



Frank Edelblut  
Commissioner

Christine M. Brennan  
Deputy Commissioner

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF EDUCATION  
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April 12, 2023

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

### REQUESTED ACTION

For inclusion on the Governor and Council consent calendar, authorize the NH Department of Education to enter into a **Sole Source** amendment to an existing contract with the Waterford Institute, Inc. (vendor code 391757) West Jordan, UT, to provide their online UPSTART programming for NH children entering kindergarten, by extending the completion date from June 30, 2023 to June 30, 2024, and expanding the scope of work to incorporate an additional 36 week program, with no change to the price limitation, effective upon Governor and Council. The original contract was approved by Governor and Council on March 09, 2022 (item # 85) and modified on September 26, 2022. 100% Federal Funds.

### EXPLANATION

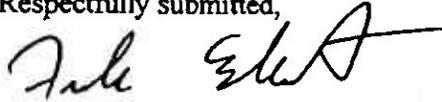
This request is **Sole Source** because the Waterford Institute is the exclusive provider of the UPSTART program. For 45 years, the nonprofit Waterford Institute has worked with government, education, and philanthropic organizations to create innovative, impactful intervention programs for preschool children. We are requesting that the current contract held by Waterford Institute, Inc. be extended through June 30, 2024 to enable the completion of work outlined in the original contract. The extension will allow additional time for recruitment of children to participate in the Waterford UPSTART program, and to expand programming to students entering kindergarten in the fall of 2023.

Focused on serving the world's youngest and most vulnerable learners, Waterford has pioneered blended early learning models, always leveraging the latest technology to personalize learning for every child along with support for teachers and parents. Millions of children have benefited from the ongoing research, development, and enhancement of the Waterford.org curriculum in schools, homes, and learning centers around the world. By developing, optimizing, and scaling cost-effective early learning programs, Waterford relentlessly works towards the mission of inspiring a great start for every child.

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
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Building from a rigorous evidence base, Waterford is now working with state and local educational agencies to begin serving underserved communities across the nation, conducting programs in more than 30 states and with the Navajo Nation. With a strong evidence-base, the UPSTART program hurdles the well-documented preschool access gap, providing proven school readiness supports for children most at risk of school failure because of poverty, PreK access barriers, language differences, and social inequity. In addition, it does so with a remarkably high level of parent satisfaction as measured at the end of the program.

Respectfully submitted,



Frank Edelblut  
Commissioner of Education

**AMENDMENT TO  
PROFESSIONAL SERVICES CONTRACT**

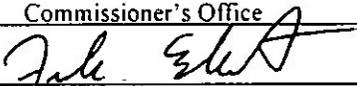
Now come the New Hampshire Department of Education, hereinafter "the Agency," and Waterford Institute, Inc., West Jordan, UT, hereinafter "the Contractor", and, pursuant to an agreement between the parties that was approved by Governor and Council on March 09, 2022 (Item # 85) and modified on September 26, 2022 hereby agree to modify same as follows:

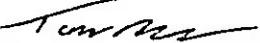
1. Amend Section 1.7 by removing June 30, 2023 and replacing with June 30, 2024
2. Amend Exhibit B by adding:
  - 3.5 Upstart Full Year Program Fiscal Years 2023-2024 - 36-week program
3. All other provisions of this agreement shall remain in full force and effect as originally set forth; and
4. This amendment shall commence upon Governor and Council approval and shall terminate on (June 30, 2024).

This modification of an existing agreement is hereby incorporated by reference to the existing agreement by the parties and must be attached to the said agreement.

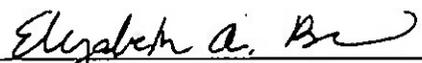
IN WITNESS WHEREOF, the parties, hereto have set their hands as of the day and year first above written.

THE STATE OF NEW HAMPSHIRE  
Department of Education  
(Agency)

Division of Commissioner's Office  
By:  05/02/2023  
Frank Edelblut, Commissioner of Education Date

Waterford Institute Inc.  
Name of Corporation (Contractor)  
By:  4/12/2023  
Thomas Ness, Chief Financial Officer Date

Approved as to form, substance and execution by the Attorney General this 2nd day of May, 2023

  
Division of Attorney General Office

Approved by the Governor and Council this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_

Certificate of Attestation

I, David Andrew Myers, hereby certify that I am a duly appointed representative of  
(Name)

Waterford Institute, Inc. I hereby certify that Tom Ness, CFO is duly  
(Name of Business) (Name & Title of person who signed contract)

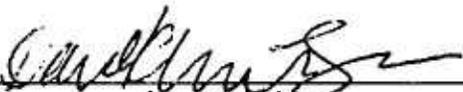
authorized to execute contracts on behalf of Waterford Institute, Inc. and may bind the  
(Name of Business)

organization thereby.

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

Dated: 4/11/2023

Attest:

  
(Name & Title)

President & CEO

# 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 WATERFORD INSTITUTE INC is a Delaware Nonprofit Corporation registered to transact business in New Hampshire on December 22, 2021. 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: 888776

Certificate Number : 0005483192



IN TESTIMONY WHEREOF,  
I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 22nd day of December A.D. 2021.

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

William M. Gardner  
Secretary of State



# CERTIFICATE OF LIABILITY INSURANCE

3/1/2024

DATE (MM/DD/YYYY)

4/4/2023

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).

<b>PRODUCER</b> Lockton Companies 8110 E Union Avenue Suites 100 Denver CO 80237 (303) 414-6000	<b>CONTACT NAME:</b> _____	
	<b>PHONE (A/C No. Pst):</b> _____	<b>FAX (A/C. No.):</b> _____
<b>ADDRESS:</b> _____		
<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURER A: Great Northern Insurance Company</b>		20303
<b>INSURER B: Federal Insurance Company</b>		20281
<b>INSURER C: ACE American Insurance Company</b>		22667
<b>INSURER D:</b> _____		
<b>INSURER E:</b> _____		
<b>INSURER F:</b> _____		

**COVERAGES**      **CERTIFICATE NUMBER:** 19477237      **REVISION NUMBER:** XXXXXXXX

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	ADDITIONAL INSURED	SUBROGATED	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> \$1,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____	N	N	██████████	3/1/2023	3/1/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	N	N	██████████	3/1/2023	3/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED: _____ RETENTION \$: _____	N	N	██████████	3/1/2023	3/1/2024	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ XXXXXXXX
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	██████████	3/1/2023	3/1/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Tech E&O/Cyber Net Business Income	N	N	██████████	3/1/2023	3/1/2024	\$5M per Occ. / \$50k Ret. \$2M / 12 Hours \$5M Agg.

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

**CERTIFICATE HOLDER**      **CANCELLATION**

19477237 New Hampshire Department of Education 101 Pleasant Street Concord NH 03301-3860	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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## **Our Mission**

Waterford.org seeks to blend the best aspects of learning science, mentoring relationships, and innovative technologies to form community, school, and home programs that deliver excellence and equity for all learners.

Right Answers, Right Here.



**TANNER**

Accountants & Advisors



**Waterford Institute**

LEARNING WITH THE SPEED OF LIGHT

**WATERFORD INSTITUTE, INC. AND SUBSIDIARIES**

Consolidated Financial Statements  
And Single Audit Reports

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

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# TANNER

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## Independent Auditors' Report

To the Board of Trustees of  
Waterford Institute, Inc.

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

We have audited the accompanying consolidated financial statements of Waterford Institute, Inc. and subsidiaries (a not-for-profit organization) ("the Organization"), which comprise the consolidated statements of financial position as of August 31, 2021 and 2020, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to consolidated financial statements.

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

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Waterford Institute, Inc. and subsidiaries as of August 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2021 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the Organization's internal control over financial reporting and compliance.

*Tanner LLC*

December 14, 2021

**Consolidated Statements of Financial Position**

	<i>As of August 31,</i>	
	<b>2021</b>	<b>2020</b>
<b><u>Assets</u></b>		
Cash	\$ 43,205,906	\$ 16,780,325
Accounts receivable	14,327,169	18,953,098
Federal program receivables	2,464,215	363,368
Prepaid expenses and other assets	733,888	726,613
Program equipment inventory	4,442,996	723,132
Deferred expenses	1,493,930	1,053,413
Net investment in direct-finance type lease	3,163,362	-
Operating lease right-of-use assets	302,917	-
Finance lease right-of-use assets	155,817	-
Property and equipment, net	191,598	229,535
Total assets	<u>\$ 70,481,798</u>	<u>\$ 38,829,484</u>
<b><u>Liabilities and Net Assets (Deficit)</u></b>		
Accounts payable	\$ 4,210,675	\$ 481,792
Accrued liabilities	4,902,482	3,249,431
Deferred revenue	37,271,673	26,674,200
Deferred income on direct-finance type lease	3,163,362	-
Operating lease liabilities	303,841	-
Finance lease liabilities	130,779	-
Long-term debt	8,576,254	7,108,500
Total liabilities	<u>58,559,066</u>	<u>37,513,923</u>
Commitments and contingencies		
Net assets (deficit):		
Without donor restrictions	3,310,973	(3,930,237)
With donor restrictions	8,611,759	5,245,798
Total net assets	<u>11,922,732</u>	<u>1,315,561</u>
Total liabilities and net assets	<u>\$ 70,481,798</u>	<u>\$ 38,829,484</u>

**Consolidated Statements of Activities**

*For the Years Ended August 31,*

	2021	2020
<b>Change in net assets without donor restrictions:</b>		
Revenues, support, and other income:		
Contracts and grants	\$ 43,326,478	\$ 31,049,624
Contributions	6,697,896	14,972,034
Interest and other income	107,882	96,800
Total revenues, support, and other income	<u>50,132,256</u>	<u>46,118,458</u>
Net assets released from restrictions	<u>4,672,245</u>	<u>2,731,692</u>
Total revenues, support, other income, and reclassifications	<u>54,804,501</u>	<u>48,850,150</u>
Expenses:		
Salaries, wages and benefits	28,994,283	24,173,159
Professional and subcontract fees	4,499,664	4,430,820
Information technology	7,523,031	8,163,545
Business travel	747,347	1,532,113
Advertising and marketing	3,407,682	1,966,482
Facilities	465,651	544,834
Depreciation and amortization	338,008	136,946
Printing and Distribution	861,502	760,933
Other	757,275	806,527
Total expenses	<u>47,594,443</u>	<u>42,515,359</u>
Increase in net assets without donor restrictions before other changes	7,210,058	6,334,791
Foreign currency translation gain	31,152	72,879
Increase in net assets without donor restrictions	<u>7,241,210</u>	<u>6,407,670</u>
<b>Change in net assets with donor restrictions:</b>		
Contributions	8,038,206	4,581,635
Net assets released from restrictions	<u>(4,672,245)</u>	<u>(2,731,692)</u>
Increase in net assets with donor restrictions	<u>3,365,961</u>	<u>1,849,943</u>
Increase in net assets	10,607,171	8,257,613
Net assets (deficit), beginning of the year	<u>1,315,561</u>	<u>(6,942,052)</u>
Net assets, end of the year	<u>\$ 11,922,732</u>	<u>\$ 1,315,561</u>

