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Frank Edelblut
Commissioner

Christine M. Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
Bureau of Adult Education
21 South Fruit Street, Suite 20
Concord, NH 03301
TEL. (603) 271-6699
FAX (603) 271-3454

May 23, 2023

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

REQUESTED ACTION

Authorize the Department of Education, Bureau of Adult Education to amend the current **sole source** contract with Second Start (VC# 177224) Concord, New Hampshire by increasing the price limitation by \$30,000.00 from \$203,716.38 to \$233,716.38, and extending the end date to December 31, 2023, to continue to provide test center coordination services effective upon Governor and Council approval. The original contract was approved by Governor Sununu under an Executive Order on February 7, 2021. **100% General Funds**

Funds to support this request are anticipated to be available in the account titled Adult Education – State in FY24 upon the availability and continued appropriation of funds in the future operating budget.

Account #s	FY24
06-56-56-562010-40390000-102-500731 Contracts for Program Services	\$20,000.00
06-56-56-562010-40450000-102-500731 Contracts for Program Services	\$10,000.00
Total	\$30,000.00

EXPLANATION

This request has become **sole source** because there was no extension for the original contract that was awarded through a competitive process. This extension is temporary solution while the Bureau of Adult Education works with the test publisher to collect and disburse test center fees directly to test centers. The contract provides test center administrative support services and recruitment and training of new examiners. In 2021, the Department of Education changed the payment process for the HiSET exam to allow for test candidates to pay for testing services online. In order to avoid financial hardship and possible closure of local test centers, this contractor tracks, verifies and reimburses testing centers for administrative costs.

His Excellency, Governor Christopher T. Sununu
And the Executive Council
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In October, 2022 the HiSET Exam was sold by Educational Testing Services to PSI Online, Inc. One of the services that PSI offers is the ability to collect the administrative costs and disburse directly to the test centers thus eliminating the need for this contracted service. However, PSI anticipates that it will take up to three months to complete the required programming to pay test centers directly. The purpose of this sole source contract extension is to avoid disruption to the current system while the new system is being implemented.

The original contract was awarded through a Request for Proposals issued on December 13, 2020.

The Bureau of Adult Education provides high school equivalency testing services for more than 1,200 individuals each year. There are thirty-five HiSET testing centers including twelve in county and state correctional facilities. The HiSET test includes five subtests in the content areas of Science, Social Studies, Language Arts – Writing and Mathematics.

Respectfully submitted,



Frank Edelblut
Commissioner of Education

Amendment #1 to
Second Start
Test Center Coordination Services
Professional Services Contract

Now come the New Hampshire Department of Education, hereinafter "the Agency", and Second Start, Concord, New Hampshire, hereinafter "the Contractor", and pursuant to an agreement approved by the Governor on February 7, 2021, hereby agree to modify the same as follows:

1. Amend Section 1.7 of form P-37 by removing June 30, 2023 and replacing with December 31, 2023.
2. Amend Section 1.8 of form P-37 by increasing the price limitation by \$30,000.00 from \$203,716.38 to \$233,716.38
3. Amend Exhibit C by increasing the amount in the Limitation on Price by \$30,000.00 from \$203,716.38 to \$233,716.38
4. Amend Exhibit C by removing the Source of Funding statement and Account Numbers and replacing with:

Source of Funding: Funds to support this request are anticipated to be available in the account titled Adult Education – State FY2024 upon the availability and continued appropriation of funds in the future operating budget.

Account #s	FY24
06-56-56-562010-40390000-102-500731 Contracts for Program Services	\$20,000.00
06-56-56-562010-40450000-102-500731 Contracts for Program Services	\$10,000.00
Total	\$30,000.00

5. All other provisions of this agreement shall remain in full force and effect as originally set forth; and
6. This amendment shall commence upon Governor and Council approval and shall terminate on December 31, 2023.

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 yeard first above written.

THE STATE OF NEW HAMPSHIRE
Department of Education
Division of Learner Support

Division of Learner Support

By: Frank Edelblut 6/7/2023
Frank Edelblut, Commissioner of Education Date

Second Start

Name of Corporation (Contractor)

By: William Mealey 5/30/23
William Mealey, Executive Director Date

Approved as to form, substance and execution by the Attorney General this 7 day of June 2023

Elizabeth C. Brown
Elizabeth Brown, Attorney General's Office

Approved by the Governor and Council this _____ day of _____, 2023

By: _____

**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 SECOND START is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on September 03, 1971. 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: 63173

Certificate Number: 0004879169



IN TESTIMONY WHEREOF,
I hereunto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 1st day of April A.D. 2020.

A handwritten signature in cursive script, appearing to read "Wm Gardner".

William M. Gardner
Secretary of State

Certificate of Authority

(Corporation, Non-Profit Corporation)

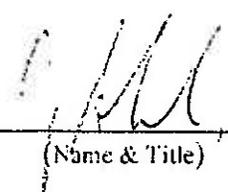
Corporate Resolution

I, Joe Shoemaker, hereby certify that I am duly elected President, Board of Directors of Second Start. I hereby certify the following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on May 22, 2023, at which a quorum of the Directors/shareholders were present and voting.

VOTED: That Bill Mealey, Executive Director of Second Start is duly authorized to enter into contracts or agreements on behalf of Second Start, with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any documents which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract to which this certificate is attached. This authority remains valid for thirty (30) days from the date of this Corporate Resolution. 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: 5/24/23

ATTEST:  PRESIDENT
(Name & Title)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/03/2023

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).

PRODUCER E & S Insurance Services LLC 21 Meadowbrook Lane P O Box 7425 Gilford NH 03247-7425		CONTACT NAME: Eleanor Spinazzola PHONE (A/C, No, Ext): (603) 293-2791 E-MAIL ADDRESS: Eleanorspinazzola@esinsurance.net		FAX (A/C, No): (603) 293-7188	
INSURED Second Start 17 Knight Street Concord NH 03301		INSURER(S) AFFORDING COVERAGE			NAIC #
		INSURER A: AmTrust Financial Services, Inc.			
		INSURER B: Technology Insurance Co			42376
		INSURER C:			
		INSURER D:			
		INSURER E:			
		INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** 22-23 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INRD	SUBR YYYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		Y	[REDACTED]	12/31/2022	12/31/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 Employee Benefits \$ 1,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY			[REDACTED]	12/31/2022	12/31/2023	BOMBED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist \$ 1,000,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			[REDACTED]	12/31/2022	12/31/2023	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	N/A			PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Cyber Liability			[REDACTED]	12/31/2022	12/31/2023	Aggregate \$100,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 161, Additional Remarks Schedule, may be attached if more space is required)
Certificate Holder is an additional insured (CGL) as required by signed contract with the named insured.

CERTIFICATE HOLDER

CANCELLATION

State of NH Commissioner of Education Division of Learner Services
 Bureau of Adult Education
 101 Pleasant St
 Concord NH 03301

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

AUTHORIZED REPRESENTATIVE
Fairley Kennedy



**Granite State Healthcare
and Human Service Trust**

PO Box 4197
Concord, NH 03302-4197

Issue Date 05/25/2023

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.

Certificate Of Insurance

CERTIFICATE HOLDER

State of NH, Commissioner of Education
Division of Learner Services
Bureau of Adult Education
101 Pleasant St
Concord, NH 03301

Companies Affording Coverage

COMPANY LETTER A	The Granite State Healthcare And Human Services Self-Insured Group Trust
COMPANY LETTER B	Midwest Employers Casualty Corp.

This policy is effective on 1/1/2023 12:00 AM, and will expire on 1/1/2024 12:00 AM. This policy will automatically be renewed unless notified by either party by October 1st of any fund year.

COVERAGES

This is to certify that the Workers' Compensation and Employer's Liability Insurance has been issued to the insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

Type of Insurance/Carrier	Policy Number	Policy Effective	Policy Expiration	LIMITS	
<u>Workers' Compensation & Employer's Liability</u> The Granite State Healthcare And Human Services Self-Insured Group Trust		1/1/2023 12:00 AM	1/1/2024 12:00 AM	W/C Statutory Limits E.L. Each Accident E.L. Disease - Pol Limit E.L. Disease - Each Emp	\$1,000,000 \$1,000,000 \$1,000,000
<u>Excess Insurance</u> Midwest Employers Casualty Corp		1/1/2023 12:00 AM	1/1/2024 12:00 AM	Workers' Compensation Employer's Liability	Statutory \$1,000,000

Description of Operations:

Excluded Officer

Covering operations of the insured during the policy term. Per NH Law, additional insured and waiver of subrogation are not allowed on workers' comp. COIs

MEMBER

Second Start
17 Knight Street
Concord, NH 03301

CANCELLATION

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

 05/25/2023

Authorized Representative Date

FOR THE YEARS ENDED
JUNE 30, 2022 AND 2021

AUDITED FINANCIAL STATEMENTS

SECOND START

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WWW.MASONRICH.COM

Six Bicentennial Square, Concord, New Hampshire 03301

P: 603 224 2000 F: 603 224 2618



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Second Start

Opinion

We have audited the accompanying financial statements of Second Start (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Second Start as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Second Start and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Second Start's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

NUMBERS TALK. WE TRANSLATE.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Second Start's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Second Start's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of support and revenues, expenses and changes in net assets are presented for purposes of additional analysis and are 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.

