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Frank Edelblut  
Commissioner

Christine Brennan  
Deputy Commissioner

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF EDUCATION  
101 Pleasant Street  
Concord, N.H. 03301  
TEL. (603) 271-3495  
FAX (603) 271-1953

September 30, 2021

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

**REQUESTED ACTION**

Authorize the Department of Education, Bureau of Vocational Rehabilitation (VR) to enter into a **sole source** contract with MONADNOCK DEVELOPMENTAL SERVICES, INC., KEENE, NH (vendor #177251), in an amount not to exceed \$200,000, to provide support services for VR customers, effective upon Governor and Council approval through October 31, 2023. 100% Federal Funds.

Funds to support this request are available in the accounts titled VR-Field Programs-Federal in FY 22, FY23 and anticipated to be available in FY24, upon the availability and the continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between State Fiscal years through the Budget Office, without further Governor and Council approval, if needed and justified.

	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
06-56-56-565010-25380000-102-500731	\$100,000	\$80,000	\$20,000
Contracts for Program services			

**EXPLANATION**

This request is **sole source** because VR has offered this funding opportunity to each of the ten (10) area agencies in New Hampshire to enhance the statewide capacity of work incentives counseling to individuals with disabilities. Nine (9) of the area agencies are receiving funding for this programming. The Concord region area agency did not elect to accept the funding because they did not feel they could staff it appropriately. MONADNOCK DEVELOPMENTAL SERVICES, INC. is a non-profit corporation created in 1981 to establish and maintain programs and services which promote growth and independence for individuals with developmental disabilities. The organization delivers services for over 1,200 individuals with disabilities, families coping with autism, and seniors in need of care.

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

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

If Federal Funds are no longer available, State Funds will not be requested for this contract.

Respectfully Submitted,



Frank Edelblut  
Commissioner of Education

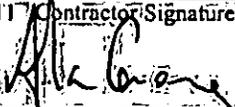
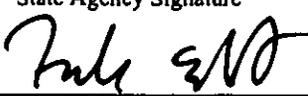
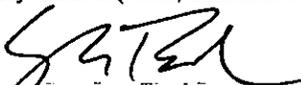
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**I. IDENTIFICATION:**

1.1 State Agency Name Department of Education		1.2 State Agency Address 21 S. Fruit Street, Suite 20 Concord, NH 03301	
1.3 Contractor Name MONDANOCK DEVELOPMENTAL SERVICES, INC.		1.4 Contractor Address 121 Railroad Street Keene, NH 03431	
1.5 Contractor Phone Number 603-352-1304	1.6 Account Number See Exhibit C	1.7 Completion Date 10/31/2023	1.8 Price Limitation \$200,000
1.9 Contracting Officer for State Agency Lisa Hinson-Hatz		1.10 State Agency Telephone Number 603-419-0086	
1.11 Contractor Signature  Date: 9/27/21		1.12 Name and Title of Contractor Signatory Alan Greene, Executive Director	
1.13 State Agency Signature  Date: 10-6-21		1.14 Name and Title of State Agency Signatory Frank Edelblut, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: Christopher Bond  On: 10/6/21			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

Contractor Initials   
Date: 9/27/21

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

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**

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

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

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

AG  
10/27/26

## 8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

## 9. TERMINATION.

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

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

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

## 10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

## 12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

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

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

#### 14. INSURANCE.

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

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

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

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

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

#### 15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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

**EXHIBIT A**

**SPECIAL PROVISIONS**

Additional exhibits D-G;

**Federal Certification 2 CFR 200.415**

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

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

Contractor Initials

Date

*AK*  
*6/27/21*

## EXHIBIT B

### SCOPE OF SERVICES

MONDADNOCK DEVELOPMENTAL SERVICES, INC. (MDS) will provide the following services to the New Hampshire Department of Education, Bureau of Vocational Rehabilitation (VR), effective upon Governor and Council approval through October 31, 2023:

The contractor, MDS, will utilize VR funding to hire a Certified Work Incentives Counselor (CWIC). The CWIC's primary focus will be on work incentives counseling with a secondary focus on employment consultation services through the Monadnock Center for Successful Transitions (MCST). MCST is a department within MDS.

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

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

In addition, the CWIC, through the contractor, MDS, will provide employment services consultation through MCST to assist individuals with intellectual or developmental disabilities in their employment search, placement and support activities. The CWIC will complete job development training that meets the Association of People Supporting Employment First (APSE) competencies. The training will provide the knowledge and skills for business outreach, job development, placement, and support services to individuals with disabilities. Services will include:

## EXHIBIT B CONTINUED

1. Development of personal contacts with a variety of business and industry representatives and job placement/training agencies, including Project SEARCH, to promote programs for participant placement;
2. Contact with potential employers with explanation of the benefits and employment support services provided by programs to employers, including addressing employer's special needs, including job requirements and skills.
3. Instruction for participants in job seeking, application procedures, resume writing, interview preparation, and job retention skills and attitudes;
4. Assisting participants in assessing their job skills for positions;
5. Referrals of qualified applicants to employers and conducting necessary follow-up when applicants are placed in positions;
6. Maintaining contact with employers during the participants' employment and reporting results to appropriate staff;
7. Working with participants to improve job performance and gain necessary job skills or reviewing other employment options;
8. Tracking of benefits and work incentives as employment opportunities evolve;
9. Tracking participant activity and progress data;
10. Providing monthly and quarterly summaries of work completed with VR program staff and with the Keene VR office and counselors.

### DELIVERABLES, REPORTING AND TIMELINE

#### MONDANACK DEVELOPMENTAL SERVICES INC. will:

1. Hire a person to provide CWIC and employment consultation services; that person will report the following data on a monthly and quarterly basis:
  - a. The number of group benefits orientation presentations provided to individuals and families/guardians;
  - b. The number of individual benefits orientation presentations provided;
  - c. The number of BS&A reports completed for individuals;
  - d. The number of individuals referred to VR during CWIC services;
  - e. The number of individuals who were referred to create a STABLE account;
  - f. The number of individuals referred for job development, placement, and support during/after CWIC services;
    - i. Part-time employment services
    - ii. Full-time employment services
  - g. The number of individuals changing employment status (no work to part-time work, part-time work to full-time work).
2. Ensure there are written releases/authorization for each individual to communicate with VR staff re: individuals referred for CWIC and employment consultation services.

Contractor Initials *JL*  
Date *9/27/21*

**EXHIBIT B CONTINUED**

3. Refer individuals that are interested in employment, placement, and support services to MCST or other appropriate job placement agencies.
4. Identify a 'point person' in each VR office who will serve as the contact person for the MDS/VR collaboration.
5. Set up monthly meetings (regional level) and a quarterly meeting (state level) for staff to share data and results of the partnership.