## Consolidated Statements of Cash Flows

For the Years Ended August 31,

	2021	2020
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 10,607,171	\$ 8,257,613
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	338,008	136,946
Decrease (increase) in:		
Accounts receivable	4,625,929	(12,205,115)
Federal program receivables	(2,100,847)	-
Program equipment inventory	(3,719,864)	915,511
Prepaid expenses and other assets	(230,742)	(288,308)
Deferred expenses	(440,517)	(277,165)
Operating lease expense	37,113	-
Net investment in direct-finance type lease	31,953	-
Increase (decrease) in:		
Accounts payable	3,728,883	(1,567,299)
Accrued liabilities	1,653,051	1,223,156
Deferred revenue	10,597,473	3,277,858
Deferred income on direct-finance type lease	(31,953)	-
Operating lease liabilities	(36,189)	-
Net cash provided by (used in) operating activities	<u>25,059,469</u>	<u>(526,803)</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(29,859)	(52,315)
<b>Cash flows from financing activities:</b>		
Proceeds from long-term debt	1,500,000	3,408,500
Principal payments on long-term debt	(32,246)	-
Payments on finance leases	(71,783)	-
Net cash provided by financing activities	<u>1,395,971</u>	<u>3,408,500</u>
Net change in cash	<u>26,425,581</u>	<u>2,829,382</u>
Cash at beginning of the year	<u>16,780,325</u>	<u>13,950,943</u>
Cash at end of the year	<u>\$ 43,205,906</u>	<u>\$ 16,780,325</u>
<b>Supplemental Cash Flow Disclosure</b>		
Cash paid for interest	\$ 301,083	\$ 239,949
Right-of-use asset and operating lease liability recorded upon adoption of ASU 2016-02, <i>Leases</i>	\$ 340,030	\$ -
Right-of-use asset and finance lease liability recorded upon adoption of ASU 2016-02, <i>Leases</i>	\$ 202,562	\$ -
Initial Net investment in direct-finance type lease	\$ 3,195,315	\$ -

## **Notes to Consolidated Financial Statements**

### **1. Organization and Summary of Significant Accounting Policies**

#### ***Organization***

Waterford Institute, Inc. (DBA Waterford.org) is a Delaware 501(c)(3) not-for-profit organization with a mission to achieve universal literacy for children through equity, access, and family empowerment. Waterford Institute, Inc. along with its subsidiaries are collectively referred to as "Waterford" or "the Organization" throughout the notes to consolidated financial statements. Waterford develops educational tools that guide students along adaptive, individualized learning paths toward fluent reading and lifelong learning. Waterford empowers parents as a child's first teacher and supports teachers in taking the right actions at the right time for their students. Currently, Waterford.org serves hundreds of thousands of children across the United States every year. Waterford's programs have been supported by a variety of governmental and philanthropic organizations, including support from federal grants, The Studio @ Blue Meridian, and TED's Audacious Project.

#### ***Our Programs***

Waterford Upstart helps young children develop cognitive and social-emotional skills in the home by empowering parents to become their child's first and most influential teachers. Waterford Upstart's instructional program is used 15 minutes per day, 5 days a week, guiding children along a personalized path to learn the fundamentals of literacy. Parents are also partnered with coaches who provide tools and insight to help parents continue to work with their children offline. The US Department of Education announced third-party findings that show Waterford Upstart meets the What Works Clearinghouse (WWC) Tier 1 ESSA standards without reservations and shows that it is effective for promoting early literacy outcomes. Waterford Upstart is available to families, including those unserved or underserved by existing Pre-K options, at no cost thanks to government and philanthropic sponsors.

Waterford Reading Academy brings together the child, parent, and teacher to create a strong, supportive environment for academic success. Waterford Reading Academy is a classroom-based program for Pre-K to 6 students, guiding them through the crucial shift from learning to read to reading to learn and beyond through rich literature and age-appropriate texts. Waterford Reading Academy gives teachers a deeper, detailed understanding of where each student is on their learning path and can be seamlessly integrated into their lesson plan. Waterford Reading Academy simultaneously engages and informs parents, empowering them as their child's first and most influential teacher.

Waterford also offers professional development services for educators, communication and training programs for parents (including Family Academy and the Waterford Mentor app), as well as program management of partner services including internet access, computer hardware, and other resources schools and families need to provide equity and excellence for all learners.

#### ***Consolidated Financial Statements***

The consolidated financial statements include the accounts of Waterford Institute, Inc. and the following subsidiaries:

- Waterford Research Institute, LLC ("the Institute"), which is wholly-owned;
- Waterford Institute India, an India not-for-profit corporation, which is a 99.9% owned subsidiary;
- Waterford Research SRL, a for-profit limited liability Romanian company, which is wholly-owned;
- Waterford Holdings, LLC, a wholly-owned subsidiary;
- Project Upstart, Inc., a 501(c)(4) not-for-profit corporation under common control

Waterford Research Institute, LLC holds the operations for the United States of America. Waterford Research SRL and Waterford Institute India perform software development and testing for the Institute. During the year ended August 31, 2021, management initiated the termination of operations of Waterford Institute India and has accrued approximately \$225,000 in the consolidated statement of financial position as of August 31, 2021 for the related expected costs. Waterford Holdings, LLC holds the Institute's debt. Project Upstart, Inc. performs lobbying activities on behalf of Waterford Institute, Inc. All material intercompany balances and transactions have been eliminated in consolidation.

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### ***Basis of Presentation***

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United State of America ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications, as applicable:

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

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

### ***Recent Accounting Pronouncements***

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (Topic 842)* (ASU 2016-02). ASU 2016-02 requires a lessee to recognize assets and liabilities on the statement of financial position for all leases with lease terms greater than 12 months. Lessor accounting will remain largely unchanged from previous guidance; however, ASU 2016-02 provides improvements that are intended to align lessor accounting with the lessee model and with updated revenue recognition guidance. ASU 2016-02 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2021, and early adoption is permitted. The Organization early adopted this standard effective September 1, 2020 using a modified retrospective approach resulting in recording a right-of-use asset and related operating lease liability of \$340,030 and a right-of-use asset and related finance lease liability for finance leases of \$202,562. The Organization elected a transition practical expedient in which short-term leases (12 months and under) will not be capitalized to the statement of financial position but will only be recorded to the Organization's statement of activities, including leases on a month-to-month contract. The Organization also elected a practical expedient to not separate lease and non-lease components. The Organization did not elect the practical expedient to use hindsight in determining the lease terms or assessing impairment of the right-of-use ("ROU") assets. The Organization determined that its incremental borrowing rate of 6.00% was the most appropriate discount rate to use in calculating the right-of-use asset and operating lease liability, as the rate implicit in the lease was not known. Leases that were capital leases under ASC 840 are accounted for as financing leases under ASC 842, while leases that were operating leases under ASC 840 are accounted for as operating leases under ASC 842. Leases with a term of 12 months or less are not recorded on the statement of financial position. The Organization's lease agreements do not contain any residual value guarantees

In May 2021, the Organization leased a building to a third party under a long-term direct finance lease. At lease initiation, the Organization recorded a net investment in direct-finance type lease and deferred income on direct-finance type lease of \$3,195,315.

### ***Estimates***

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

### ***Concentration of Credit Risk***

Waterford maintains cash in bank deposit accounts which, at times, exceed federally insured limits or are not federally insured. To date, Waterford has not experienced a material loss or lack of access to its invested cash; however, no assurance can be provided that access to Waterford's invested cash will not be impacted by adverse conditions in the financial markets.

### ***Receivables***

Receivables are comprised of trade receivables due from customers utilizing the Organization's software as well as amounts due under government contracts. Trade receivables are uncollateralized obligations due under terms requiring payment within 30 days from the invoice date. Unpaid receivables with invoice dates over 30 days past due bear interest at 1.0% per month.

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Receivables are stated at the amount billed plus any accrued and unpaid interest. Accounts with invoices dated over 90 days old are considered delinquent. Interest continues to accrue on delinquent accounts until the receivable is determined to be uncollectible.

Federal program receivables constitute allowable indirect costs incurred under federal grant programs that have not been billed as of year-end.

The carrying amount of receivables is reduced, as necessary, by a valuation allowance that reflects management's best estimate of specifically identified amounts that will not be collected. As of August 31, 2021 and 2020, management determined that no allowance was necessary.

***Program equipment inventory***

As part of the programs of the Organization, students use laptops that are supplied by the Organization for the duration of the course work and may be returned at the end of the term or retained by the student if certain criteria are met. Such equipment is property of the Organization and is amortized over the shorter of its expected useful life of 36 months or at the end of the program when retained by the student. These laptops are amortized using the straight-line method of amortization. Amortization expense for the years ended August 31, 2021 and 2020 approximated \$4,215,000 and \$3,724,000, respectively.

***Property and Equipment***

Property and equipment are recorded at cost when purchased. Depreciation and amortization are computed on the straight-line method over the estimated useful lives of the assets, ranging from 3 to 15 years, or lease terms, if shorter. Maintenance, repairs, and renewals, which neither materially add to the value of the assets nor appreciably prolong their lives, are charged to expense as incurred. Gains and losses from dispositions of property and equipment, if any, are reflected in the consolidated statements of activities.

***Leases***

The Organization leases its facilities under operating leases and records a right-of-use asset and operating lease liability for the net present value of the future minimum lease payments with consideration given for rent escalation or rent concession provisions. The right-of-use asset is amortized on the straight-line basis over the term of the lease and the operating lease liability is reduced over the same period as payments are made to the landlord. For leases with terms of 12 months or less, no right-of-use asset or operating lease liability is recorded in the accompanying statements of financial position.

For lease agreements that contain tenant improvement allowances, the Organization evaluates the following criteria to determine if it is the accounting owner of the tenant improvements constructed using the tenant improvement allowance:

- whether the lease stipulates how and on what a tenant improvement allowance may be spent;
- whether the landlord or the Organization retains title to the improvements;
- the uniqueness of the improvements;
- the expected economic life of the tenant improvements relative to the length of the lease;
- who constructs or directs the construction of the improvements, and
- whether the landlord or the Organization is obligated to fund cost overruns.

The determination of who owns the tenant improvements, for accounting purposes, is subject to significant judgment. In making that determination, the Organization considers all of the above factors. No one factor, however, necessarily establishes its determination. When it is determined that the Organization is the accounting owner, it records the tenant improvements as an asset that is depreciated over the shorter of the lease term or useful life and a reduction to the fixed lease payments in measuring the right-of-use asset and operating lease liability. The Organization has determined it is not the accounting owner of tenant improvements under its current lease agreements.

The Organization also acts as a lessor under a single direct-finance type lease in which one of its buildings is leased to a third party. The Organization has leased the property for 25 years with no guaranteed residual value at the end of the term. Interest income for the period ended August 31, 2021 approximated \$57,000.

#### **Deferred Revenue**

Waterford records deferred revenue for payments received under contracts for which the performance obligations have not been met as of the date of the consolidated statements of financial position.

#### **Revenue Recognition**

The Organization generates revenue through contracts with third parties to use its internally developed educational software delivered as software as a service ("SaaS"), and for services related to the delivery and application of its software. SaaS revenue is recognized over the term of the agreement. Revenue related to services is recognized when the service is performed.

The Organization is also party to cost reimbursement and fee-for-service contracts with government agencies. Revenue related to reimbursed costs is recognized as the costs are incurred. Revenue related to reimbursements for software licenses is recognized over the term of the software's use. Fee-for-service revenue is recognized over the term of the services.

The Organization also generates interest income through a direct finance lease of a building to a third party. Initial direct costs are capitalized and amortized over the term of the lease, if any. The Organization records, at lease inception, the total minimum lease payments receivable from the lessee, the estimated unguaranteed residual value of the asset upon lease termination, the initial direct costs, if any, related to the lease and the related unearned income. Unearned income represents the difference between the sum of the minimum lease payments receivable plus the estimated unguaranteed residual value, minus the cost of the leased asset. Unearned income is recognized as finance income over the term of the lease using the effective interest rate method.

