhibit B., all invoices may be assigned an electronic signature and emailed to:
housingsupportsinvoices@dhhs.nh.gov
 - 3.3. The Contractor shall keep detailed records of their activities related to Department programs and services, and shall provide such records and any additional financial information if requested by the State to verify expenses. The Contractor shall return completed invoices, as provided by the Department, no later than thirty (30) days from the date services are provided.
 - 3.4. The Contractor shall submit completed invoices to:
State Grant in Aid to Homeless Program
Bureau of Housing Supports
Department of Health and Human Services
Division of Economic and Housing Stability
129 Pleasant Street
Concord, NH 03301
Phone: 603-271-9196
 - 3.5. The State shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are

CB
5-29-19



New Hampshire Department of Health and Human Services
State Grant In Aid to Homeless Program

Exhibit B

available.

4. Notwithstanding anything to the contrary herein, the Contractor agrees that payment under this agreement may be withheld, in whole or in part, in the event of noncompliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services have not been satisfactorily completed in accordance with the terms and conditions of this agreement.
5. Payments may be withheld pending receipt of required reports or documentation as identified in Exhibit A, Scope of Services and in this Exhibit B.

CB

5-29-19



SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

New Hampshire Department of Health and Human Services
Exhibit C



- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
 - 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Exhibit C - Special Provisions

Contractor Initials

CB
Date 5-29-18

New Hampshire Department of Health and Human Services
Exhibit C



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEO on file and submit an EEO Certification Form to the OCR, certifying that its EEO is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEO Certification Form to the OCR certifying it is not required to submit or maintain an EEO. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEO requirement, but are required to submit a certification form to the OCR to claim the exemption. EEO Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF
WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis

New Hampshire Department of Health and Human Services
Exhibit C



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

20. Contract Definitions:

- 20.1. COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.
- 20.2. DEPARTMENT: NH Department of Health and Human Services.
- 20.3. PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the services and/or goods to be provided by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.
- 20.4. UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.
- 20.5. FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from time to time.
- 20.6. SUPPLANTING OTHER FEDERAL FUNDS: Funds provided to the Contractor under this Contract will not supplant any existing federal funds available for these services.



New Hampshire Department of Health and Human Services
Exhibit C-1

REVISIONS TO STANDARD CONTRACT LANGUAGE

1. Revisions to Form P-37, General Provisions

1.1. Section 4, Conditional Nature of Agreement, is replaced as follows:

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, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability 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 of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account in the event funds are reduced or unavailable.

1.2. Section 10, Termination, is amended by adding the following language:

- 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
- 10.2 In the event of early termination, 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, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
- 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
- 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
- 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.

2. Renewal

- 2.1. The Department reserves the right to extend this agreement for up to two (2) additional years, contingent upon satisfactory delivery of services, available funding, written agreement of the parties and approval of the Governor and Executive Council.

Exhibit C-1 - Revisions/Exceptions to Standard Contract Language Contractor Initials *CS*



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
 - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
 - 1.2.1. The dangers of drug abuse in the workplace;
 - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
 - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - 1.4.1. Abide by the terms of the statement; and
 - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

CB
5-29-19

New Hampshire Department of Health and Human Services
Exhibit D



- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.
- Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Vendor Name: Budge Flemer

May 29, 2019
Date

Christine Bartwood RN
Name:
Title: Executive Director

CB
5.24.19



CERTIFICATION REGARDING LOBBYING

The Vendor identified in Section 1.3 of the General Provisions 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, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any 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, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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 or entering into this transaction imposed by Section 1352, Title 31, 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.

Vendor Name:

Bridge House

Date

5-24-19

Name:

Title:

Christina Burkhardt

Executive Director

CB

5-24-19



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION
AND OTHER RESPONSIBILITY MATTERS**

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

New Hampshire Department of Health and Human Services
Exhibit F



information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
- 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Vendor Name:

Bridge House

May 29, 2019
Date

Name:
Title:

Catherine B. Boudard
Executive Director

Vendor Initials

CB
Date *5-29-19*



**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND
WHISTLEBLOWER PROTECTIONS**

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Vendor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

Exhibit G

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Vendor Initials

CB

New Hampshire Department of Health and Human Services
Exhibit G



In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Vendor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

- I. By signing and submitting this proposal (contract) the Vendor agrees to comply with the provisions indicated above.

Vendor Name:

Bridge House

Date

May 29, 2019

Name:

Christopher Contro

Title:

Executive Director

Exhibit G

Vendor Initials

CB

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Date

5-29-19



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Vendor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Vendor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Vendor Name:

May 29, 2019
Date

Catherine Beilwood
Name:
Title: Executive Director
Bridge House



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Vendor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Vendor and subcontractors and agents of the Vendor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. **"Business Associate"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. **"Covered Entity"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. **"Designated Record Set"** shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. **"Data Aggregation"** shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. **"Health Care Operations"** shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. **"HITECH Act"** means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. **"Protected Health Information"** shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

3/2014

Exhibit I
Health Insurance Portability Act
Business Associate Agreement
Page 1 of 6

Vendor Initials

CB
Date 5.21.14



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) Business Associate Use and Disclosure of Protected Health Information.

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
 - I. For the proper management and administration of the Business Associate;
 - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
 - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
 - o The unauthorized person used the protected health information or to whom the disclosure was made;
 - o Whether the protected health information was actually acquired or viewed
 - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

3/2014

Vendor Initials

CP
Date 5.29.19



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services

The State


Signature of Authorized Representative

Christine Santaniello
Name of Authorized Representative

Director, D&H
Title of Authorized Representative

5/31/19
Date


Name of the Vendor


Signature of Authorized Representative

Name of Authorized Representative

Title of Authorized Representative

5-29-19
Date



**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY
ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
 - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Vendor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Vendor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Vendor Name:

Bridge House

May 29, 2019
Date

Christopher Eastwood

Name:

Title:

Executive Director

New Hampshire Department of Health and Human Services
Exhibit J



FORM A

As the Vendor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 626410323
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

K NO _____ YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

_____ NO _____ YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C; and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the Internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

CD
5-29-19

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

CB

5-29-19

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

B. Disposition

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

CB

6-29-19

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

CB

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.
 - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
 - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

AB

5-29-19

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

V. LOSS REPORTING

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

- 1. Identify Incidents;
- 2. Determine if personally identifiable information is involved in Incidents;
- 3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
- 4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

CB

5-29-19

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov