STATE OF NEW HAMPSHIRE MAR 08 '22 AM 11:34 RCVD

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**DEPARTMENT OF ENERGY**
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

March 9, 2022

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

## REQUESTED ACTION

Authorize the New Hampshire Department of Energy (NH Energy) to enter into a **SOLE SOURCE** contract with Southwestern Community Services, (VC #177511), Keene, NH, in the amount of $50,000.00 to supplement the Agency's Weatherization Assistance Program (WAP), effective upon approval of Governor and Executive Council through September 30, 2022. 100% Federal Funds. (LIHEAP-US DHHS)

Funding is available in the following account, contingent upon the availability and continued appropriation of funds in the operating budget, as follows:

| | |
|---|---|
| Department of Energy, Fuel Assistance | FY2022 |
| **02-052-052-520010-24490000** | |
| **LIHEAP Fuel Asst Suppl ARP** | |
| **074-500587** Grants for Pub Assist & Relief | $50,000.00 |

## EXPLANATION

This contract is **SOLE SOURCE** because of the US Department of Energy's (US DOE) grant guidance (10 CFR 440.15) giving Community Action Agencies preferred status for the Weatherization Assistance Program due to their non-profit status, their role providing a range of services to clients eligible for WAP, and their historical performance delivering the weatherization program.

NH Energy is responsible for administering New Hampshire's statewide Weatherization Assistance Program (WAP). The objective of the program is to reduce energy consumption and the impact of energy costs in low-income households. Priority is given to the elderly, disabled, households with children, and households with high-energy usage. The funding in this contract will supplement WAP work.

The Low Income Home Energy Assistance Program (LIHEAP-US DHHS) funding in this contract will allow the Community Action Agency (CAA) to effectively and efficiently increase the number of homes receiving heating system improvements and/or full weatherization services in the contract period which begins on March 23, 2022, and extends to September 30, 2022. NH Energy estimates that approximately seven (7) additional homes will be assisted in the CAA's service area as a result of the supplemental funding.

In the event Federal Funds are no longer available, General Funds will not be requested to support this contract.

Respectfully submitted,

Jared Chicoine
Commissioner, New Hampshire Department of Energy

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

## AGREEMENT

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

## GENERAL PROVISIONS

**1. IDENTIFICATION.**

| | | | |
|---|---|---|---|
| 1.1 State Agency Name<br>New Hampshire Department of Energy | | 1.2 State Agency Address<br>21 South Fruit Street, Suite 10<br>Concord, New Hampshire 03301 | |
| 1.3 Contractor Name<br>Southwestern Community Services, Inc. | | 1.4 Contractor Address<br>63 Community Way<br>Keene, NH 03431 | |
| 1.5 Contractor Phone Number<br>(603) 352-7512 | 1.6 Account Number<br>02-052-052-520010-24490000-074-500587 52BWP22ARP | 1.7 Completion Date<br>September 30, 2022 | 1.8 Price Limitation<br>$50,000.00 |
| 1.9 Contracting Officer for State Agency<br>Kirk Stone, Weatherization Program Manager | | 1.10 State Agency Telephone Number<br>(603) 271-3670 | |
| 1.11 Contractor Signature<br>Beth Daniels Date: 02/25/22 | | 1.12 Name and Title of Contractor Signatory<br>Beth Daniels, Chief Executive Officer | |
| 1.13 State Agency Signature<br>Jared C Date: 3/1/22 | | 1.14 Name and Title of State Agency Signatory<br>Jared Chicoine, Commissioner<br>New Hampshire Department of Energy | |
| 1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*<br>By: | | Director, On: | |
| 1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)*<br>By: | | On: 3/1/2022 | |
| 1.17 Approval by the Governor and Executive Council *(if applicable)*<br>G&C Item number: | | G&C Meeting Date: | |



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**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.



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**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



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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.



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## NEW HAMPSHIRE DEPARTMENT OF ENERGY

## EXHIBIT A

## SPECIAL PROVISIONS

1. 2 CFR 200, as amended, (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), 10 CFR 440 dated February 1, 2002 (Weatherization Assistance Program), the New Hampshire Weatherization Assistance Program (NHWAP) State Plan, NHWAP Policies and Procedures Manual (P&PM), and NHWAP Field Guide are all considered part of this contract by inclusion and shall be legally binding and enforceable documents under this contract. The New Hampshire Department of Energy (NH Energy) reserves the right to use any legal remedy at its disposal including, but not limited to, disallowance of costs, withholding of funds, suspension of agency personnel, disbarment of agency personnel, disbarment of agencies and/or subcontractors from present or future contracts, and such other legal remedies as determined to be appropriate by the New Hampshire Department of Justice in the enforcement of rules and regulations pertaining to the Weatherization Program.

2. An audit shall be made at the end of the Contractor's fiscal year in accordance with 2 CFR 200, Subpart F - Audit Requirements. This audit report shall include a schedule of revenues and expenditures by contract or grant number of all expenditures during the Contractor's fiscal year. The Contractor shall utilize a competitive bidding process to choose a qualified financial auditor at least every four years.

   The audit report shall include a schedule of the prior year's questioned costs along with a response regarding the current status of the prior year's questioned costs. Copies of all management letters written as a result of the audit along with the audit report shall be forwarded to the NH Energy within one month of the time of receipt by the Contractor accompanied by an action, if applicable, for each finding or questioned cost.

3. The following paragraph shall be added to paragraph 9 of the general provisions:

   "9.3 All negotiated contracts (except those of $5,000 or less) awarded by the New Hampshire Department of Energy to the Contractor shall allow the New Hampshire Department of Energy, the US Department of Energy, Health and Human Services, the Comptroller General of the United States, or any duly authorized representatives access to any books, documents, papers, and records of the Subgrantee or their subcontractors, which are directly pertinent to this contract for the purpose of making audits, examinations, excerpts, and transcriptions."

4. The costs charged under this contract shall be determined as allowable under the cost principles detailed in 2 CFR 200 Subpart E - Cost Principals.

5. Program and financial records pertaining to this contract shall be retained by the NH Energy and the Contractor for 3 (three) years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as stated in 2 CFR 200.333 – Retention Requirements for Records.

6. CLOSE OUT OF CONTRACT. All final required reports and reimbursement requests shall be submitted to the State within forty-five (45) days of the completion date (Agreement Block 1.7).


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Award # 2101NHE5C6, CFDA #93.568

7. The following paragraphs shall be added to the general provisions:

"25. RESTRICTION ON ADDITIONAL FUNDING. It is understood and agreed between the parties that no portion of the "Grant" funds may be used for the purpose of obtaining additional federal funds under any other law of the United States, except if authorized under that law."

"26. ASSURANCES/CERTIFICATIONS. The following are attached and signed: Certification Regarding Drug-Free Workplace Requirements; Certification Regarding Lobbying; Certification Regarding Debarment, Suspension and Other Responsibility Matters; Certification Regarding the Americans With Disabilities Act Compliance; Certification Regarding Environmental Tobacco Smoke; Assurance of Compliance Nondiscrimination in Federally Assisted Programs; and Certification Regarding the Federal Funding Accountability and Transparency Compliance."

"27. COPELAND ANTI-KICKBACK ACT. All contracts and subgrants in excess of $2,000.00 for construction or repair shall include a provision for compliance with Copeland "Anti-Kickback" Act (18 USC 874) as supplemented in Department of Labor Regulations (29 CFR, Part 3). This Act provides that each contractor, subcontract or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The subgrantee should report all suspected violations to the New Hampshire Department of Energy."

"28. PROCUREMENT. Subgrantee shall comply with all provisions of 2 CFR 200 Subpart D – Post Federal Award Requirements – Procurement Standards with special emphasis on financial procurement (2 CFR 200 Subpart F – Audit Requirements) and property management (2 CFR 200 Subpart D – Post Federal Award Requirements – Property Standards.)"

## NEW HAMPSHIRE DEPARTMENT OF ENERGY

## EXHIBIT B

## SCOPE OF SERVICES

1. Southwestern Community Services, Inc. (SCS), hereinafter "the Contractor," agrees to utilize the Building Weatherization Program (BWP) funds from the American Recovery Plan Act (BWP22ARPA), which are the subject of this contract and which have their origin in the federal Low Income Home Energy Assistance Program (LIHEAP), to provide eligible clients with weatherization services, including heating system repair and replacement services, which meet the requirements and standards for LIHEAP weatherization work as modified and approved in the FY22 New Hampshire LIHEAP State Plan. In addition, all work completed using BWP22ARPA funds will be in accordance with the fiscal requirements of regulations set forth in 2 CFR 200 as amended, and will be guided and implemented as directed by the New Hampshire Department of Energy (NH Energy) in this contract and, from time to time, in BWP Subgrantee Notices or other communications. The Contractor agrees to revise BWP practices and procedures to incorporate instructions from NH Energy.

   Contractor agrees to incorporate changes to the NH Building Weatherization Program as prescribed by NH Energy to improve program delivery. Contractor further agrees to perform all weatherization services in a manner that will successfully interact with utility administered energy efficiency programs for low income households in order to provide the best collaborative services for those households.

2. This BWP22ARPA contract period will commence upon approval of this contract by the Governor and Executive Council, and will have a completion date of September 30, 2022, also subject to the approval of the Governor and Executive Council.

3. BWP22ARPA funds, which are the subject of this contract, shall not be expended for health and safety purposes. However, in projects where BWP22ARPA money is used without any federal Weatherization Assistance Program (WAP) money involved – in other words, where there is no money for the installation of health and safety measures – then that BWP22ARPA project may include the cost of incidental repair measures (see the NH Policies and Procedures Manual) if, by so doing, the cumulative SIR for the entire project is not brought down to below 1.

4. No portion of the BWP22ARPA funding in this contract is set aside for training and technical assistance (T&TA). However, Contractor may choose to expend some or all of the designated administrative funds on T&TA activities. Appropriate back-up and justification for the use of those funds will be required by NH Energy prior to reimbursement.

5. During the contract period, the Contractor agrees to complete weatherization services on the number of units that is the result of dividing the Contractor's BWP22ARPA allocation by $7,500. NH Energy understands that the actual number of BWP22ARPA completions will likely differ from that number due to the unpredictability of heating system costs, etc., but NH Energy expects to see monthly BWP22ARPA payment requests from the Contractor in order to monitor BWP22ARPA spending progress. Unit completions will be done to the standards and expectations presented in LIHEAP weatherization guidance, this contract, and the NH WAP *Policies and Procedures Manual*, 2020 edition, section on BWP management.
   a. The number of dwelling units and the amount of funds to be expended shall conform to the provisions of this contract. NH Energy reserves the right to review progress under this contract

at any time and may utilize information from such reviews to alter dwelling unit goals and funds to be expended.

b. All funds provided to the Contractor under this agreement must be expended by September 30, 2022.

6. Effective April 1, 2015, all work performed under the federal Weatherization Assistance Program (WAP) in New Hampshire must meet the minimum specifications defined in the US Department of Energy's Quality Work Plan (QWP) and the associated Standard Work Specifications (SWS). While BWP22ARPA work is to be managed mostly under DOE rules, and is therefore not subject to all of the same specifications and requirements as WAP work, Contractor will manage BWP22ARPA work in a manner which provides clients with weatherization outcomes similar to those achieved under WAP guidance whenever possible. The occasions when WAP rules must apply to BWP22ARPA work are set out in this document (Exhibit B).

7. Client eligibility for BWP22ARPA-funded weatherization work should generally be the same as for WAP-funded weatherization work: client income is to be no greater than 60% of the state median income (SMI).

8. BWP22ARPA money may be "leveraged" (used in combination) with any other weatherization funding source. If WAP/DOE money is used in a dwelling weatherization project, and if the Subgrantee wishes to count that project as a WAP/DOE completion, then the project must have at least one energy conservation measure that meets the SIR test, that measure (or those measures) must be paid for with WAP dollars, and the final inspection of the whole job must be done by a current BPI certified Quality Control Inspector (QCI) and declared "WAP complete, ready for reimbursement."

9. BWP22ARPA money may be used for either full dwelling weatherization upgrades or for heating system improvements alone. Contractor is obligated under this contract to expend at least 50% of the contracted BWP22ARPA amount on heating system repairs and/or replacements.
   a. The BWP22ARPA package of forms (see item 12b, below) for reporting BWP22ARPA expenditures will include columns to make clear whenever BWP22ARPA money was used:
      i. for restoration of heating services (repair or replacement of inoperable heating equipment),
      ii. for prevention of heating system service loss (repair or replacement to avoid approaching failure), or
      iii. for supplementing or fully supporting a whole house weatherization project, with space to report when heating system work paid for with BWP funds is part of that whole house upgrade.

10. The maximum amount of BWP money, from all sources in the aggregate (BWP22 and BWP22ARPA), to be spent on any one dwelling project without an approved waiver is $12,000. If the BWP expenditures for any one project must exceed that amount, a waiver must be received from NH Energy. NH Energy will review all waiver requests promptly and will provide approval when possible. However, applying the expenditure guidelines in the FY22 NH LIHEAP State Plan, NH Energy will not approve total BWP expenditures on any one dwelling weatherization project that exceed $15,000. This total is cumulative, from both of the BWP sources, and summing the BWP expenditures made during all visits to that dwelling (including amounts from program years in which the name of the LIHEAP-funded weatherization program may have been different).

11. BWP22ARPA production includes:

    a. Weatherization upgrades which are commensurate with a work plan developed from a thorough dwelling energy audit and a TREAT model prepared by a qualified (BPI-certified) Building Analyst or Energy Auditor or Quality Control Inspector who has developed the work plan (the energy conservation measures – ECMs – to be installed) using either the "benefit/cost ratio" (B/C) methodology as defined by the utilities' Home Energy Assistance (HEA) program or the "savings to investment ratio" (SIR) methodology as defined by the US DOE for use in WAP. The SIR methodology must be used to justify the installation of any ECMs which are to be paid for with WAP funds.

    b. Final inspections which determine:
        i. whether the project's work plan was appropriate and complete, taking into account the methodology – B/C or SIR – used by the energy auditor to select the ECMs to be installed, the pre-weatherization condition of the building, etc.
        ii. whether that appropriate work plan was fully and effectively implemented in the dwelling, providing the client with a comprehensive energy-saving weatherization outcome, or, in the case of heating system only improvements, providing the client with a safe and efficient and fully operational home heating system.

    c. In projects where BWP22ARPA money is used alongside WAP money in the same dwelling (and there may be other funding sources as well), that project's ECMs which are to be paid for using BWP22ARPA funds and/or WAP funds must be completed using the WAP rules and standards, including the installation of only those measures which individually achieve an SIR equal to or greater than 1, the use of a certified Quality Control Inspector to perform the final inspection, etc.

    d. In projects where no WAP money is involved, the final BWP22ARPA inspection may be performed by a person holding a current BPI certification in at least one of the following areas: Building Analyst, Energy Auditor, or Quality Control Inspector.

    e. Because BWP22ARPA money is not WAP money, BWP22ARPA money may be used in weatherization upgrades to dwellings which have received WAP-funded or BWP-funded upgrades more recently than the 15-year rolling time period which governs WAP re-weatherization by presenting a waiver request to NH Energy. However:
        i. re-weatherization should be done sparingly, remembering that there are thousands of potential clients who have received no weatherization services at all;
        ii. care should be taken, as always, to avoid even the appearance of favoritism;
        iii. all BWP22ARPA-funded second visits to previously weatherized dwellings, whether that weatherization work was done with WAP or BWP or HEA funds, must be preceded by receipt of an approved waiver from NH Energy.

12. The tracking of BWP22ARPA jobs will include:
    a. Contractor preparation and maintenance of a client file on every BWP22ARPA job. Contractor will utilize a filing protocol which allows recovery of the file when checking future jobs against previous weatherization work performed at that address, etc., even if no WAP money was used. Future CAP agency WAP Directors need to be able to check on weatherization work completed in dwellings, even when WAP money was not involved.
    b. The use of a separate BWP22ARPA reimbursement request package/spreadsheet package supplied by NH Energy. All jobs with any BWP22ARPA money invested must be submitted

for reimbursement on the BWP22ARPA set of forms. If a particular job also includes the use of any WAP money or BWP22 money, then that job will have to be submitted for WAP and BWP22 reimbursement as well, using the appropriate reimbursement request forms. Therefore, if a single weatherization job uses funds from the three different weatherization funding sources managed by NH Energy, that job must be submitted to NH Energy for reimbursement using three different billing/reporting form packages in order for it to be reimbursed in the correct amount from each source.

13. This agreement consists of the following documents: a completed P-37 form, and Exhibits A, B, C, D, E, F, G, H, I, and J. All exhibits are incorporated herein by reference as if fully set forth herein.

## NEW HAMPSHIRE DEPARTMENT OF ENERGY

## EXHIBIT C

## PAYMENT TERMS

In consideration of the satisfactory performance of the services set forth in Exhibit B, the State agrees to pay the Contractor, Southwestern Community Services, up to the total sum of:

| | |
|---|---|
| $ 50,000.00 | (which hereinafter is referred to as the "Contracted Amount"), of which |
| $ 2,500.00 | is the maximum to be spent on BWP related administrative costs, |
| $ 47,500.00 | (the balance) to be spent on weatherization activities (Program Activity). |

Drawdowns from the total contracted amount will be paid to the Contractor only after written documentation of cash need is submitted to NH Energy. Disbursement of the contracted amount shall be made in accordance with the procedures established by the State and 2 CFR 200.305(b) on an advance basis; limited to minimum amounts needed; and be timed to be in accordance with the actual, immediate cash requirements of the Contractor in carrying out the purpose of the program. The Contractor must make timely payments to (sub)contractors in accordance with the contract provisions. Contractor shall submit a payment request to NH Energy for each month of the contract period using the forms to be provided by NH Energy for that purpose. Payment requests from Contractor shall be received at NH Energy no later than the 15th day of each month or the first business day following the 15th day.

Administrative costs are provided in order to support a specified number of unit completions at minimal standards. Administrative funds may be pro-rated by NH Energy if production unit completions do not meet expected production goals.

NH Energy will also be allowed, as a function of its administrative oversight, to modify contracted budget amounts as necessary to ensure the efficient and effective operation of the contract as long as these modified expenditures do not exceed the total "Contracted Amount" as specified above.

All obligations of the State, including the continuance of any payments, are contingent upon the availability and continued appropriation of funds for the services to be provided.


Initials BD Date 02/25/22
Award # 2101NHE5C6, CFDA #93.568

## NEW HAMPSHIRE DEPARTMENT OF ENERGY

## STANDARD EXHIBIT D

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

### CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

### US DEPARTMENT OF HEALTH AND HUMAN SERVICES
### US DEPARTMENT OF ENERGY
### US DEPARTMENT OF HOMELAND SECURITY

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989, regulations were amended and published as Part II of the May 25, 1990, Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner, New Hampshire Department of Energy
21 S. Fruit Street, Suite 10, Concord, NH 03301

(A) The grantee certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an ongoing drug-free awareness program to inform employees about—

(1) The dangers of drug abuse in the workplace;
(2) The grantee's policy of maintaining a drug-free workplace;
(3) Any available drug counseling, rehabilitation, and employee assistance programs; and
(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will—

(1) Abide by the terms of the statement; and
(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

**ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS, cont'd**

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES**
**US DEPARTMENT OF ENERGY**
**US DEPARTMENT OF HOMELAND SECURITY**

(e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted—

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, State, zip code) (list each location)

2 Industrial Park Drive
Concord, NH 03301

Check ☐ if there are workplaces on file that are not identified here.

---

Southwestern Community Services, Inc. — Contractor Name

March 23, 2022, to September 30, 2022 — Period Covered by this Certification

Beth Daniels, Chief Executive Officer
Name and Title of Authorized Contractor Representative

Beth Daniels — Contractor Representative Signature

02/25/22 — Date

## NEW HAMPSHIRE DEPARTMENT OF ENERGY

## STANDARD EXHIBIT E

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

### CERTIFICATION REGARDING LOBBYING

### US DEPARTMENT OF HEALTH AND HUMAN SERVICES
### US DEPARTMENT OF ENERGY
### US DEPARTMENT OF HOMELAND SECURITY

Programs (indicate applicable program covered):
- Community Services Block Grant
- **Low-Income Home Energy Assistance Program**
- HRRP Program
- **BWP Program**

Contract Period: upon Governor and Council approval to September 30, 2022

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-l.

(3) The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Beth Daniels — Beth Daniels, Chief Executive Officer

Contractor Representative Signature — Contractor's Representative Title

Southwestern Community Services, Inc. — 02/25/22

Contractor Name — Date

## NEW HAMPSHIRE DEPARTMENT OF ENERGY
## STANDARD EXHIBIT F

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12529 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

### CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

***Instructions for Certification***

(1) By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.

(2) The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Energy (NH Energy) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

(3) The certification in this clause is a material representation of fact upon which reliance was placed when NH Energy determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, may terminate this transaction for cause or default.

(4) The prospective primary participant shall provide immediate written notice to the NH Energy to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(5) The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76.

(6) The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by NH Energy.

(7) The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by NH Energy, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

(8) A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List (of excluded parties).

(9) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(10) Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, NH Energy may terminate this transaction for cause or default.

## CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS, cont'd

***Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions***

(11) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l) (b) of this certification; and

(d) have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(12) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

***Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions***
(To Be Supplied to Lower Tier Participants)

By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

(a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

(b) where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).

The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Beth Daniels — Beth Daniels, Chief Executive Officer

Contractor Representative Signature — Contractor's Representative Title

Southwestern Community Services, Inc. — 02/25/22

Contractor Name — Date

## NEW HAMPSHIRE DEPARTMENT OF ENERGY

## STANDARD EXHIBIT G

### CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

Beth Daniels

Contractor Representative Signature

Beth Daniels, Chief Executive Officer

Contractor's Representative Title

Southwestern Community Services, Inc.

Contractor Name

02/25/22

Date

**NEW HAMPSHIRE DEPARTMENT OF ENERGY**

**STANDARD EXHIBIT H**

**CERTIFICATION**
**Public Law 103-227, Part C**
**ENVIRONMENTAL TOBACCO SMOKE**

Public Law 103227, Part C Environmental Tobacco Smoke, also known as the Pro Children Act of 1994, requires that smoking not be permitted in any portion of any indoor facility routinely owned or leased or contracted for by an entity and used routinely or regularly for provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee.

The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment.

Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1,000 per day and/or the imposition of an administrative compliance order on the responsible entity.

By signing and submitting this application the applicant/grantee certifies that it will comply with the requirements of the Act.

The applicant/grantee further agrees that it will require the language of this certification be included in any subawards which contain provisions for the children's services and that all subgrantees shall certify accordingly.

Beth Daniels
Contractor Representative Signature

Beth Daniels, Chief Executive Officer
Contractor's Representative Title

Southwestern Community Services, Inc.
Contractor Name

02/25/22
Date

# NEW HAMPSHIRE DEPARTMENT OF ENERGY

## STANDARD EXHIBIT I

## U.S. DEPARTMENT OF ENERGY
## ASSURANCE OF COMPLIANCE NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

### OMB Burden Disclosure Statement

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Office of Information Resources Management Policy, Plans, and Oversight, Records Management Division, HR-422 - GTN, Paperwork Reduction Project (1910-0400), U.S. Department of Energy, 1000 independence Avenue, S.W., Washington, DC 20585; and to the Office of Management and Budget (OMB), Paperwork Reduction Project (1910-0400), Washington, DC 20503.

**Southwestern Community Services, Inc.** (Hereinafter called the "Applicant") HEREBY AGREES to comply with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), Section 16 of the Federal Energy Administration Act of 1974 (Pub. L. 93-275), Section 401 of the Energy Reorganization Act of 1974 (Pub. L. 93-438), Title IX of the Education Amendments of 1972, as amended, (Pub. L. 92-318, Pub. L. 93-568, and Pub. L. 94-482), Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), the Age Discrimination Act of 1975 (Pub. L. 94-135), Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), the Department of Energy Organization Act of 1977 (Pub. L. 95-91), the Energy Conservation and Production Act of 1976, as amended, (Pub. L. 94-385) and Title 10, Code of Federal Regulations, Part 1040. In accordance with the above laws and regulations issued pursuant thereto, the Applicant agrees to assure that no person in the United States shall, on the ground of race, color, national origin, sex, age, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity in which the Applicant receives Federal assistance from the Department of Energy.

**Applicability and Period of Obligation**
In the case of any service, financial aid, covered employment, equipment, property, or structure provided, leased, or improved with Federal assistance extended to the Applicant by the Department of Energy, this assurance obligates the Applicant for the period during which Federal assistance is extended. In the case of any transfer of such service, financial aid, equipment, property, or structure, this assurance obligates the transferee for the period during which Federal assistance is extended. If any personal property is so provided, this assurance obligates the Applicant for the period during which it retains ownership or possession of the property. In all other cases, this assurance obligates the Applicant for the period during which the Federal assistance is extended to the Applicant by the Department of Energy.

**Employment Practices**
Where a primary objective of the Federal assistance is to provide employment or where the Applicant's employment practices affect the delivery of services in programs or activities resulting from Federal assistance extended by the Department, the Applicant agrees not to discriminate on the ground of race, color, national origin, sex, age, or disability, in its employment practices. Such employment practices may include, but are not limited to, recruitment, advertising, hiring, layoff or termination, promotion, demotion, transfer, rates of pay, training and participation in upward mobility programs; or other forms of compensation and use of facilities.

**Subrecipient Assurance**

The Applicant shall require any individual, organization, or other entity with whom it subcontracts, subgrants, or subleases for the purpose of providing any service, financial aid, equipment, property, or structure to comply

with laws and regulations cited above. To this end, the subrecipient shall be required to sign a written assurance form; however, the obligation of both recipient and subrecipient to ensure compliance is not relieved by the collection or submission of written assurance forms.

**Data Collection and Access to Records**

The Applicant agrees to compile and maintain information pertaining to programs or activities developed as a result of the Applicant's receipt of Federal assistance from the Department of Energy. Such information shall include, but is not limited to the following: (1) the manner in which services are or will be provided and related data necessary for determining whether any persons are or will be denied such services on the basis of prohibited discrimination; (2) the population eligible to be served by race, color, national origin, sex, age and disability; (3) data regarding covered employment including use or planned use of bilingual public contact employees serving beneficiaries of the program where necessary to permit effective participation by beneficiaries unable to speak or understand English; (4) the location of existing or proposed facilities connected with the program and related information adequate for determining whether the location has or will have the effect of unnecessarily denying access to any person on the basis of prohibited discrimination; (5) the present or proposed membership by race, color, national origin, sex, age and disability in any planning or advisory body which is an integral part of the program; and (6) any additional written data determined by the Department of Energy to be relevant to the obligation to assure compliance by recipients with laws cited in the first paragraph of this assurance.

The Applicant agrees to submit requested data to the Department of Energy regarding programs and activities developed by the Applicant from the use of Federal assistance funds extended by the Department of Energy. Facilities of the Applicant (including the physical plants, buildings, or other structures) and all records, books, accounts, and other sources of information pertinent to the Applicant's compliance with the civil rights laws shall be made available for inspection during normal business hours on request of an officer or employee of the Department of Energy specifically authorized to make such inspections. Instructions in this regard will be provided by the Director, Office of Civil Rights, U.S. Department of Energy.

This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts (excluding procurement contracts), property, discounts or other Federal assistance extended after the date hereof, to the Applicants by the Department of Energy, including installment payments on account after such data of application for Federal assistance which are approved before such date. The Applicant recognizes and agrees that such Federal assistance will be extended in reliance upon the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Applicant, the successors, transferees, and assignees, as well as the person(s) whose signatures appear below and who are authorized to sign this assurance on behalf of the Applicant.

**Applicant Certification**

The Applicant certifies that it has complied, or that, within 90 days of the date of the grant, it will comply with all applicable requirements of 10 C.F.R. § 1040.5 (a copy will be furnished to the Applicant upon written request to DOE).

Beth Daniels, Chief Executive Officer Signature Beth Daniels Date 02/25/22

Southwestern Community Services, Inc.
63 Community Way
Keene, NH 03431
(603) 352-7512

**NEW HAMPSHIRE DEPARTMENT OF ENERGY**

**STANDARD EXHIBIT J**

**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than $25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of $25,000 or more. If the initial award is below $25,000 but subsequent grant modifications result in a total award equal to or over $25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), the New Hampshire Department of Energy must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1) Name of entity
2) Amount of award
3) Funding agency
4) NAICS code for contracts / CFDA program number for grants
5) Program source
6) Award title descriptive of the purpose of the funding action
7) Location of the entity
8) Principle place of performance
9) Unique identifier of the entity (DUNS #)
10) Total compensation and names of the top five executives if:
    a. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than $25M annually and
    b. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (*Reporting Subaward and Executive Compensation Information*), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the New Hampshire Department of Energy and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Beth Daniels — Beth Daniels, Chief Executive Officer

(Contractor Representative Signature) — (Authorized Contractor Representative Name & Title)

Southwestern Community Services, Inc. — 02/25/22

(Contractor Name) — (Date)

**NEW HAMPSHIRE DEPARTMENT OF ENERGY**

**STANDARD EXHIBIT J**

**FORM A**

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 081251381

2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) $25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

X NO _____YES

**If the answer to #2 above is NO, stop here**

**If the answer to #2 above is YES, please answer the following:**

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

_____NO _____YES

**If the answer to #3 above is YES, stop here**

**If the answer to #3 above is NO, please answer the following:**

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

Name: _____ Amount: _____

Name: _____ Amount: _____

Name: _____ Amount: _____

Name: _____ Amount: _____

Name: _____ Amount: _____


Initials BD Date 02/25/22
Award # 2101NHE5C6, CFDA #93.568

# State of New Hampshire
# Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHWESTERN COMMUNITY SERVICES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 19, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **65514**

Certificate Number: **0005339790**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 5th day of April A.D. 2021.

William M. Gardner
Secretary of State

# CERTIFICATE OF VOTES

**(Corporate Authority)**

I, Kevin Watterson, Chair/Officer of Southwestern Community Services Inc.
(Name) (Corporation name)
(Hereinafter the "Corporation"), a New Hampshire corporation, hereby certify that: (1) I am the duly
(State)
elected and acting Chair/Officer of the Corporation; (2) I maintain and have custody and am familiar with the minute books of the Corporation; (3) I am duly authorized to issue certificates with respect to the contents of such books; (4) that the Board of Directors of the Corporation have authorized, on 6/18/2021, such authority
(Date)
to be in force and effect until September 30, 2022.
(Contract termination date)

The person(s) holding the below listed position(s) are authorized to execute and deliver on behalf of the Corporation any contract or other instrument for the sale of products and services:

| | |
|---|---|
| Beth Daniels | CEO |
| (Name) | (Position) |
| | |
| (Name) | (Position) |

(5) The meeting of the Board of Directors was held in accordance with New Hampshire
(State of incorporation)
law and the by-laws of the Corporation; and (6) said authorization has not been modified, amended or rescinded and continues in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand as the Clerk/Secretary of the corporation this 23 day of February, 2022.

Kevin D. Watterson
Chair/Officer

STATE OF New Hampshire
COUNTY OF Cheshire

On this 23 day of February, 2022, before me, Margaret Freeman the undersigned Officer, personally appeared Kevin Watterson who acknowledged her/himself to be the Chairperson of Southwestern Community Services Inc, a corporation and that she/he as such Chair/Officer being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

MARGARET D. FREEMAN
MY COMMISSION EXPIRES DEC. 6, 2022
NOTARY PUBLIC
NEW HAMPSHIRE

Margaret Freeman
Notary Public/Justice of the Peace
Commission Expiration Date: 12/6/22

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/15/2021

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 | CONTACT NAME: Ana O'Donnell, CPIW, CIC | |
|---|---|---|
| Clark Mortenson Insurance | PHONE (A/C, No, Ext): (603) 352-2121 | FAX (A/C, No): (603) 357-8491 |
| PO Box 606 | E-MAIL ADDRESS: aodonnell@clark-mortenson.com | |
| | INSURER(S) AFFORDING COVERAGE | NAIC # |
| Keene NH 03431 | INSURER A: Philadelphia Indemnity Insurance Co. | 18058 |
| INSURED | INSURER B: Maine Employers Mut Ins Co | 11149 |
| Southwestern Comm Services Inc | INSURER C: | |
| 63 Community Way | INSURER D: | |
| | INSURER E: | |
| Keene NH 03431 | INSURER F: | |

**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 INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS | |
|---|---|---|---|---|---|---|---|---|
| A | [X] COMMERCIAL GENERAL LIABILITY<br>[ ] CLAIMS-MADE [X] OCCUR<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br>[X] POLICY [ ] PRO-JECT [ ] LOC<br>[ ] OTHER: | | | PHPK2291636 | 06/30/2021 | 06/30/2022 | 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 | $ 2,000,000 |
| | | | | | | | PRODUCTS - COMP/OP AGG | $ 2,000,000 |
| | | | | | | | | $ |
| A | AUTOMOBILE LIABILITY<br>[X] ANY AUTO<br>[ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS<br>[ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY | | | PHPK2291641 | 06/30/2021 | 06/30/2022 | COMBINED SINGLE LIMIT (Ea accident) | $ 1,000,000 |
| | | | | | | | BODILY INJURY (Per person) | $ |
| | | | | | | | BODILY INJURY (Per accident) | $ |
| | | | | | | | PROPERTY DAMAGE (Per accident) | $ |
| | | | | | | | | $ |
| A | [X] UMBRELLA LIAB [X] OCCUR<br>[ ] EXCESS LIAB [ ] CLAIMS-MADE<br>[ ] DED [X] RETENTION $ 0 | | | PHUB773640 | 06/30/2021 | 06/30/2022 | EACH OCCURRENCE | $ 2,000,000 |
| | | | | | | | AGGREGATE | $ 2,000,000 |
| | | | | | | | | $ |
| B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N [N]<br>(Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below | N / A | | 3102800768 | 04/01/2021 | 04/01/2022 | [X] PER STATUTE [ ] OTH-ER | |
| | | | | | | | E.L. EACH ACCIDENT | $ 500,000 |
| | | | | | | | E.L. DISEASE - EA EMPLOYEE | $ 500,000 |
| | | | | | | | E.L. DISEASE - POLICY LIMIT | $ 500,000 |

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

3a State: NH
All officers included for coverage

**CERTIFICATE HOLDER**

NH Department of Energy
21 South Fruit Street, Ste 10
Concord NH 03301

**CANCELLATION**

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

AUTHORIZED REPRESENTATIVE

Nate Minkle

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Southwestern Community Services, Inc.
Board of Directors - 2022 Composition

| | CHESHIRE COUNTY | SULLIVAN COUNTY |
|---|---|---|
| CONSTITUENT SECTOR | **Ron Nason**<br>SCS Tenant | **Mary Lou Huffling**<br>Fall Mountain Emergency Food Shelf<br>Alstead Friendly Meals |
| | **Brianna Trombi**<br>Had Start Policy Council<br>Parent Representative | **Anne Beattie**<br>Newport Service Organization |
| PRIVATE SECTOR | **Kevin Watterson, *Chair***<br>Clarke Companies *(retired)* | **David Edkins**<br>Town of Walpole |
| | **Dominic Perkins**<br>Savings Bank of Walpole | **Kerry Belknap Morris, M.Ed.**<br>Early Childhood Education<br>River Valley Community College |
| PUBLIC SECTOR | **Jay Kahn**<br>State Senator, District 10 | **Derek Ferland**<br>Sullivan County Manager |
| | **Beth Fox**<br>Assistant City Manager/<br>Human Resources Director<br>City of Keene | Open |

# KEY ADMINISTRATIVE PERSONNEL

**NH Office of Strategic Intitiatives**

**Agency Name:** **Southwestern Community Services, Inc.**

**Program Name:BWP PY22ARPA**

| Name & Title Key Administrative Personnel | Annual Salary Of Key Administrative Personnel | Percentage of Salary Paid By Contract | Total Salary Amount Paid By Contract |
|---|---|---|---|
| Beth Daniels, Chief Executive Officer | $107,016 | 0.00% | $0.00 |
| Gabrel Leonard, Energy Conservation Manager | $60,000 | 12.00% | $7,200.00 |
| | | | |
| | | | |
| | | | |
| | | | |

**Beth Daniels**

**Experience**

***Southwestern Community Services, Inc., Keene, NH***

***Chief Executive Officer*** 07/01/2021-Present

- Responsible for the overall operations of the agency
- Supervise Senior Leadership
- Participate in the NH Community Action Association

***Chief Operating Officer*** 03/2016-07/01/2021

- Responsible for all day-to-day program operations of the agency
- Supervise Program Directors, including WIC, Energy, and Housing Stabilization
- Ensure that all state and federal regulations are followed while those in need receive a smooth delivery of service

***Director of Energy and Employment Programs*** 10/2008 – 12/2016

- Oversee all daily operations for Fuel Assistance, Electric Assistance, Neighbor Helping Neighbor, Senior Energy Assistance, Weatherization, HRRP, CORE, and Assurance 16 as well as the employment programs Workplace Success, Work Experience Program, and WIA.

***Workforce Development Director*** 11/2006 – 10/2008

- Supervise, direct, coach, and encourage staff of six within four programs
- Collaborate with agency staff, community members and state contract holders to achieve common goals, including agency name recognition and program success
- Perform all SCS Program Director tasks including PPRs and budget management

***Second Start, Concord, NH***

***Career Development Specialist*** 11/2004 – 03/2006

- Facilitated daily job-readiness classes and skill-building exercises
- Assisted participants with barrier resolution and the job search process
- Maintained participant records and completed reporting requirements
- Received ongoing training in teaching techniques and learning styles

***Nina's Family Daycare, Swanzey, NH*** 10/2003 – 11/2004

***Daycare Provider***

- Responsible for meal planning, payment records, supplies, and activities
- Acquired CPR & First Aid certification

***Southwestern Community Services, Inc., Keene, NH***

***Case Manager, Homeless Services*** 09/2002 – 10/2003

- Responsible for all daily operations of housing program, rules, and regulations
- Completed weekly and monthly progress reports
- Coordinated house meetings, workshops, case conferences, and life skills classes

***Case Manager, Welfare-to-Work*** 05/2000 – 09/2002

- Provided job placement and retention services for caseload of forty (40) clients
- Gained working knowledge of Department of Health & Human Services, Immigration & Naturalization Services, community agencies, and SCS

**Education and Training**

| | |
|---|---|
| **Results Oriented Management & Accountability (ROMA)** | 2016-2017 |
| **Grant Writing Workshop**<br>Cheshire County | 05/2012 |
| **Nonviolent Crisis Intervention**<br>Crisis Prevention Institute, Inc. | 2012 |
| **Leadership Training**<br>Tad Dwyer Consulting | 2010-2011 |
| **Criticism & Discipline Skills for Managers**<br>CareerTrack | 11/2007 |
| **How to Supervise People**<br>CareerTrack | 11/2007 |
| **Career Development Facilitator Training**<br>National Career Development Association<br>*120-hour NCDA training* | 09/2005 |
| **Certified Workforce Development Specialist**<br>National Association of Workforce Development Professionals | 06/2005 |
| **Infection Control & Bloodborne Pathogens**<br>Home Health Care | 01/2003 |
| **Bachelor of Arts in Human Services**<br>Franklin Pierce College<br>*Graduated cum laude* | 05/2002 |

***References Available***

Gabriel Leonard

Ph: 603.454.4543
e-mail: gabriel_s_leonard@yahoo.com

**Professional Summary**

Strong client services, employee management, organizational, and problem solving skills in a fast-paced environment, seeking employment with a company of shared standards and values.

**Employment History**

Southwestern Community Services, Energy Conservation Director — Aug2016-Present

- Responsible for all day to day operations of the Energy Conservation Programs
- Ongoing communication with the statewide Weatherization network
- Ongoing Program Director responsibilities, including supervision of staff

All Seasons Construction Corp. (Springfield, VT) **Assistant Project Manager** — Nov2015-2016

- Responsible for supporting Project Manager in the planning, management direction, project completion, client satisfaction, and financial outcome of assigned construction projects.
- Create estimates within Sage project management software.
- Supports the Project Manager functions such as monthly forecasts, estimating, and budgeting.
- Assists in ensuring that all documentation meets internal standards, procedures and specifications.
- Ensures good, transparent and effective reporting and documentation.
- Delivers all documents in a timely manner so that progress can be fully communicated.
- Communicates with Site Manager for site project documentations.
- Responsible for verifying blueprints and construction process on multiple build phases.

New Hampshire Employment Security (Claremont, NH) **DVOP Employment Specialist** — Jan2015-Nov2015

- Disabled Veterans' Outreach Program (DVOP) Specialist facilitated workforce services for veterans, others eligible and employers.
- Provided specialized workforce services for veterans, especially veterans with barriers to employment, i.e., job development services for veterans, refer veterans to employment/training opportunities, provide counseling/guidance, and assist veterans with other workforce services (resume assistance, labor market information, job search workshops, one-stop career center orientation, etc.).

HURLEY OFFICE SOLUTIONS (Randolph, VT) **Project Manager** — Nov 2009-Sep2014

- Provided site supervision on a diverse range of commercial office installation projects. Tailored custom solutions to customer needs.
- Managed, hired and trained a team of seven employees. Created and implemented a customer service standard for the organization.
- Developed relationships with third party sales representatives to sell Hurley Office Solutions' services.
- Negotiated bids, responded to RFPs and successfully closed contracts.
- Analyzed the business and marketplace and created a strategic plan for the organization that included new marketing, human resources, job site and documentation plans.

BASIC PSA (Johnstown, PA/ Kennebunk, ME) **Snubber Removal & Reinstallation Technician**

*VC Summer Nuclear Power Station* — Oct 2012 - Nov 2012
*Susquehanna Nuclear Power Station* — Mar 2012 - Apr 2012

- Evaluated, removed & reinstalled nuclear snubbers, mechanical and hydraulic shock absorbers, to prevent unwanted activity during scheduled power outages paying close attention to all safety protocols and procedures.

IBZ CONTRACTING (Spring Valley, NY) **Heavy Equipment Operator** Jul 2008 - Aug 2009

- Managed heavy equipment for a waterfront restoration and worked closely with EPA inspectors and project engineers.

FULLTIME MANAGEMENT (New York, NY) **Property Manager** Jan 2008 - May 2008

- Managed multiple residential properties, with responsibilities including general upkeep, small repairs and tenant relations.

FINESTKIND HANDYCRAFTSMEN (Kitsap County, WA) **Proprietor** Dec 2004 - Jan 2007

- Coordinated contracts for construction, successfully managed crew and contracts to ensure timely and satisfactory completion of projects.
- Provided services including finish carpentry, masonry, drywall, interior / exterior painting, residential electrical and plumbing, landscaping, roofing, and decking.

UNITED STATES NAVY (Bremerton, WA & San Diego, CA) Nov 2002 - Dec 2007
USS John C Stennis, CVN 74, Kitsap Navy Base & Coronado Navy Base

**Aviation Ordnance Specialist Supervisor** Nov 2004 - Dec 2007
**Aviation Ordnance Specialist** Nov 2002 - Nov 2004

- Instructed, supervised and evaluated the performance of 60 personnel and oversaw $1 billion plus of highly sensitive weapons and navy specific heavy equipment.
- Communicated effectively in diverse and hostile environments, both with personnel and upper management under stressful conditions.

## Education

GRANITE STATE COLLEGE (Concord, NH) B.S. Business Management, GPA 3.72 magna cum laude 2014

CPR CERTIFIED NATIONAL HEART ASSOCIATION 2014

ASSOCIATED TRAINING SERVICES (Portsmouth, NH) Heavy Equipment Operation School 2008

NAVY LEADERSHIP PROGRAM (USS John C Stennis, CVN 74) 2004

*Financial Statements*

# SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

## CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEARS ENDED MAY 31, 2021 AND 2020
## AND
## INDEPENDENT AUDITORS' REPORTS AND
## REPORTS ON COMPLIANCE AND INTERNAL CONTROL

**SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES**

**CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEARS ENDED MAY 31, 2021 AND 2020**

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Leone, McDonnell & Roberts
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS
WOLFEBORO • NORTH CONWAY
DOVER • CONCORD
STRATHAM

To the Board of Directors of
Southwestern Community Services, Inc.
Keene, New Hampshire

# INDEPENDENT AUDITORS' REPORT

***Report on the Financial Statements***

We have audited the accompanying consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statement of financial position as of May 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

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

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

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

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Community Services, Inc. and related companies as of May 31, 2021, 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 Southwestern Community Services, Inc. and related companies' 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 5, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Information***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021, on our consideration of Southwestern Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwestern Community Services, Inc.'s internal control over financial reporting and compliance.

Leone McDonnell & Roberts
Professional Association

October 22, 2021
Wolfeboro, New Hampshire

## SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
### MAY 31, 2021 AND 2020

#### ASSETS

| | 2021 | 2020 |
|---|---|---|
| **CURRENT ASSETS** | | |
| Cash and cash equivalents | $ 1,722,941 | $ 1,400,153 |
| Accounts receivable, net | 1,781,636 | 1,201,132 |
| Prepaid expenses | 62,628 | 57,168 |
| Notes receivable | 2,357 | 2,357 |
| Total current assets | 3,569,562 | 2,660,810 |
| **PROPERTY** | | |
| Land and buildings | 28,937,986 | 19,243,210 |
| Vehicles and equipment | 565,380 | 541,236 |
| Furniture and fixtures | 934,441 | 271,753 |
| Total property | 30,437,807 | 20,056,199 |
| Less accumulated depreciation | 14,621,952 | 8,557,576 |
| Property, net | 15,815,855 | 11,498,623 |
| **OTHER ASSETS** | | |
| Investment in related parties | 138,001 | 198,492 |
| Due from related parties | 55,138 | 59,067 |
| Cash escrow and reserve funds | 1,471,741 | 809,897 |
| Security deposits | 105,790 | 69,767 |
| Other assets | 384 | 384 |
| Total other assets | 1,771,054 | 1,137,607 |
| Total assets | $ 21,156,471 | $ 15,297,040 |

#### LIABILITIES AND NET ASSETS

| | | |
|---|---|---|
| **CURRENT LIABILITIES** | | |
| Accounts payable | $ 240,586 | $ 160,672 |
| Accrued expenses | 170,074 | 87,023 |
| Accrued payroll and payroll taxes | 244,003 | 228,394 |
| Other current liabilities | 148,854 | 149,154 |
| Refundable advances | 729,955 | 290,437 |
| Current portion of long term debt | 142,174 | 125,324 |
| Total current liabilities | 1,675,646 | 1,041,004 |
| **NONCURRENT LIABILITIES** | | |
| Long term debt, less current portion shown above | 11,300,411 | 8,905,857 |
| Economic Injury Disaster Loan | 150,000 | - |
| Paycheck Protection Program loan | - | 439,070 |
| Total noncurrent liabilities | 11,450,411 | 9,344,927 |
| Total liabilities | 13,126,057 | 10,385,931 |
| **NET ASSETS** | | |
| Without donor restrictions | 7,815,065 | 4,766,637 |
| With donor restrictions | 215,349 | 144,472 |
| Total net assets | 8,030,414 | 4,911,109 |
| Total liabilities and net assets | $ 21,156,471 | $ 15,297,040 |

**See Notes to Consolidated Financial Statements**

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2021
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

| | Without Donor Restrictions | With Donor Restrictions | 2021 Total | 2020 Total |
|---|---|---|---|---|
| **REVENUES AND OTHER SUPPORT** | | | | |
| Government contracts | $ 14,451,497 | $ - | $ 14,451,497 | $ 10,619,721 |
| Program service fees | 2,708,902 | - | 2,708,902 | 2,605,816 |
| Rental income | 1,657,741 | - | 1,657,741 | 1,165,032 |
| Developer fee income | - | - | - | 1,508 |
| Support | 465,614 | 136,024 | 601,638 | 593,610 |
| Sponsorship | 21,703 | - | 21,703 | 26,546 |
| Interest income | 1,402 | - | 1,402 | 9,224 |
| Forgiveness of debt | 518,501 | - | 518,501 | 79,338 |
| Miscellaneous | 239,096 | - | 239,096 | 148,113 |
| In-kind contributions | 65,414 | - | 65,414 | 167,553 |
| Total revenues and other support | 20,129,870 | 136,024 | 20,265,894 | 15,416,461 |
| **NET ASSETS RELEASED FROM RESTRICTIONS** | 65,147 | (65,147) | - | - |
| Total revenues, other support, and net assets released from restrictions | 20,195,017 | 70,877 | 20,265,894 | 15,416,461 |
| **EXPENSES** | | | | |
| **Program services** | | | | |
| Home energy programs | 5,559,497 | - | 5,559,497 | 5,153,989 |
| Education and nutrition | 2,629,099 | - | 2,629,099 | 2,687,612 |
| Homeless programs | 5,516,502 | - | 5,516,502 | 2,060,655 |
| Housing services | 2,913,953 | - | 2,913,953 | 2,433,660 |
| Economic development services | 621,784 | - | 621,784 | 737,663 |
| Other programs | 750,430 | - | 750,430 | 775,342 |
| Total program services | 17,991,265 | - | 17,991,265 | 13,848,921 |
| **Supporting activities** | | | | |
| Management and general | 1,948,672 | - | 1,948,672 | 1,761,642 |
| Total expenses | 19,939,937 | - | 19,939,937 | 15,610,563 |
| **CHANGE IN NET ASSETS BEFORE LOSS ON SALE OF PROPERTY** | 255,080 | 70,877 | 325,957 | (194,102) |
| **LOSS ON SALE OF PROPERTY** | - | - | - | (140) |
| **LOSS ON INVESTMENT IN LIMITED PARTNERSHIPS** | (60,897) | - | (60,897) | (236) |
| **CHANGE IN NET ASSETS** | 194,183 | 70,877 | 265,060 | (194,478) |
| **NET ASSETS, BEGINNING OF YEAR** | 4,766,637 | 144,472 | 4,911,109 | 5,105,587 |
| **NET ASSETS TRANSFERRED FROM LIMITED PARTNERSHIPS** | 2,854,245 | - | 2,854,245 | - |
| **NET ASSETS, END OF YEAR** | $ 7,815,065 | $ 215,349 | $ 8,030,414 | $ 4,911,109 |

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2021

| | Home Energy Programs | Education and Nutrition | Homeless Programs | Housing Services | Economic Development Services | Other Programs | Total Program | Management and General | 2021 Total |
|---|---|---|---|---|---|---|---|---|---|
| Payroll | $ 486,387 | $ 1,518,514 | $ 491,084 | $ 725,103 | $ 350,843 | $ 439,136 | $ 4,011,067 | $ 752,116 | $ 4,763,183 |
| Payroll taxes | 25,674 | 106,568 | 37,005 | 43,514 | 30,248 | 33,024 | 276,033 | 120,497 | 396,530 |
| Employee benefits | 171,270 | 381,988 | 144,229 | 263,870 | 55,553 | 180,793 | 1,197,703 | 46,508 | 1,244,211 |
| Retirement | 32,604 | 85,776 | 24,671 | 51,308 | 20,760 | 14,238 | 229,357 | 66,965 | 296,322 |
| Advertising | - | 3,100 | 386 | 1,295 | 1,638 | - | 6,419 | 133 | 6,552 |
| Bank charges | 10 | - | 1,130 | 4,109 | - | 11 | 5,260 | 8,766 | 14,026 |
| Computer cost | 225 | 28,110 | 12,051 | 7,765 | 16,171 | - | 64,322 | 183,132 | 247,454 |
| Contractual | 1,007,401 | 12,804 | 42,954 | 61,431 | 680 | 48,737 | 1,174,007 | 59,518 | 1,233,525 |
| Depreciation | - | 26,438 | 117,967 | 603,938 | - | 7,620 | 755,963 | 153,192 | 909,155 |
| Dues/registration | - | 2,290 | - | 320 | 543 | - | 3,153 | 8,619 | 11,772 |
| Duplicating | 69 | 8,160 | - | - | - | - | 8,229 | 4,588 | 12,817 |
| Insurance | 5,539 | 15,035 | 33,483 | 57,881 | 15,298 | 6,890 | 134,126 | 43,490 | 177,616 |
| Interest | - | 5,955 | 5,983 | 48,121 | - | 1,690 | 61,749 | 113,918 | 175,667 |
| Meeting and conference | - | - | - | 840 | 154 | 133 | 1,127 | 1,637 | 2,764 |
| Miscellaneous expense | 2,863 | - | 1,242 | 82,239 | 9,546 | 1,359 | 97,249 | 2,675 | 99,924 |
| Miscellaneous taxes | - | - | - | 101,224 | - | - | 101,224 | 300 | 101,524 |
| Equipment purchases | 386 | 3,330 | - | 6,521 | - | - | 10,237 | 2,808 | 13,045 |
| Office expense | 19,084 | 17,479 | 60,872 | 11,834 | 2,568 | 749 | 112,586 | 49,579 | 162,165 |
| Postage | 300 | 368 | 126 | 37 | 348 | - | 1,179 | 31,999 | 33,178 |
| Professional fees | 1,050 | - | 3,300 | 38,627 | - | - | 42,977 | 81,034 | 124,011 |
| Staff development and training | 3,406 | 1,327 | 165 | 2,488 | 614 | 1,185 | 9,185 | 17,341 | 26,526 |
| Subscriptions | - | - | - | 98 | - | - | 98 | 2,767 | 2,865 |
| Telephone | 2,429 | 3,106 | 20,692 | 18,872 | 2,299 | 1,117 | 48,515 | 47,535 | 96,050 |
| Travel | 6,104 | 12,328 | 7,212 | 9,515 | 16,338 | - | 51,497 | 5,675 | 57,172 |
| Vehicle | 6,147 | 4,170 | 1,748 | 41,329 | 35,941 | 9,852 | 99,187 | 3,912 | 103,099 |
| Rent | - | 24,659 | - | - | 21,112 | - | 45,771 | - | 45,771 |
| Space costs | - | 122,478 | 384,093 | 718,703 | 16,731 | 114 | 1,242,119 | 139,968 | 1,382,087 |
| Direct client assistance | 3,788,549 | 179,702 | 4,126,109 | 12,971 | 24,399 | 3,782 | 8,135,512 | - | 8,135,512 |
| In-kind expenses | - | 65,414 | - | - | - | - | 65,414 | - | 65,414 |
| **TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION** | 5,559,497 | 2,629,099 | 5,516,502 | 2,913,953 | 621,784 | 750,430 | 17,991,265 | 1,948,672 | 19,939,937 |
| Allocation of management and general expenses | 602,161 | 284,763 | 597,504 | 315,616 | 67,347 | 81,281 | 1,948,672 | (1,948,672) | - |
| **TOTAL FUNCTIONAL EXPENSES** | $ 6,161,658 | $ 2,913,862 | $ 6,114,006 | $ 3,229,569 | $ 689,131 | $ 831,711 | $ 19,939,937 | $ - | $ 19,939,937 |

**See Notes to Consolidated Financial Statements**

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2020

| | Home Energy Programs | Education and Nutrition | Homeless Programs | Housing Services | Economic Development Services | Other Programs | Total Program | Management and and General | 2020 Total |
|---|---|---|---|---|---|---|---|---|---|
| Payroll | $ 467,456 | $ 1,374,787 | $ 335,905 | $ 735,214 | $ 435,177 | $ 424,014 | $ 3,772,553 | $ 731,826 | $ 4,504,379 |
| Payroll taxes | 36,287 | 107,590 | 25,566 | 56,083 | 35,147 | 32,738 | 293,411 | 55,964 | 349,375 |
| Employee benefits | 135,770 | 412,407 | 121,495 | 271,770 | 85,902 | 193,929 | 1,221,273 | 45,011 | 1,266,284 |
| Retirement | 29,265 | 71,941 | 19,791 | 58,108 | 21,016 | 13,973 | 214,094 | 64,115 | 278,209 |
| Advertising | 728 | 3,084 | 83 | 2,632 | 3,999 | 2,100 | 12,626 | 591 | 13,217 |
| Bank charges | 4 | - | 17 | 4,117 | - | 54 | 4,192 | 7,456 | 11,648 |
| Bad debt expense | - | 45 | 195 | - | - | - | 240 | 4,000 | 4,240 |
| Computer cost | - | 28,124 | 5,538 | 8,120 | 15,541 | - | 57,323 | 166,243 | 223,566 |
| Contractual | 776,055 | 18,582 | 13,624 | 27,752 | 2,719 | 74,250 | 912,982 | 41,190 | 954,172 |
| Depreciation | - | 27,369 | 108,291 | 366,399 | - | 10,913 | 512,972 | 150,280 | 663,252 |
| Dues/registration | - | 977 | - | 495 | 468 | - | 1,940 | 9,720 | 11,660 |
| Duplicating | - | 7,480 | - | - | - | - | 7,480 | 5,684 | 13,164 |
| Insurance | 6,667 | 13,010 | 24,560 | 56,680 | 14,271 | 5,968 | 121,156 | 36,841 | 157,997 |
| Interest | - | 7,198 | 7,527 | 36,985 | - | - | 51,710 | 114,881 | 166,591 |
| Meeting and conference | 457 | 1,042 | 262 | 4,913 | 1,118 | 2,029 | 9,821 | 13,879 | 23,700 |
| Miscellaneous expense | 3,543 | 1,597 | 60 | 44,189 | 4,722 | 163 | 54,274 | 18,105 | 72,379 |
| Miscellaneous taxes | - | - | - | 61,942 | - | - | 61,942 | 200 | 62,142 |
| Equipment purchases | 24,948 | 1,646 | - | 6,426 | - | - | 33,020 | 30 | 33,050 |
| Office expense | 20,017 | 8,744 | 6,002 | 9,148 | 10,480 | 33 | 54,424 | 24,136 | 78,560 |
| Postage | 240 | 261 | 123 | 189 | 252 | - | 1,065 | 24,447 | 25,512 |
| Professional fees | 2,045 | - | 3,200 | 28,718 | - | 706 | 34,669 | 89,175 | 123,844 |
| Staff development and training | - | 2,135 | 648 | 1,208 | 415 | 3,088 | 7,494 | 2,787 | 10,281 |
| Subscriptions | - | - | - | 95 | - | - | 95 | 1,801 | 1,896 |
| Telephone | 2,283 | 1,968 | 17,624 | 17,959 | 3,179 | 1,166 | 44,179 | 41,601 | 85,780 |
| Travel | 6,792 | 16,310 | 12,602 | 7,545 | 30,585 | 15 | 73,849 | 3,031 | 76,880 |
| Vehicle | 3,902 | 5,121 | 5,574 | 30,678 | 36,849 | 9,696 | 91,820 | 8,202 | 100,022 |
| Rent | - | 25,570 | - | - | - | - | 25,570 | - | 25,570 |
| Space costs | - | 174,312 | 352,469 | 583,375 | 2,699 | 89 | 1,112,944 | 100,446 | 1,213,390 |
| Direct client assistance | 3,637,530 | 208,759 | 999,499 | 12,920 | 33,124 | 418 | 4,892,250 | - | 4,892,250 |
| In-kind expenses | - | 167,553 | - | - | - | - | 167,553 | - | 167,553 |
| **TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION** | 5,153,989 | 2,687,612 | 2,060,655 | 2,433,660 | 737,663 | 775,342 | 13,848,921 | 1,761,642 | 15,610,563 |
| Allocation of management and general expenses | 655,609 | 341,876 | 262,124 | 309,572 | 93,834 | 98,627 | 1,761,642 | (1,761,642) | - |
| **TOTAL FUNCTIONAL EXPENSES** | $ 5,809,598 | $ 3,029,488 | $ 2,322,779 | $ 2,743,232 | $ 831,497 | $ 873,969 | $ 15,610,563 | $ - | $ 15,610,563 |

See Notes to Consolidated Financial Statements

## SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS
### FOR THE YEARS ENDED MAY 31, 2021 AND 2020

| | 2021 | 2020 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Change in net assets | $ 265,060 | $ (194,478) |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Depreciation | 909,155 | 663,252 |
| Loss on disposal of property | - | 140 |
| Loss on investment in limited partnerships | 60,897 | 236 |
| Forgiveness of debt | (518,501) | (79,338) |
| Decrease (increase) in assets: | | |
| Accounts receivable | (580,504) | 42,337 |
| Prepaid expenses | 31,348 | (5,446) |
| Interest receivable | - | 45,547 |
| Due from related parties | 3,929 | 35 |
| Security deposits | (2,242) | (6,771) |
| (Decrease) increase in liabilities: | | |
| Accounts payable | 22,045 | (230,941) |
| Accrued expenses | 36,929 | (32,597) |
| Accrued payroll and payroll taxes | 15,609 | (5,506) |
| Other current liabilities | (300) | 10,414 |
| Refundable advances | 439,518 | 109,443 |
| Interest payable | - | (49,547) |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | 682,943 | 266,780 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of property | (432,400) | (136,174) |
| **NET CASH USED IN INVESTING ACTIVITIES** | (432,400) | (136,174) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from long term debt | 85,000 | 36,679 |
| Repayment of long term debt | (272,062) | (127,826) |
| Proceeds from Economic Injury Disaster Loan | 150,000 | - |
| Proceeds from Paycheck Protection Program | - | 439,070 |
| **NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES** | (37,062) | 347,923 |
| **NET INCREASE IN CASH AND RESTRICTED CASH** | 213,481 | 478,529 |
| **CASH AND RESTRICTED CASH, BEGINNING OF YEAR** | 2,210,050 | 1,731,521 |
| **CASH AND RESTRICTED CASH TRANSFERRED FROM LIMITED PARTNERSHIPS** | 771,151 | - |
| **CASH AND RESTRICTED CASH, END OF YEAR** | $ 3,194,682 | $ 2,210,050 |

**See Notes to Consolidated Financial Statements**

## SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
### FOR THE YEARS ENDED MAY 31, 2021 AND 2020

| | 2021 | 2020 |
|---|---|---|
| **SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION** | | |
| Cash paid during the year for interest | $ 175,005 | $ 165,929 |
| **SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES** | | |
| Property financed by long term debt | $ 787,599 | $ - |
| Transfer of assets from newly consolidated LPs: | | |
| Prepaid expenses | $ 36,807 | $ - |
| Land and buildings | 3,382,003 | - |
| Furniture and fixtures | 624,491 | - |
| Security deposits | 33,781 | - |
| Total transfer of assets from newly consolidated LPs | $ 4,077,082 | $ - |
| Transfer of liabilities from newly consolidated LPs: | | |
| Accounts payable | $ 57,865 | $ - |
| Accrued expenses | 46,122 | - |
| Due to related parties | - | - |
| Long term debt | 1,890,298 | - |
| Total transfer of liabilities from newly consolidated LPs | $ 1,994,285 | $ - |
| Total partners' capital from newly consolidated LPs | $ 2,853,948 | $ - |
| Partners' capital previously recorded as investment in related parties | 297 | - |
| Total transfer of partners' capital from newly consolidated LPs | $ 2,854,245 | $ - |

See Notes to Consolidated Financial Statements

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEARS ENDED MAY 31, 2021 AND 2020

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### General

Southwestern Community Services, Inc. is a New Hampshire nonprofit corporation formed as an umbrella corporation that offers an array of services to the elderly, disabled, and low-income households in the Cheshire and Sullivan counties of New Hampshire. Various programs provide assistance in the areas of education, child development, employment, energy and its conservation, housing, and homelessness prevention. Services are provided through Southwestern Community Services, Inc., and its related corporations, SCS Management Corporation, SCS Housing, Inc., SCS Development Corporation, SCS Housing Development, Inc., and various limited partnerships, as described below. The Organization is committed to providing respectful support services and assisting individuals and families in achieving self-sufficiency by helping them overcome the causes of poverty. The primary source of revenues is derived from governmental contracts.

### Principles of Consolidation

The consolidated financial statements include the accounts of Southwestern Community Services, Inc. and the following entities (collectively the Organization) as Southwestern Community Services, Inc. has both an economic interest and control of the entities through a majority voting interest in their governing board. All significant intercompany items and transactions have been eliminated from the basic consolidated financial statements.

- SCS Management Corporation
- SCS Housing, Inc.
- SCS Development Corporation
- SCS Housing Development, Inc.
- Drewsville Carriage House Associates, Limited Partnership (Drewsville)
- Troy Senior Housing Associates, Limited Partnership (Troy Senior)
- Keene East Side Senior Housing Associates, Limited Partnership (Keene East Side)
- Winchester Senior Housing Associates, Limited Partnership (Winchester)
- Swanzey Township Housing Associates, Limited Partnership (Swanzey)
- Snow Brook Meadow Village Housing Associates, Limited Partnership (Snow Brook)
- Keene Highland Housing Associates, Limited Partnership (Keene Highland)
- Warwick Meadow Housing Associates, Limited Partnership (Warwick)

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Basis of Accounting

The consolidated financial statements of the Organization have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles.

### Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications. The classes of net assets are determined by the presence or absence of donor-imposed restrictions.

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

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

As of May 31, 2021 and 2020, the Organization had net assets without donor restrictions and with donor restrictions.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2020 from which the summarized information was derived.

### Refundable Advances

The Organization records grant and contract revenue as refundable advances until it is expended for the purpose of the grant or contract, at which time it is recognized as revenue.

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### In-Kind Support

The Organization records various types of in-kind support including professional services and materials. Contributed professional services are recognized if the service received creates or enhances long-lived assets or requires specialized skill, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

### Estimates

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

### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all liquid investments purchased with original maturities of three months or less to be cash equivalents.

The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sum to the total in the statements of cash flows as of May 31:

| | 2021 | 2020 |
|---|---|---|
| Cash, operations | $ 1,722,941 | $ 1,400,153 |
| Cash escrow and reserve funds | 1,471,741 | 809,897 |
| Total cash and restricted cash | $ 3,194,682 | $ 2,210,050 |

### Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at May 31, 2021 and 2020. The Organization has no policy for charging interest on overdue accounts.

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Current Vulnerability Due to Certain Concentrations

The Organization is operated in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or Legislature. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. For the years ended May 31, 2021 and 2020, approximately 71% and 69%, respectively, of the Organization's total revenue was received from government agencies. The future nature of the Organization is dependent upon continued support from the government.

### Concentration of Credit Risk

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

### Property and Depreciation

Purchased property and equipment are stated at cost at the date of acquisition or at fair value at the date of receipt in the case of donated property. The Organization generally capitalizes and depreciates all assets with a cost greater than $5,000 and an expected life greater than one year. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

| | |
|---|---|
| Buildings and improvements | 10 - 40 Years |
| Vehicles and equipment | 5 - 10 Years |
| Furniture and fixtures | 7 Years |

The use of certain assets is specified under the terms of grants received from agencies of the federal government. These grants also place liens on certain assets and impose restrictions on the use of funds received from the disposition of the property. Depreciation expense for the years ended May 31, 2021 and 2020 totaled $909,155 and $663,252, respectively.

### Advertising

The Organization expenses advertising costs as incurred.

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Income Taxes

Southwestern Community Services, Inc. and SCS Management Corporation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and are not private foundations. As such, they are exempt from income tax on their exempt function income.

SCS Housing, Inc., SCS Development Corporation and SCS Housing Development, Inc. are taxed as corporations. SCS Housing Inc. has federal net operating loss carryforwards available for the May 31, 2021 and 2020 tax returns totaling $1,230,191 and $1,135,222, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2027. SCS Development Corporation has federal net operating loss carryforwards totaling $542 and $555 at May 31, 2021 and 2020, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2022. SCS Housing Development, Inc. has federal net operating loss carryforwards totaling $59,861 and $35,574 at May 31, 2021 and 2020, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2035.

The tax effects of the carryforwards as related to deferred tax assets is as follows as of May 31, 2021 and 2020:

| | 2021 | 2020 |
|---|---|---|
| Tax benefit from loss carryforwards | $271,025 | $246,404 |
| Valuation allowance | (271,025) | (246,404) |
| Deferred tax asset | $ - | $ - |

Drewsville, Troy Senior, Winchester, Keene East Side, Swanzey, Snow Brook, Keene Highland, and Warwick are taxed as partnerships. Federal income taxes are not payable by, or provided for these entities. Earnings and losses are included in the partners' federal income tax returns based on their share of partnership earnings. Partnerships are required to file income tax returns with the State of New Hampshire and pay an income tax at the state's statutory rate.

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

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Fair Value of Financial Instruments

FASB ASC Topic No. 820-10, Financial Instruments, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with ASC 820-10, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, Topic 820-10 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under ASC Topic 820-10 are described as follows:

***Level 1*** – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

***Level 2*** - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

***Level 3*** - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The carrying amount of cash, accounts receivables, prepaid expenses, accounts payable, accrued expenses, and refundable advances approximates fair value because of the short maturity of those instruments.

### Revenue Recognition

Amounts received from conditional grants and contracts received for specific purposes are generally recognized as income to the extent that related expenses and conditions are incurred or met. Conditional grants received prior to the conditions being met are reported as refundable advances. Contributions of cash and other assets are reported as with donor restrictions if they are received with donor imposed stipulations that limit the use of the donated assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as without donor restrictions.

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue Recognition (continued)

Program Service Revenue
Program service revenue is recognized as revenue when the services are performed.

Rental Revenue
The Organization derives revenues from the rental of apartment units. Revenues are recognized as income, monthly, when rents become due and control of the apartment units is transferred to the lessees. The individual leases are for a term of one year and are cancelable by the tenants. Control of the leased units is transferred to the lessee in an amount that reflects the consideration the Partnership expects to be entitled to in exchange for the leased units. The cost incurred to obtain a lease will be expensed as incurred.

Performance Obligations and Contract Assets and Liabilities
The performance obligations related to the lease contracts and program services are satisfied at a point in time. Revenue from performance obligations satisfied at a point in time consist of monthly rental payments and fees for program services. There are no contract assets or liabilities for the years ended May 31, 2021 and 2020.

### New Accounting Pronouncement

In May 2014, FASB issued ASU 2014-09 (Topic 606) – Revenue from Contracts with Customers. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue from cash flows arising from contracts with customers. The Organization adopted the new standard effective June 1, 2020, the first day of the Organization's fiscal year using the modified retrospective approach. The adoption did not result in a change to the accounting for any of the applicable revenue streams; as such, no cumulative effect adjustment was recorded. See revenue recognition policy above.

### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Natural expenses are defined by their nature, such as salaries, rent, supplies, etc. Functional expenses are classified by the type of activity for which expenses are incurred, such as management and general and direct program costs. Expenses are allocated by function using a reasonable and consistent approach that is primarily based on function and use.

## NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Functional Allocation of Expenses (continued)

The costs of providing certain program and supporting services have been directly charged.

The Organization submits an indirect cost rate proposal for the paid leave, fringe benefits and other indirect costs to the U.S. Department of Health and Human services. The indirect cost rate is 12% effective from June 1, 2019 through May 31, 2022.

## NOTE 2 BANK LINE OF CREDIT

The Organization has a $250,000 revolving line of credit agreement with a bank. Interest is due monthly and is stated at the Wall Street Journal Prime Rate or at a floor rate of 4%. The line is secured by all the Organization's assets. As of May 31, 2021 and 2020, the interest rate was 4%. There was no outstanding balance at May 31, 2021 and 2020.

## NOTE 3 LONG TERM DEBT

The long term debt at May 31, 2021 and 2020 consisted of the following:

| | 2021 | 2020 |
|---|---|---|
| 1% mortgage payable to New Hampshire Housing in monthly installments for principal and interest of $891 through August 2032. The note is secured by real estate of the Organization (NHHFA, 96 Main Street). | $ 127,000 | $ 136,370 |
| Non-interest bearing mortgage payable to Community Development Finance Authority, in quarterly principal payments based on an operating income formula applied to affordable housing portion of the specified real estate. The note is secured by real estate of the Organization (CDFA, 96 Main Street). | 27,589 | 29,589 |
| 5.25% note payable to a bank in monthly installments for principal and interest of $988 through March 2021. The note was paid in full during the year ended May 31, 2021. The note was secured by real estate of the Organization (People's United Bank, Ashuelot). | - | 9,652 |

**NOTE 3 LONG TERM DEBT (continued)**

| | 2021 | 2020 |
|---|---|---|
| Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through September 2031, or until project is sold or refinanced. The note is secured by real estate of the Organization (NHHFA, 17 Pearl). | 242,708 | 244,505 |
| Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through July 2032, unless there is surplus cash from which to make a payment, or until project is sold or refinanced. The note is secured by real estate of the Organization (NHHFA, 41-43 Central). | 376,066 | 376,363 |
| 4.25% mortgage payable to a bank in monthly installments for principal and interest of $1,875 through December 2016, with a balloon payment that was due January 2017. The note was amended during the year ended May 31, 2019, and is now due December 2026. Under the amendment, interest rate is 4.94% and monthly installments for principal and interest are $1,957 The note is secured by real estate of the Organization (People's United Bank, Milestones). | 112,702 | 130,230 |
| 4.375% note payable to Rural Housing Service in monthly installments for principal and interest of $11,050 through May 2049. The note is secured by real estate of the Organization (TD Bank, Keene Office). | 2,134,970 | 2,175,749 |
| Non-interest bearing note payable to Cheshire County in New Hampshire. Payment is not necessary unless Organization defaults on contract. The note is secured by real estate of the Organization (CDBG, Keene Office). | 460,000 | 460,000 |

## NOTE 3 LONG TERM DEBT (continued)

| | 2021 | 2020 |
|---|---|---|
| Note payable to a bank in monthly installments for principal and interest of $2,463 including interest through May 2039. Interest is adjusted every five years based on remaining principal balance and "Classic Advantage Rate" provided by Federal Home Loan Bank of Boston which resulted in an interest rate of 4.67% at May 31, 2021 and 2020. The note is secured by real estate of the Organization (TD Bank, Keene Office/Community Way). | 376,617 | 389,578 |
| 5.19% note payable to a bank in monthly installments for principal and interest of $889 through May 2021. The note was paid in full during the year ended May 31, 2021. The note was secured by real estate of the Organization (TD Bank, 45 Central Street). | - | 88,433 |
| Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization (HUD, Ashuelot). | 75,000 | 100,000 |
| Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization (HUD, 112 Charlestown Road). | 45,000 | 60,000 |

## NOTE 3 LONG TERM DEBT (continued)

| | 2021 | 2020 |
|---|---|---|
| Non-interest bearing note payable to New Hampshire Housing in annual payments in the amount of 50% of annual surplus cash through July 2042 at which time the remaining balance is due. The note is secured by real estate of the Organization (NHHFA, Second Chance). | 794,189 | 794,189 |
| Non-interest bearing note payable to a county in New Hampshire. No payment is due and 5% of the balance is forgiven each year through 2032 when the remaining balance becomes due. The note is secured by real estate of the Organization (CDBG, Second Chance). | 311,808 | 328,219 |
| Non-interest bearing note payable to a county in New Hampshire, relating to an agreement between the City of Keene and SCS for the purpose of renovating Keene shelters. In total, SCS will receive $472,000 from CDBG. SCS will receive the funds as progress is made. The note is secured by real estate of the Organization and will be fully forgiven providing the facility serves low- and moderate-income individuals for 20 years (CDBG, Keene Shelter). | 326,899 | 9,500 |
| 5.54% note payable to a finance company in monthly installments for principal and interest of $543 through August 2022. The note is secured by a vehicle (Ally, Econoline Van). | 7,815 | 12,637 |
| 6.54% note payable to a finance company in monthly installments for principal and interest of $442 through November 2023. The note was paid in full during the year ended May 31, 2021. The note was secured by a vehicle (Ally, GMC Acadia). | - | 15,903 |
| 2.99% note payable to a bank in monthly installments for principal and interest of $820 through May 2031. The note is secured by real estate of the Organization (Savings Bank of Walpole, 45 Central Street). | 84,395 | - |

## NOTE 3 LONG TERM DEBT (continued)

| | 2021 | 2020 |
|---|---|---|
| Non-interest bearing note payable to a county in New Hampshire, relating to an agreement between the City of Keene and SCS for the purpose of renovating Keene shelters. In total, SCS will receive $472,000 from CDBG. SCS will receive the funds as progress is made. The note is secured by real estate of the Organization and will be fully forgiven providing the facility serves low- and moderate-income individuals for 20 years (CDBG, Elm Street Shelter). | 189,100 | - |
| Non-interest bearing note payable to the City of Keene, New Hampshire. The note expires in June 2022 and payment is not necessary unless the Organization defaults on contract. The note is secured by real estate of the Organization (City of Keene, 139 Roxbury Street). | 77,100 | - |
| Non-interest bearing note payable to the City of Keene, New Hampshire, with an original balance of $240,000 reduced to $204,000 when the Organization acquired the note from Keene Housing in July 2020. No payment is due and 5% of the balance is forgiven each year through June 2037. The note is secured by real estate of the Organization (City of Keene, 139 Roxbury Street). | 204,000 | - |
| Troy Senior - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in June 2029. The note is secured by real estate of the Organization (CDBG). | 640,000 | 640,000 |
| Troy Senior - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficient improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization (NHHFA). | 140,210 | 140,210 |

## NOTE 3 LONG TERM DEBT (continued)

| | 2021 | 2020 |
|---|---|---|
| Keene East Side - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in December 2028. The note is secured by real estate of the Organization (CDBG). | 900,000 | 900,000 |
| Keene East Side - Non-interest bearing note payable to New Hampshire Community Development Finance Authority (CDFA) to fund energy upgrades and capital improvements. Beginning in 2016, 10% of the note is forgiven each year based on the rolling balance. The mortgage may be released after ten years in January 2026. The note is secured by real estate of the Organization (CDFA). | 139,860 | 162,880 |
| Keene East Side - Non-interest bearing note payable to New Hampshire Housing to fund energy efficient improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization (NHHFA). | 228,934 | 228,934 |
| Swanzey - Non-recourse, 4.90% simple interest mortgage note payable to the New Hampshire Housing (HOME), due September, 2033, principal and interest payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage. | 287,710 | 289,996 |
| Swanzey - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due September 2043, payable in monthly installments of $1,698, including interest at 2.35% secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 40 year term of the mortgage. | 353,561 | 365,474 |

## NOTE 3 LONG TERM DEBT (continued)

| | 2021 | 2020 |
|---|---|---|
| Snow Brook - Non-recourse, mortgage note payable to New Hampshire Housing, due July 2057, payable in monthly installments of $2,002 including interest at 4.35% secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage. | 436,974 | 441,872 |
| Snow Brook - Non-recourse, zero interest mortgage note payable to New Hampshire Housing (AHF), due June 2034, principal and interest payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage. | 237,173 | 237,173 |
| Winchester - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due May 2032, payable in monthly installments of $370, including interest at 2.00%, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage note (NHHFA). | 43,450 | 46,978 |
| Winchester - Non-recourse, zero interest bearing mortgage note payable to New Hampshire Housing (FAF), due May 2032, payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30-year term of the mortgage note (NHHFA). | 79,609 | 85,028 |
| Winchester - Non-recourse, zero interest bearing, direct subsidy AHP loan secured by the Partnership's land and buildings, subject to low-income housing restrictions under the terms of the AHP agreement. In the event of a default under the aforementioned agreement, the loan is due upon demand with interest accrued at a rate of 11.67% for the period the funds were outstanding (Federal Home Loan Bank). | 150,000 | 150,000 |

## NOTE 3 LONG TERM DEBT (continued)

| | 2021 | 2020 |
|---|---|---|
| Keene Highland - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due August 2035, payable in monthly installments of $3,122, including interest at 2.90%, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage note (NHHFA). | 434,765 | - |
| Keene Highland - 30 year, zero interest, non-recourse deferred mortgage note payable to the City of Keene, New Hampshire due June 2035, payment of principal is deferred until the due date, secured by land and buildings (City of Keene). | 915,000 | - |
| Warwick - 30 year, zero interest, non-recourse deferred mortgage note payable to the Town of Winchester, New Hampshire due August 2036, payment of principal is deferred until the due date, secured by land and buildings (Town of Winchester). | 500,000 | - |
| Total long-term debt before unamortized deferred financing costs | 11,460,204 | 9,049,462 |
| Unamortized deferred financing costs | (17,619) | (18,281) |
| | 11,442,585 | 9,031,181 |
| Less current portion due within one year | 142,174 | 125,324 |
| | $11,300,411 | $ 8,905,857 |

The schedule of maturities of long term debt at May 31, 2021 is as follows:

| Year Ending May 31 | Amount |
|---|---|
| 2022 | $ 142,174 |
| 2023 | 142,488 |
| 2024 | 146,073 |
| 2025 | 151,449 |
| 2026 | 157,310 |
| Thereafter | 10,720,710 |
| Total | $11,460,204 |

## NOTE 4 OPERATING LEASES

The Organization leases facilities, equipment and vehicles under non-cancelable lease agreements at various financial institutions. Lease periods range from month to month to 2025. Monthly lease payments range from $900 to $3,625. Lease expense for the years ended May 31, 2021 and 2020 totaled $148,143 and $140,758, respectively.

Future minimum payments as of May 31, 2021 on the above leases are as follows:

| Year Ending May 31 | Amount |
|---|---|
| 2022 | $ 69,243 |
| 2023 | 1,050 |
| 2024 | 720 |
| 2025 | 120 |
| Total | $ 71,133 |

## NOTE 5 ACCRUED COMPENSATED BALANCES

At May 31, 2021 and 2020, the Organization accrued a liability for future annual leave time that its employees had earned and vested in the amount of $144,916 and $141,970, respectively.

## NOTE 6 CONTINGENCIES

Southwestern Community Services, Inc. is the 100% owner of SCS Housing, Inc. and SCS Housing Development, Inc. SCS Housing, Inc. and SCS Housing Development, Inc. are the general partners of eight limited partnerships formed to develop low-income housing projects through the use of Low Income Housing Tax Credits. Southwestern Community Services, Inc., SCS Housing, Inc. and SCS Housing Development, Inc. have guaranteed repayment of liabilities of various partnerships totaling approximately $11,927,000 and $13,988,000 at May 31, 2021 and 2020, respectively.

Partnership real estate with a cost basis of approximately $27,348,000 and $35,896,000 at May 31, 2021 and 2020, respectively, provides collateral on these loans.

## NOTE 6 CONTINGENCIES (continued)

The Organization receives funds under various state grants and from Federal sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If costs were found not to have been incurred in compliance with the laws and regulations, the Organization might be required to repay the funds.

No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed by government audits as of May 31, 2021 and 2020.

## NOTE 7 RELATED PARTY TRANSACTIONS

During the years ended May 31, 2021 and 2020, SCS Housing, Inc. managed nine and eleven limited partnerships, respectively. Management fees charged by SCS Housing, Inc. totaled $228,239 and $295,814, for the years ended May 31, 2021 and 2020, respectively. Additionally, SCS Housing, Inc. has advanced the limited partnerships funds for cash flow purposes over several years.

The Organization has also advanced funds to a related entity for Department of Housing and Urban Development (HUD) sponsorship purposes.

The total amounts due and expected to be collected from the limited partnerships and related entities totaled $55,138 and $59,067 at May 31, 2021 and 2020, respectively.

## NOTE 8 EQUITY INVESTMENT

Southwestern Community Services, Inc. and related companies use the equity method to account for their financial interests in the following companies:

| | 2021 | 2020 |
|---|---|---|
| Cityside Housing Associates, LP | $ (9,509) | $ (9,505) |
| Marlborough Homes, LP | (43) | (27) |
| Payson Village Senior Housing Associates, LP | (12,524) | (12,514) |
| Railroad Square Senior Housing Associates, LP | (2,247) | (2,071) |
| Warwick Meadows Housing Associates, LP | - | (28) |
| Woodcrest Drive Housing Associates, LP | 180,727 | 222,842 |
| Westmill Senior Housing, LP | 49 | 64 |
| Keene Highland Housing Associates, LP | - | (269) |
| Alstead Senior Housing Associates, LP | (18,452) | (18,441) |
| | $ 138,001 | $ 180,051 |

**NOTE 8 EQUITY INVESTMENT (continued)**

SCS Housing Development, Inc. is a 0.01% partner of Cityside Housing Associates, LP, Marlborough Homes, LP, Payson Village Senior Housing Associates, LP, Warwick Meadows Housing Associates, LP, Woodcrest Drive Housing Associates, LP, and Alstead Senior Housing Associates, LP, a 0.10% partner of Railroad Square Senior Housing Associates, LP, and a 1% partner of Westmill Senior Housing, LP during the years ended May 31, 2021 and 2020.

SCS Housing, Inc. is a 0.01% partner of Winchester Senior Housing Associates, LP, Swanzey Township Housing Associates, LP, Snow Brook Meadow Village Housing Associates, LP, and Keene Highland Housing Associates, LP during the years ended May 31, 2021 and 2020.

The remaining 99.99% ownership interest in Keene Highland Housing Associates, LP and Warwick Meadow Housing Associates, LP were acquired by Southwestern Community Services, Inc. during the year ending May 31, 2021 (see **Note 13**), and therefore the limited partnerships are included in the consolidated financial statements for the year ended May 31, 2021.

Summarized financial information for entities accounted for under the equity method, as of May 31, 2021 and 2020, consists of the following:

| | 2021 | 2020 |
|---|---|---|
| Total assets | $ 53,169 | $ 56,632 |
| Total liabilities | 15,200 | 16,530 |
| Capital/Member's equity | 37,969 | 40,102 |
| | $ 53,169 | $ 56,632 |
| Income | $ 3,267 | $ 3,408 |
| Expenses | 4,719 | 4,707 |
| Net loss | $ (1,452) | $ (1,299) |

## NOTE 9 RETIREMENT PLAN

The Organization maintains a tax sheltered annuity plan under the provisions of Section 403(b) of the internal Revenue Code. All employees who have had at least 30 days of service to the Organization are eligible to contribute to the plan. The Organization begins matching contributions after the employee has reached one year of service. Employer contributions are at the Organization's discretion and totaled $296,322 and $278,209 for the years ended May 31, 2021 and 2020, respectively.

## NOTE 10 RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are available for the following purposes:

| | 2021 | 2020 |
|---|---|---|
| NNECAC – Annual Conference Fund | $ 16,646 | $ 4,814 |
| GAPS/Warm Fund | 101,736 | 91,725 |
| Transport | 90,000 | 40,000 |
| HS Parents Association | 6,967 | 7,933 |
| Total net assets with donor restrictions | $ 215,349 | $ 144,472 |

## NOTE 11 BOARD DESIGNATED NET ASSETS

The board designates a portion of the unrestricted net assets for WM Marcello GAPS funds. There was $12,790 and $14,888 designated by the board at May 31, 2021 and 2020, respectively.

## NOTE 12 FORGIVENESS OF DEBT

During the years ended May 31, 2021 and 2020, the Organization realized forgiveness of debt income in connection with notes payable to Community Development Block Grant, HUD and Community Development Finance Authority. Forgiveness of debt income totaled $79,431 and $79,338 for the years ended May 31, 2021 and 2020, respectively.

The Organization recognized forgiveness of debt of $439,070 related to the Paycheck Protection Program during the year ended May 31, 2021. See additional detail at **Note 15**.

## NOTE 13 TRANSFER OF PARTNERSHIP INTERESTS

During the year ended May 31, 2021, Southwestern Community Services, Inc. acquired a partnership interest in two low-income housing limited partnerships: Keene Highland and Warwick. The amount paid for the partnership interest in Keene Highland and Warwick was $1 each, and at the time of acquisition, Southwestern Community Services, Inc. became the general partner.

The following is a summary of the assets and liabilities of the partnerships at the date of acquisition:

| | Keene Highland | Warwick |
|---|---|---|
| Date of Transfer | 07/01/2020 | 01/01/2021 |
| Cash | $ 156,907 | $ 68,061 |
| Security deposits | 21,321 | 12,460 |
| Cash reserves | 391,456 | 154,727 |
| Property, net | 2,769,245 | 1,237,249 |
| Other assets | 25,946 | 10,861 |
| Total assets | 3,364,875 | 1,483,358 |
| Notes payable | 1,372,220 | 518,078 |
| Other liabilities | 85,048 | 18,939 |
| Total liabilities | 1,457,268 | 537,017 |
| Partners' capital | 1,907,607 | 946,341 |
| Partners' capital previously recorded as an investment in related parties | 269 | 28 |
| Partners' capital transferred | $ 1,907,876 | $ 946,369 |

## NOTE 14 LIQUIDITY AND AVAILABILITY

The following represents Southwestern Community Services, Inc. and related companies' financial assets as of May 31, 2021 and 2020:

| | 2021 | 2020 |
|---|---|---|
| Financial assets at year end: | | |
| Cash and cash equivalents | $ 1,722,941 | $ 1,400,153 |
| Accounts receivable | 1,781,636 | 1,201,132 |
| Due from related party | 55,138 | 59,067 |
| Notes receivable | 2,357 | 2,357 |
| Cash escrow and reserve funds | 1,471,741 | 809,897 |
| Total financial assets | 5,033,813 | 3,472,606 |
| Less amounts not available to be used within one year: | | |
| Due from related party | (55,138) | (59,067) |
| Notes receivable | (2,357) | (2,357) |
| Reserve funds | (1,471,741) | (809,897) |
| Total amounts not available within one year | (1,529,236) | (871,321) |
| Financial assets available to meet general expenditures over the next twelve months | $ 3,504,577 | $ 2,601,285 |

The Organization has a goal to maintain unrestricted cash on hand to meet 30 days of normal operating expenditures, which are, on average, approximately $1,559,000 and $1,215,000 at May 31, 2021 and 2020, respectively. The Organization has a $250,000 line of credit available to meet cash flow needs.

## NOTE 15 PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization received loan proceeds in the amount of $439,070 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 did not meet the loan criteria, the unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments for the first ten months. The Organization has used the proceeds for purposes consistent with the PPP and the PPP loan has been forgiven in full. Therefore, forgiveness of the loan totaling $439,070 has been recognized on the Consolidated Statement of Activities for the year ended May 31, 2021.

## NOTE 16 ECONOMIC INJURY DISASTER LOAN

During June 2020, the Organization received an Economic Injury Disaster Loan (EIDL) from the Small Business Administration with proceeds in the amount of $150,000. The EIDL is payable over 30 years at an interest rate of 2.75% with a deferral of payments for one year from the date of the note. Installments, including principal and interest, of $641 monthly begin in June 2021. The balance of principal and interest will be payable in May 2050. The loan is secured by the Small Business Administration.

The scheduled maturities of the EIDL as of May 31, 2021 were as follows:

| Year Ending May 31 | Amount |
|---|---|
| 2022 | $ 3,201 |
| 2023 | 3,585 |
| 2024 | 3,685 |
| 2025 | 3,788 |
| 2026 | 3,893 |
| Thereafter | 131,848 |
| | $ 150,000 |

## NOTE 17 RECLASSIFICATION

Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability with the current year's financial statements.

## NOTE 18 OTHER EVENTS

The impact of the novel coronavirus (COVID-19) and measures to prevent its spread are affecting the Organization's operations. The significance of the impact of these disruptions, including the extent of their adverse impact on the Organization's financial 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 Organization's business could also be impacted should the disruptions from COVID-19 lead to changes in consumer behavior. COVID-19 also makes it more challenging for management to estimate future performance of the businesses, particularly over the near to medium term.

## NOTE 19 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 October 22, 2021, the date the financial statements were available to be issued.

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2021

| | Home Energy Programs | Education and Nutrition | Homeless Programs | Housing Services | Economic Development Services | Other Programs | Total Program | Management and General | 2021 Total |
|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | |
| Government contracts | $ 4,633,049 | $ 3,125,051 | $ 5,267,961 | $ 4,060 | $ 795,997 | $ - | $ 13,826,118 | $ 625,379 | $ 14,451,497 |
| Program service fees | 1,028,348 | - | 56,851 | 846,971 | - | 776,732 | 2,708,902 | - | 2,708,902 |
| Rental income | - | - | 90,984 | 1,566,630 | - | 127 | 1,657,741 | - | 1,657,741 |
| Support | 55,162 | 9,969 | 242,175 | - | 180,072 | 114,194 | 601,572 | 66 | 601,638 |
| Sponsorship | - | - | - | - | - | 21,703 | 21,703 | - | 21,703 |
| Interest income | 13 | 11 | 198 | 388 | 22 | 35 | 667 | 735 | 1,402 |
| Forgiveness of debt | - | - | 56,411 | 23,020 | - | - | 79,431 | 439,070 | 518,501 |
| Miscellaneous | 1,947 | 3,908 | 4,613 | 119,379 | 25 | 39,362 | 169,234 | 69,862 | 239,096 |
| In-kind contributions | - | 65,414 | - | - | - | - | 65,414 | - | 65,414 |
| Total revenues and other support | $ 5,718,519 | $ 3,204,353 | $ 5,719,193 | $ 2,560,448 | $ 976,116 | $ 952,153 | $ 19,130,782 | $ 1,135,112 | $ 20,265,894 |
| **EXPENSES** | | | | | | | | | |
| Payroll | $ 486,387 | $ 1,518,514 | $ 491,084 | $ 725,103 | $ 350,843 | $ 439,136 | $ 4,011,067 | $ 752,116 | $ 4,763,183 |
| Payroll taxes | 25,674 | 106,568 | 37,005 | 43,514 | 30,248 | 33,024 | 276,033 | 120,497 | 396,530 |
| Employee benefits | 171,270 | 381,988 | 144,229 | 263,870 | 55,553 | 180,793 | 1,197,703 | 46,508 | 1,244,211 |
| Retirement | 32,604 | 85,776 | 24,671 | 51,308 | 20,760 | 14,238 | 229,357 | 66,965 | 296,322 |
| Advertising | - | 3,100 | 386 | 1,295 | 1,638 | - | 6,419 | 133 | 6,552 |
| Bank charges | 10 | - | 1,130 | 4,109 | - | 11 | 5,260 | 8,766 | 14,026 |
| Computer cost | 225 | 28,110 | 12,051 | 7,765 | 16,171 | - | 64,322 | 183,132 | 247,454 |
| Contractual | 1,007,401 | 12,804 | 42,954 | 61,431 | 680 | 48,737 | 1,174,007 | 59,518 | 1,233,525 |
| Depreciation | - | 26,438 | 117,967 | 603,938 | - | 7,620 | 755,963 | 153,192 | 909,155 |
| Dues/registration | - | 2,290 | - | 320 | 543 | - | 3,153 | 8,619 | 11,772 |
| Duplicating | 69 | 8,160 | - | - | - | - | 8,229 | 4,588 | 12,817 |
| Insurance | 5,539 | 15,035 | 33,483 | 57,881 | 15,298 | 6,890 | 134,126 | 43,490 | 177,616 |
| Interest | - | 5,955 | 5,983 | 48,121 | - | 1,690 | 61,749 | 113,918 | 175,667 |
| Meeting and conference | - | - | - | 840 | 154 | 133 | 1,127 | 1,637 | 2,764 |
| Miscellaneous expense | 2,863 | - | 1,242 | 82,239 | 9,546 | 1,359 | 97,249 | 2,675 | 99,924 |
| Miscellaneous taxes | - | - | - | 101,224 | - | - | 101,224 | 300 | 101,524 |
| Equipment purchases | 386 | 3,330 | - | 6,521 | - | - | 10,237 | 2,808 | 13,045 |
| Office expense | 19,084 | 17,479 | 60,872 | 11,834 | 2,568 | 749 | 112,586 | 49,579 | 162,165 |
| Postage | 300 | 368 | 126 | 37 | 348 | - | 1,179 | 31,999 | 33,178 |
| Professional fees | 1,050 | - | 3,300 | 38,627 | - | - | 42,977 | 81,034 | 124,011 |
| Staff development and training | 3,406 | 1,327 | 165 | 2,488 | 614 | 1,185 | 9,185 | 17,341 | 26,526 |
| Subscriptions | - | - | - | 98 | - | - | 98 | 2,767 | 2,865 |
| Telephone | 2,429 | 3,106 | 20,692 | 18,872 | 2,299 | 1,117 | 48,515 | 47,535 | 96,050 |
| Travel | 6,104 | 12,328 | 7,212 | 9,515 | 16,338 | - | 51,497 | 5,675 | 57,172 |
| Vehicle | 6,147 | 4,170 | 1,748 | 41,329 | 35,941 | 9,852 | 99,187 | 3,912 | 103,099 |
| Rent | - | 24,659 | - | - | 21,112 | - | 45,771 | - | 45,771 |
| Space costs | - | 122,478 | 384,093 | 718,703 | 16,731 | 114 | 1,242,119 | 139,968 | 1,382,087 |
| Direct client assistance | 3,788,549 | 179,702 | 4,126,109 | 12,971 | 24,399 | 3,782 | 8,135,512 | - | 8,135,512 |
| In-kind expenses | - | 65,414 | - | - | - | - | 65,414 | - | 65,414 |
| **TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION** | 5,559,497 | 2,629,099 | 5,516,502 | 2,913,953 | 621,784 | 750,430 | 17,991,265 | 1,948,672 | 19,939,937 |
| Allocation of management and general expenses | 602,161 | 284,763 | 597,504 | 315,616 | 67,347 | 81,281 | 1,948,672 | (1,948,672) | - |
| **TOTAL FUNCTIONAL EXPENSES** | $ 6,161,658 | $ 2,913,862 | $ 6,114,006 | $ 3,229,569 | $ 689,131 | $ 831,711 | $ 19,939,937 | $ - | $ 19,939,937 |

See Independent Auditors' Report

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2020

| | Home Energy Programs | Education and Nutrition | Homeless Programs | Housing Services | Economic Development Services | Other Programs | Total Program | Management and General | 2020 Total |
|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | |
| Government contracts | $ 4,518,118 | $ 3,020,857 | $ 1,759,258 | $ 21,581 | $ 797,710 | $ 33,809 | $ 10,151,333 | $ 468,388 | $ 10,619,721 |
| Program service fee | 832,454 | - | 66,804 | 985,951 | 3,496 | 707,147 | 2,595,852 | 9,964 | 2,605,816 |
| Rental income | - | - | 97,328 | 1,067,704 | - | - | 1,165,032 | - | 1,165,032 |
| Developer fee income | - | - | - | 1,508 | - | - | 1,508 | - | 1,508 |
| Support | 81,387 | 36,421 | 219,105 | - | 114,117 | 114,844 | 565,874 | 27,736 | 593,610 |
| Sponsorship | - | 6,809 | - | - | - | 19,737 | 26,546 | - | 26,546 |
| Interest income | 12 | 17 | 1,382 | 2,559 | 35 | 11 | 4,016 | 5,208 | 9,224 |
| Forgiveness of debt | - | - | 56,318 | 23,020 | - | - | 79,338 | - | 79,338 |
| Miscellaneous | 2,860 | 3,381 | 21,160 | 77,326 | 19,460 | - | 124,187 | 23,926 | 148,113 |
| In-kind contributions | - | 167,553 | - | - | - | - | 167,553 | - | 167,553 |
| Total revenues | $ 5,434,831 | $ 3,235,038 | $ 2,221,355 | $ 2,179,649 | $ 934,818 | $ 875,548 | $ 14,881,239 | $ 535,222 | $ 15,416,461 |
| **EXPENSES** | | | | | | | | | |
| Payroll | $ 467,456 | $ 1,374,787 | $ 335,905 | $ 735,214 | $ 435,177 | $ 424,014 | $ 3,772,553 | $ 731,826 | $ 4,504,379 |
| Payroll taxes | 36,287 | 107,590 | 25,566 | 56,083 | 35,147 | 32,738 | 293,411 | 55,964 | 349,375 |
| Employee benefits | 135,770 | 412,407 | 121,495 | 271,770 | 85,902 | 193,929 | 1,221,273 | 45,011 | 1,266,284 |
| Retirement | 29,265 | 71,941 | 19,791 | 58,108 | 21,016 | 13,973 | 214,094 | 64,115 | 278,209 |
| Advertising | 728 | 3,084 | 83 | 2,632 | 3,999 | 2,100 | 12,626 | 591 | 13,217 |
| Bank Charges | 4 | - | 17 | 4,117 | - | 54 | 4,192 | 7,456 | 11,648 |
| Bad debt | - | 45 | 195 | - | - | - | 240 | 4,000 | 4,240 |
| Computer cost | - | 28,124 | 5,538 | 8,120 | 15,541 | - | 57,323 | 166,243 | 223,566 |
| Contractual | 776,055 | 18,582 | 13,624 | 27,752 | 2,719 | 74,250 | 912,982 | 41,190 | 954,172 |
| Depreciation | - | 27,369 | 108,291 | 366,399 | - | 10,913 | 512,972 | 150,280 | 663,252 |
| Dues/registration | - | 977 | - | 495 | 468 | - | 1,940 | 9,720 | 11,660 |
| Duplicating | - | 7,480 | - | - | - | - | 7,480 | 5,684 | 13,164 |
| Insurance | 6,667 | 13,010 | 24,560 | 56,680 | 14,271 | 5,968 | 121,156 | 36,841 | 157,997 |
| Interest | - | 7,198 | 7,527 | 36,985 | - | - | 51,710 | 114,881 | 166,591 |
| Meeting and conference | 457 | 1,042 | 262 | 4,913 | 1,118 | 2,029 | 9,821 | 13,879 | 23,700 |
| Miscellaneous expense | 3,543 | 1,597 | 60 | 44,189 | 4,722 | 163 | 54,274 | 18,105 | 72,379 |
| Miscellaneous taxes | - | - | - | 61,942 | - | - | 61,942 | 200 | 62,142 |
| Equipment purchases | 24,948 | 1,646 | - | 6,426 | - | - | 33,020 | 30 | 33,050 |
| Office expense | 20,017 | 8,744 | 6,002 | 9,148 | 10,480 | 33 | 54,424 | 24,136 | 78,560 |
| Postage | 240 | 261 | 123 | 189 | 252 | - | 1,065 | 24,447 | 25,512 |
| Professional | 2,045 | - | 3,200 | 28,718 | - | 706 | 34,669 | 89,175 | 123,844 |
| Staff development and training | - | 2,135 | 648 | 1,208 | 415 | 3,088 | 7,494 | 2,787 | 10,281 |
| Subscriptions | - | - | - | 95 | - | - | 95 | 1,801 | 1,896 |
| Telephone | 2,283 | 1,968 | 17,624 | 17,959 | 3,179 | 1,166 | 44,179 | 41,601 | 85,780 |
| Travel | 6,792 | 16,310 | 12,602 | 7,545 | 30,585 | 15 | 73,849 | 3,031 | 76,880 |
| Vehicle | 3,902 | 5,121 | 5,574 | 30,678 | 36,849 | 9,696 | 91,820 | 8,202 | 100,022 |
| Rent | - | 25,570 | - | - | - | - | 25,570 | - | 25,570 |
| Space costs | - | 174,312 | 352,469 | 583,375 | 2,699 | 89 | 1,112,944 | 100,446 | 1,213,390 |
| Direct client assistance | 3,637,530 | 208,759 | 999,499 | 12,920 | 33,124 | 418 | 4,892,250 | - | 4,892,250 |
| In-kind expenses | - | 167,553 | - | - | - | - | 167,553 | - | 167,553 |
| **TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION** | 5,153,989 | 2,687,612 | 2,060,655 | 2,433,660 | 737,663 | 775,342 | 13,848,921 | 1,761,642 | 15,610,563 |
| Allocation of management and general expenses | 655,609 | 341,876 | 262,124 | 309,572 | 93,834 | 98,627 | 1,761,642 | (1,761,642) | - |
| **TOTAL FUNCTIONAL EXPENSES** | $ 5,809,598 | $ 3,029,488 | $ 2,322,779 | $ 2,743,232 | $ 831,497 | $ 873,969 | $ 15,610,563 | $ - | $ 15,610,563 |

See Independent Auditors' Report

SOUTHWESTERN COMMUNITY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2021

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE | ASSISTANCE LISTING NUMBER | PASS-THROUGH GRANTOR'S NAME | GRANTOR'S NUMBER | FEDERAL EXPENDITURE | |
|---|---|---|---|---|---|
| **U.S. Department of Agriculture** | | | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) | 10.557 | State of NH, Department of Health & Human Services | 010-090-52600000-102-500734 | | $ 325,849 |
| Child and Adult Care Food Program | 10.558 | State of NH, Department of Education | Unknown | | 165,379 |
| **Food Distribution Cluster** | | | | | |
| Commodity Supplemental Food Program | 10.565 | State of NH, Department of Health & Human Services | 010-090-52600000-102-500734 | $ 2,400 | |
| Commodity Supplemental Food Program (Food Commodities) | 10.565 | Community Action Program Belknap-Merrimack Counties | Unknown | 202,800 | 205,200 |
| Total U.S. Department of Agriculture | | | | | $ 696,428 |
| **U.S. Department of Housing and Urban Development** | | | | | |
| Emergency Solutions Grant Program | 14.231 | State of NH, DHHS, Bureau of Homeless & Housing | 05-95-95-958310-717600000-102-50731 | $ 142,269 | |
| COVID-19 Emergency Solutions Grant Program | 14.231 | State of NH, DHHS, Bureau of Homeless & Housing | 05-95-42-423010-79270000 | 86,100 | $ 228,369 |
| Supportive Housing Program | 14.235 | State of NH, DHHS, Bureau of Homeless & Housing | 05-95-95-958310-717600000-102-50731 | | 116,879 |
| Shelter Plus Care | 14.238 | State of NH, DHHS, Bureau of Homeless & Housing | 05-95-95-958310-717600000-102-50731 | | 309,035 |
| Continuum of Care Program | 14.267 | State of NH, DHHS, Bureau of Homeless & Housing | 05-95-95-958310-717600000-102-50731 | | 371,328 |
| Total U.S. Department of Housing and Urban Development | | | | | $ 1,025,611 |
| **U.S. Department of Labor** | | | | | |
| **WIOA Cluster** | | | | | |
| WIOA Adult Program | 17.258 | Southern NH Services | Unknown | $ 35,453 | |
| WIOA Dislocated Worker Formula Grants | 17.278 | Southern NH Services | Unknown | 11,255 | $ 46,708 |
| Total U.S. Department of Labor/WIOA Cluster | | | | | $ 46,708 |
| **U.S. Department of Transportation Federal Transit Administration (FTA)** | | | | | |
| Formula Grants for Rural Areas | 20.509 | State of NH, Department of Transportation | 04-96-96-964010-2916 | | $ 481,482 |
| **Transit Services Programs Cluster** | | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | State of NH, Department of Transportation | 04-96-96-964010-2916 | | 50,512 |
| Total U.S. Department of Transportation Federal Transit Administration (FTA) | | | | | $ 531,994 |
| **U.S. Department of Treasury** | | | | | |
| Coronavirus Relief Fund | 21.019 | State of NH, DHHS, Division of Economic & Housing Stability | SS-2021-BHS-03-HOUSI-04 | $ 2,210,738 | |
| Coronavirus Relief Fund | 21.019 | New Hampshire Housing | Shelter Decompression | 127,814 | |
| Coronavirus Relief Fund | 21.019 | New Hampshire Housing | Shelter Decompression | 51,625 | |
| Coronavirus Relief Fund | 21.019 | Monadnock Developmental Services, Inc. | Long Term Care Stabilization Program | 58,050 | $ 2,448,227 |

**See Notes to Schedule of Expenditures of Federal Awards**

SOUTHWESTERN COMMUNITY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2021

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE | ASSISTANCE LISTING NUMBER | PASS-THROUGH GRANTOR'S NAME | GRANTOR'S NUMBER | FEDERAL EXPENDITURE | |
|---|---|---|---|---|---|
| **U.S. Department of Treasury (continued)** | | | | | |
| Emergency Rental Assistance Program | 21.023 | New Hampshire Housing | | | $ 1,184,928 |
| Total U.S. Department of Treasury | | | | | $ 3,633,155 |
| **U.S. Small Business Administration** | | | | | |
| Disaster Assistance Loans | 59.008 | Direct Award | EIDL #1272708008 | | $ 150,000 |
| Total U.S. Small Business Administration | | | | | $ 150,000 |
| **U.S. Department of Energy** | | | | | |
| Weatherization Assistance for Low-Income Persons | 81.042 | State of NH, Office of Energy & Planning | 01-02-024010-7706-074-500587 | | $ 257,105 |
| Total U.S. Department of Energy | | | | | $ 257,105 |
| **U.S. Department of Health & Human Services** | | | | | |
| **Aging Cluster** | | | | | |
| Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers | 93.044 | State of NH, Office of Energy & Planning | 01-02-024010-7706-074-500587 | $ 4,867 | |
| Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers | 93.044 | State of NH, DHHS, Bureau of Elderly & Adult Services | 05-95-48-481010-7872 | 37,929 | $ 42,796 |
| **TANF Cluster** | | | | | |
| Temporary Assistance for Needy Families | 93.558 | Southern NH Services | Unknown | | 138,773 |
| Low Income Home Energy Assistance (Fuel Assistance) | 93.568 | State of NH, Office of Energy & Planning | 01-02-02-024010-77050000-500587 | 4,163,409 | |
| Low Income Home Energy Assistance (BWP) | 93.568 | State of NH, Office of Energy & Planning | 01-02-02-024010-77050000-500587 | 158,764 | |
| COVID-19 Low Income Home Energy Assistance | 93.568 | State of NH, DHHS, Administration for Children & Families, Office of Community Services | Grant #2001NHE5C3 | 40,746 | 4,362,919 |
| Community Services Block Grant | 93.569 | State of NH, DHHS, Div. of Family Assistance | 500731 | 367,841 | |
| COVID-19 Community Services Block Grant | 93.569 | State of NH, DHHS, Division of Economic & Housing Stability | 500731 | 234,886 | 602,727 |
| Community Services Block Grant - Discretionary | 93.570 | State of NH, DHHS, Div. of Family Assistance | | | 22,652 |

See Notes to Schedule of Expenditures of Federal Awards

SOUTHWESTERN COMMUNITY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2021

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE | ASSISTANCE LISTING NUMBER | PASS-THROUGH GRANTOR'S NAME | GRANTOR'S NUMBER | FEDERAL EXPENDITURE | |
|---|---|---|---|---|---|
| **U.S. Department of Health & Human Services (continued)** | | | | | |
| **Head Start Cluster** | | | | | |
| Head Start | 93.600 | Direct Funding | 01CH011494 | $ 2,401,431 | |
| COVID-19 Head Start | 93.600 | Direct Funding | 01HE000388 | 131,202 | $ 2,532,633 |
| Total U.S. Department of Health & Human Services | | | | | $ 7,702,500 |
| **U.S. Department of Homeland Security** | | | | | |
| Emergency Food and Shelter National Board Program | 97.024 | State of NH, DHHS, Office of Human Services | Unknown | | $ 11,008 |
| Total U.S. Department of Homeland Security | | | | | $ 11,008 |
| **TOTAL** | | | | | **$ 14,054,509** |

See Notes to Schedule of Expenditures of Federal Awards

## SOUTHWESTERN COMMUNITY SERVICES, INC.

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE YEAR ENDED MAY 31, 2021

**NOTE 1** **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Southwestern Community Services, Inc. under programs of the federal government for the year ended May 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southwestern Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE 2** **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3** **INDIRECT COST RATE**

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

**NOTE 4** **FOOD DONATION**

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

**NOTE 5** **SUBRECIPIENTS**

Southwestern Community Services, Inc. had no subrecipients for the year ended May 31, 2021.

Leone, McDonnell & Roberts
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS
WOLFEBORO • NORTH CONWAY
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STRATHAM

**SOUTHWESTERN COMMUNITY 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
Southwestern Community Services, Inc.
Keene, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statement of financial position as of May 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows, for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 22, 2021.

## Internal Control Over Financial Reporting

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Leone McDonnell & Roberts
Professional Association

October 22, 2021
Wolfeboro, New Hampshire

Leone, McDonnell & Roberts
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS
WOLFEBORO • NORTH CONWAY
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STRATHAM

# SOUTHWESTERN COMMUNITY 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
Southwestern Community Services, Inc.
Keene, New Hampshire

**Report on Compliance for Each Major Federal Program**
We have audited Southwestern Community 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 Southwestern Community Services, Inc.'s major federal programs for the year ended May 31, 2021. Southwestern Community Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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

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

**Opinion on Each Major Federal Program**
In our opinion, Southwestern Community Services, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2021.

**Report on Internal Control Over Compliance**

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

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

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

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

Leone McDonnell & Roberts
Professional Association

October 22, 2021
Wolfeboro, New Hampshire

## SOUTHWESTERN COMMUNITY SERVICES, INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS
## FOR THE YEAR ENDED MAY 31, 2021

### SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Southwestern Community Services, Inc. and related companies were prepared in accordance with GAAP.

2. No significant deficiencies disclosed during the audit of the consolidated financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.

3. No instances of noncompliance material to the consolidated financial statements of Southwestern Community Services, Inc. and related companies, which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*. No material weaknesses are reported.

5. The auditors' report on compliance for the major federal award programs for Southwestern Community Services, Inc. expresses an unmodified opinion on all major federal programs.

6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).

7. The programs tested as major programs were: U.S. Department of Health and Human Services; Low-Income Home Energy Assistance, 93.568, Community Services Block Grant, 93.569, and Head Start, 93.600; and U.S. Department of Treasury; Coronavirus Relief Fund, 21.019, and Emergency Rental Assistance Program, 21.023;

8. The threshold for distinguishing Type A and B programs was $750,000.

9. Southwestern Community Services, Inc. was determined to be a low-risk auditee.

### FINDINGS - FINANCIAL STATEMENTS AUDIT

None

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

None

## SOUTHWESTERN COMMUNITY SERVICES, INC.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
## FOR THE YEAR ENDED MAY 31, 2021

There were no findings or questioned costs that were required to be reported in the Schedule of Findings and Questioned Costs for the year ended May 31, 2020.