**VR State Level Staff will:**

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

**VR Local Level Staff will:**

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

Contractor Initials: *AC*  
Date: *6/27/21*

**EXHIBIT C**

**BUDGET**

	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>Total</b>
Salary	\$37,538	\$38,510	\$10,400	\$86,448
Supervisor Salary	\$8,298	\$8,294	\$1,508	\$18,100
Benefits & taxes	\$22,457	\$23,250	\$5,819	\$51,526
Advertising	\$300	\$200	\$0	\$500
Office supplies	\$700	\$500	\$100	\$1,300
Training (MDS-required and employment training)	\$500	\$300	\$0	\$800
Transportation (\$.50 mile)	\$1,950	\$2,340	\$520	\$4,810
Indirect	\$8,257	\$6,606	\$1,653	\$16,516
Start-Up	\$20,000	\$0	\$0	\$20,000
<b>Total Expenses</b>	<b>\$100,000</b>	<b>\$80,000</b>	<b>\$20,000</b>	<b>\$200,000</b>

**METHOD OF PAYMENT**

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

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

06-56-56-565010-25380000-102-500731	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
Contracts for Program Services	\$100,000	\$80,000	\$20,000

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

Invoices and reports shall be submitted electronically to:

Lisa Hinson-Hatz  
VR Director  
[Lisa.Hatz@doe.nh.gov](mailto:Lisa.Hatz@doe.nh.gov)  
NH Department of Education

Contractor Initials: *AL*  
Date: *4/27/24*

## EXHIBIT D

### Contractor Obligations

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

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

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

#### **Breach**

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

#### **Fraud and False Statements**

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

#### **Environmental Protection**

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

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

#### **Procurement of Recovered Materials**

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

Revised 6-25-21

Contractor Initials

Date

AG  
2/27/21

**Exhibit E**

**Federal Debarment and Suspension**

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

**Exhibit F**

**Anti-Lobbying**

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

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

- a. No federal appropriated funds have been paid or shall be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence any officer or employee of any State or Federal Agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal amendment, or modification of any Federal contract grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or shall be paid to any person for influencing or attempting to influence an officer or employee of any Federal Agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit the "Disclosure of Lobbying Activities" form in accordance with its instructions

<https://www.gsa.gov/forms-library/disclosure-lobbying-activities>

- c. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making and entering into this transaction imposed by Section 1352, Title 31 and U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- d. The Contractor also agrees, by signing this contract that it shall require that the language of this certification be included in subcontracts with all Sub-Contractor(s) and lower-tier Sub-Contractors which exceed \$100,000 and that all such Sub-Contractors and lower-tier Sub-Contractors shall certify and disclose accordingly.
- e. The DOE shall keep the firm's certification on file as part of its original contract. The Contractor shall keep individual certifications from all Sub-Contractors and lower-tier Sub-Contractors on file. Certification shall be retained for three (3) years following completion and acceptance of any given project.

Revised 6-25-21

Contractor Initials  
Date:

*AC*  
9/27/21

## Exhibit G

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

#### Rights to Inventions Made Under a Contract or Agreement

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

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

#### Confidentiality

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

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

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

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

#### Ownership of Intellectual Property

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

Revised 6-25-21

Contractor Initials: *AC*  
Date: *6/27/21*

# State of New Hampshire

## Department of State

### CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that MONADNOCK DEVELOPMENTAL SERVICES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on March 30, 1983. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 69358

Certificate Number: 0004932542



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 "William M. Gardner".

William M. Gardner  
Secretary of State

**CERTIFICATE OF VOTE**  
(Corporation without a Seal)

I, Beth Provost, do hereby certify that:

- (1) I am the duly elected clerk of Monadnock Developmental Services
- (2) The following are true copies of the resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on 9/27/2021:

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Education.

RESOLVED: That Alan Buene, Executive Director

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute 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 foregoing resolution(s) have not been amended or revoked, and remain in full force and effect as of the 27 day of September, 2021.

- (4) Alan Buene is the duly elected Executive Director of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand as the Business Representative of the Corporation this 27 day of September, 2021.

Beth Provost

STATE OF NEW HAMPSHIRE (N/A COVID 19)

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 20\_\_\_\_, the foregoing instrument was acknowledged before me.

In witness whereof I hereunto set my hand and official seal.

\_\_\_\_\_, N/A COVID 19 \_\_\_\_\_

My commission expires on:

Notary Public/Justice of the Peace



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

08/12/2021

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

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

PRODUCER Clark Mortenson Insurance PO Box 606  Keene NH 03431	CONTACT NAME: Ana O'Donnell, CPIW, CIC	PHONE (A/C, No, Ext): (803) 352-2121	FAX (A/C, No): (803) 357-8491
	E-MAIL ADDRESS: aodonnell@clark-mortenson.com		
INSURED  Monadnock Developmental Services, Inc. 121 Railroad Street  Keene NH 03431	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Philadelphia Indemnity Insurance Co.		18058
	INSURER B :		
	INSURER C :		
	INSURER D :		
	INSURER E :		

## COVERAGES

CERTIFICATE NUMBER: 21/22 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 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 OTHER:			07/01/2021	07/01/2022	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 - COMP/OP AGG \$ 3,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			07/01/2021	07/01/2022	COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ 1,000,000 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 RETENTION \$ 0			07/01/2021	07/01/2022	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
	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	N/A			PER STATUTE OTH-ER 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)

Re: 2018 Dodge Grand Caravan #159799

## CERTIFICATE HOLDER

## CANCELLATION

State of New Hampshire Vocational Rehabilitation  
21 S. Fruit St, Suite 20

Concord

NH 03301

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

AUTHORIZED REPRESENTATIVE

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# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/12/2021

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

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must 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).

<b>PRODUCER</b> Wieczorek Insurance 166 Concord St.  Manchester NH 03104	<b>CONTACT NAME:</b> Donna Deyo <b>PHONE (A/C, No, Ext):</b> (603) 668-3311 <b>E-MAIL ADDRESS:</b> donna@wizinsurance.com		<b>FAX (A/C, No):</b> (603) 668-8413
	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURED</b> Monadnock Developmental Services, Inc. 121 Railroad Street  Keene NH 03431	<b>INSURER A:</b> Eastern Alliance Insurance Company		10724
	<b>INSURER B:</b>		
	<b>INSURER C:</b>		
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		
	<b>INSURER F:</b>		

**COVERAGES**

CERTIFICATE NUMBER: 21-22

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
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A		1/1/2021	1/1/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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 Vocational Rehabilitation 21 S. Fruit Street, Suite 20 Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  <b>AUTHORIZED REPRESENTATIVE</b>  Robert Wieczorek/DMD
--	--

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## **MDS Mission Statement**

### **Because we believe...**

- everyone, from children to the elderly, has the right to experience a safe, supportive family life, in all its many facets;
- respecting each person's and each family's values is the foundation for building and strengthening people's lives;
- power, authority and responsibility lie with each person for how they will live their life.

### ***The mission of MDS is...***

to work toward inclusion, participation and mutual relationships for all people who are at risk of isolation from community. We will promote self-determination and quality of life, develop an environment which encourages creativity, innovation and individuality, and ensure quality of supports.

*Financial Statements*

---

**MONADNOCK DEVELOPMENTAL SERVICES, INC.  
AND  
SUBSIDIARY**

**FOR THE YEARS ENDED  
JUNE 30, 2020 AND 2019  
AND  
INDEPENDENT AUDITORS' REPORTS**

*Leone,  
McDonnell  
& Roberts*  
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

**MONADNOCK DEVELOPMENTAL SERVICES, INC.  
AND  
SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020 AND 2019**

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To the Board of Directors of  
Monadnock Developmental Services, Inc. and Subsidiary  
Keene, New Hampshire

## **INDEPENDENT AUDITORS' REPORT**

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Monadnock Developmental Services, Inc. (a New Hampshire nonprofit corporation) and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, cash flows and functional expenses 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 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 Monadnock Developmental Services, Inc. and Subsidiary as of June 30, 2020, and the changes in their net assets and their 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 Monadnock Developmental Services, Inc. and Subsidiary's 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 25, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidated schedule of functional revenues on page 20 and 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 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 December 1, 2020, on our consideration of Monadnock Developmental 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 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 Monadnock Developmental Services, 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 Monadnock Developmental Services, Inc.'s internal control over financial reporting and compliance.