Very truly yours,

Mason + Rich, P.A.

MASON + RICH PROFESSIONAL ASSOCIATION
Certified Public Accountants

Concord, New Hampshire

October 31, 2022

SECOND START
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS		
	2022	2021
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,305,094	\$ 1,184,121
Accounts Receivable	59,885	42,351
ERC Receivable	156,439	-
Grants Receivable	279,985	225,180
Prepaid Expenses	10,031	56,013
Total Current Assets	1,811,434	1,507,665
PROPERTY AND EQUIPMENT		
Property and Equipment	3,286,524	3,215,629
Less Accumulated Depreciation	(1,840,243)	(1,750,859)
Net Property and Equipment	1,446,281	1,464,770
TOTAL ASSETS	\$ 3,257,715	\$ 2,972,435
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 54,802	\$ 82,940
Accrued Expenses	215,154	215,832
Current Portion of Long-Term Debt	11,032	-
Deferred Revenue - Paycheck Protection Program (PPP) Loan	-	188,156
Deferred Contributions - CCASP	183,062	-
Other Deferred Revenue	13,646	65,735
Total Current Liabilities	477,696	552,663
LONG-TERM LIABILITIES		
Long-Term Debt	35,696	-
Total Long-Term Liabilities	35,696	-
TOTAL LIABILITIES	513,392	552,663
NET ASSETS		
Net Assets Without Donor Restrictions	2,739,323	2,419,772
Net Assets With Donor Restrictions	5,000	-
TOTAL NET ASSETS	2,744,323	2,419,772
TOTAL LIABILITIES AND NET ASSETS	\$ 3,257,715	\$ 2,972,435

The Accompanying Notes are an Integral Part of These Financial Statements

SECOND START
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS SUPPORT AND REVENUE		
Grants from Governmental Agencies	\$ 1,494,985	\$ 1,345,384
Private Fees	799,227	695,050
Fees from Governmental Agencies	1,130,332	1,027,464
Government Assistance - COVID-19 Funding	450,226	747,925
Miscellaneous Income	19,213	20,553
Private Grants	6,000	14,000
Contributions of cash and other financial assets	20,021	35,081
Contributions of nonfinancial assets	23,900	18,900
United Way	21,328	24,016
Interest Income	753	804
<i>Total Support and Revenue</i>	<u>3,965,985</u>	<u>3,929,177</u>
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of Program Restrictions	10,000	-
<i>Total Net Assets Released from Restrictions</i>	<u>10,000</u>	<u>-</u>
TOTAL SUPPORT, REVENUE, AND OTHER NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>3,975,985</u>	<u>3,929,177</u>
FUNCTIONAL EXPENSES AND LOSSES		
<i>Functional Expenses</i>		
Program Services	3,265,573	3,117,878
Management and General	393,591	395,742
<i>Total Functional Expenses</i>	<u>3,659,164</u>	<u>3,513,620</u>
<i>Other (Income) Expenses</i>		
(Gain) Loss on Disposal of Property and Equipment	(2,730)	4,610
TOTAL FUNCTIONAL EXPENSES AND LOSSES	<u>\$ 3,656,434</u>	<u>\$ 3,518,230</u>

(Continued on next page)

The Accompanying Notes are an Integral Part of These Financial Statements

SECOND START
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
<i>INCREASE (DECREASE) IN TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</i>	\$ 319,551	\$ 410,947
<i>CHANGE IN ASSETS WITH DONOR RESTRICTIONS</i>		
<i>DONOR RESTRICTIONS</i>		
Donor Restricted Support and Revenue	15,000	-
Net Assets Released from Restrictions	(10,000)	-
<i>INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS</i>	5,000	-
<i>INCREASE (DECREASE) IN TOTAL NET ASSETS</i>	324,551	410,947
<i>NET ASSETS, BEGINNING OF YEAR</i>	2,419,772	2,008,825
<i>NET ASSETS, END OF YEAR</i>	\$ 2,744,323	\$ 2,419,772

SECOND START
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	Management and General	Fundraising	Total
Advertising	\$ 2,192	\$ 100	\$ -	\$ 2,292
Conference and Meeting	27,174	-	-	27,174
Depreciation	102,098	30,374	-	132,472
Bad Debt	2,080	-	-	2,080
Dues and Membership	14,976	4,488	-	19,464
Employee Benefits	207,743	33,285	-	241,028
Information Technology	16,951	6,345	-	23,296
Instructional Materials	5,603	-	-	5,603
Insurance	44,294	3,308	-	47,602
Interest	454	-	-	454
Miscellaneous	21,667	-	-	21,667
Occupancy	109,514	27,338	-	136,852
Office	9,412	7,692	-	17,104
Payroll Taxes	157,928	15,763	-	173,691
Professional Fees	263,063	20,512	-	283,575
Salaries and Wages	2,127,326	239,678	-	2,367,004
Staff Development	6,544	-	-	6,544
Stipends and Discounts	4,081	-	-	4,081
Supplies	124,939	4,501	-	129,440
Travel	17,534	207	-	17,741
Total Functional Expenses	\$ 3,265,573	\$ 393,591	\$ -	\$ 3,659,164

SECOND START
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Management and General	Fundraising	Total
Advertising	\$ 2,426	\$ 196	\$ -	\$ 2,622
Conference and Meeting	21,918	-	-	21,918
Depreciation	84,025	35,840	-	119,865
Bad Debt	1,505	-	-	1,505
Dues and Membership	11,400	4,887	-	16,287
Employee Benefits	221,693	27,658	-	249,351
Information Technology	16,931	6,416	-	23,347
Instructional Materials	7,506	-	-	7,506
Insurance	42,657	3,884	-	46,541
Miscellaneous	831	516	-	1,347
Occupancy	126,122	32,046	-	158,168
Office	10,037	5,450	-	15,487
Payroll Taxes	153,345	17,368	-	170,713
Professional Fees	151,210	19,842	-	171,052
Salaries and Wages	2,078,519	238,586	-	2,317,105
Staff Development	6,194	363	-	6,557
Stipends and Discounts	180	-	-	180
Supplies	169,136	2,690	-	171,826
Travel	12,243	-	-	12,243
Total Functional Expenses	\$ 3,117,878	\$ 395,742	\$ -	\$ 3,513,620

SECOND START
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 324,551	\$ 410,947
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	132,472	119,865
(Gain) Loss on Disposal of Property and Equipment	(2,730)	4,610
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(17,534)	(3,329)
ERC Receivable	(156,439)	-
Grants Receivable	(54,805)	(115,223)
Prepaid Expenses	45,982	(31,882)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(28,138)	76,331
Accrued Expenses	(678)	(204)
Deferred Revenue - Paycheck Protection Program (PPP) Loan	(188,156)	(124,741)
Deferred Revenue - CCASP	183,062	-
Other Deferred Contributions and Revenue	(52,089)	47,694
Total Adjustments	<u>(139,053)</u>	<u>(26,879)</u>
Net Cash Provided by (Used in) Operating Activities	<u>185,498</u>	<u>384,068</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Disposal of Property and Equipment	2,730	-
Purchases of Property and Equipment	(58,168)	(73,062)
Net Cash Provided by (Used in) Investing Activities	<u>(55,438)</u>	<u>(73,062)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Notes Payable	(9,087)	-
Net Cash Provided by (Used in) Financing Activities	<u>(9,087)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	120,973	311,006
<i>Cash and Cash Equivalents, Beginning of Year</i>	<u>1,184,121</u>	<u>873,115</u>
<i>Cash and Cash Equivalents, End of Year</i>	<u>\$ 1,305,094</u>	<u>\$ 1,184,121</u>

(Continued on next page)

SECOND START
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
<i>Supplemental Disclosure of Cash Flow Information:</i>		
Cash Paid During the Year For:		
Interest	<u>\$ 454</u>	<u>\$ -</u>
 <i>Noncash Investing and Financing Activities:</i>		
Assets Acquired by Assumption of Debt	55,815	-
Debt Assumed to Acquire Assets	(55,815)	-
<i>Cash Paid for Property and Equipment Acquired with Debt</i>	<u>\$ -</u>	<u>\$ -</u>

SECOND START
NOTES TO FINANCIAL STATEMENTS

A | NATURE OF ACTIVITIES

Second Start (the "Organization") is a private nonprofit education corporation which has been in existence since 1970. Second Start is committed to improving the economic and educational wellbeing of New Hampshire residents. Its goal is to help people become more productive workers, family members, and community citizens. Within these opportunities, the Organization offers a variety of programs, each serving participants in ways that meet their needs.

The programs available at Second Start are as follows:

Special Education – The Special Education Program was established in 1979 and accounts for the proceeds of an education program that serves coded special needs students ages 14-21 from local school districts in the greater Concord area.

Transitional Employment Training Program (TET) – The TET Program was established in 1984 and accounts for proceeds and expenses used to provide a vocationally oriented program designed to develop personal and social responsibility, workforce readiness, and provide experiential training and coursework for adolescents.

Alternative High School – The Alternative High School Program was established in 1976 and accounts for the proceeds and expenses of an alternative academic program for adolescents previously unsuccessful in public high school programs. Students are not coded for special education services.

Student Assistance Program (SAP) – The Student Assistance Program is a drug education, prevention, and early identification program designed for public school students. The Student Assistance Program was started in 1984 and accounts for the proceeds and expenses associated with the student assistance services for the local school districts as well as programs for the Second Start Alternative High School and special education students.

Adult Education and Literacy (AEL) – The Adult Education and Literacy Program includes both Adult Basic Education (ABE) and Adult Learner Services (ALS). The ABE Program was established in 1971 and accounts for the proceeds and expenses for providing remedial academic programs for adults from the most basic levels through preparation for the High School Equivalency Exam (HiSET) as well as English as a second language classes. The program also includes academic and vocational counseling for students. The program includes fees and expenses for providing HiSET Testing services and administering staff development for ABE/ESL teachers statewide. The ALS Program was established in 1983 and accounts for proceeds and expenses used to help adults increase their reading and math skills through the aid of volunteer tutors. This program also includes services to foreign-speaking and refugee students to increase their English skills. Under this program, the Organization also must comply with the regulations outlined in the Workforce Innovation and Opportunity Act.

(Continued on next page)

SECOND START
NOTES TO FINANCIAL STATEMENTS

Day Care Program – The Day Care Program was established in 1973 and accounts for proceeds and expenses used to care for children (ages 6 weeks to 12 years) of the general community while their parents are in classes, training programs, or working during the day. This program also includes services to protective custody referrals from the New Hampshire Department of Health and Human Services.

Welcoming Concord – The Welcoming Concord program was established in 2015 and accounts for proceeds and expenses used to increase social inclusion and integration of immigrants and refugees in targeted New Hampshire communities.

B | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

The Organization uses the accrual basis of accounting in its financial statements. Under this basis, revenue is recognized when earned rather than when payment is received, and expenses and purchases of assets are recognized when the obligation is incurred rather than when the cash is disbursed.

Use of Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results experienced by the Organization may differ from management's estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less.

Contract Assets and Liabilities

Accounts Receivable – Trade

Accounts receivable consists of private fees due from the daycare program and revenue from school districts for various programs. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management considers accounts delinquent based on the date of unpaid invoices. Past due receivables are written off at management's discretion using the direct write off method; this is not considered a departure from accounting principles generally accepted in the United States because the effects of the direct write off method approximate those of the allowance method. All accounts are considered to be collectible. The Organization does not accrue interest on past due accounts receivable.

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SECOND START

NOTES TO FINANCIAL STATEMENTS

Deferred Revenue

Deferred revenue represents payments received from customers prior to the satisfaction of the corresponding performance obligations. Revenue is recognized once the corresponding performance obligations are satisfied based on the contract with the customer.

Grants Receivable

Grants receivable are amounts due for reimbursement from various grant agencies. No allowance is recorded because all amounts are expected to be fully reimbursed by the federal and state governments. Interest is not allowed and is not accrued on any past due grants receivable balances.

Unconditional Pledges Receivable

Unconditional promises to give are stated at the amount management expects to collect from outstanding balances. Management evaluates the collectability of customer accounts by considering factors such as historical experience, the age of the promise to give, and current economic conditions that may affect a customer's ability to pay. Past due promises to give are written off at management's discretion using the direct write off method; this is not considered a departure from accounting principles generally accepted in the United States because the effects of the direct write off method approximate those of the allowance method. The Organization does not charge interest on past due promises to give.

Property and Equipment

The Organization's property and equipment policy is to capitalize individual purchases, renewals and betterments in excess of \$1,000. Maintenance, repairs and minor renewals are charged to expense as incurred. Periodically, management evaluates property and equipment for impairment when events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the statement of income. These items are depreciated using the straight-line method over their estimated useful lives as follows:

Furniture and Equipment	5 years
Leasehold Improvements	5 - 30 years
Building	40 years

Net Assets

The Organization reports its net assets as required by Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under ASU 2016-14, the Organization is required to report information regarding its financial position and activities accounting to the following classes: net assets without donor restrictions and net assets with donor restrictions. Descriptions of the net asset categories included in the Organization's financial statements are as follows:

Net assets without donor restrictions include revenues and expenses and contributions which are not subject to any donor imposed restrictions. Net assets without donor restrictions can be designated by the Board of Directors for special projects and expenditures.

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SECOND START

NOTES TO FINANCIAL STATEMENTS

Net assets with donor restrictions include contributions for which time restrictions or donor-imposed restrictions have not yet been met. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Net assets with donor restrictions also include gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income or portion therefore (excluding gains restricted by state statute) be made available for program operations in accordance with donor restrictions.

Contributions and Promises to Give

Contributions are recognized under FASB ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Under this ASU, contributions are not recognized as revenue if there are donor-imposed conditions and barriers that must be overcome before the Organization is entitled to the assets transferred. Conditional contributions can exist if the Organization has limited discretion over how the resources are spent and the contributor retains a right of return to the resources provided if the conditions are not met. If contributions are received prior to the satisfaction of the donor-imposed conditions and barriers, the advanced receipt of funds would be recorded as deferred revenue on the statement of financial position. Once conditions have been substantially met, the contributions are recognized as revenue and classified as net assets with or without donor restrictions depending on remaining donor restrictions.

Deferred contributions were \$183,062 for the year ended June 30, 2021. There were no deferred contributions for the year ended June 30, 2022. Deferred revenue from exchange transactions was \$13,646 and \$65,735 for the years ended June 30, 2022 and 2021, respectively.

Revenue Recognition Policy

The Organization recognizes revenue under FASB Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, from its First Start Children's Center, adolescent services, adult education services, and New American Driving School.

All of the Organization's contracts are one year or less. A description of relevant contracts is below.

The First Start Children's Center provides childcare services for early education, preschool, and elementary age students from the greater Concord area in a full-service childcare center. Revenue generated from childcare services is primarily comprised of direct weekly tuition payments from parents and fees subsidized by the State of New Hampshire. Revenue from childcare services are considered one performance obligation although services provided to the students may include a variety of academic and extracurricular activities that cater to the needs of the students.

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SECOND START
NOTES TO FINANCIAL STATEMENTS

Daycare revenue is recognized over time as long as the student is enrolled in the program. Tuition is billed on a weekly basis and the Organization has an enforceable right to payment until the time the student provides notice of cancellation even if the child is absent due to personal time or sickness. Childcare services can be cancelled at any time; however, the customer is responsible for the tuition and/or expenses incurred by the Organization prior to cancellation. Refundable deposits are collected prior to enrollment in order to hold a child's place in the program and are included in deferred revenue on the statement of financial position. Revenue is recognized from deposits if the child has an outstanding balance upon leaving the program or if the family does not notify the Organization of cancellation of enrollment within two weeks from the preferred start date. Overall, there is no significant impact from deposits to the financial statements. Sibling discounts of 10% of the lower tuition is offered to families; however, the discount cannot be applied to any additional fees such as late fees. In addition, staff can receive an additional 15% discount, adjusted after any sibling discount received. There is no significant impact from discounts to the financial statements as they are recognized weekly and are not dependent on past or future services.

The Organization provides educational programs to adolescent students through their Alternative High School (AHS), Transitional Employment and Training programs (TET), and Student Assistance Programs (SAPs). Services for the AHS, TET, and SAP programs are offered to students through the Organization's on-site classrooms and through off-site SAP instructional programs administered at local school districts in the greater Concord area. The Department of Education sets a fixed fee rate for special education, which is part of the AHS program. Revenue from adolescent programs is considered a single performance obligation although services provided to the students may include a variety of academic, extracurricular, and counseling activities that cater to the needs of the students. The Organization has a contract with a local school district to provide on-site AHS, TET, and SAP services to a set number of students that is renewed for every academic year. The fees to provide these services are established prior to the school year are paid to the Organization bi-annually. The Organization can also provide these services under contracts with local school districts whereby tuition is based on the number of students enrolled. Revenue for these services is billed and consumed within the Organization's fiscal year.

Additionally, the Organization has contracts with local school districts to provide off-site SAPs during a specific number of schools during the academic year. The fees to provide these services are established prior to the school year and are paid to the Organization on a monthly basis as services are provided.

The Organization provides educational programs to adult students through their High School Equivalency Test (HiSET) preparation, Adult Diploma programs, English as a Second Language classes, and Adult Learner Services that provide tutoring and one-on-one assistance to New Hampshire residents. These programs are offered to student through the Organization's on-site or virtual classrooms. Revenue from adult programs is considered a single performance obligation although services provided to the students may include a variety of academic and instructional activities that cater to the needs of the students. Revenue is recognized over time for these services.

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SECOND START
NOTES TO FINANCIAL STATEMENTS

The Organization is also a test administration center for students to test for their HiSET administered by the Educational Testing Service (ETS). Tests are scheduled over the course of two days and appointments and exam fees are administered by ETS. HiSET testing is considered a single obligation as the Organization is only responsible for administering the test to participants. Revenue from HiSET testing is recognized at the point in time and is received once the participant has completed the test.

The Organization provides driver education classes to New American adults through an eight week course that includes classroom instruction and in-car driving observation. The cost of the course can be paid in full at the time of registration or in three equal installments over the course of the instruction. Services provided through the New American Driving School is considered a single obligation because both classroom and in-car driving observation is required in order to receive a driver's license through the State of New Hampshire. Revenue is recognized over time as the students receive the benefits of the program. Overall, revenue received from the New American Driving School is immaterial to the financial statements.

All of the Organization's contracts are one year or less in length. As a result, costs associated to obtain a contract is recognized as expense in the period incurred. The quoted transaction prices for childcare services and tuition fees do not include variable considerations and there is no allocation of discounts or non-cash considerations. The Organization does not have any significant financing components to its contracts. The input method is used for all programs that are recognized over time based on the number of students enrolled.

Functional Allocation of Expenses

The costs of providing the Organization's program and other activities have been summarized on the functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical, and depreciation is allocated based on space utilization. General administrative expenses are allocated to each program based on the direct expenses incurred for each program or estimated usage based on time spent on each function of the staff.

Donated Materials and Services

Contributed goods and services are reported at their fair value if such goods or services create or enhance non-financial assets, or would have been purchased if not provided by contribution, and for services which are provided by individuals possessing specialized skills. A number of volunteers have made contributions of their time and talent, or contributed goods to develop the Organization's programs. However, these services do not meet the criteria for recognition as contributed services and, therefore, are not reflected in the financial statements.

Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulation, contributions of property and equipment are recorded as unrestricted support. The Organization received no contributed property for the years ended June 30, 2022 and 2021.

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SECOND START

NOTES TO FINANCIAL STATEMENTS

Advertising

The Organization conducts non-direct response advertising. These costs are expensed as incurred. Advertising costs were \$2,292 and \$2,622 for the years ended June 30, 2022 and 2021, respectively.

Income Taxes

Management evaluates its tax position in accordance with FASB Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertain Tax Positions*, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as de-recognition, interest, penalties, and disclosures required. The Organization's policy is to recognize interest and penalties related to unrecognized tax benefits as tax expense.

C | ADOPTION OF NEW ACCOUNTING STANDARD

In May 2014, FASB established ASC Topic 606, *Revenue from Contracts with Customers*. ASC 606 and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. The ASC also required expanded disclosures related to the nature, amount, time, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective July 1, 2020, using the modified retrospective approach.

As part of the adoption of ASC 606, the Organization elected the following transitional practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

Management has assessed the impact of ASC 606 and has determined that ASC 606 would have no material impact in the timing or measurement of revenues based upon guidance. As a result, there were no material effects on the Organization's financial statements in the year of implementation.

D | GOVERNMENT GRANTS AND RELIEF

Paycheck Protection Program (PPP)

On February 25, 2021, the Organization received loan proceeds (the second draw) in the amount of \$490,310 for the year ended June 30, 2021, under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses up to 2.5 times the average monthly payroll expenses of the qualifying business. The entire principal amount and any accrued interest on the loan is eligible for forgiveness to the extent the proceeds were used for eligible purposes, including payroll, employee benefits, and other eligible payments. Additionally, the Organization was required to maintain certain payroll levels and employee levels. Amounts not meeting this criteria are considered to be a loan and require repayment.

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SECOND START
NOTES TO FINANCIAL STATEMENTS

Management applied for and received the funds with the intent that the funds would be expended in a manner that would qualify for forgiveness and therefore elected to record the proceeds of the PPP loan as an in-substance government grant. Under this method, the PPP loan is initially recognized as a deferred income liability. Subsequently, the Organization reduced the liability and recognized grant income on the statements of activities and changes in net assets as the Organization recognized the related expenses for which loan forgiveness is allowed. The Organization spent all of the PPP 1 \$486,100 proceeds for qualifying expenses and was fully forgiven by the Small Business Administration (SBA) as of June 30, 2021. The Organization spent all of the PPP 2 \$490,310 proceeds for qualifying expenses and was fully forgiven by the SBA as of June 30, 2022.

For the years ended June 30, 2022 and 2021, the Organization spent \$188,156 and \$615,052 of qualifying expenses against PPP 1 and PPP 2 loans. The amount of deferred income liability related to the PPP loans was \$188,156 for the year ended June 30, 2021.

Employee Retention Credit (ERC)

The Organization applied for the Employee Retention Credit (ERC) for the year ended June 30, 2022 in the amount of \$156,438. The receivable for the ERC is recorded on the Statement of Financial Position as of June 30, 2022.

Other COVID-19 Grants

On March 29, 2021, the Organization was approved for a Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) grant from the New Hampshire Department of Health and Human Services totaling \$53,200. This grant award is based on qualifying expenses incurred and income losses incurred for the year ended June 30, 2022. The Organization does not believe there are any remaining restrictions or requirements for this grant. All funding was fully expended in the year ended June 30, 2022. As a result, the entire amount, totaling \$53,200, was recognized as income for the year ended June 30, 2022.

On September 2, 2021, the Organization was approved for the New Hampshire Department of Health and Human Services Child Care Achieving Stabilization Program (CCASP) grant in the amount of \$233,229 (including incentive add-ons). This funding was received from the American Rescue Plan Act (ARPA) for the state being administered through the Federal Administration for Children and Families, Office of Child Care. This grant award is based on qualifying operating expenses incurred including at least 25% of expenditures being spent on staff incentives (such as wage increases, staff bonuses, and added employee benefits). A portion of the grant (\$180,797) was recorded as deferred revenue and was not expended as of June 30, 2022. This award and its expenditures must comply with the scope of allowable funds as detailed in the grant agreement.

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SECOND START
NOTES TO FINANCIAL STATEMENTS

E | ACCOUNTS RECEIVABLE, CONTRACT ASSETS, AND LIABILITIES

The timing of revenue recognition, billings, and cash collections resulted in billed accounts receivable and deferred contributions and revenue on the Statements of Financial Position. Amounts are billed as services progress in accordance with agreed-upon contractual terms at monthly periodic intervals. Generally, billing occurs concurrent to revenue recognition, resulting in no contract assets. However, sometimes the Organization receives advance deposits from its customers, before revenue is recognized, resulting in deferred contributions and revenue (contract liabilities). These advanced contributions are liquidated when revenue is recognized.

	2022	2021	\$ Change
Accounts Receivable	\$ 59,885	\$ 42,351	\$ 17,534
Other Deferred Revenue	13,646	65,735	(52,089)

The Organization expects to collect all of the consideration under their contracts. Accounts Receivable increased by \$17,534 for the year ended June 30, 2022 due to timing. Other deferred contributions and revenue decreased by \$52,089 mainly due to timing.

F | PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2022	2021
Building and Improvements	\$ 1,736,222	\$ 1,717,616
Leasehold Improvements	1,000,025	965,245
Land	210,000	210,000
Furniture and Equipment	340,277	322,768
Total Property and Equipment	3,286,524	3,215,629
Less Accumulated Depreciation	(1,840,243)	(1,750,859)
Net Property and Equipment	\$ 1,446,281	\$ 1,464,770

Depreciation expense was \$132,472 and \$119,865 for the years ended June 30, 2022 and 2021, respectively.

G | LINE OF CREDIT

The Organization maintains a revolving line of credit agreement with a local bank, which provides that it may borrow up to \$600,000 at June 30, 2022 and 2021. The interest rate formula is based at 0.50% over the Wall Street Journal prime rate, which was 5.25% and 3.75% at June 30, 2022 and 2021, respectively. The agreement is collateralized by all business assets of the Organization. The Organization had no outstanding balance as of June 30, 2022 and 2021.

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SECOND START
NOTES TO FINANCIAL STATEMENTS

H | LONG-TERM DEBT

The Organization's long-term debt consists of the following at June 30:

	2022	2021
Installment note payable to NH Health and Education Facilities Authority, payable in monthly principal and interest installments of \$954, with interest at a rate of 1.00% per annum. Secured by vehicle.	\$ 46,728	-
Total Long-Term Debt:	46,728	-
Less Current Portion of Long-Term Debt	(11,032)	-
Long-Term Debt, Net of Current Portion	\$ 35,696	\$ -

Maturities of Long-Term Debt are as follows:

<u>For the Years Ending December 31,</u>	<u>Amount</u>
2024	\$ 11,143
2025	11,255
2026	11,368
2027	1,930
Total	\$ 35,696

I | DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates the Organization's revenue based on service line and timing of satisfaction of performance obligations for the years ended June 30:

	2022	2021
<i><u>Services Transferred at a point in time</u></i>		
High School Equivalent Test (HiSET) - Fees	\$ 18,360	\$ 9,549
<i><u>Service transferred over time</u></i>		
Childcare/Daycare services	799,227	695,050
Student Assistance Program (SAP)	216,000	256,368
Alternative High School (AHS)	199,501	254,799
Transitional Employment & Training (T.E.T.)	275,174	219,653
High School Equivalent Test (HiSET)	241,211	139,820
Welcoming Concord	8,441	12,540
Total Revenue from Contracts with Customers	\$ 1,757,914	\$ 1,587,779

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SECOND START
NOTES TO FINANCIAL STATEMENTS

Various economic factors affect revenues and cash flows. There is no third-party financing and revenue and cash flows are generally concurrent. Services occur and transfer to the customer over various periods of time, depending on the program. Revenues and cash flows occur upon completion of the services.

J | CORPORATE ORGANIZATION

The Organization is a voluntary organization under Chapter 292 of the New Hampshire Revised Statutes Annotated and therefore has no capital stock.

K | NET ASSETS

There was \$5,000 of net assets with donor restrictions for the year ended June 30, 2022. These funds are restricted for use in the Alternative High School program and were not expended by June 30, 2022. In addition, \$10,000 of net assets with donor restrictions was received for driving education purposes under the Welcoming Concord program. The full amount was expended and released from restrictions as of June 30, 2022. There was no net assets with donor restrictions for the year ended June 30, 2021. Additionally, there were \$100,067 and \$100,017 of Board Designated Funds set aside for capital and other repairs and maintenance projects at June 30, 2022 and 2021, respectively.

L | LEASE AGREEMENTS

The Organization has entered into a long-term lease agreement for property located at 450 North State Street whereby the Organization has use of the building in return for its upkeep and maintenance. The Organization operates the AEL and TET programs out of this location. The improvements were capitalized with a five to thirty-year depreciable life. Depreciation expense was \$12,747 and \$7,796 for the years ended June 30, 2022 and 2021, respectively.

M | CONTRIBUTED NONFINANCIAL ASSETS

For the year ended June 30, 2022, contributed nonfinancial assets recognized within the statements of activities included the following:

<u>June 30,</u>	<u>2022</u>	<u>2021</u>
Rent	\$ 18,900	\$ 18,900
Total	\$ 18,900	\$ 18,900

The Organization recognized contributed nonfinancial assets within revenue, including contributed rent. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

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SECOND START
NOTES TO FINANCIAL STATEMENTS

Contributed rent consists of the FMV leased space from the City of Concord based on a quoted triple net price per square foot basis, excluding real estate taxes, that was used for its Adult Education and Literacy program. The Organization has an agreement with the City of Concord to use this building space until 2028.

N | INCOME TAXES

The Organization is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

For the years ended June 30, 2022 and 2021, management has evaluated its tax position in accordance with FASB ASC 740-10 and does not believe they have taken uncertain tax positions, therefore, a liability for income taxes associated with uncertain tax positions has not been recognized. Additionally, the Organization did not recognize interest or penalties resulting from tax liabilities associated with recognizing uncertain tax positions for the years ended June 30, 2022 and 2021.

The Organization is a non-profit organization; as a result, it files a federal Form 990, *Return of Organization Exempt from Income Tax*, and a New Hampshire Annual Report. In the normal course of business, the Organization is subject to examination by taxing authorities. With limited exceptions, the Organization is no longer subject to federal or State of New Hampshire examinations for their federal Form 990 or New Hampshire Annual Report for the years before 2019.

O | RETIREMENT PLAN

The Organization maintains a retirement plan under the Internal Revenue Code Section 403(b) for its employees through a third party. Eligible participants over twenty-one years of age and working more than 1,000 hours per year may elect to make a voluntary pre-tax salary deferral each year, not to exceed the maximum allowed by law. The Organization may contribute to the employee's retirement fund at the Board's discretion. There were no contributions paid by the Organization for the years ended June 30, 2022 and 2021.

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SECOND START
NOTES TO FINANCIAL STATEMENTS

P | LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year from the statements of financial position date for general operating expenses are as follows:

	2022	2021
Cash and Cash Equivalents	\$ 1,305,095	\$ 1,184,121
Accounts Receivable	216,323	42,351
Grants Receivable	279,985	225,180
Prepaid Expenses	10,031	56,013
Financial assets, at year end	1,811,434	1,507,665
Less those unavailable for general expenditures within one year due to:		
Donor-imposed restrictions	(5,000)	-
Board designated funds	(100,067)	(100,017)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,706,367	\$ 1,407,648

The Organization has financial assets on hand equal to approximately 6 months of operating expenses, which totaled \$3,659,163 for the year ending June 30, 2022. The Organization has financial assets on hand equal to approximately 5 months of operating expenses, which totaled \$3,514,436 for the year ending June 30, 2021. At times, the Board of Directors may designate a portion of any operating surplus to its liquidity reserve for future expenditures. At June 30, 2022, there were \$100,067 of Board Designated Funds set aside for capital and other repairs and maintenance projects. At June 30, 2021, there was \$100,017 of Board Designated Funds set aside for capital and other repairs and maintenance projects. A significant portion of the Organization's funding is derived from cost reimbursement grants from federal and state agencies; therefore, the Organization believes its liquid financial assets are sufficient to fund unanticipated liquidity needs that may arise. Additionally, the Organization has a line of credit which allows for borrowings up to \$600,000.

Q | COMMITMENTS AND CONTINGENCIES

Energy Efficiency Initiative

In fiscal year 2010, the Organization began an initiative to improve the energy efficiency of both 450 North State Street and the 17 Knight Street building in Concord, New Hampshire. The initiative includes energy improvements, including insulation, new windows, new daycare ceilings, ventilation and lighting, boiler replacement, conversion to electronic thermostats, and appliance replacement at an estimated total cost of \$681,265.

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SECOND START

NOTES TO FINANCIAL STATEMENTS

Financial support for the energy efficiency initiative included a Community Development Finance Authority (CDFA) grant of \$343,000. Additional funding was obtained from a Community Development Block Grant (CDBG) in the amount of \$313,265 through the City of Concord, New Hampshire and \$15,000 in cash donations. These grants were completed in 2011. Both grants are restricted to the Organization's energy efficiency initiative. Additionally, in the event the Organization ceases to use the buildings in providing services to low to moderate income populations, both grants will require repayment of a portion of the proceeds. This contingency continues through 2020 and 2030 for the CDFA and CDBG grants, respectively.

Grant Compliance

The Organization received funds under various grants. Under the terms of the grants, the Organization is required to use the funds within a certain period and for purposes specified by governing laws and regulations. If expenditures were found not to have been made in compliance with laws and regulations, the Organization might be required to repay the funds.

Contingencies

In fiscal year 2016, the County of Merrimack awarded the Organization a CDBG grant in the amount of \$300,000 to be used for building improvements at the Garrison facility. The improvements include roof replacement, exterior façade mortar repairs, exterior painting, solar panels, and additional insulation at its 17 Knight Street, Concord, New Hampshire facility. The grant requires that at least 77% of the persons served by the project be low and moderate income. In the event of default, the grant may require repayment of the funds already distributed. This contingency continues through the year 2036.

R | CONCENTRATIONS

Cash

The Organization maintains cash balances at a local financial institution that, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) secured limit of \$250,000. At June 30, 2022 and 2021, the Organization had uninsured balances of \$1,084,105 and \$989,501, respectively.

Accounts Receivable

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of accounts receivable. The Organization performs ongoing credit evaluations of its customers, and generally does not require collateral. Historically, credit losses have not been significant. Approximately 69% and 88% of the accounts receivables were grants receivable from the State of New Hampshire for the years ended June 30, 2022 and 2021, respectively.

(Continued on next page)

SECOND START
NOTES TO FINANCIAL STATEMENTS

Major Source of Funding

The major source of funds for the Organization's operations is made available by federal and state government grants. The State of New Hampshire Department of Education (DOE) provides 25% and 22% of the total support and revenue received for the years ended June 30, 2022 and 2021, respectively. The State of New Hampshire Department of Health and Human Services (DHHS) provides 14% and 15% of the total support in revenue received for the years ended June 30, 2022 and 2021, respectively. The Small Business Administration (SBA) Paycheck Protection Program (PPP) provides 16% of the total support and revenue received for the year ending June 30, 2021. The availability of funding is contingent upon federal or state authorization for program activity and appropriation of funds.

Major Customers

Tuition and fee revenue from Concord School District, one of Second Start's major customers, represented 20% and 19% of the Organization's total support and revenue for the years ended June 30, 2022 and 2021, respectively.

S | COVID-19 CONSIDERATIONS

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the world. While the spread of the virus has caused business disruptions across the United States, the Organization has not experienced any significant interruptions to their activities as of the years ended June 30, 2022 and 2021. While there remains considerable uncertainty around the duration of this pandemic, there are no ongoing concerns with the Organization's ability to continue operations for a period of one year from the date of these financial statements. See government grants and relief (Note D) for details on the funding the Organization applied for and received in response to COVID-19.

T | RECLASSIFICATIONS

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation. These reclassifications had no effect on the reported results of previously reported net assets.

U | SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 31, 2022, the date which the financial statements were available to be issued, and has not evaluated subsequent events after that date. The Organization did not identify any subsequent events that would require disclosure in the financial statements.

SECOND START
SCHEDULE OF SUPPORT AND REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

	<i>General & Building</i>	<i>Special Education</i>	<i>T.E.T Program</i>	<i>Alternative High School</i>	<i>Student Assistance</i>	<i>Adult Education & Literacy</i>	<i>Welcoming Concord</i>	<i>Daycare</i>	<i>Total</i>
SUPPORT AND REVENUES									
Grants from Governmental Agencies	\$ -	\$ -	\$ -	\$ -	\$ 904,101	\$ 990,981	\$ -	\$ 189,903	\$ 1,494,985
Private Fees	-	-	-	-	-	-	-	789,227	789,227
Fees from Governmental Agencies	-	180,086	275,174	199,501	216,000	349,571	-	-	1,119,332
Government Assistance - COVID-19 Funding	2,264	39,692	10,774	24,221	43,429	53,639	3,724	265,011	450,226
Miscellaneous Income	6,459	-	-	-	-	125	3,441	4,188	19,213
Private Grants	-	-	-	-	-	-	-	-	6,000
Contributions of cash and other financial assets	17,942	-	-	2,029	-	-	-	-	20,021
Contributions of nonfinancial assets	-	-	-	-	-	13,992	-	-	13,992
United Way	-	-	-	-	10,150	11,178	-	-	21,328
Interest Income	753	-	-	-	-	-	-	-	753
Total Support and Revenues	27,468	219,178	291,948	225,751	575,680	1,339,394	18,165	1,268,399	3,965,985
NET ASSETS RELEASED FROM RESTRICTIONS									
Satisfaction of Program Restrictions	-	-	-	-	-	-	10,000	-	10,000
Total Net Assets Released from Restrictions	-	-	-	-	-	-	10,000	-	10,000
TOTAL SUPPORT, REVENUE, AND OTHER NET ASSETS WITHOUT DONOR RESTRICTIONS									
	27,468	219,178	291,948	225,751	575,680	1,339,394	28,165	1,268,399	3,975,985
EXPENSES									
Program Services									
Instruction and Student Activities	7,244	240,183	85,492	130,144	449,565	639,679	22,108	918,811	2,493,243
Staff Development and Professional Fees	-	4,587	1,916	3,743	6,371	286,766	-	10,346	11,129
Other Program Costs	14,353	10,550	14,970	15,310	2,431	81,264	3,795	101,767	256,674
Occupancy	-	9,645	4,402	9,658	-	43,364	-	32,283	69,274
Interest Expense	-	250	45	45	-	114	-	-	454
Direct Depreciation	-	14,307	3,521	3,551	340	38,477	1,040	15,861	102,697
Total Program Services	21,797	288,224	110,346	167,491	461,710	1,009,575	26,943	1,099,085	3,265,471
Support Services									
General Administrative	-	35,056	15,580	21,371	58,427	112,958	3,895	144,106	393,691
(Gain) Loss on Disposal of Property and Equipment	(2,730)	-	-	-	-	-	-	-	(2,730)
Total Support Services	(2,730)	35,056	15,580	21,371	58,427	112,958	3,895	144,406	390,961
Total Expenses	19,067	223,280	125,926	190,862	520,137	1,322,533	30,838	1,243,491	3,656,434
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS									
Donor Restricted Support and Revenue	-	-	-	5,000	-	-	10,000	-	15,000
Net Assets Released from Restrictions	-	-	-	-	-	-	(15,000)	-	(10,000)
Increase (Decrease) in Net Assets with Donor Restrictions	-	-	-	5,000	-	-	-	-	5,000
Excess (Deficiency) of Support and Revenues Over Expenses	8,401	(104,102)	166,022	35,889	55,543	136,861	(2,673)	24,908	124,551
Net Assets, Beginning of Year	1,294,922	(1,036,428)	419,969	1,026,225	51,743	12,412	28,357	622,572	2,419,772
Net Assets, End of Year	\$ 1,303,323	\$ (1,140,530)	\$ 585,991	\$ 1,066,116	\$ 107,286	\$ 149,273	\$ 25,684	\$ 647,480	\$ 2,744,323

See Independent Auditor's Report

SECOND START
SCHEDULE OF SUPPORT AND REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021

	<i>General & Building</i>	<i>Special Education</i>	<i>T.E.T Program</i>	<i>Alternative High School</i>	<i>Student Assistance</i>	<i>Adult Education & Literacy</i>	<i>Welcoming Concord</i>	<i>Daycare</i>	<i>Total</i>
SUPPORT AND REVENUES									
Grants from Governmental Agencies	\$ -	\$ -	\$ -	\$ 1,125	\$ 273,791	\$ 865,806	\$ -	\$ 201,562	\$ 1,341,284
Private Fees	-	-	-	-	-	-	-	695,959	695,959
Fees from Governmental Agencies	-	147,275	219,653	254,799	256,368	149,369	-	-	1,027,464
Government Assistance - PPP	3,620	128,077	27,731	45,377	77,134	32,031	6,773	427,152	747,925
Miscellaneous Income	3,873	-	-	-	-	940	12,540	3,299	20,552
Grants-Private	-	-	-	-	-	-	14,000	-	14,000
Contributions of cash and other financial assets	20,749	-	-	2,815	-	9,000	2,500	17	35,081
Contributions of nonfinancial assets	-	-	-	-	-	18,900	-	-	18,900
United Way	-	-	-	10,150	-	13,866	-	-	24,016
Interest Income	804	-	-	-	-	-	-	-	804
<i>Total Support and Revenues</i>	<u>29,046</u>	<u>275,352</u>	<u>247,384</u>	<u>314,266</u>	<u>607,293</u>	<u>1,092,912</u>	<u>35,813</u>	<u>1,327,111</u>	<u>3,929,177</u>
EXPENSES									
<i>Program Services</i>									
Instruction and Student Activities	15,770	250,417	80,745	122,807	447,475	571,895	19,765	944,900	2,453,774
Staff Development and Professional Fees	-	2,331	1,249	3,093	3,543	181,374	-	4,664	190,250
Other Program Costs	2,511	23,613	12,352	19,554	5,782	113,451	1,712	85,915	264,958
Occupancy	-	9,000	4,451	9,000	-	57,757	-	38,664	118,872
Direct Depreciation	-	7,456	2,655	6,611	270	27,083	1,040	38,871	84,025
<i>Total Program Services</i>	<u>18,281</u>	<u>292,817</u>	<u>101,452</u>	<u>161,095</u>	<u>457,079</u>	<u>951,590</u>	<u>22,517</u>	<u>1,113,016</u>	<u>3,117,577</u>
<i>Support Services</i>									
General Administrative	-	43,783	15,921	23,882	63,684	115,428	3,980	133,675	400,353
<i>Total Support Services</i>	<u>-</u>	<u>43,783</u>	<u>15,921</u>	<u>23,882</u>	<u>63,684</u>	<u>115,428</u>	<u>3,980</u>	<u>133,675</u>	<u>400,353</u>
Total Expenses	<u>18,281</u>	<u>336,600</u>	<u>117,403</u>	<u>184,977</u>	<u>520,763</u>	<u>1,067,018</u>	<u>26,497</u>	<u>1,246,690</u>	<u>3,518,230</u>
Excess (Deficiency) of Support and Revenues Over Expenses	10,765	(61,248)	129,981	129,289	86,530	25,894	9,316	80,420	410,947
<i>Net Assets, Beginning of Year</i>	<u>1,284,157</u>	<u>(975,180)</u>	<u>259,988</u>	<u>896,936</u>	<u>(34,787)</u>	<u>(13,452)</u>	<u>19,041</u>	<u>542,152</u>	<u>2,008,825</u>
<i>Net Assets, End of Year</i>	<u>\$ 1,294,922</u>	<u>\$ (1,036,428)</u>	<u>\$ 419,969</u>	<u>\$ 1,026,225</u>	<u>\$ 51,743</u>	<u>\$ 12,412</u>	<u>\$ 28,357</u>	<u>\$ 622,572</u>	<u>\$ 2,419,772</u>

See Independent Auditor's Report

Second Start Board of Directors

Joseph Shoemaker

Director of Operations

President

Member since 2019

Matt Nadeau

Principal

Vice President

Member since 2012

Ashley Aniskovich

Manager

Treasurer

Member since 2020

Frank Lemay

President

Member since 2006

Tom Painchaud

Senior VP of Distribution Services

Member since 2012

Maria del Mar Acebron

Senior Teller

om

Member since 2012

Dodd Griffith

Attorney

Member since 2014

Caroline Brown

Attorney

Member since 2017

Clement Senga Kigugu

Executive Director

Member since 2019

Betsy Peabody

Guidance

Member since 2020

Tammy Wells

Loan Servicing Coordinator

Member since 2023

Mission Statement

Our mission is to help people become more productive workers, family members and community citizens. We provide supportive, affordable and effective educational programs, including: adult basic education, job training and career counseling, education and training for at-risk youth and child care services.

Laura Scarcello

Professional Experience:

- | | |
|---------------|---|
| 2016 –present | Administrative Assistant
Second Start, Concord, NH |
| 2013 - 2016 | Customer Service Specialist II/Customer Service Supervisor
First Colebrook Bank/Granite Bank, Concord, NH |
| 2000-2013 | Owner/Manager
Annie's Book Stop, Concord, NH |

Education:

- | | |
|------|--|
| 2016 | National Career Readiness Certificate – GOLD LEVEL
Concord, NH |
| 2016 | WorkReadyNH Soft Skills Course
Concord, NH |
| 1995 | University of Southern California
Bachelor of Science - Biology, Minor – German
Los Angeles, CA |
| 1994 | Concord High School
Concord, NH |

References:

Available upon Request

Title: Business Office Administrative Assistant

Reports to: Office Manager

Responsibilities:

- Open office each morning ensuring office is neat, and inviting and ready to welcome clients and co-workers
- Greet walk-in clients and direct them to the most appropriate staff member to help them
- Provide day to day administrative support including correspondence for Executive Director and other program directors as needed.
- Be responsible for the management and inventory of all office supplies.
- Answer and correctly direct all incoming phone calls.
- Sort and distribute agency mail.
- Receive and record in logs all checks or cash received by mail or in person.
- Maintain various cash bags for administration, ie. Petty cash, vending, change bag
- Coordinate Board of Director's meetings
- Troubleshoot routine network and common software problems
- Provide routine website maintenance
- Answer all calls regarding HISET testing and scheduling of ABE, ESL testing.
- HISET data base entry
- Coordination of Board of Directors meetings, mailings and files.
- Filing of documents in agency master files
- Maintain various spreadsheets for management analysis
- Back up DC administrative staff by occasionally calling parents to report sickness, injury or incident.
- Processing of weekly DC ACH.
- Entering all DC Scholarship billing and receipts.
- Vendor management, including statement research and 1099's
- Weekly coding, entry, and payment for all Accounts Payable invoices and filing agency bills.
- Assist in the preparation of timecards for processing and distribution.
- Complete bi-weekly timecard entry and assist Controller with payroll check and paystub creation.
- Collating paychecks and earning statements for mailing or distribution.
- Perform other duties in the best interest of the agency that are from time to time assigned by the Executive Director.

Updated 8/2019



Frank Edelblut
Commissioner

Christine Brennan
Deputy Commissioner

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

January 21, 2021

His Excellency, Governor Christopher T. Sununu
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Education, Bureau of Adult Education to enter into a contract with Second Start, Concord, NH (Vendor Code #177224), in the amount of \$203,716.38 to provide high school equivalency test center coordination services, effective upon Governor approval through June 30, 2023. 100% State Funds.

Funds to support this request are available in the account titled Adult Education for FY21 and anticipated to be available in FY22, and FY23 and upon the availability and continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between Fiscal Years through the Budget Office without further Governor approval, if needed and justified.

FY21	06-56-56-4039000-602-500932	State Funds Non-Match	\$ 56,048.25
FY22	06-56-56-4039000-602-500932	State Funds Non-Match	\$ 70,537.50
FY23	06-56-56-4039000-602-500932	State Funds Non-Match	<u>\$ 77,130.63</u>
		TOTAL	\$203,716.38

EXPLANATION

A request for high school equivalency test center coordination services was issued on December 14, 2020. The notice was published in the Union Leader on December 14, 2020 for one day and posted on the NH Department of Education's website and a notice was sent electronically to all NH adult education centers. Only one proposal was received. See attachment A.

Approval of this request will allow the contractor to provide test center administrative support services, provide for the recruitment and training of new examiners and facilitate special payments for incarcerated individuals at the NH State Prison. Both the pandemic and changes to the payment process for the HiSET Exam effective on January 11, 2021 have created an issue with the financial viability of NH's high school equivalency testing centers. In the past, test centers have collected and retained a portion of the testing fees at the local level to cover operational costs. Due to the pandemic, test center capacities have been drastically reduced thus causing a financial hardship to the test centers. On January 11, 2021, the payment system for the high school

His Excellency, Governor Christopher T. Sununu
State House
Concord, New Hampshire 03301
Page 2

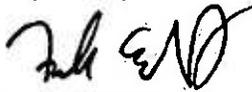
equivalency exam will be changed to allow test takers to pay for the exam online and thereby entirely eliminating the collection of fees at the local level. This contract will allow the contractor to track, verify and reimburse testing centers for administrative costs.

The contractor will also address the current lack of trained examiners across the state by providing recruitment and training services to increase capacity for testing. Currently some testing centers only have one test administrator which has resulted in multiple cancelled testing sessions due to COVID-19 exposure. Additionally, many of the current examiners are older, retired individuals. Training new examiners will ensure that New Hampshire is able to continuously provide high school equivalency testing services across the state.

Additionally, the contractor will facilitate the test fee payments for certain populations such as incarcerated individuals do not have the option for online payments.

The Bureau of Adult Education provides high school equivalency testing services for more than 1,200 individuals each year. The HiSET test includes five subtests in the content areas of Science, Social Studies, Language Arts – Reading, Language Arts – Writing and Mathematics.

Respectfully submitted,



Frank Edelblut
Commissioner of Education

I hereby approve this request pursuant to RSA 4:45, RSA 21-P:43, and Section 4 of Executive Order 2020-04 as extended by Executive Orders 2020-05 and 2020-08, 2020-09, 2020-10, 2020-14, 2020-15, 2020-16, 2020-17 and 2020-18, 2020-20, 2020-21, 2020-23, 2020-24, and 2020-25, 2021-01 and suspend the Manual of Procedures 150, V., 8., 1., requirement.

2-7-21
Date



Governor Christopher T. Sununu

ATTACHMENT A

A request for high school equivalency test center coordination services was issued on December 14, 2020. The notice was published in the Union Leader on December 14, 2020 for one day and posted on the NH Department of Education's website and a notice was sent electronically to all NH adult education centers. Only one proposal was received.

Proposal Criteria In RFP:

CATEGORIES	POINTS
Company Background, Profile and Experience including audited financial records	20
Key Personnel including job descriptions and resumes	5
Two Reference letters	5
Project Plan	50
Cost Proposal	20
TOTAL POTENTIAL MAXIMUM POINTS AWARDED	100

Evaluation Scoring and Funding Recommendation:

The proposal was evaluated as follows:

CATEGORIES	Maximum Score	SM	DK	JBA	Average
Organization Profile, Background & Experience	20	19	20	20	20
Key Personnel	5	4	5	5	5
References	5	5	4	5	5
Project Plan	50	45	50	40	45
Cost Proposal	20	10	10	15	12
Total	100	83	89	85	86

Reviewers

Sarah Morrissey is the Assistant Director of the Employment Services Bureau and Operations at New Hampshire Employment Security with eleven (11) years of service to that department. Prior to that role, she served as the Manager of the Somersworth and Portsmouth NH Works offices. As a core partner in the NH workforce system, Sarah has frequent interaction with the adult education field including participation in local partner meetings, facilitation of interagency referrals and coordination in the administration of the NH State Workforce Plan.

Dina DiGregorio Karlon is the Education and Credential Specialist for the NH Employment Program and works as an affiliate to the NH Department of Health & Human Services. She is employed by Southern NH Services and spent the previous fifteen years working as a school counselor. She has more than twenty-five years of experience in education, especially in the areas of alternative options for graduation.

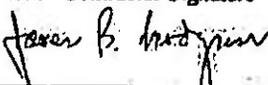
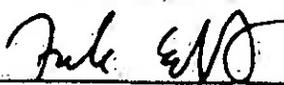
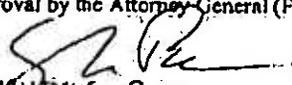
Jeffrey Beard is an Education Consultant with the Department of Education, Bureau of Career Development. He oversees the Drop Out Prevention Grant which historically has provided the high school equivalency exam as a required program component.

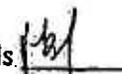
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

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

GENERAL PROVISIONS

I. IDENTIFICATION.

1.1 State Agency Name Department of Education, Bureau of Adult Education		1.2 State Agency Address 21 South Fruk Street, Suite 20 Concord, NH 03301	
1.3 Contractor Name Second Start		1.4 Contractor Address 17 Knight Street Concord, NH 03301	
1.5 Contractor Phone Number (603) 228-1341	1.6 Account Number See Exhibit C	1.7 Completion Date June 30, 2023	1.8 Price Limitation \$203,716.38
1.9 Contracting Officer for State Agency Sarah Ladd Wheeler		1.10 State Agency Telephone Number (603) 271-6701	
1.11 Contractor Signature  Date: 1/22/2021		1.12 Name and Title of Contractor Signatory James B. Snodgrass, Executive Director	
1.13 State Agency Signature  Date: 2-6-22		1.14 Name and Title of State Agency Signatory Frank Edelblut, Commissioner	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: 2/8/21 CHRISTIANA BUMP			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

Contractor Initials 
Date 1/22/21

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

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

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

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

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

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

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

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

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

7. PERSONNEL.

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

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

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

Contractor Initials: *MSJ*

Date: *1/22/21*

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 Initials

Date

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1/22/20

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

The Contractor must comply with the following provisions:

- Exhibit D: Contractor Obligations
- Exhibit E: Federal Debarment and Suspension
- Exhibit F: Anti-Lobbying
- Exhibit G: Rights to Inventions Made Under a Contract, Copy Rights and Confidentiality

Contractor initials

Date

M/21
1/12/21

EXHIBIT B

Scope of Services

The NH Department of Education, Bureau of Adult Education, administers the high school equivalency program for the state of New Hampshire including contracting for testing services, approving and monitoring testing centers, establishing policies and procedures and issuing a high school equivalency certificate upon successful completion of the exam. The current testing used for high school equivalency is the HiSET published by Educational Testing Service (ETS).

Second Start, Concord, NH will provide the following High School Equivalency Testing Center Coordination Services in order to provide support and build capacity for HiSET Test Centers:

Subtest Administrative Support

The vendor is responsible for disbursing payments to cover a portion of the cost for test administration services at a rate determined by the Bureau of Adult Education.

- A rate shall be established by the Bureau of Adult Education, applicable until such a time as the COVID-19 restrictions on capacity and additional time required to comply with health and safety measures including an additional maximum of \$50 per month reimbursement for required personal protective equipment and cleaning supplies.
- After restrictions due to the pandemic expire, the Bureau of Adult Education shall establish a standard per subtest reimbursement rate.
- The vendor shall use the Test Center Portal provided by ETS in order to verify the number of subtests administered at each testing center on a monthly basis.
- The vendor may require eligible Test Centers to submit a monthly invoice or reimbursement request.
- The vendor shall issue payments based on the established rates.

Training Support

The vendor is responsible for the recruitment and training of new test administrators to increase statewide testing capacity.

- The vendor will provide the Testing Center a stipend of \$25 per hour for the examiner trainee's time spent in observation/participation activities, not to exceed a maximum of 12 hours.

Facilitation of Special Payment

The vendor is responsible for facilitating the distribution of vouchers for special circumstances.

- The vendor will facilitate the purchase of vouchers for incarcerated individuals at the NH State Prison in exchange for payments made from their prison accounts. Inmates shall only be required to pay the ETS fees as published by the Bureau of Adult Education.
- The vendor shall receive payments and issue vouchers for ETS fees as published by the Bureau of Adult Education in the event of restricted private contributions for adult education students.
 - The vendor may require an application for such services.

Contractor Initials
Date

1/22/23

EXHIBIT C

Method of Payment

Estimated Budget

This contract is funded with Adult Education State Non-Match Funds.

The following table includes an estimated budget:

	FY21	FY22	FY23	Total
Salaries	\$2,800.00	\$6,240.00	\$6,427.20	\$ 15,467.20
Benefits	\$ 653.00	\$1,885.00	\$1,941.55	\$ 4,479.55
COVID 19 Reimbursements	\$5,000.00			\$ 5,000.00
Subtest Reimbursement	\$41,100.00	\$52,500.00	\$60,000.00	\$153,600.00
Training Stipends	\$1,400.00	\$3,500.00	\$1,750.00	\$ 6,650.00
Indirect Cost	\$5,095.25	\$6,412.50	\$7,011.88	\$ 18,519.63
Total	\$56,048.25	\$70,537.50	\$77,130.63	\$203,716.38

1. Reimbursements disbursed through this contract agreement shall be based on actual subtests administered and examiners trained.
2. The Department of Education reserves the right to increase and/or decrease contract funds subject to continued availability of funds, satisfactory performance of services, and approval by the Governor and Executive Council.
3. Line items in this budget may be adjusted, one to the other, of the indicated amount but in no instance can the total budget exceed the price limitation. The vendor must receive Department of Education approval prior to transferring from one line to another.

Limitation on Price: This Contract will not exceed \$203,716.38 without written modification signed by the parties of this agreement and approved by the Governor and Council.

Source of Funding: Funding for this contract is 100% State Funds from the account titled 4039 Adult Education Non-Match Funds as follows:

Account Number: 06-56-56-562010-40390000-602

Acct	Class	Name	FY21	FY22	FY23	Total
4039	602	Adult Education State Non Match	\$56,048.25	\$70,537.50	\$77,130.63	\$203,716.38

Method of Payment

The vendor shall be paid on a monthly basis through the NH Department of Education's Grants Management System,

1. Payments for services under this contract are limited to reimbursement for actual expenses incurred in the fulfillment of this agreement during the contract period. Reimbursement for expenses after June 30, 2023 shall not be accepted for payment.

Contractor Initials: *[Signature]*
 Date: 1/22/21

2. A final payment request shall be submitted no later than forty-five (45) days after the contract ends. Failure to submit the invoice by this date could result in non-payment.
3. The vendor shall maintain sufficient documentation on file in their offices to support invoices and make such documentation available for review by authorized NH DOE, Bureau of Adult Education and/or its auditors. The Bureau of Adult Education will verify monthly reports through the Education Testing System Administration Portal.
4. The Contractor shall adhere to all cash management policies and procedures stipulated in the body of this agreement, and all other applicable State, and the DOE cash management regulations and policies, including monthly accrual reporting.

Contractor Initials

Date

[Handwritten Signature]
[Handwritten Date: 11/21/21]

EXHIBIT D

Contractor Obligations

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

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

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

Breach

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

Fraud and False Statements

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

Environmental Protection

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

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

Procurement of Recovered Materials

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

Contractor Initials

Date: 1/22/21

EXHIBIT E

Federal Debarment and Suspension

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

Contractor Initials
Date 11/22/21

Exhibit F

Anti-Lobbying

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

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

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

Contractor Initials

Date

1/22/21
JMT

EXHIBIT G

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

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

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

Confidentiality

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

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

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

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

Ownership of Intellectual Property

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

Contractor Initials

Date

[Handwritten Signature]
1/22/21

**State of New Hampshire
Department of State**

CERTIFICATE

I, William M. Oardor, Secretary of State of the State of New Hampshire, do hereby certify that SECOND START is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on September 03, 1971. 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: 65173

Certificate Number: 0004879169



IN TESTIMONY WHEREOF,

I hereunto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 1st day of April A.D. 2020.

A handwritten signature in cursive script, appearing to read "William M. Oardor".

William M. Oardor
Secretary of State

CERTIFICATE OF VOTE

I Tom Painchaud, do hereby certify that:

1. I am a duly elected Officer of Second Start
2. The following is a true copy of the resolution duly adopted by the Executive Committee of the Board of Directors of the Agency duly held on January 22, 2021

RESOLVED: That the Executive Director of Second Start

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 22nd day of January, 2021.
4. James B. Snodgrass is the duly elected Executive Director of the Agency.

[Signature], Board President

STATE OF NEW HAMPSHIRE

County of Merrimack

The forgoing instrument was acknowledged before me this 22nd day of January, 2021.

By Tom Painchaud, Board President

[Signature]

LAURA E. SCARCELLO

Notary Public - New Hampshire

Commission Expires: My Commission Expires February 6, 2024



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/08/2021

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

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

PRODUCER E & S Insurance Services LLC 21 Meadowbrook Lane P O Box 7425 Gilford NH 03247-7425		CONTACT NAME: Eleanor Spinazzola PHONE (AC, Ho, Ext): (603) 293-2791 FAX (AC, Ho): (603) 293-7188 EMAIL ADDRESS: Eleanor.spinazzola@esinsurance.net	
INSURED Second Start 17 Knight Street Concord NH 03301		INSURER(S) AFFORDING COVERAGE INSURER A: AmTrust Financial Services, Inc. INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: 2021 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	ADDRESS (RSD / WVN)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			12/31/2020	12/31/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA OCCURRENCE) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADY INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> RENTED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			12/31/2020	12/31/2021	COMBINED SINGLE LIMIT (EA OCCURRENCE) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist \$ 1,000,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DET. <input checked="" type="checkbox"/> RETENTION \$ 10,000			12/31/2020	12/31/2021	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OF MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A			PER STATUTE / OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

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

CERTIFICATE HOLDER: NH of Dept of Education Bureau of Adult Education 21 South Fruit St, Suite 20 Concord NH 03301	CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Finley Kennedy</i>
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**Granite State Healthcare
and Human Service Trust**

PO Box 4197
Concord, NH 03302-4197

Issue Date 01/06/2021

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.

Certificate Of Insurance

CERTIFICATE HOLDER

NH Department of Education
Bureau of Adult Education
21 South Fruit Street, Suite 20
Concord, NH 03301

Companies Affording Coverage

COMPANY LETTER A	The Granite State Healthcare And Human Services Self-Insured Group Trust
COMPANY LETTER B	Midwest Employers Casualty Corp.

This policy is effective on 2/1/2020 12:00 AM, and will expire on 2/1/2021 12:00 AM. This policy will automatically be renewed unless notified by either party by October 1st of any fund year.

COVERAGES

This is to certify that the Workers' Compensation and Employer's Liability Insurance has been issued to the insured named above for the policy period indicated, not withstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

Type of Insurance/Carrier	Policy Number	Policy Effective	Policy Expiration	LIMITS	
<u>Workers' Compensation & Employer's Liability</u> The Granite State Healthcare And Human Services Self-Insured Group Trust	[REDACTED]	2/1/2020 12:00 AM	2/1/2021 12:00 AM	W/C Statutory Limits	
				E.L. Each Accident	\$1,000,000
				E.L. Disease - Pol Limit	\$1,000,000
				E.L. Disease - Each Emp	\$1,000,000
<u>Excess Insurance</u> Midwest Employers Casualty Corp	[REDACTED]	2/1/2020 12:00 AM	2/1/2021 12:00 AM	Workers' Compensation	Statutory
				Employer's Liability	\$1,000,000

Description of Operations:

Covering operations of the insured during the policy term. Per NH Law, additional insured and waiver of subrogation are not allowed on workers' comp. COIs.

Excluded Officer

MEMBER

Second Start
17 Knight Street
Concord, NH 03301

CANCELLATION

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

01/06/2021

Authorized Representative

Date