The Organization's revenue streams are reflected in the following table. The Organization has included contribution revenue to allow reconciliation with overall support and revenue in the consolidated statements of activities:

<b>Revenue Type</b>	<b>Timing of Transfer</b>	<b>2021</b>	<b>2020</b>
Government - fee-for-service	Over time	\$ 20,756,860	\$ 14,666,868
Government - cost reimbursement	Point in time	4,746,384	2,232,167
Government - license	Over time	1,416,667	651,667
Philanthropy	Point in time	14,736,102	19,553,669
School relations - license	Over time	8,301,376	6,946,149
School relations - professional development	Point in time	2,768,884	2,313,243
School relations - UPSTART program	Over time	4,830,509	3,660,209
International school relations	Over time	537,310	579,321
Interest income	Point in time	19,182	96,800
Interest income on direct-finance type lease	Over time	57,188	-
<b>Total</b>		<b>\$ 58,170,462</b>	<b>\$ 50,700,093</b>

The Organization capitalizes direct costs to obtain contracts with customers and also defers costs associated with hardware used in contract related operations. Deferred hardware expense is amortized on a straight-line basis over a 3-year life when placed in service. Program participants may retain possession of the hardware if certain conditions are met, at which point any remaining amortization is recorded. Amortization of these costs was \$4,701,913 and \$4,157,424 for the years ended August 31, 2021 and 2020, respectively, and is included with information technology expense on the statements of activities.

The balances of contract assets as of August 31, 2021 and 2020 were \$1,493,930 and \$1,053,413, respectively, and the balances of contract liabilities as of August 31, 2021 and 2020 were \$37,271,673 and \$26,674,200, respectively. The contract assets remaining as of August 31, 2021 are expected to be amortized following the schedule below:

<u>Years Ending August 31:</u>	<u>Amount</u>
2022	\$ 1,342,467
2023	77,975
2024	63,742
2025	9,306
2026	220
Thereafter	220
<b>Total</b>	<b>\$ 1,493,930</b>

### ***Contributions***

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Where commensurate value is not exchanged, revenues from contracts and grants are recorded as contributions.

If a donor restriction expires in the same reporting period in which the support was initially recognized that support is reported as an increase in net assets without donor restrictions. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

### ***Income Taxes***

Waterford Institute, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, Waterford Institute, Inc. remains subject to income taxes on any unrelated business taxable income.

Waterford Institute India and Project Upstart, Inc. are not-for-profit organizations not subject to income tax.

Waterford Research Institute, LLC and Waterford Holdings, LLC are disregarded entities for income tax purposes. The operations and balances of the limited liability companies are combined with Waterford Institute, Inc. for Internal Revenue Service ("IRS") reporting purposes.

Waterford Research SRL is a for-profit limited liability Romanian company subject to taxation on taxable income, if any. To date, this entity has generated net losses. No deferred tax asset associated with this entity is reflected in the consolidated statements of financial position because management does not consider realization of the tax benefit to be more likely than not.

### ***Uncertain Tax Positions***

Management of Waterford believes that it has appropriate support for the income tax positions taken and to be taken on its tax return. A liability for uncertain tax positions initially needs to be recognized in the financial statements when it is more-likely-than-not the position will not be sustained upon examination by tax authorities.

### ***Operations in Foreign Countries***

Waterford has operations or limited operations in India and Romania through foreign subsidiaries. These foreign operations consist primarily of software development and testing activities. These entities' operations are subject to various political,

economic, and other risks and uncertainties inherent in the countries in which they operate. Among other risks, the operations may be subject to the risks of restrictions on transfer of funds; export duties and quotas; changing taxation policies; foreign exchange restrictions; and political conditions and governmental regulations.

**Translation of Foreign Currencies**

Assets and liabilities of foreign subsidiaries are translated into U.S. dollars at the exchange rate at the end of each reporting period. Income and expense items are translated at the weighted average exchange rates for the reporting period. Translation adjustments are included in the consolidated statements of activities.

**Reclassifications**

Certain amounts in the 2020 consolidated financial statements have been reclassified to conform to the current year presentation.

**Subsequent Events**

Management has evaluated subsequent events through December 14, 2021, which is the date the consolidated financial statements were available to be issued.

**2. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the consolidated statements of financial position, comprise the following as of August 31:

	2021	2020
Cash	\$ 43,205,906	\$ 16,780,325
Receivables	14,327,169	18,953,098
Total financial assets	57,533,075	35,733,423
Less amounts not available to be used within one year for general expenditure:		
Net assets with donor restrictions as further described in Note 7	8,611,759	5,245,798
Financial assets available to meet cash needs for general expenditure within one year	\$ 48,921,316	\$ 30,487,625

The Organization regularly monitors liquidity required to meet its operating needs and other commitments using budgets and cash flow projections.

Operations are funded primarily from fees earned for services rendered, cost reimbursement contracts, and charitable donations. The Organization's receivables are due directly or indirectly from governmental entities as well as from private sources. Credit risk associated with receivables is considered to be limited due to high historical collection rates and because the amounts are due primarily from governmental entities.

The Organization has \$8,611,759 and \$5,245,798 of net assets with donor-imposed restrictions as of August 31, 2021 and 2020, respectively. These funds must be used for specific programs that the Organization operates.

The consolidated statements of cash flows identify the sources and uses of the Organization's cash that resulted in generating cash flows from operating activities of positive \$25,059,469 and negative \$526,803 during the years ended August 31, 2021 and 2020, respectively.

### 3. Receivables

Receivables (including trade accounts receivable and program receivables) consisted of the following as of August 31:

	2021	2020
Receivables from government contracts	\$ 9,230,587	\$ 15,591,614
Other trade receivables	7,560,797	3,724,852
Total receivables	\$ 16,791,384	\$ 19,316,466

### 4. Net Investment in Direct-Finance Type Lease

The following is a summary of information pertaining to the net investment in the direct-finance type lease:

	2021
Future minimum lease payments receivable	\$ 4,407,582
Unearned income	(1,244,220)
	\$ 3,163,362

As of August 31, 2021, future minimum lease payments receivable under the terms of the direct-finance lease are summarized as follows:

Years Ending August 31:	Amount
2022	\$ 130,809
2023	134,079
2024	137,427
2025	140,865
2026	144,381
Thereafter	3,720,021
Total lease payments receivable	\$ 4,407,582

Interest income under this lease was \$57,188 for the year ended August 31, 2021.

### 5. Property and Equipment

Property and equipment consisted of the following as of August 31:

	2021	2020
Computer equipment and software	\$ 356,243	\$ 1,255,806
Office furniture and equipment	150,027	150,027
Leasehold improvements	135,864	130,342
Vehicles	-	36,998
Total cost	642,134	1,573,173
Less accumulated depreciation and amortization	(450,536)	(1,343,638)
Property and equipment, net	\$ 191,598	\$ 229,535

## 6. Long-Term Debt

	2021	2020
Note payable to a financial institution, requiring monthly interest payments at an interest rate of 6%, with the note principal payable in two lump sums on Dec 31, 2022 and September 30, 2024, secured by all assets of Waterford.	\$ 5,200,000	\$ 3,700,000
Note payable to a financial institution, with fixed interest of 1.0% per annum, maturing in December 2026. The loan has a monthly principal repayment commitment from November 2021 to December 2026. The loan was issued under the Paycheck Protection Program (PPP) and may be forgiven if certain conditions are met. Management believes that the Organization has met the necessary conditions for forgiveness. However, given that the PPP program is new and guidance on the application for forgiveness is still evolving, management has determined not to recognize forgiveness until it is confirmed that the loan has been legally forgiven.	3,376,254	3,408,500
	<u>\$ 8,576,254</u>	<u>\$ 7,108,500</u>

The \$5,200,000 note requires that Waterford meet certain financial covenants, including total customer bookings and required minimum increases in net assets. As of August 31, 2021, management believes that Waterford was in compliance with these covenants. Failure to maintain compliance with the loan covenants could result in an increase in interest expense or a demand for repayment of the outstanding loan balance.

In October 2020, Waterford amended the financial institution note to extend the maturity date of the \$3,700,000 principal to September 30, 2024 and drew an additional \$1,500,000, \$1,200,000 of which matures on December 31, 2022, and \$300,000 of which matures on September 30, 2024.

As of August 31, 2021, maturities of long-term debt are as follows:

<u>Years Ending August 31:</u>	<u>Amount</u>
2022	\$ 628,665
2023	1,856,902
2024	663,505
2025	4,670,169
2026	676,902
Thereafter	80,111
	<u>\$ 8,576,254</u>

## 7. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of August 31:

	2021	2020
Funds for UPSTART program expansion and operations	\$ 8,435,986	\$ 5,220,796
Other	175,773	25,002
<b>Total net assets with donor restrictions</b>	<b>\$ 8,611,759</b>	<b>\$ 5,245,798</b>

## 8. Commitments and Contingencies

### *Lease Obligations*

Waterford leases office and warehouse space and equipment under non-cancelable operating leases with terms ranging from one to five years. Minimum future rental payments under operating leases are as follows:

<u>Years Ending August 31:</u>	<u>Amount</u>
2022	\$ 422,660
2023	78,892
2024	55,289
2025	56,947
2026	58,656
Thereafter	14,771
<b>Total minimum future rental payments</b>	<b>\$ 687,215</b>

Rental expense under operating leases was approximately \$470,000 and \$456,000 for the years ended August 31, 2021 and 2020, respectively.

Minimum future payments under finance leases are as follows:

<u>Years Ending August 31:</u>	<u>Amount</u>
2022	\$ 46,263
2023	40,756
2024	37,065
2025	11,996
<b>Total minimum future rental payments</b>	<b>\$ 136,080</b>

Finance lease cost consisted of approximately \$46,745 of amortization of the assets and \$4,342 of interest expense for the year ended August 31, 2021.

### *Self-Funded Health Plan*

The Organization has a self-funded health insurance plan. The Organization pays amounts to a third-party administrator, which are used to pay the (a) qualifying portion of medical and prescription claims, (b) administrative costs, and (c) premiums for individual and aggregate reinsurance policies. The Organization's reinsurance policies cover all individual claims over \$125,000 and aggregate claims over \$1,000,000. Obligations for both claims reported but not paid and claims that have been incurred but not reported as of August 31, 2021 approximated \$245,000.

**COVID-19**

The COVID-19 pandemic has caused disruption through voluntary and mandated closures of businesses throughout the United States. While the disruption is expected to be temporary, there is continuing economic uncertainty. The potential effects of the pandemic on the Organization's future financial position or results of operations are unknown.

**9. Functional Expenses Expense Allocation**

The costs of providing various programs and other activities have been presented on a functional basis, as shown below, for the years ended August 31:

2021	General and			Total
	Program	Administrative	Fundraising	
Salaries, wages and benefits	\$ 26,373,566	\$ 2,371,125	\$ 249,592	\$ 28,994,283
Professional and subcontract fees	4,092,951	367,978	38,735	4,499,664
Information technology	6,843,044	615,226	64,761	7,523,031
Business travel	679,796	61,118	6,433	747,347
Advertising and marketing	3,099,671	278,677	29,334	3,407,682
Facilities	423,562	38,081	4,008	465,651
Depreciation and amortization	307,456	27,642	2,910	338,008
Printing and Distribution	783,633	70,453	7,416	861,502
Other	688,827	61,929	6,519	757,275
<b>Total expenses</b>	<b>\$ 43,292,506</b>	<b>\$ 3,892,229</b>	<b>\$ 409,708</b>	<b>\$ 47,594,443</b>

2020	General and			Total
	Program	Administrative	Fundraising	
Salaries, wages and benefits	\$ 22,099,322	\$ 1,901,017	\$ 172,820	\$ 24,173,159
Professional and subcontract fees	4,050,696	348,447	31,677	4,430,820
Information technology	7,463,187	641,995	58,363	8,163,545
Business travel	1,400,672	120,488	10,953	1,532,113
Advertising and marketing	1,797,776	154,647	14,059	1,966,482
Facilities	498,092	42,847	3,895	544,834
Depreciation and amortization	125,197	10,770	979	136,946
Printing and Distribution	695,652	59,841	5,440	760,933
Other	737,334	63,427	5,766	806,527
<b>Total expenses</b>	<b>\$ 38,867,928</b>	<b>\$ 3,343,479</b>	<b>\$ 303,952</b>	<b>\$ 42,515,359</b>

Indirect costs have been allocated among the program and supporting services benefited. The Organization uses headcount to allocate indirect expenses included within each expense category noted above.

**10. Retirement Plan**

Waterford sponsors a defined contribution retirement plan under IRS Code Section 403(b) ("the Plan"). Employees of Waterford working at least 1,000 hours per year generally may participate in the Plan. Participants may make contributions to the Plan with Waterford matching up to 5% of employee compensation. Contributions by employees are limited by law. Total contributions to the Plan by Waterford for the years ended August 31, 2021 and 2020 were approximately \$744,000 and \$535,000, respectively.

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**11. Business and Credit Risk Concentrations**

Concentrations of revenues, support and other income from sources representing more than 10% of total revenues, support and other income were as follows for the years ended August 31:

	2021	2020
State of Utah	35%	30%
Donor A	*	20%

Concentrations of receivables due from sources representing more than 10% of total receivables were as follows as of August 31:

	2021	2020
State of Utah	40%	76%
U.S. Department of Education	15%	*

Concentrations of purchases paid to vendors representing more than 10% of total purchases were as follows as of August 31:

	2021	2020
Vendor A	33%	*

\*Did not meet criteria

**Schedule of Expenditures of Federal Awards**

Year Ended August 31, 2021

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA/AL Number	Contract Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>United States Department of Education</b>				
Education Innovation and Research	84.411A	U411A180001	N/A	\$ 3,468,605
Passed through from the state of Mississippi:				
COVID-19 - Education Stabilization Fund (MS GEERS)	84.425C	S425C200045 GEER-00001	GEER-00001	1,996,188
COVID-19 - Education Stabilization Fund (MS GEERS)	84.425C	S425C200045 GEER-00076	GEER-00076	124,452
				<u>2,120,640</u>
Total United States Department of Education				<u>5,589,245</u>
<b>United States Department of Health and Human Services</b>				
Passed through from the state of Ohio:				
Temporary Assistance for Needy Families	93.558	1901OHTANF	G-2021-17-0420	573,806
Total federal expenditures				<u>\$ 6,163,051</u>

**Note 1 - Basis of Presentation**

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

**Note 2 – Summary of Significant Accounting Policies**

(1) 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.

(2) Pass-through entity identifying numbers are presented where applicable.

**Note 3 – Indirect Cost Rate**

Waterford has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



# TANNER

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**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 Trustees of  
Waterford Institute, Inc.**

We have audited, 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, the consolidated financial statements of Waterford Institute, Inc. and subsidiaries ("Waterford"), which comprise the consolidated statement of financial position as of August 31, 2021, the related consolidated statements of activities and cash flows for the year then ended, and the related notes to consolidated financial statements, and have issued our report thereon dated December 14, 2021.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Waterford's financial statements are free of material misstatement, we performed tests of Waterford's compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such

an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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 Waterford's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Waterford's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Tanner LLC*

December 14, 2021



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

To the Board of Trustees of  
Waterford Institute, Inc.

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

We have audited Waterford Institute, Inc. and subsidiaries' ("Waterford") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Waterford's major federal program for the year ended August 31, 2021. Waterford's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for Waterford's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("the 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 Waterford'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 the major federal program. However, our audit does not provide a legal determination on Waterford's compliance.

### **Opinion on the Major Federal Program**

In our opinion, Waterford complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2021.

### **Report on Internal Control Over Compliance**

Management of Waterford 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 Waterford's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the

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 Waterford'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*Tanner LLC*

December 14, 2021

**Schedule of Findings and Questioned Costs**

**Year Ended August 31, 2021**

**Summary of Auditors' Results:**

**Financial Statements**

Type of auditors' report issued: Unmodified.

Internal control over financial reporting:

- Material weakness (es) identified?  yes  no
- Significant deficiency(s) identified that are not considered to be material weaknesses?  yes  none noted

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major program:

- Material weakness (es) identified?  yes  no
- Significant deficiency(s) identified that are not considered to be material weaknesses?  yes  none noted

Type of auditors' report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?  yes  no

Major program:

**CFDA Number**                      **Name of Federal Program or Cluster**

84.425C                      Education Stabilization Fund (MS GEERS)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

***Schedule of Findings and Questioned Costs - Continued***

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**FINDINGS – FINANCIAL STATEMENT AUDIT.**

None.

**FINDINGS – FEDERAL SINGLE AUDIT**

None.

***Summary Schedule of Prior Audit Findings***

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**FINDINGS – FINANCIAL STATEMENT AUDIT**

None.

**FINDINGS – FEDERAL SINGLE AUDIT**

None.



## **Board of Directors**

The current Waterford.org Board of Trustees includes:

**Allison Gushée Molkenthin** (Board Chair & Governance Committee Chair)  
*Managing Director, Bentley Associates*

**Stephanie J. Monroe** (Board Vice Chair)  
*President and Founder, Wrenwood Group, LLC*

**Benjamin Heuston, PhD**  
*Executive Director, Waterford.org*

**Ann Christensen** (Finance Committee Chair)  
*President, Christensen Institute*

**James Holbrook** (Secretary & Treasurer)  
*Professor of Law, University of Utah*

**Ernest Blackwell**  
*Founder and CEO, Equity and Beyond*

**Todd Cranney** (Outreach Committee Chair)  
*Partner, Riverwood Strategies*

**Wayne Ysaguirre**  
*Executive Director, Care Institute*

The following website provides a short biography on each Board Member:

<https://www.waterford.org/about/>



# Waterford.org

## Rebecca Kelley

Executive Vice President of Advocacy

rebeccakelley@waterford.org

### *Summary*

Rebecca Kelley joins Waterford as the Executive Vice President of Advocacy. In this role, Rebecca works to expand Waterford Upstart's reach to new states through pilot programs and state-wide implementations. Prior to joining Waterford, she worked for the National 4-H Council and the YMCA of the USA. Rebecca holds a J.D. from the University of Cincinnati College of Law and is also a graduate of Goucher College.

### *Professional Experience*

Executive Vice President of Advocacy

2022–Present

Taylorsville, UT

- Advances the organizational reach and growth by initiating, expanding, and scaling programs
- She establishes and maintains productive peer-to-peer relationships with philanthropic, federal, and state decision-makers, influencers, and advocates
- Advises the CEO and Board of Directors on all matters of legislative consequence by monitoring and assessing state and local public policy
- Collaborates with the Board of Trustees, key Waterford experts on staff, and harnesses her own public presence to represent Waterford and its message in a compelling and inclusive way in public and private settings, including expert panels, formal speaking engagements, legislative and agency hearings, and small group meetings at national and state levels
- Supports revenue sustainability through effective organizational design, innovative implementation, and cross-functional team alignment

Director of Development, Foundations, National 4-H Council

2016–2022

Chevy Chase, MD

- Supported "Opportunity for All" goals focused on increasing economic mobility and equity
- Crafted solutions and scaling partnerships to accelerate change, including Common Measures evaluation system, True Leaders in Equity initiative, Access Equity and Belonging strategic planning, Well Connected Communities health and well-being initiative, National Character Initiative Community of Practice (member of Strategy Group), and civic engagement
- Strategized across Resource Development, including planning, cultivation, new business development, donor deliverables, and reporting
- Contributed to donor inquiries, including one leading to a \$50M Mackenzie Scott gift.
- Shepherded and stewarded \$15.6+ million Robert Wood Johnson Foundation, \$10+ million S.D. Bechtel, Jr. Foundation, \$3.5 million Margaret A. Cargill Philanthropies, and \$900K W.K. Kellogg Foundation relationships



- Facilitated thought leadership opportunities, including Aspen Institute K-12 Climate Action youth voice blog, Stanford Social Innovation Review response on the rural - urban philanthropic divide, and National Afterschool Association's Youth Today feature on equity in positive youth development

National Director, Achievement Gap Initiatives, YMCA of the USA 2013–2016  
Chicago, IL

- Provided leadership to cradle to career youth development signature program areas, including early learning, summer learning loss prevention, and afterschool
- Partnered with BELL (Building Educated Leaders for Life, now BellXcel) to scale evidence-based summer learning program, then reaching 5,000+ Power Scholars Academy students across 60 program sites
- Leverage \$9 million direct annual investments to incentivize social innovation to close achievement gap for low-income students served via school-community partnerships in 172 cities in 48 states
- Oversaw delivery for multi-year grant awards from the Wallace Foundation, Margaret A. Cargill Philanthropies, Annie E. Casey Foundation, JCPenney, and leading individual and family investors
- Shared annual progress to YMCA of the USA board, funders, advisors, Achievement Gap Fellows, 850 local Y associations, and media outlets
- Developed and coached team of 14 project managers, regional and state level managers, technical advisors, and project coordinators, while interfacing with internal support teams from training and knowledge management; research, evaluation, and data services; financial development; finance; human resources; legal; marketing, communication; public policy; and local Y executives and their community partners, including school districts
- Engaged in thought leadership, as well as federal, state, and local policy development, promotion of STEM and social-emotional learning advancement
- Served on multiple National Office teams for \$7 billion non-profit with 2,700 locations, 250,000 employees, and 600,000 volunteers serving 22 million people in 10,000 communities across the U.S.

Director, Knowledge & Innovation, Strive Network 2012–2013  
Cincinnati, OH

- Produced field-building information that synthesized learning at the local, state, and national level, partnered with external evaluators and communities to increase quality, and generated resources to support cradle to career collective impact, including the Strive Student Success Dashboard and Community Impact Report Card tools
- Drafted narrative and financial reports, as well as applications and renewals valued at over \$2 million, for the following foundations: MetLife Foundation, Annie E. Casey Foundation, Lumina, Living Cities, Ford Foundation, and Robert Wood Johnson Foundation

Vice President, YMCA of Greater Cincinnati 2000–2012  
Cincinnati, OH

- Vice President (2007-2012):

- Provided association leadership as member of Operations Team for a complex multi-branch organization (\$41 million) that serves 134,000 members in a tri-state, 5-county region (suburban, rural, urban) through 17 branches, 75+ “off” site locations, and 6 childcare centers with diversified revenue streams, including philanthropic contributions, contracted services, and earned income from health and wellness, youth and family programs, resident camp; aquatics, and other community-building services
- Led public policy advocacy efforts in tri-state area for regional and Association issues, including representing YMCA in Washington, DC, Columbus, OH and Frankfort, KY
- Selected to serve as a staff champion in Vision 2020 Strategic Planning process and worked with staff and board to develop three-year plan adopted in December 2008
- Assisted Asset Builders Alliance director in evaluation, program and partnership development
- Led Activate America: Pioneering Healthy Communities team of civic and health representatives in new Centers for Disease Control and Prevention policy and environmental change initiative
- Executive Director, Community Services (2005-2012):
  - Developed private-public partnerships and solutions to build strong kids, strong families, and strong communities, including \$18 million Community Learning Center partnership with Cincinnati Public School District and several partnerships in Northern Kentucky (Dayton, KY; Ryland Heights, KY; Elsmere, KY)
  - Served as district-wide resource coordinator director for Cincinnati Public School’s Community Learning Center initiative and develop key collaborations in college access, youth leadership, health, arts, recreation, tutoring, parent engagement, and more
  - Oversaw development of 120-agency CincyAfterSchool Regional Network
  - Created CincyAfterSchool Tutoring to reach more youth with math and reading interventions afterschool
  - Developed youth and community development initiatives, including annual Youth in City Government events
  - Recruited, oriented, and guided branch board members in YMCA leadership
  - Annual staff satisfaction survey rating noted 30-40% branch differential affirmed staff development investment
  - Managed 13-acre summer camp and outdoor pool site in Kenton County and 7,000 square foot, year-round teen center in Campbell County
  - Tripled branch size in two years; Quadrupled branch budget in three-year period.
- Director, Financial Development (2000-2005):
  - Increased grant revenue from \$38,000 to over \$5 million in four years
  - Initiated YMail e-newsletter that now reaches over 10,000 member and donor households
  - Oversaw growth of 200-member Heritage Club and planned giving program
  - Managed multi-million operating grant proposal process and relationships with corporations, foundations, and government agencies annually
  - Coordinated over \$10 million in capital campaign requests for Answering the Call capital campaign, including campaigns in Northern Kentucky and Southern Indiana
  - Developed policies and procedures in conjunction with volunteers and board members
  - Produced annual Association’s campaign communications materials
  - Upgraded donor website to add on-line giving and matched gift search functions
  - Solicited major gifts for annual, capital, and special needs



- Executed special events to build visibility and generate support with average attendance of 500 per event
- Initiated Metropolitan Office and Branch prospect clearance system to decrease donor confusion and build better relationships with donors

Vice President, Urban League of Greater Cincinnati

1998-2000

*Cincinnati, OH*

- Doubled agency budget and strengthened capacity for community partnerships in education and youth services
- Responsible for agency fund-raising efforts, volunteer development, and management of youth, family and community programs with 12 full-time staff and 33 part-time staff
- Researched, coordinated and produced an average of 3 proposals each month to government agencies, corporations, foundations, individuals, and community partners
- Coordinated agency's United Way outcomes reports
- Created and oversaw program implementation plan for Campaign for Achievement's youth, family and community initiatives

### *Education*

Juris Doctorate, University of Cincinnati College of Law  
Cincinnati, OH 1994-1997

Bachelor of Arts, Goucher College  
Baltimore, MD 1989-1993



# Waterford.org

## Dr. LaTasha Hadley

Vice President, State Education Partnerships

latashahadley@waterford.org

### *Summary*

Dr. LaTasha Hadley is an established early childhood leader, competent teacher, and an effective presenter in the field of early childhood education. She serves as the Vice President of State Education Partnerships at Waterford, where she coordinates early reading pilot programs across the United States. Dr. Hadley holds a Class 4A Educator License in Mississippi and is an Approved Trainer for the Mississippi State Department of Health Child Care Licensure Division. Dr. Hadley previously served as Director of the Lottie W. Thornton Early Childhood Center and as the Director of Alcorn State University Child Development Laboratory Center, where she developed outstanding mentoring programs to increase the engagement of young parents in their children's education. Dr. Hadley earned a Doctorate of Early Childhood Education degree from Jackson State University and Master of Science degrees in both Elementary and Secondary Education from Alcorn State University.

### *Professional Experience*

Vice President, State Education Partnerships, Waterford 2017–Present

Sandy, UT

- Identify and cultivate positive partner relationships to ensure the success of the kindergarten-readiness Upstart program
- Coordinate the launch of new pilot programs from outreach to implementation
- Motivate and direct a staff of Family Education Liaisons that are responsible for maintaining participant usage and relationships
- Provide feedback on opportunities for continuous improvement of Upstart
- Successfully train participants and Family Education Liaisons to increase software usage and program participation and promote the importance of early education
- Prepare and present program reports and presentations to partners and stakeholders
- Assist in outreach efforts to increase awareness of the Upstart program

Director/Teacher, Lottie W. Thornton Early Childhood Center, 2013–2017  
Jackson State University

Jackson, MS

- Assured compliance with the Mississippi State Department of Health
- Monitored curriculum instruction and implementation
- Conducted presentations on child care related topics for center employees and students
- Attended required licensing workshops with the State Department of Health
- Monitored and evaluated center employees and student workers

**Director/Teacher, ASU Child Development Laboratory Center, Alcorn State University** 2010–2013

Alcorn State, MS

- Developed and implemented the Kinder Bound Program
- Conducted presentations on child care related topics for center employees and students
- Received grant funding from Waterford Institute for educational software
- Assured compliance with the Mississippi State Department of Health
- Monitored curriculum instruction and implementation
- Attended required licensing workshops with the State Department of Health
- Monitored and evaluated center employees and student workers
- Increased professional development of all Staff members

**Assistant Project Coordinator, Department of Human Sciences, Alcorn State University** 2009–2010

Alcorn State, MS

- Mentor Teacher Program
- Assisted chairperson in the development of documents, publications, and curriculums related to various grant funded projects
- Coordinated programs, events, and activities
- Tracked data and prepared reports for funding agencies
- Attended and participated in grant funded training and reporting sessions
- Interviewed potential candidates for employment on special projects
- Monitored performance of project employees

**Secretary, ASU Extension Program/School of AREAS, Alcorn State University** 2007–2009

Alcorn State, MS

- Performed confidential and complex administrative tasks in support of the Dean
- Co-maintained varied administrative records for preparation and typing of complex, technical, and confidential matters
- Assisted in coordination of logistics for unit functions and events
- Collaborated with support staff in the implementation of administrative duties
- Supervised student office workers
- Performed various financial operations within the Banner system

### *Consultant Work*

**Lead Early Childhood Trainer, Loving Hands Educational Services** 2016–Present

Byram, MS

**Child Care Approved Staff Trainer, Mississippi State Department of Health** 2011–Present

Jackson, MS

**Partner/Chief Operating Officer, Better Equipped, Inc.** 2012–2015

Vicksburg, MS

### *Academic Experience*

**Adjunct Instructor, Jackson State University** 2013–Present

Jackson, MS

- Taught undergraduate courses in the area of Early Childhood Education
- Developed syllabus for all classes taught
- Used effective motivation to help stimulate a personal desire to learn the subject/skills
- Practiced excellence in teaching and instruction
- Followed approved policies and procedures in conducting instructional activities
- Demonstrated evidence of professional growth and academic currency

#### **Courses Taught**

- EDCI 221 Administration of Child Care Services
- EDCI 120 Practical Child Care Experiences
- EDCI 305 Child Guidance in Early Childhood
- LS 301 Literature for Children
- EDCI 400 Theory & Principles in Early Childhood Education
- EDCI 505 Assessing the Young Child

**Adjunct Instructor of Child Development, Alcorn State University** 2011–Present

Alcorn State, MS

- Coordinated two Early Literacy Programs for over 400 local preschool students from public schools, child care programs, and private center
- Developed curriculum and syllabi for the courses taught
- Demonstrated evidence of professional growth and academic currency
- Used effective motivation to help stimulate a personal desire to learn the subject/skills
- Practiced excellence in teaching and instruction

#### **Courses Taught**

- CD 280 Issues and Trends
- CD 302 Child Care Administration
- CD 420 Child and Community Life
- HS 475 Consumer Education

### *Education*

Doctorate of Education, Early Childhood Education

Jackson State University—December 2015

Master of Science, Early Childhood Education

Alcorn State University—December 2012

Master of Science, Secondary Education

Alcorn State University—May 2009

Bachelor of Science, Business Administration

Alcorn State University—May 2007

Associate in Arts, Business Administration

Copiah-Lincoln Community College—2005

### *Grant and RFP Funded Project Leadership*

Project Director, Governor's Emergency Education Response, GEER Fund—Mississippi RFP for Essential Emergency Education Services—Round 1 2020–2021

- Priority 1: Early Care and Education Services for Very Young Children
- \$1,996,187.69 to serve 2,500 four-year-old children and their families who have been negatively impacted by COVID-19 with the Upstart Pandemic Recovery Path accelerated learning model
- Led all aspects of project implementation, including collaboration with 21 partners, including 18 Head Start agencies, Jackson Public Schools, and 2 local nonprofits

Project Director, Governor's Emergency Education Response, GEER Fund—Mississippi RFP for Essential Emergency Education Services—Round 1 2021

- Priority 1: Early Care and Education Services for Very Young Children
- Awarded \$124,451. Building from partnerships three statewide coalitions of childcare agencies, this project recruited and served 75 licensed childcare centers—nearly 10% of the state's licensed agencies—to participate as partners in implementing the Waterford Childcare Providers Ready to Learn Path. This model included using Upstart's early learning software in the childcare center, ongoing provider coaching and state-accredited professional development, and supports for family engagement and parent empowerment.
- Led all aspects of project implementation, including collaboration with a statewide network of childcare providers. Developed and led state-accredited professional development for childcare providers, who earned professional development contact hours upon completion.



**Pilot Director, Audacious Project** **2019–2024**

- Awarded \$26M to implement the Upstart program in all 50 states over five years.
- Supervise a team of state pilot directors and manage all pilot programs, including partnership development, recruitment, training, and support. These pilots serve diverse populations, including Spanish-speaking, African American, Native American, refugee, and economically at-risk children.

**Education Director, Indiana Family & Social Services Administration, RFI-18-078, Technology Based In-Home Early Education Services** **2018–Present**

- Awarded up to \$1M each year to serve 350 children with the Upstart program in Indiana.
- Led the hiring, training, and supervision of local project personnel, as required by the Grant. These personnel were Licensed Early Education Providers who helped with recruiting and supported all aspects of the program implementation locally, with personal supports, assessment, and visits with participating children and families.

**Upstart Program Director, NewSchools Ignite Early Learning Challenge, preK-2nd Grade** **2017–2018**

- Awarded \$75K to implement a pilot program in Arizona.
- As Pilot Program Director, LaTasha led all elements of program implementation for a new Upstart pilot in Arizona.

### *Selected Presentations*

Hadley, L. & Alvarez, N (2022). COVID Cliff Presentation Series. Virtual Events.

Hadley, L. & Burns, C. (2021). Waterford Upstart: A Targeted Support to Combat COVID Learning Loss. NHSA National Conference. Virtual Event.

Shamir, H., Baesler, K., Hadley, L., & Plewa, B (2020). Reaching Young Rural Learners: Using the Waterford Upstart EIR Expansion Grant to Ensure Kindergarten Readiness in the Great Plains. National Forum to Advance Rural Education: 112<sup>th</sup> NREA Convention and Research Symposium Virtual Event.

Hadley, L. (2016). The Importance of Early Childhood Curriculum. Jackson State University. Jackson, MS

Brown, L. (2014). Embracing Literacy through Technology in Early Childhood Education. Mississippi Early Childhood Alliance Conference. Jackson State University. Jackson, Mississippi.

Brown, L. (2014). Embracing Literacy through Technology in Early Childhood Education. 7th Annual Ruth Searcy Literacy Conference. Jackson State University. Jackson, Mississippi.



Brown, L. (2013). *Social & Emotional Development: Building Positive Relationships & Supportive Learning Environment*. Jackson State University Mississippi Learning Institute. Jackson, MS.

Brown, L. (2011). *Mining the Academic Treasures of Children Books*. Mississippi Early Childhood Alliance Conference. Jackson State University. Jackson, Mississippi.

### *Licenses and Credentials*

Credential Director of Child Development  
Mississippi Department of Human Services—2009

Licensed Staff Trainer  
Mississippi State Department of Health, Child Care Licensure—July 2011

State of Mississippi Educator Class 4A License  
Endorsements in Business Education (7-12), Elementary Education (K-3), Guidance Counselor (K-12), and Pre-Kinder-Kindergarten

*A full curriculum vita is available upon request.*



# Waterford.org

## James Lund

Vice President of Program Success

[jimlund@waterford.org](mailto:jimlund@waterford.org)

### *Summary*

James Lund leads the Waterford Upstart Implementation Team, which includes all aspects of program training and support—programmatics and technological. Lund has a diverse background spanning roles in classroom instruction, building and leading user experience and professional development teams, and managing IT and back office systems. His familiarity with both the education and non-education spaces gives him a unique perspective on diverse ways to approach partner and participant needs and concerns.

### *Professional Experience*

**Vice President of Program Success, Waterford** 2020–Present

- Leads Waterford’s Implementation Team, whose key objectives include implementation fidelity, client success, and ensuring equity, student growth, and parent engagement
- Oversees all programmatic and technical aspects of training and support

**Vice President of Online Education, Online Trading Academy** 2018–2020

- Managed the education team responsible for building exceptional online financial education to enrich lives worldwide
- Responsible for student success and customer care teams

**Vice President of Education Success, MIND Research Institute** 2013–2018

- Managed a services organization that implemented, trained, and supported MIND programs
- Drove student success through best practice adoptions that featured innovative professional development for teachers, principals, and district leaders
- Also responsible for the IT team, back office systems, desktop support, and all production systems
- Oversaw the renewal teams tasked with building deep, lasting relationships with school and district partners

**Vice President of Customer Experience, GuideK12** 2012–2013

- Managed a complex customer experience organization that included implementation, support, training, distance learning, professional consulting, and customer community functions



**Vice President of Customer Experience, TH(i)NQ Ed** 2010–2011

- Managed staff development, implementation, design, support, training, content, distance learning, customer community, professional services, and CRM teams
- Responsible for building a knowledgeable and informed community of users focused on maximizing their use of TH(i)NQ Ed software to interact, communicate, and engage learners at all levels

**Director of Product Education and Services, Pearson** 2006–2010

- Created and delivered world-class customer education and internal professional development programs, including large group events, classroom instruction, partner certification, and distance learning across a variety of products
- Managed the professional services and consulting teams with the commitment to delivering each project on time, on budget, and with high customer satisfaction

**Manager of State Reporting and Engineering, Apple Computer** 2001–2006

- Managed a complex customer experience organization that included implementation, support, training, distance learning, professional consulting, and customer community functions

**Teacher and Technology Administrator, Minnesota Schools** 1986–2001

- Directed high school orchestras and taught music theory and history
- Developed and designed training programs in support of District objectives that emphasized active learning and ongoing assessment
- Created, implemented, integrated, and maintained online resources including assessment, standards, and curriculum management tools

### *Education*

**Master of Arts, Technology for Training and Development**  
The University of South Dakota

**Bachelor of Arts, Music Education**  
Luther College



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## Melinda Dalton

Director of Training and Quality  
melindadalton@waterford.org

### *Summary*

Melinda Dalton is the Director of Training and Quality at Waterford, where she ensures that clients have the knowledge and skills to optimize their use of Waterford's high impact solutions. As the former Waterford Training Manager, Melinda was well qualified to take on these new responsibilities. Prior to joining Waterford, she gained practical experience into the needs of PreK and elementary educators as a PreK Literacy Specialist and 2<sup>nd</sup>-4<sup>th</sup> grade teacher. Melinda holds a Bachelor of Science degree in Elementary Education from Southern Utah University.

### *Professional Experience*

Director of Training and Quality, Waterford 2020–Present

- Manages the Training and Quality teams through using JIRA and Confluence
- Mentors team members
- Grows the Waterford Upstart team through analyzing data and creating training

Training Manager, Waterford 2018–2020

- Created training for new hires and ongoing training for Program Coaches
- Managed Waterford Upstart projects
- Created and maintained processes

PreK Literacy Specialist, Garfield School District 2014–2018

- Served as the literacy specialist for PreK
- Collaborated with preschool teachers on curriculum needs and tools

Teacher, Utah Virtual Academy 2012–2014

- Taught grades 2-4 at Utah Virtual Academy
- Delivered online instruction in Math, Language Arts, and Science

### *Education*

Bachelor of Science in Elementary Education

Southern Utah University, Cedar City, UT–1995

- Elementary Education K-8 Level 2 Teaching License, Utah
- Principles of Learning and Teaching: Early Childhood



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## Candra Morris

Director of Family Partnerships

candramorris@waterford.org

### *Summary*

Candra Morris is the Director of Family Partnerships at Waterford. As a passionate advocate for equity in early childhood education, she is a strategic visionary of the Waterford Family Academy Cohort model, which now spans seven states. Candra's prior role at Waterford was as a Senior Implementation Specialist, where her experience in K-2 classrooms and as a professional development specialist gave her the practical foundation to assist partners in implementing effective programs for early learning. Candra's deep commitment to diversity, equity, and inclusion is reflected in her work as the Co-Chair of the Waterford DEI Task Force and in her certification in Diversity, Equity, and Inclusion in the Workplace from the University of South Florida. She earned her Master of Supervision and Administration degree from Johns Hopkins University and her Bachelor of Arts degree in Early Childhood Education from Salisbury University. In 2017, Candra was awarded a Promoting Equity in Early Childhood Education (PEECE) Fellowship from George Washington University.

### *Professional Experience*

Director of Family Partnerships, Waterford

2020–Present

- Co-strategic visionary of the Waterford Family Academy Cohort model
- Delivered the first Waterford Family Academy pilot to five schools in Prince George's County Public Schools
- Promotes/oversees the implementation and growth of Waterford Family Academy in 7 states
- Works with schools, administrators, and families to create school-family partnerships and foster community building
- Leads a cross-departmental team for the Engage and Empower Parents and Caregivers program
- Presents on the topic of family empowerment/engagement
- Participates in strategic planning with all internal departments

Co-Chair of DEI Task Force, Waterford

2020–Present

- Co-chair of Waterford DEI Task Force
- Oversees all initiatives and events for diversity, equity, and inclusion at Waterford
- Seeks to mitigate gaps in opportunity that may arise, internally and externally
- Presents DEI multi-year plan and training to leadership team and staff
- Participates in TASSEL action advisory team meetings to support organization-wide programs and initiatives related to DEI
- Remains up to date on the most current DEI research and recommends adaptation

Implementation Specialist/Senior Implementation Specialist, Waterford 2016–2020

- Supported the implementation of Waterford solutions to meet the needs of districts and schools with customized, site-based professional development, coaching, and modeling
- Provided ongoing support to superintendents, district leaders, teachers and parents to support families on-site and virtually for distance learning
- Instructed educators in reviewing report data to drive classroom instruction
- Created curriculum resources for Waterford products and district needs
- Attended district events, such as parent nights, to empower and engage families
- Promoted from Implementation Specialist to Senior Implementation Specialist in 2019

Teacher, Prince George's County Public Schools 2013–2016

- Served as a kindergarten, first grade, and second grade teacher
- Conducted classroom walkthroughs and informal observations as a member of the school leadership team
- Supported and mentored new teachers in classroom management and planning
- Facilitated PD work sessions for student learning objectives
- Organized parent engagement activities connected to school Title 1 Family Night
- Developed and implemented differentiated instruction for special education/inclusion classroom
- Served on arts integration committee and led family engagement committee
- PGCPs and George Washington University PEECE Fellow
- Chillum Title 1 extended year program teacher

Teacher, Wicomico County Public Schools 2010–2013

- Developed and implemented differentiated instruction lessons for Pre-K and special education
- Participated in a Salisbury University partnership with MSDE focused on high poverty/high minority students
- Hosted monthly theme-based classroom visits for parents, caregivers and community partners to participate in student learning
- Analyzed writing data
- Trained in MMSR/Work Sampling System

Assistant and Lead Teacher, Kinder Care Early Learning 2008–2011

- Infant through school age teacher
- Led small and whole group activities
- Supported individual learning needs
- Created hands on interactive lessons for children
- Rotated through different age groups to support classroom needs
- Supported cafeteria staff as needed with meal prep
- Completed daily documentation for each child and updated parent/caregiver upon pick up

### *Education*

PEECE Fellow (Promoting Equity in Early Childhood Education)  
George Washington University, Washington, D.C.—2016-17

Master of Supervision and Administration  
Johns Hopkins University, Baltimore, MD—2014

Bachelor of Arts in Early Childhood Education  
Salisbury University, Salisbury, MD—2010

- Member Kappa Delta Pi International Honor Society
- Executive board member of the African Students Association

### *Certifications and Accomplishments*

- Graduate Certificate PEECE Fellow, Special Education for CLD Learners
- Diversity, Equity, and Inclusion in the Workplace Certification from the University of South Florida
- Supervision and Administration 1 and 2 Certificates
- Maryland Advanced Professional Certificate, Early Childhood Pre-K
- Author of “Why Every Child Needs a Village for Academic Success” practical guide



# Waterford.org

## Verillian Williams

Program Coach Lead

verillianwilliams@waterford.org

### *Summary*

Verillian Williams is a skilled and passionate advocate for young children, with more than a decade of experience advocating for high-quality childcare centers. As a Program Coach Lead for Waterford Upstart, she develops, mentors, and guides the performance of Program Coaches and Senior Program Coaches, who work directly with Waterford Upstart families to achieve kindergarten readiness and parent empowerment goals. Prior to joining Waterford, she was a Project Director with the Children's Defense Fund, where she worked with early education providers on the Gateway to Kindergarten Readiness Project. She also served as a Quality Assurance Specialist with the Hinds County Human Resources Agency, ensuring standards compliance among Head Start programs to promote high-quality child care experiences. Verillian holds a Master of Science degree in Early Education and a Bachelor of Science degree in Childcare and Family Education from Jackson State University.

### *Professional Experience*

Program Coach Lead, Waterford

2020–Present

Jackson, MS

- Facilitates a supportive relationship with at-risk families from enrollment to graduation by providing teams with academic and social emotional guidelines to increase their effectiveness
- Demonstrates a focus on parent empowerment and child kindergarten preparedness during the mentoring process, which includes call monitoring, weekly coaching, and training
- Helps Program Coaches and Senior Program Coaches learn how to individualize their approach to each family while supporting their child's growth
- Trains and onboards new Program Coaches and Senior Program Coaches and peers to become valuable team members
- Ensures that Program Coaches and Senior Coaches are correctly following all Waterford Upstart workflows
- Provides feedback and collaborates with management to initiate process changes that improve the family experience

Project Director, Children's Defense Fund

2018–2020

Jackson, MS

- Assisted in developing the design and strategies for the Gateway to Kindergarten Readiness Project, aligning activities between early education providers, public schools, and parents
- Established and maintained collaborative relationships with key early education providers, public schools, and government



- Worked with key stakeholders to develop a systematic data collection system and processes to assess the children, record assessments, and provide individualized interventions
- Worked with existing early education partners and experts to advance an early education alignment model in state and local policy
- Identified 250 children to participate in the program and secured parent agreements, and agreements for coordinated activities with key early childhood education providers
- Assisted with the development of materials, networking opportunities, and trainings for program implementation

Quality Assurance Specialist, Hinds County Human Resources Agency      2017–2018  
Jackson, MS

- Ensured effective compliance of the Head Start Performance Standards through ongoing monitoring of data from all services areas
- Implemented and maintained an ongoing quality assurance and performance process to measure, evaluate, and assure quality
- Conducted assigned on-site coordinate compliance monitoring reviews and program quality assessments to determine compliance with internal and state regulations
- Worked with the Service Area Specialist and Center Administrators to ensure program compliance and quality through ongoing review, monitoring, and follow up

Infant and Toddler Teacher/Designee, Hinds County Human Resources      2013–2017  
Jackson, MS

- Planned, coordinated, monitored, guided, and collaborated with staff and teachers to ensure effective operation of delivery services in Early Head Start Program
- Coordinated with teachers' aides, administrators, social workers, and parents to evaluate and tailor programs to each child's individual needs and abilities
- Provided safe, nurturing, and engaging learning environment in accordance with head start performance standards and other regulations
- Instructed children on basic developmental skills
- Planned, implemented, and administered educational programs for student engagement

Teacher, Madison Child Care Center      2012  
Madison, MS

Teacher, NorthTown Child Development Center      2011–2012  
Jackson, MS

Teacher, Assisi Early Learning Center      2011  
Madison, MS

Teacher, Green Elementary      2009–2010  
Jackson, MS

Program Manager Assistant/Facilitator, Jackson State University

2008–2010

Jackson, MS

- Developed and facilitated the presentation of a wide variety of mathematical information programs to the community and organizations
- Planned and implemented outreach activities by evaluating and developing educational programs for the Mathematics Department
- Communicated with the public, teachers, students, and parents about the Mathematics Department functionalities and programs

### *Education*

Master of Science in Early Childhood Education

Jackson State University, Jackson, MS--2018

Bachelor of Science in Childcare and Family Education

Jackson State University, Jackson, MS—2012

### *Leadership and Affiliations*

- National Education Association
- Alpha Kappa Alpha Sorority
- NEA Leadership Conference
- Mississippi Association of Educators
- Kappa Delta Pi Honor Society in Education
- Progress in Integrating Technology in Teaching and Learning Mathematics at HBCU Facilitator



# Waterford.org

## Jacqueline Lopez

Program Coach

[jacquelinelopez@waterford.org](mailto:jacquelinelopez@waterford.org)

### *Summary*

As a skilled Waterford Upstart Program Coach, Jacqueline Lopez motivates and inspires parents to engage more deeply in their child's education and better support their social-emotional development. Jacqueline's extensive experience as an education coach, teacher, and curriculum specialist grant her the practical experience to create strong foundational early learning experiences for young children. Jacqueline earned her Master of Education degree from the Harvard Graduate School of Education and her Bachelor of Science in Sociology from the University of California Berkeley.

### *Professional Experience*

#### **Program Coach, Waterford**

2021–Present

Taylorsville, UT

- Connects with parents to answer questions, offer motivational tips, and inspire parents to become their child's first teacher
- Discusses the child's academic progress, social-emotional well-being, motivation, and software usage routine, while guiding parents to existing Waterford Upstart resources
- Builds effective relationships with families by understanding backgrounds, cultures, and goals
- Supervises software usage and family profiles using an online management system
- Provides feedback to team leads and management to increase program success

#### **Education Coach and Writer**

2020–2021

New York City, NY

- Supported parents with foundational resources and mentoring for their children to succeed academically and love learning

#### **Associate, Eastside Clinical Research Associates (ECRA)**

2018–2020

Los Angeles, CA

- Organized outreach events to families about ECRA services and admitted new patients
- Sustained relationships with families through community building
- Researched opportunities for partnerships using metric-based goals
- Kept track of all the emails and made to potential clients
- Created ECRA's website to enhance and sustain their online presence, and attract new customers

**English, Math, and Science Teacher, Smart Reader Kids** 2015–2018

Alain, UAE

- Developed students' phonemic awareness via literacy strategies and best practices
- Designed curriculum to teach Preschool students English, Science, and Math
- Named "Employee of the Month" and was awarded a Best Teacher certificate

**Intensive English Teacher, Kasintorn Academy** 2015

Bangkai, Thailand

- Taught Kindergarten students English through intensive curriculum and innovative technology
- Focused classes on phonics, math, science, social studies, and morality

**Education and Curriculum Specialist, Estrellita** 2013–2014

San Diego, CA

- Demonstrated Estrellita's foundational bilingual resources, empowering students to have a strong foundational early learning experience and to attain high academic achievements
- Completed a Scope and Sequence report to ensure Estrellita's compliance with the California Common Core Standards, including latest research targets on foundational literacy and oracy

**Education Program Coordinator, Center for Applied Linguistics** 2007–2011

Washington, D.C.

- Recruited and managed interns to work on building the Alliance for the Advancement of Heritage Languages and to counsel them on employment opportunities after the internship
- Directed a school-wide evaluation of a Spanish for Native Speakers elementary school to ensure the school's curriculum had cultural inclusion and was relevant to students' lives
- Built relationships with students, community schools, universities, and leaders in the field

**Community Service Coordinator and Mentor, Stiles Hall** 1996–2001

Berkley, CA

- Mentored K-12 students, actively recruited UC Berkeley students to become mentors, and coordinated two after school sites
- Implemented targeted techniques for individualized support for students and developed projects to foster students' love of learning

**Teacher, Making Waves** 1997–1998

Marin County, CA

- Taught elementary and secondary students' literature and writing skills
- Designed educational and social activities for children to motivate and empower them

*Education*

Master of Education

Harvard Graduate School of Education—2006

## Bachelor of Arts, Sociology

University of California, Berkeley—2001

- Minor in Education
- Graduated with Honors

## *Leadership*

- Board Member and editor of the Harvard's "We are the River" African Latino Asian Native American (ALANA) Anthology (2006)
- Writer and Contributor to "Our Voices" ALANA Anthology (2005)

## *Academic Distinctions and Conferences*

- Lead research on Spanish-English dual language immersion elementary programs, Cambridge, MA
- Engaged in original research for a senior thesis on School-to-Career Programs, San Francisco, CA
- McNair Scholar – Published original comparative research on K-4 schools in Mexico and the US

## *Selected Publications*

Lopez, J. "Parents are the best mentors for their children's success: possibilities to provide foundational lifelong learning skills and unlocking student's greatness" (2021, draft).

Lopez, J. "How do community-based heritage language programs and two-way immersion programs compare?" CAL. Washington DC. <http://cal.org/resource-center/resourcearchive/heritage-briefs>

Lopez, J., Frawley, B., & Peyton, J. "Se puede conservar la cultura y tambien se puede aspirar" Language and cultural identities among the Cora of Mexico. *Heritage Language Journal*, 7(2) 2010. Los Angeles, CA <http://www.international.ucla.edu/media/files/lopez-frawley-peyton-hlj.pdf>

On Fri, Apr 7, 2023, 1:16 PM Beth Plewa <[bethplewa@waterford.org](mailto:bethplewa@waterford.org)> wrote:

Hello Christine, Whitney, and Diana,

I will be your single point of contact with [Waterford.org](http://Waterford.org) moving forward on all of the pieces, including financial/salaries/etc.

Please find all that you have requested included here, *with 1 exception: the attestation- I am working on that now.* I welcome questions, or can set up a call to fill in remaining gaps.

<b>Name and % of Time on Project</b>	<b>Salary</b>	<b>Total</b>
Rebecca Kelley - 5%		\$11,500
LaTasha Hadley - 5%		\$7,658
Jim Lund - 5%		\$8,915
Melinda Dalton - 10%		\$8,260
Candra Morris - 10%		\$9,410
Verillian Williams - 15%		\$8,177
Jacqueline Lopez - 15%		\$6,642

W



Frank Edelblut  
Commissioner

Christine M. Brennan  
Deputy Commissioner

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

September 19, 2022

**Modification to: Waterford Institute, Inc. Contract  
Approved by Governor and Council on March 9, 2022, Item #85**

Authorize New Hampshire Department of Education, Division of Learner Support, Bureau of Covid-19 Education Programs to modify the contract with Waterford Institute, Inc. (VC# 391757) West Jordan, UT in the amount not to exceed \$1,000,000 to provide their online UPSTART programming for NH children entering kindergarten. As of October 1, 2022, Waterford Institute, Inc., will modify their item budget by transferring the amount of \$200,400 in funds from the FY22 budget to the FY23 budget due to unspent FY22 funds. See Budget Modification Table.

Modification to include:

- Funds in the FY22 budget will decrease by \$200,400.
- Funds in the FY23 budget will increase by \$200,400.
- The not to exceed amount of \$1,000,000 will remain unchanged.
- NOTE: all other contractual obligations remain in place as established in the original contract.

100% Federal Funds.

Funds to support this request are available in the account titled ESSER III- ARP 2021 for FY23, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust encumbrances between fiscal years within the price limitation through the Budget Office, without further Governor approval, if needed and justified.

**Budget Modification Table:**

100% Federal Funds	FY22 Original	FY22 Decrease	FY22 Adjusted
05-56-56-562010-24370000-102-500731	\$400,000	(\$200,400)	\$199,600

100% Federal Funds	FY23 Original	FY23 Increase	FY23 Adjusted
05-56-56-562010-24370000-102-500731	\$600,000	\$200,400	\$800,400

**Limitation of Price:** This contract will not exceed \$1,000,000.

Funds are contingent on:

- 1.) Federal Funding from the ESSER III – ARP 2021 grant; and
- 2.) Attainment of contractual and performance goals and measures.



Date: 9/26/2022

Frank Edelblut  
Commissioner  
Department of Education



Date: 9/22/2022

Thomas Ness  
Chief Financial Officer  
Waterford Institute Inc.



Frank Edelblut  
Commissioner

Christine M. Brennan  
Deputy Commissioner

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF EDUCATION  
25 Hall Street  
Concord, NH 03301  
TEL. (603) 271-3495  
FAX (603) 271-1853

February 18, 2022

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

**REQUESTED ACTION**

Authorize the NH Department of Education to enter into a Sole Source contract with the Waterford Institute, Inc. (vendor code 391757) West Jordan, UT in the amount not to exceed \$1,000,000 to provide their online UPSTART programming for NH children entering kindergarten effective upon Governor and Council approval through June 30, 2023. 100% Federal Funds.

Funds to support this request are available in the account titled ESSER III – ARP 2021 for FY22, and FY23, with the authority to adjust encumbrances amongst Fiscal Years within the price limitation through the budget office, without further Governor and Council approval if needed and justified.

	<u>FY22</u>	<u>FY23</u>
06-56-56-562010-24370000-102-500731	\$400,000	\$600,000
(Contracts for Program Services)		

**EXPLANATION**

This request is Sole Source because the Waterford Institute is the exclusive provider of the UPSTART Program. For 45 years, the nonprofit Waterford Institute has worked with government, education, and philanthropic organizations to create innovative, impactful intervention programs for preschool children. Focused on serving the world's youngest and most vulnerable learners, Waterford has pioneered blended early learning models, always leveraging the latest technology to personalize learning for every child along with support for teachers and parents. Millions of children have benefited from the ongoing research,

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
Page 2

development, and enhancement of the Waterford.org curriculum in schools, homes, and learning centers around the world. By developing, optimizing, and scaling cost-effective early learning programs, Waterford relentlessly works towards the mission of inspiring a great start for every child.

Building from a rigorous evidence base, Waterford is now working with state and local educational agencies to begin serving underserved communities across the nation, conducting programs in more than 30 states and with the Navajo Nation. With a strong evidence-base, the UPSTART program hurdles the well-documented preschool access gap, providing proven school readiness supports for children most at risk of school failure because of poverty, PreK access barriers, language differences, and social inequity. In addition, it does so with a remarkably high level of parent satisfaction as measured at the end of the program.

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

Respectfully submitted,



Frank Edelblut  
Commissioner of Education

FORM NUMBER P-37 (version 12/11/2019)

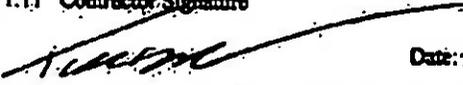
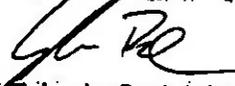
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION:**

1.1 State Agency Name Department of Education		1.2 State Agency Address 25 Hall St, Concord, NH 03301	
1.3 Contractor Name Waterford Institute, Inc.		1.4 Contractor Address PO Box 250 West Jordan, UT 84084-0250	
1.5 Contractor Phone Number (801) 349-2218	1.6 Account Number See Exhibit C	1.7 Completion Date June 30, 2023	1.8 Price Limitation \$1,000,000.00
1.9 Contracting Officer for State Agency Stacey MacStravic		1.10 State Agency Telephone Number 603-271-3293	
1.11 Contractor Signature  Date: 2/17/2022		1.12 Name and Title of Contractor Signatory Thomas Ness, Chief Financial Officer	
1.13 State Agency Signature  Date: 2/23/2022		1.14 Name and Title of State Agency Signatory Frank Edelblut, Commissioner of Education	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  Christopher Bond, Attorney On: 2/23/2022			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

Contractor Initials   
Date 2/17/2022

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

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

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

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

**4. CONDITIONAL NATURE OF AGREEMENT.**

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

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

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

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

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

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

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

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

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

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

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

**7. PERSONNEL.**

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

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

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

## 8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

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

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

## 9. TERMINATION.

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

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

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

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

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

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

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

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

## 12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

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

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

#### 14. INSURANCE.

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

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

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

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

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

#### 15. WORKERS' COMPENSATION.

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

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

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

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

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

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

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

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

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

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

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

**EXHIBIT A**

**Special Provisions**

**Additional Exhibits D-G**

**Federal Certification 2 CFR 200.415**

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

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

Contractor Initials TW  
Date 2/17/22

**EXHIBIT B  
SCOPE OF SERVICE**

1. The Waterford Institute Inc., (Waterford) Upstart Program ("Program") is an early learning at home program for pre-kindergarten children to build school readiness skills in literacy and numeracy:
2. The Program will serve New Hampshire children entering kindergarten in 2022 and 2023, and their families, to be provided by Waterford as "Contractor", which includes the following upon contract approval by Governor and Council:
  - 2.1. Implement a statewide recruitment and campaign, to include, but not to be limited to flyers, social media, recruitment events, earned media, etc., to recruit children to participate in the Waterford UPSTART program.
  - 2.2. Conduct Waterford UPSTART registration on a rolling enrollment basis for eligible participants using a defined online and telephone call registration process from the Waterford call center to collect agreed upon demographic information and get approval for information sharing.
  - 2.3. Identify language needs of participating families and arrange for training to be delivered in the families' home languages when reasonably possible and/or provide appropriate interpretation and translation supports at the trainings.
  - 2.4. Provide eligible participating families with materials and supplies required for the Program, including alternative language support where needed.
  - 2.5. Provide parents with online training opportunities and resources to do the Waterford Assessment of Core Skills (WACS) assessments of their children at home prior to beginning the Upstart program.
  - 2.6. Provide ongoing technical support for participating families throughout the term of this agreement to ensure they can participate fully in the Program.
  - 2.7. Assign each family a dedicated coach and conduct Welcome Calls with all participating families in the two weeks after the initial training.
  - 2.8. Monitor weekly usage for all participants and provide customized levels of support and motivational strategies based on usage patterns, providing higher touch strategies to struggling participants.
  - 2.9. Provide weekly emails to the Department of Education showing non-identifiable anonymized information on each child/children's weekly usage graph, along with curricular and motivational resources for both children and parents.
  - 2.10. Provide resources to encourage parent interaction with children's learning online and offline, including the Mentor app.
  - 2.11. Conduct Graduation events at the end of the program to celebrate progress and complete year-end WACS assessment or provide online graduations and assessment should COVID or other health concerns continue.
  - 2.12. Offer assessments to all participating children and encourage parents to share assessments with pediatricians and schools.
  - 2.13. Conduct a pre-program and post-program survey of parents/guardians to determine program value to parents and related changes in parent attitudes toward early education and provide feedback for future program improvements.
  - 2.14. Create both an interim and year-end report for the New Hampshire Department of Education summarizing usage based on computerized records, growth based on software placement,

Contractor Initials: AW  
Date: 11/15/21

pre/post test results and comparisons, achievement based on subgroup outcomes, and parent/guardian satisfaction based on survey results.

2.15. Share individual final WACS results with parents and outcomes in the aggregate to stakeholders.

2.16. Create final project report summarizing overall results for interested stakeholders. Such report will include anonymized summary demographic information for participating children and families, including socio-economic status.

3. The Program consists of 3 different options for children entering kindergarten. Pricing based on which option is chosen by a family.

3.1. Pandemic Recovery Path: 16-week program.

3.2. Summer Learning Path: 12-week program.

3.3. Upstart Full Year Program Fiscal Years 2022-2023- 36-week program.

3.4. Waterford will monitor Program participation and not permit the Program Funds required to exceed \$1,000,000 in aggregate or by Program Fund line item.

4. The DOE will advise Waterford on best practices for statewide recruitment.

5. Both parties will appoint a key contact person to maintain frequent communication to facilitate cooperation, develop appropriate timelines for project updates and status reports throughout the project.

Contractor Initials

TW  
Date 2/1/22

**EXHIBIT C**  
**Method of PAYMENT**

**Funding**

The Waterford Institute Inc, (Waterford) shall be paid as follows:

- Pandemic Recovery Path: \$400 per child includes software, assessment, technical and curricular support to participating families, and reporting as detailed in the Statement of Work.
- Summer Learning Path: \$400 per child includes software, assessment, technical and curricular support to participating families, and reporting as detailed in the Statement of Work.
- Full Waterford Upstart Program: \$1,000 per child includes software, assessment, technical and curricular support to participating families, and reporting as detailed in the Statement of Work.

**Limitation on Price:** Upon mutual agreement between the state contracting officer and Waterford, line items in this budget may be adjusted one to another, but in no case shall the total budget exceed the price limitation of \$1,000,000. Waterford will monitor Program participation and not permit the Program Funds required to exceed \$1,000,000, in aggregate or by Program Fund line items described herein.

**Source of Funding:** Funds to support this request are available in the account titled ESSER III – ARP 2021 for FY22 and FY23 with the authority to adjust encumbrances between Fiscal Years through the Budget Office without further Governor and Council approval, if needed and justified.

	<u>FY22</u>	<u>FY23</u>
06-56-56-562010-24370000-102-500731	Contracts for Program Services	\$400,000      \$600,000

**Method of Payment:** Waterford will invoice the Department of Education on the last day of each month during the registration period of the program for the registered children recruited during that month. Payment shall be made within thirty (30) days following receipt of invoice and acceptance of the contract items to the satisfaction of the New Hampshire Department of Education. Waterford invoices will be Net30 from date of issuance for 50% of the fee with the remaining payment upon completion of the program due Net30 from the date of 2<sup>nd</sup> invoice by Waterford to Customer.

For all forms of programming, Waterford will provide matching funding to cover the cost of providing internet access and computers to families that need them based on mutually agreed upon criteria.

The Contractor shall provide monthly itemized invoices for the services to include:

- The identity of each item separately described in Exhibit B;
- The date(s) each item was provided;
- The amount due for each item; and
- The cumulative total of all items

Invoice shall be submitted to:

Christine Brennan, Deputy Commissioner of Education  
Department of Education  
25 Hall St.  
Concord NH 03301

Contractor Initials TW  
Date 7/17/22

**EXHIBIT D.**

**Contractor Obligations**

Contracts in excess of the simplified acquisition threshold (currently set at \$250,000) must address administrative, contractual, or legal remedies in instances where the contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate. Reference:

2 C.F.R. § 200.326 and 2 C.F.R. 200, Appendix II, required contract clauses.

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

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

**Breach**

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

**Fraud and False Statements**

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

**Environmental Protection**

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

The Contractor is required to comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857 (h)), Section 508 of the Clean Water Act (33

U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency (EPA) regulations (40 CFR Part 15) which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Violations shall be reported to the FHWA and to the U.S. EPA Assistant Administrator for Enforcement.

**Procurement of Recovered Materials**

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

Contractor Initials                       
Date

**Exhibit E**  
**Federal Debarment and Suspension**

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

Contractor Initials   
Date 2/18/12

Exhibit F

Anti-Lobbying

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

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

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

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

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

Contractor Initials

Date: 2/13

## Exhibit G

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

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

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

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

#### Confidentiality

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

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

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

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

#### Ownership of Intellectual Property

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

Initials: *JW*  
Date: *4/13/22*

**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 WATERFORD INSTITUTE INC is a Delaware Nonprofit Corporation registered to transact business in New Hampshire on December 22, 2021. 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: 888776

Certificate Number : 0005483192



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 22nd day of December A.D. 2021.

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

William M. Gardner  
Secretary of State

**Certificate of Attestation**

I, David Andrew Myers hereby certify that I am a duly appointed representative of  
(Name)

Waterford Institute Inc. I hereby certify that Thomas Ness, CFO is duly  
(Name of Business) (Name & Title of person who signed contract)

authorized to execute contracts on behalf of Waterford Institute Inc. and may bind the  
(Name of Business)  
organization thereby.

I further certify that it is understood that the State of New Hampshire will rely on this  
attestation as evidence that the person listed above currently occupies the position indicated and that  
he/she has full authority to bind the organization.

Dated: 2-18-2022

Attest

  
(Name & Title)

President & CEO



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
1/13/2022

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).

<b>PRODUCER</b> The Buckner Company 6550 S Millrock, Suite #300 Salt Lake City UT 84121	<b>CONTACT NAME:</b> Sandy Reed <b>PHONE (A/C No. Ext):</b> 801-937-6753 <b>FAX (A/C No.):</b> <b>E-MAIL ADDRESS:</b> sreed@buckner.com
	<b>INSURER(S) AFFORDING COVERAGE</b>
<b>INSURED</b> Waterford Institute Inc. Waterford Research Institute, LLC PO Box 250 West Jordan UT 84084-0250	<b>INSURER A:</b> Great Northern Insurance Company <b>NAIC #</b> 20303
	<b>INSURER B:</b> Federal Insurance Company <b>NAIC #</b> 20281
	<b>INSURER C:</b> The Chubb Corporation <b>NAIC #</b> 38989
	<b>INSURER D:</b>
	<b>INSURER E:</b>
	<b>INSURER F:</b>

COVERAGES      CERTIFICATE NUMBER: 523739547      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	ADDITIONAL SUBR. INFO	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> 1,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:		[REDACTED]	1/1/2022	3/1/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY		[REDACTED]	1/1/2022	3/1/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED. RETENTION \$		[REDACTED]	1/1/2022	3/1/2023	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input type="checkbox"/> N/A		[REDACTED]	1/1/2022	1/1/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Tech ESO/Cyber Net Business Income		[REDACTED]	1/1/2022	3/1/2023	\$5,000,000 per Occ. \$2,000,000 \$5,000,000 Agg. \$50,000 Retention 12 Hours

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

<b>CERTIFICATE HOLDER</b>  New Hampshire Department of Education 101 Pleasant Street Concord NH 03301-3860	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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