*Leone, McDonald + Roberts*  
*Professional Association*

December 1, 2020  
Wolfeboro, New Hampshire

**MONADNOCK DEVELOPMENTAL SERVICES, INC.  
AND SUSIDIARY**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2020 WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

**ASSETS**

	<b>Monadnock Developmental Services, Inc.</b>	<b>Railroad Street Mill, Inc.</b>	<b>Eliminations</b>	<b>Consolidated Totals 2020</b>	<b>Consolidated Totals 2019</b>
Cash and equivalents	\$ 2,788,555	\$ 225,262	\$ -	\$ 3,013,817	\$ 2,778,730
Client funds	476,030	-	-	476,030	307,279
Accounts receivable:					
Medicaid	2,520,369	-	-	2,520,369	1,281,102
Other	508,865	10,518	-	519,383	59,900
Prepaid expenses	391,005	1,440	-	392,445	261,599
Deposits	9,810	-	-	9,810	10,570
Property and equipment, net of accumulated depreciation	1,255,114	2,568,791	-	3,823,905	4,009,891
Loan reserves	-	173,484	-	173,484	156,262
Investment in insurance captive	168,328	-	-	168,328	112,951
	<u>\$ 8,118,076</u>	<u>\$ 2,979,495</u>	<u>\$ -</u>	<u>\$ 11,097,571</u>	<u>\$ 8,978,284</u>
Total assets					

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Client funds	\$ 476,030	\$ -	\$ -	\$ 476,030	\$ 307,279
Accounts payable	1,582,709	5,082	-	1,587,791	1,087,303
Accrued salaries and wages and related expenses	941,746	-	-	941,746	620,897
Accrued sick time	46,528	-	-	46,528	89,294
Other accrued expenses	2,750	8,614	-	11,364	13,389
Refundable advances	135,219	-	-	135,219	131,955
NH Emergency Relief Fund loan	71,500	-	-	71,500	-
Paycheck Protection Program loan	1,577,200	-	-	1,577,200	-
Capital lease liability	58,245	-	-	58,245	80,294
Notes payable	436,858	2,591,693	-	3,028,551	3,133,963
	<u>5,328,785</u>	<u>2,605,389</u>	<u>-</u>	<u>7,934,174</u>	<u>5,464,374</u>
Total liabilities					

**NET ASSETS**

Without donor restrictions					
Board designated	543,967	-	-	543,967	546,341
Undesignated	2,241,024	374,106	-	2,615,130	2,967,569
Total net assets without donor restrictions	2,784,991	374,106	-	3,159,097	3,513,910
With donor restrictions	4,300	-	-	4,300	-
	<u>2,789,291</u>	<u>374,106</u>	<u>-</u>	<u>3,163,397</u>	<u>3,513,910</u>
Total net assets					
Total liabilities and net assets	<u>\$ 8,118,076</u>	<u>\$ 2,979,495</u>	<u>\$ -</u>	<u>\$ 11,097,571</u>	<u>\$ 8,978,284</u>

See Notes to Financial Statements

**MONADNOCK DEVELOPMENTAL SERVICES, INC.  
AND SUSIDIARY**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Monadnock Developmental Services, Inc.</u>	<u>Railroad Street Mill, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Totals 2020</u>	<u>Consolidated Totals 2019</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>					
<b>Revenues and Support</b>					
Medicaid	\$ 29,738,467	\$ -	\$ -	\$ 29,738,467	\$ 28,772,903
State of New Hampshire - DDS	866,022	-	-	866,022	863,278
Other program fees	466,959	-	-	466,959	551,101
Residential fees	274,382	-	-	274,382	309,488
Rental income	98,965	322,668	(249,593)	172,040	220,441
Client resources	173,810	-	-	173,810	136,406
Grants	1,105,860	-	-	1,105,860	69,354
Vocational rehabilitation fees	55,690	-	-	55,690	39,081
United Way	16,818	-	-	16,818	22,479
Contributions and other public support	22,296	-	-	22,296	62,715
Investment income	2,570	174	-	2,744	1,720
Production/service income	8,192	-	-	8,192	4,270
Other income	52,904	-	-	52,904	83,187
Net assets released from restrictions	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>53,606</u>
<b>Total revenues without donor restrictions and support</b>	<u>32,884,135</u>	<u>322,842</u>	<u>(249,593)</u>	<u>32,957,384</u>	<u>31,190,029</u>
<b>Expenses</b>					
<b>Program services</b>					
Service Coordination	1,411,986	-	(96,858)	1,315,128	1,287,175
Family support	995,509	-	(27,507)	968,002	1,043,788
Subcontracted area agency program services	20,770,151	-	-	20,770,151	18,604,098
In house area agency program services: ISO	7,761,412	-	(63,866)	7,697,546	7,583,698
Non DDS funded programs:					
Other Non DDS funded programs	456,022	-	-	456,022	422,870
Railroad Street Mill, Inc.	-	312,775	-	312,775	308,843
<b>Supporting services</b>					
General management	<u>1,853,935</u>	<u>-</u>	<u>(61,362)</u>	<u>1,792,573</u>	<u>1,513,572</u>
<b>Total expenses</b>	<u>33,249,015</u>	<u>312,775</u>	<u>(249,593)</u>	<u>33,312,197</u>	<u>30,764,044</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>(364,880)</u>	<u>10,067</u>	<u>-</u>	<u>(354,813)</u>	<u>425,985</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	5,500	-	-	5,500	-
Net assets released from restrictions	<u>(1,200)</u>	<u>-</u>	<u>-</u>	<u>(1,200)</u>	<u>(53,606)</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>4,300</u>	<u>-</u>	<u>-</u>	<u>4,300</u>	<u>(53,606)</u>
<b>CHANGES IN NET ASSETS</b>	<u>(360,580)</u>	<u>10,067</u>	<u>-</u>	<u>(350,513)</u>	<u>372,379</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>3,149,871</u>	<u>364,039</u>	<u>-</u>	<u>3,513,910</u>	<u>3,141,531</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,789,291</u>	<u>\$ 374,106</u>	<u>\$ -</u>	<u>\$ 3,163,397</u>	<u>\$ 3,513,910</u>

See Notes to Financial Statements

**MONADNOCK DEVELOPMENTAL SERVICES, INC.  
AND SUSIDIARY**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Monadnock Developmental Services, Inc.</u>	<u>Railroad Street Mill, Inc.</u>	<u>Eliminations</u>	<u>Consolidated Totals 2020</u>	<u>Consolidated Totals 2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Changes in net assets	\$ (360,580)	\$ 10,067	\$ -	\$ (350,513)	\$ 372,379
Adjustments to reconcile changes in net assets to net cash from operating activities:					
Depreciation and amortization	142,831	84,136	-	226,967	214,422
Loss (gain) on sale of assets	1,300	-	-	1,300	(916)
Imputed interest on long term debt	-	12,073	-	12,073	13,169
Decrease (increase) in assets:					
Accounts receivable - Medicaid	(1,239,267)	-	-	(1,239,267)	(455,194)
Accounts receivable - Other	(448,965)	(10,518)	-	(459,483)	(92)
Prepaid expenses	(130,759)	(87)	-	(130,846)	12,616
Deposits	760	-	-	760	2,450
Investment in insurance captive	(55,377)	-	-	(55,377)	(33,041)
Increase (decrease) in liabilities:					
Accounts payable	500,594	(106)	-	500,488	(102,092)
Accrued salaries, wages and related expenses	320,849	-	-	320,849	166,241
Accrued sick time	(42,766)	-	-	(42,766)	834
Other accrued expenses	-	(2,025)	-	(2,025)	(537)
Refundable advances	3,264	-	-	3,264	(43,822)
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<u>(1,308,116)</u>	<u>93,540</u>	<u>-</u>	<u>(1,214,576)</u>	<u>146,417</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Additions to property and equipment	(38,983)	(4,998)	-	(43,981)	(151,349)
Proceeds from the sale of assets	1,700	-	-	1,700	916
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(37,283)</u>	<u>(4,998)</u>	<u>-</u>	<u>(42,281)</u>	<u>(150,433)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from NH Emergency Relief Fund loan	71,500	-	-	71,500	-
Proceeds from Payment Protection Program loan	1,577,200	-	-	1,577,200	-
Repayment of capital lease	(22,049)	-	-	(22,049)	(20,824)
Proceeds from long term borrowings	-	-	-	-	68,000
Repayment of long term debt	(46,939)	(70,546)	-	(117,485)	(109,223)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<u>1,579,712</u>	<u>(70,546)</u>	<u>-</u>	<u>1,509,166</u>	<u>(62,047)</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	234,313	17,996	-	252,309	(66,063)
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR</b>	<u>2,554,242</u>	<u>380,750</u>	<u>-</u>	<u>2,934,992</u>	<u>3,001,055</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>	<u>\$ 2,788,555</u>	<u>\$ 398,746</u>	<u>\$ -</u>	<u>\$ 3,187,301</u>	<u>\$ 2,934,992</u>

See Notes to Financial Statements

MONADNOCK DEVELOPMENTAL SERVICES, INC.  
AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	General Management	Service Coordination	Family Support	Subcontracted Area Agency Program Services	In House Area Agency ISO Program	Total DDS Funded	Other Non DDS Funded	Railroad Street Mtn. Inc.	Total Non DDS Funded	2020 Total	Eliminations	Consolidated Totals 2020	Consolidated Totals 2019
Salaries and wages	\$ 1,184,448	\$ 819,808	\$ 501,779	\$ -	\$ 3,343,812	\$ 5,849,047	\$ 193,245	\$ -	\$ 193,245	\$ 6,042,892	\$ -	\$ 6,042,892	\$ 5,771,222
Employee benefits	202,617	243,819	108,948	-	938,954	1,484,338	84,160	-	84,160	1,558,498	-	1,558,498	1,702,507
Payroll taxes	85,739	59,752	35,798	-	227,583	408,872	20,979	-	20,979	429,851	-	429,851	413,851
Family provider services	16,500	-	105,839	-	1,622,219	1,744,558	-	-	-	1,744,558	-	1,744,558	1,578,027
Respite care	1,690	-	149,870	-	208,261	359,821	3,750	-	3,750	363,371	-	363,371	318,037
Client treatment and care	-	22,827	8,789	38,960	160,489	229,165	-	-	-	229,165	-	229,165	238,868
Accounting fees	34,500	-	-	-	-	34,500	-	3,888	3,888	38,388	-	38,388	33,600
Legal fees	8,497	-	-	-	-	8,497	-	-	-	8,497	-	8,497	11,193
Other professional fees	57,849	68,486	1,773	134	11,353	139,595	22,108	4,548	26,656	166,251	-	166,251	160,153
Subcontractors	35,293	15,273	-	20,632,801	564,271	21,247,638	-	5,875	5,875	21,253,313	-	21,253,313	18,094,262
Staff development	9,703	707	1,763	1,500	33,753	47,426	1,105	-	1,105	48,531	-	48,531	51,830
Rent	61,362	96,858	27,507	-	172,723	358,450	6,702	-	6,702	365,152	(249,593)	115,559	122,198
Mortgage payments	-	-	-	-	3,863	3,863	-	-	-	3,863	-	3,863	3,863
Utilities	5,006	5,771	2,332	-	36,727	49,836	37,351	38,765	76,116	125,852	-	125,852	135,006
Repairs and maintenance	-	-	1,500	-	1,750	3,250	21,656	22,212	43,866	47,118	-	47,118	41,069
Property taxes	-	-	-	-	10,014	10,014	1,000	33,369	34,369	44,403	-	44,403	43,331
Other occupancy costs	-	-	-	-	4,593	4,593	6,099	-	6,099	10,692	-	10,692	6,498
Home modifications	-	-	-	-	35,113	35,113	-	-	-	35,113	-	35,113	52,315
Office supplies	10,549	6,211	4,369	-	13,459	34,588	1,468	-	1,468	36,056	-	36,056	35,748
Building supplies	1,677	1,056	1,725	-	17,253	21,711	5,860	-	5,860	27,571	-	27,571	23,667
Client consumables	-	-	6,604	-	49,069	55,673	-	-	-	55,673	-	55,673	85,553
Medical supplies	17,967	-	-	-	2,155	20,122	254	-	254	20,376	-	20,376	2,500
Computer supplies	8,964	2,595	1,845	-	7,316	20,720	3,068	-	3,068	23,808	-	23,808	18,692
Equipment rental	2,821	3,405	1,265	-	9,184	16,675	-	-	-	16,675	-	16,675	15,480
Depreciation expense	7,888	6,066	4,277	89,182	33,348	140,871	1,960	64,136	86,096	226,967	-	226,967	214,422
Advertising	90	-	20	-	13,964	14,074	91	-	91	14,165	-	14,165	8,227
Printing	1,292	1,410	1,866	-	3,055	7,623	1,264	-	1,264	8,887	-	8,887	10,711
Telephone	10,771	14,291	4,199	-	53,410	82,671	1,935	-	1,935	84,606	-	84,606	80,349
Postage	4,124	5,545	2,770	-	5,854	18,293	732	-	732	19,025	-	19,025	17,856
Transportation	3,372	16,855	14,051	324	154,946	189,548	13,950	-	13,950	203,498	-	203,498	292,050
Assistance to individuals	-	5,011	88	-	117	5,216	-	-	-	5,216	-	5,216	6,505
Insurance	22,966	14,691	5,454	9,240	16,560	68,911	26,099	19,113	45,212	114,123	-	114,123	106,149
Interest expense	2,584	-	-	-	2,986	5,570	21,012	101,017	122,029	127,599	-	127,599	132,889
Loss on sale of assets	1,300	-	-	-	-	1,300	-	-	-	1,300	-	1,300	-
Other expenses	54,266	1,649	1,278	-	3,258	60,451	154	32	186	60,837	-	60,837	57,376
<b>Total functional expenses</b>	<b>\$ 1,853,935</b>	<b>\$ 1,411,986</b>	<b>\$ 995,509</b>	<b>\$ 20,770,151</b>	<b>\$ 7,761,412</b>	<b>\$ 32,792,893</b>	<b>\$ 456,022</b>	<b>\$ 312,775</b>	<b>\$ 768,797</b>	<b>\$ 33,561,790</b>	<b>\$ (249,593)</b>	<b>\$ 33,312,197</b>	<b>\$ 30,764,044</b>

See Notes to Financial Statements

**MONADNOCK DEVELOPMENTAL SERVICES, INC.  
AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

**1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

Monadnock Developmental Services, Inc. (MDS, the Organization) is a New Hampshire nonprofit corporation organized exclusively for charitable purposes to facilitate the integration of individuals with developmental disabilities within their communities in ways to maximize opportunities for living, working, socializing, learning new skills and maintaining existing ones, participating in community activities of choice which promote independence, dignity and respect and which assist individuals to assume valued roles within their communities. The Organization serves the developmentally disabled of Cheshire County and the surrounding communities.

Railroad Street Mill, Inc. (Railroad) was incorporated under the laws of the State of New Hampshire on March 25, 2010 for the purpose of holding title to personal and real property and to collect all income earned from said property for the exclusive benefit of Monadnock Developmental Services, Inc.

**Principles of Consolidation**

The consolidating financial statements include the accounts of Monadnock Developmental Services, Inc. and Railroad Street Mill, Inc. Railroad Street Mill, Inc. is consolidated since Monadnock Developmental Services, Inc. has both an economic interest in Railroad Street Mill, Inc. and control of Railroad Street Mill, Inc. through a majority voting interest in its governing board. All material intra-entity transactions have been eliminated.

**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 net assets with donor restrictions, 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 net assets without donor restrictions.

#### **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, 2019, from which the summarized information was derived.

#### **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 incurred.

#### **Accrued Earned Time**

The Organization has accrued a liability for future compensated leave time that its employees have earned and which is vested with the employee.

#### **Accrued Sick Time**

The Organization has accrued a liability for future compensated sick time that its employees have earned and which is not vested with the employee.

#### **Advertising**

The Organization expenses advertising costs as incurred.

### **Property and Depreciation**

The Organization follows the policy of charging to expense, annual amounts of depreciation, which allocates the cost of the property and equipment over their estimated useful lives. Property and equipment are recorded at cost or, if donated, at estimated fair value at the date of donation. Material assets with a useful life in excess of one year are capitalized. 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 - 39 years
Vehicles	5 years
Furniture and equipment	5 - 7 years

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.

Property and equipment consisted of the following at June 30, 2020 and 2019:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Land, buildings and improvements	\$ 5,697,913	\$ 5,683,433
Vehicles	468,750	497,737
Equipment	200,954	200,954
Furniture	<u>4,921</u>	<u>4,921</u>
	6,372,538	6,387,045
Less accumulated depreciation	<u>(2,548,633)</u>	<u>(2,377,154)</u>
Property, net	<b><u>\$ 3,823,905</u></b>	<b><u>\$ 4,009,891</u></b>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$226,967 and \$214,422, respectively.

### **Income Taxes**

Monadnock Developmental Services, 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.

Railroad Street Mill, Inc. is exempt from income taxes under Section 501(c)(2) of the Internal Revenue Code. The Internal Revenue Service has determined the Organization to be other than a private foundation.

Management has evaluated the Organizations' tax positions and concluded that the Organizations have maintained their tax-exempt status and do not have any uncertain tax positions that require adjustment to the financial statements. With few exceptions, the Organizations are no longer subject to income tax examinations by the United States Federal or State tax authorities prior to 2017.

### **Cash Equivalents**

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

### **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 programs and supporting services benefited.

The expenses that are allocated include the following:

<b><u>Expense</u></b>	<b><u>Method of Allocation</u></b>
Salaries and benefits	Time and effort
Occupancy	Square footage/revenues
Depreciation	Direct assignment
All other expenses	Direct assignment

### **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.

At June 30, 2020 and 2019, all cash and cash equivalents were classified as Level 1 and were based on fair value. Valuation was derived on the open market.

The carrying amount of cash, prepaid expense, other assets and current liabilities, approximates fair value because of the short maturity of those instruments.

### **New Accounting Pronouncements**

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (230): Restricted Cash (ASU 2016-18). The amendments address diversity in practice that exists in the classification and presentation of changes in restricted cash on the statement of cash flows. The amendments require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective for the Organization's fiscal year ending June 30, 2020 and has been applied retrospectively to all periods presented.

During the year, the Organization adopted the provisions of FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the year ending June 30, 2020 are presented under FASB ASU 2018-08. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

## **2 AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets as of June 30, 2020 and 2019:

Financial assets at year-end:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Cash and cash equivalents	\$ 3,013,817	\$ 2,778,730
Client funds	476,030	307,279
Accounts receivable	3,035,457	1,341,002
Deposits	<u>9,810</u>	<u>10,570</u>
Total financial assets	<b><u>\$ 6,535,114</u></b>	<b><u>\$ 4,437,581</u></b>

Less amounts not available to be used within one year:		
Net assets with donor restrictions	\$ 4,300	\$ -
Board designated funds	543,967	546,341
Client funds	<u>476,030</u>	<u>307,279</u>
Amounts not available within one year	<u>1,024,297</u>	<u>853,620</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 5,510,817</u>	<u>\$ 3,583,961</u>

The Organization's goal is generally to maintain financial assets to meet 45 days of operating expenses (approximately \$4.08 million). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts.

**3 CONCENTRATION OF CREDIT RISK**

The Organization maintains several of its cash balances at one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 as of June 30, 2020 and 2019. At June 30, 2020 and 2019, the uninsured balances aggregated \$3,121,190 and \$2,766,237, respectively.

**4 INVESTMENT IN INSURANCE CAPTIVE**

During May of 2013, the Organization entered into a captive insurance program sponsored by Roundstone Insurance Ltd (Sponsor), to provide reinsurance coverage on behalf of several participants of a group captive. As of June 30, 2016, the Organization's insurance agreement with Roundstone ended, and the Organization entered an agreement with a new group captive, Hamilton EmCap Program, as of July 1, 2016. The Organization and other participants purchase insurance from one or more insurance companies reinsured by the Sponsor. The Organization's participant investment into the captive insurance program amounted to \$168,328 and \$112,951, respectively at June 30, 2020 and 2019.

**5 DEMAND NOTE PAYABLE**

For the years ended June 30, 2020 and 2019, the Organization maintained a revolving line of credit with a bank. The maximum available credit at June 30, 2020 and 2019 was \$1,500,000. Interest is stated at the Wall Street Journal Prime Rate or 4%, whichever is greater. At June 30, 2020 and 2019, there were no amounts outstanding on this line of credit. The demand note payable is secured by all business assets of the Organization.

**6 CAPITAL LEASE**

During the year ended June 30, 2018, Monadnock Developmental Services, Inc. entered into a capital lease agreement for the purchase of equipment. The economic substance of the lease is that the Organization is financing the acquisition of equipment through the lease end; accordingly, the equipment is recorded as an asset and the lease obligation is recorded as a liability. The total capitalized cost is \$113,130. The lease requires annual payments of principal and interest of \$25,800. The interest rate of the lease is 5.428% with a term of five years which expires November 2022. Accumulated amortization on the equipment at June 30, 2020 and 2019 was \$33,939 and \$11,313, respectively.

Minimum future lease payments under capital leases as of June 30, 2020 are approximated as follows:

<b>Year Ended June 30</b>	<b>Amount</b>
2021	\$ 25,800
2022	25,800
2023	<u>10,750</u>
Total minimum lease payments	62,350
Less: amount representing interest	<u>(4,105)</u>
Present value of net minimum lease payments	58,245
Less: amount due within one year	<u>(23,165)</u>
Long term portion of net minimum lease payments	<u>\$ 35,080</u>

**7 LONG TERM DEBT**

The long term debt of the Organization consisted of the following at June 30, 2020 and 2019:

<b><u>MONADNOCK DEVELOPMENTAL SERVICES, INC.</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Mortgage note payable to a bank in monthly installments for principal and interest of \$884 through July of 2033, at which time all principal and interest is due and payable. Interest is fixed for five years and then stated at the five year Wall Street Prime Rate plus .50%. This resulted in an interest rate of 3.75% and 6.00% at June 30, 2020 and 2019, respectively. The note is collateralized by real estate owned by the Organization.	\$ 96,380	\$ 101,053

5% note payable to a Corporation in monthly installments for principal and interest of \$995 through October of 2028. The note is collateralized by real estate owned by the Organization.	81,437	89,067
4.75% mortgage note payable to a bank in monthly installments for principal and interest of \$432 through January of 2029, at which time all principal and interest is due and payable. The note is collateralized by real estate owned by the Organization.	35,636	39,033
Mortgage note payable to a bank in monthly installments for principal and interest of \$1,038 through January of 2035, at which time all principal and interest is due and payable. Interest is fixed for five years at 5.25%. The note is collateralized by real estate owned by the Organization.	126,723	132,810
Mortgage note payable to a bank in monthly installments for principal and interest of \$998 through November of 2025, at which time all principal and interest is due and payable. Interest is fixed for three years at 5.25%. The note is collateralized by real estate owned by the Organization.	57,128	65,783
3.99% note payable to a bank in monthly installments for principal and interest of \$1,535 through September 2022. The note is collateralized by Company vehicles.	39,554	56,051
<b><u>RAILROAD STREET MILL, INC.</u></b>		
4% mortgage note payable to Rural Development in monthly installments for principal and interest of \$13,313 through July of 2040. The note is collateralized by real estate owned by the Organization.	2,191,693	2,262,239
3.75% note payable to an economic development corporation in monthly installments for principal and interest of \$2,376 through June of 2030. The note is collateralized by real estate owned by the Organization.	237,500	230,332
0% (imputed at 4%) note payable to an economic development corporation. There are no payments due on the note until June of 2030 when all principal is due and payable. The note is collateralized by real estate owned by the Organization.	<u>162,500</u>	<u>157,595</u>
	<u>\$ 3,028,551</u>	<u>\$ 3,133,963</u>

The scheduled maturities of long term debt as of June 30, 2020 were as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2021	\$ 141,867
2022	148,000
2023	140,382
2024	141,759
2025	277,790
Thereafter	<u>2,178,753</u>
	<u>\$ 3,028,551</u>

**8 BOARD DESIGNATED FUNDS**

As of June 30, 2020 and 2019, the Board of Directors has designated funds to be used for the following:

	<u>2020</u>	<u>2019</u>
Development costs	\$ 416,852	\$ 388,446
Property maintenance and acquisitions	<u>127,115</u>	<u>157,895</u>
	<u>\$ 543,967</u>	<u>\$ 546,341</u>

**9 RETIREMENT PLAN**

The Organization maintains a retirement plan for all eligible employees. The plan permits eligible employee deferrals of up to 5% of compensation. These deferrals may be matched by the Organization at its discretion. In addition, the plan allows eligible employees to make an additional voluntary contribution of up to 15% of compensation; these additional deferrals are not subject to any Organization match. All full-time employees are eligible to participate after one year of employment and the attaining of age 18. The Organization's contribution to the retirement plan for the years ended June 30, 2020 and 2019 was \$116,010 and \$106,104, respectively.

**10 ECONOMIC DEPENDENCY**

The Organization's services are performed mostly within Cheshire County, New Hampshire. For each of the years ended June 30, 2020 and 2019, approximately 90% and 92% of the total support and revenue was derived from Medicaid, respectively. The future level of services provided by the Organization is dependent upon the funding policies of Medicaid or securing additional sources of income.

Medicaid receivables comprise approximately 83% and 93% of the total accounts receivable balances at June 30, 2020 and 2019, respectively. The Organization has no policy for charging interest on past due accounts, nor are its accounts receivable pledged as collateral, except as discussed in Note 5.

In order for the Organization to receive this Medicaid funding, it must be formally approved by the State of New Hampshire, Division of Developmental Services as the provider of services for developmentally disabled individuals for its region. The designation is received by the Organization on a quadrennial basis. Redesignation occurred during the year ended June 30, 2020. Annually, the Organization engages in a contract with the State of New Hampshire to perform these services for the coming year.

**11 LEASE COMMITMENTS**

The Organization has entered into various operating lease agreements to rent certain facilities for their programs. The terms of these leases range from one to ten years. The Organization also leases various apartments on behalf of clients on a month-to-month basis. Rent expense under these agreements aggregated \$365,152 and \$371,791 for the years ended June 30, 2020 and June 30, 2019, respectively.

During June of 2010, Railroad Street Mill, Inc. purchased property in Keene, New Hampshire where Monadnock Developmental Services, Inc. maintains its main offices. Rent charged to Monadnock Developmental Services, Inc. for the years ended June 30, 2020 and 2019 was \$249,593.

The approximate future minimum lease payments on the above leases as of June 30, 2020 were as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2021	\$ 19,950
2022	20,400
2023	20,400
2024	20,400
2025	<u>20,400</u>
	<u>\$ 101,550</u>

**12 RENTAL INCOME**

The Organization leases commercial space to tenants under various non-cancelable operating lease agreements, the initial terms of which vary in length from between one and three years. The leases provided for annual rental increases based upon the Consumer Price Index with certain operating expense escalation charges. The future minimum annual rent to be received under the operating leases in effect at June 30, 2020 was \$249,593 for the year ending June 30, 2021.

**13 CONTINGENCIES**

**Grant Compliance**

The Organization receives funds under a state grant 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 expenditures were found not to have been made 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 by government audits or assessed as of June 30, 2020.

**14 CLIENT FUNDS**

The Organization administers funds for certain consumers. As of June 30, 2020 and 2019, client funds held by the Organization were as follows:

	<u>2020</u>	<u>2019</u>
Client funds administered by the Organization	\$ <u>476,030</u>	\$ <u>307,279</u>

There is an offsetting liability titled "Client funds" for the same amount in each respective year.

**15 FLEXIBLE BENEFITS PLAN**

The Organization maintains a flexible benefits plan for its employees. Substantially all full time employees are eligible to participate. There is no contribution required from the Organization to this plan other than administrative costs.

**16 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Non-cash investing and financing transactions:

	<u>2020</u>	<u>2019</u>
Purchase of property and equipment	\$ 38,983	\$ 151,349
Amount financed by capital lease	<u>-</u>	<u>-</u>
Cash paid for property	<u>\$ 38,983</u>	<u>\$ 151,349</u>
Cash paid for interest	<u>\$ 125,015</u>	<u>\$ 132,889</u>

Cash, cash equivalents and restricted cash as of June 30, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,013,817	\$ 2,778,730
Restricted cash	<u>173,484</u>	<u>156,262</u>
Total cash, cash equivalents and restricted cash	<u>\$ 3,187,301</u>	<u>\$ 2,934,992</u>

**17 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 net assets, or net assets amounts.

**18 NET ASSETS**

Net assets without donor restrictions for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Undesignated	\$ 2,615,130	\$ 2,967,569
Board designated	<u>543,967</u>	<u>546,341</u>
Total net assets without donor restrictions	<u>\$ 3,159,097</u>	<u>\$ 3,513,910</u>

Net assets with donor restrictions for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Special Purpose Restrictions:		
Contributions	\$ <u>4,300</u>	\$ <u>-</u>
Total net assets with donor restrictions	<u>\$ 4,300</u>	<u>\$ -</u>

Net assets released from net assets with donor restrictions for the years ended June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Satisfaction of Purpose Restrictions:		
Fixed assets	\$ -	\$ 43,606
Contributions	<u>1,200</u>	<u>10,000</u>
Total net assets released	<u>\$ 1,200</u>	<u>\$ 53,606</u>

**19 OTHER MATTERS**

The impact of the novel coronavirus (COVID-19) and measures to prevent its spread are affecting the Organization. The significance of the impact of these disruptions, including the extent of their adverse impact on the Organization's financial and operational results, will be dictated by the length of time that such disruptions continue and, in turn, will depend on the currently unknowable duration of the COVID-19 pandemic and the impact of governmental regulations that might be imposed in response to the pandemic. The COVID-19 impact on the capital markets could also impact the Organization's cost of borrowing. There are certain limitations on the Organization's ability to mitigate the adverse financial impact of these items. As of December 1, 2020, due to the measures put in place to prevent the spread of COVID-19 we are unable to estimate the future performance of the Organization.

**20**     **LONG TERM CARE STABILIZATION PROGRAM**

In response to COVID-19, in April 2020, the State of New Hampshire established the Long Term Care Stabilization (LTCS) Program to provide stipends to certain front line Medicaid providers. The program was developed to incentivize these direct care workers to remain in or rejoin this critical workforce and continue to provide high quality care to vulnerable persons during the pandemic. Under the program, the New Hampshire Department of Employment Security (NHES) would distribute \$300 per week in stipends to full time qualifying front line workers and \$150 per week in stipends to part time qualifying front line workers. The funding for the LTCS Program was provided through the Coronavirus Relief Fund. During the year ended June 30, 2020, the Organization received grant revenue of \$1,037,764 and expended \$1,037,764 under the grant through payroll and subcontractor expenses.

**21**     **PAYCHECK PROTECTION PROGRAM LOAN**

In April 2020, the Organization received loan proceeds in the amount of \$1,577,200 under the Paycheck Protection Program (PPP). The PPP is established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). If the Organization does not meet the loan criteria, the unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months. As of the date of the audit report, the Organization has been using the proceeds for purposes consistent with the PPP. The Organization has 24 weeks beginning the date the proceeds were received to use up all the PPP proceeds. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, there is no assurance that the Organization will not take actions that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part.

**22**     **NH EMERGENCY RELIEF FUND LOAN**

In April 2020, the Organization received loan proceeds from the State of New Hampshire in the amount of \$71,500 under the NH Emergency Relief Fund. The agreement will mature 180 days after the expiration of the State of Emergency declared in the State of New Hampshire in March 2020. The note is interest free. Funds have been provided in the form of a loan that may later be converted to a grant and forgiven based on terms set forth in the loan agreement at the lender's discretion and with the approval of the Governor. As there is no assurance that the loan will be converted to a grant and forgiven, funds received have been recorded as a note payable as of June 30, 2020.

**23**     **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 December 1, 2020, the date the June 30, 2020 financial statements were available for issuance. See Note 19 regarding COVID-19.

**MONADNOCK DEVELOPMENTAL SERVICES, INC.  
AND SUBSIDIARY**

**CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>General Management</u>	<u>Service Coordination</u>	<u>Family Support</u>	<u>Subcontracted Area Agency Program Services</u>	<u>In House Area Agency ISO Program</u>	<u>Total DOS Funded</u>	<u>Other Non DOS Funded</u>	<u>Railroad Street Mill, Inc.</u>	<u>Total Non DOS Funded</u>	<u>2020 Total</u>	<u>Eliminations</u>	<u>Consolidated Totals 2020</u>	<u>Consolidated Totals 2019</u>
Medicaid	\$ 283,303	\$ 1,055,166	\$ 794,644	\$ 20,738,008	\$ 8,829,334	\$ 29,700,455	\$ 38,012	\$ -	\$ 38,012	\$ 29,738,467	\$ -	\$ 29,738,467	\$ 28,772,903
State of New Hampshire - DDS	-	127,031	74,591	444,484	213,199	859,305	8,717	-	8,717	868,022	-	868,022	863,278
Residential fees	-	-	-	73,824	156,338	230,162	44,220	-	44,220	274,382	-	274,382	308,488
Other program fees	-	-	(5,336)	-	417,345	412,009	54,950	-	54,950	466,959	-	466,959	551,101
Grants	1,037,784	-	68,096	-	-	1,105,880	-	-	-	1,105,880	-	1,105,880	69,354
Rental income	-	-	2,400	-	-	2,400	96,565	322,668	419,233	421,633	(249,593)	172,040	220,441
Vocational rehabilitation fees	-	-	-	-	55,690	55,690	-	-	-	55,690	-	55,690	39,081
Client resources	52,063	48	-	69,794	44,141	166,046	7,764	-	7,764	173,810	-	173,810	136,406
Production/service income	-	-	(38)	-	7,600	7,562	630	-	630	8,192	-	8,192	4,270
Contributions and other public support	27,340	-	456	-	-	27,796	-	-	-	27,796	-	27,796	62,715
United Way	-	-	16,818	-	-	16,818	-	-	-	16,818	-	16,818	22,479
Investment income	2,570	-	-	-	-	2,570	-	174	174	2,744	-	2,744	1,720
Other income	13,049	-	5,375	9,120	22,312	49,856	3,048	-	3,048	52,904	-	52,904	83,187
<b>Total functional revenues</b>	<b>\$ 1,416,089</b>	<b>\$ 1,182,245</b>	<b>\$ 957,006</b>	<b>\$ 21,335,230</b>	<b>\$ 7,745,959</b>	<b>\$ 32,636,529</b>	<b>\$ 251,906</b>	<b>\$ 322,842</b>	<b>\$ 574,748</b>	<b>\$ 33,211,277</b>	<b>\$ (249,593)</b>	<b>\$ 32,961,684</b>	<b>\$ 31,136,423</b>

**MONADNOCK DEVELOPMENTAL SERVICES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NAME</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURE</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	Keene Housing	Unknown	\$ <u>20,172</u>
Total U.S. Department of Housing and Urban Development				\$ <u>20,172</u>
<b><u>U.S. Department of the Treasury</u></b>				
Coronavirus Relief Fund	21.019	State of NH Governor's Office of Emergency Relief and Recovery COVID-19 Long Term Care Stabilization Program	N/A	\$ <u>1,037,764</u>
Total U.S. Department of the Treasury				\$ <u>1,037,764</u>
<b><u>U.S. Department of Education</u></b>				
Special Education - Grants for Infants and Families	84.181A	State of NH Department of Health and Human Services, Division of Long Term Supports and Services	05-95-93-930010-7852	\$ <u>152,400</u>
Total U.S. Department of Education				\$ <u>152,400</u>
<b><u>U.S. Department of Health &amp; Human Services</u></b>				
Social Services Block Grant	93.867	State of NH Department of Health and Human Services, Division of Long Term Supports and Services	05-95-93-930010-7858	\$ <u>39,096</u>
Total U.S. Department of Health & Human Services				\$ <u>39,096</u>
<b>TOTAL</b>				<b>\$ <u>1,249,432</u></b>

See Notes to Schedule of Expenditures of Federal Awards

**MONADNOCK DEVELOPMENTAL SERVICES, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Monadnock Developmental Services, Inc. under programs of the federal government for the year ended June 30, 2020. 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 Monadnock Developmental 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**

Monadnock Developmental Services, Inc. has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**MONADNOCK DEVELOPMENTAL SERVICES, 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  
Monadnock Developmental 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 Monadnock Developmental Services, Inc. (a New Hampshire nonprofit corporation) and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 1, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Monadnock Developmental Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Monadnock Developmental Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Monadnock Developmental 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 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 2020-001 and 2020-002 that we consider to be significant deficiencies.

**Compliance and Other Matters**

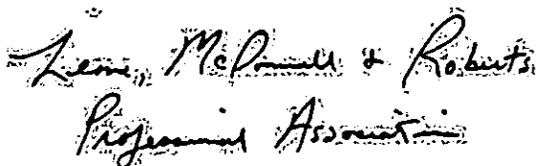
As part of obtaining reasonable assurance about whether Monadnock Developmental Services, Inc. and Subsidiary's consolidated financial statements are free of material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

**Monadnock Developmental Services, Inc.'s Response to Findings**

Monadnock Developmental Services, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Monadnock Developmental Services, Inc.'s response was not subjected to the auditing procedures applied in the audit of the consolidated 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 Organizations' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Liene, McDonald & Roberts,  
Professional Association

December 1, 2020  
Wolfeboro, New Hampshire

**MONADNOCK DEVELOPMENTAL SERVICES, 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  
Monadnock Developmental Services, Inc.  
Keene, New Hampshire

**Report on Compliance for Each Major Federal Program**

We have audited Monadnock Developmental Services, Inc.'s (a New Hampshire nonprofit corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Monadnock Developmental Services, Inc.'s major federal programs for the year ended June 30, 2020. Monadnock Developmental 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 Monadnock Developmental 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 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 Monadnock Developmental 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 Monadnock Developmental Services, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, Monadnock Developmental 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 June 30, 2020.

**Report on Internal Control Over Compliance**

Management of Monadnock Developmental 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 Monadnock Developmental 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 Monadnock Developmental 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.

*Lena McDonald & Roberts  
Professional Association*

December 1, 2020  
Wolfeboro, New Hampshire

**MONADNOCK DEVELOPMENTAL SERVICES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Monadnock Developmental Services, Inc. and Subsidiary were prepared in accordance with GAAP.
2. Two 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 Monadnock Developmental Services, Inc. and Subsidiary, 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 Monadnock Developmental Services, Inc. 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 program tested as a major program was: U.S. Department of the Treasury, Coronavirus Relief Fund, CFDA 21.019
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Monadnock Developmental Services, Inc. was determined not to be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

**SIGNIFICANT DEFICIENCIES**

**2020-001 - Use of Signature Stamp**

**Criteria:** A signature stamp should not be available to anyone other than authorized signers.

**Condition:** A signature stamp of an authorized check signer is available to certain employees who are not authorized check signers.

**Cause:** There is only one authorized check signer, and there are multiple individuals who have access to the signature stamp. There are not effective procedures in place to prevent access to the signature stamp by those other than the authorized signer.

**Effect:** An individual who is not an authorized check signer could use the signature stamp and sign checks with such stamp.

**Recommendation:** It is recommended that the Organization consider adding an additional check signer who is regularly available to sign checks on an as needed basis in order to eliminate the use of a signature stamp.

**Views of Responsible Officials:** MDS utilizes two signature stamps for check signing; one for payroll checks and the other for A/P checks. MDS has utilized this practice for a very long time and recognizes the risks associated it. We believe the risk of abuse and associated potential losses is low but not non-existent. To that end, the finance committee for the board will review with management exactly what our procedures are in this area and determine if MDS will remain comfortable with this exposure or if our procedures need to be formally changed.

#### **2020-002 - Payroll Approval**

**Criteria:** Payroll timesheets are not being accurately reviewed.

**Condition:** Payroll timesheets should be reviewed in detail and approved prior to being provided to the payroll department.

**Cause:** There are not effective procedures in place to require that payroll timesheets are properly reviewed in detail prior to being approved and provided to the payroll department.

**Effect:** Supplemental payrolls are required throughout the year to correct inaccurate timesheets that have been approved.

**Recommendation:** It is recommended that a procedure be implemented that requires department heads and supervisors to thoroughly review all employees' timesheets in order to avoid the preparation of supplemental payrolls and to remove this burden from the payroll department.

**Views of Responsible Officials:** The approval process for timesheets at MDS is not consistent throughout the agency and this presents both an administrative challenge for our payroll department as well as the potential for errors going uncorrected. This is a larger structural issue that is well understood but challenging to fix given the lack of resources, both in terms of manpower and funding. Management will present a review of details around the issue to the finance committee of the board; from there future changes to procedures may proceed.

#### **FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

MONADNOCK DEVELOPMENTAL SERVICES, INC.  
Board Members  
FY 2020-21

Revised November 23, 2020

CRONIN, Mickey President [REDACTED]	11/2023
FORREST, Michael Vice President [REDACTED]	11/2024
*HEARN, JEANNE [REDACTED]	11/2024
JORDAN, Timothy Treasurer [REDACTED]	11/2024
**KENNEY, Elizabeth [REDACTED]	11/2021
MANAHAN, Terry [REDACTED]	11/2021
*NELSON, Steven Family Council Member and Council/Board Liaison [REDACTED]	11/2021
PROVOST, Beth Secretary [REDACTED]	11/2021
*REMILLARD, ADELE [REDACTED]	11/2022
SCHIFFELBEIN, Ben [REDACTED]	11/2024
SCHOFIELD, James Immediate Past President [REDACTED]	11/2024
**SELIGMAN, Sand [REDACTED]	11/2023

\*\*Consumer

\*Consumer Parent/Sibling Guardian

## SHEILA MAHON

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### SUMMARY OF EXPERIENCE

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- Proven ability to maintain collaborative relationships with community partners, employers, and educators.
  - Fifteen years' experience collaborating of workforce training and transition services.
  - Developed, implemented in-person and long distance training materials.
  - Strong active listening skills, extensive experience with public speaking.
  - Over ten years' experience as an adjunct professor at Keene State College.
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### EXPERIENCE

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**Monadnock Developmental Services, 121 Railroad St, Keene, NH 03431**

*Director, Monadnock Center for Successful Transitions (MCST), 2005-present*

- Grant implementation and management of several state and federal grants, including NH Department of Education State Personnel Development Grant and Medicaid Infrastructure Grant.
- Develop in-person and long distance training materials; provide professional development to school and agency staff in supported employment and special education transition-related topics.
- Coordinate employment training and placement program for individuals with intellectual disabilities in collaboration with community service agencies, schools, youth, families, and employers. Hire, train and supervise staff.

*Director of Service Coordination, 2003-2005*

- Responsible for three departments, including hiring, training and staff supervision.
- Developed and monitored program budgets. Conducted quality assurance reviews.
- Created community support service programs. Identified and accessed local resources and creative funding. Created partnerships with community groups.

*Director of Case Management, 1998-2003*

- Supervised Service Coordinators, responsible for services for 250 adults with intellectual disabilities. Performed quality assurance duties to ensure services were provided and ensured compliance with state regulations.

*Case Manager, 1993-1998*

- Coordinated services for caseload of 25-30 adults with intellectual disabilities.

**A.C.C.E.S.S., PO Box 3072, Peterborough, NH 03458**

*Associate Director, 1991-1993*

*Job Placement Coordinator 1988-1991*

### ADDITIONAL EXPERIENCE

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*Adjunct Faculty, Education Department, Keene State College. Taught graduate course in transition planning and programming. Spring semester 2007- present*

### EDUCATION

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Masters of Science, Management and Organization, Antioch University New England, Keene, NH  
Bachelor of Arts, Sociology, Keene State College, Keene, NH