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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  
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May 27, 2023

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

REQUESTED ACTION

Authorize the Department of Education, Division of Learner Support, Bureau of Adult Education to enter into a contract with Second Start (VC#177224), Concord, New Hampshire in an amount not to exceed \$780,215.33 to provide an adult education and literacy program as defined under the Workforce Innovation and Opportunity Act of 2014, effective upon Governor and Council approval through June 30, 2026. **35% Federal Funds, 65% General Funds.**

Funds to support this request are anticipated to be available in the accounts titled Adult Education-Federal and Adult Education-State in FY2024-FY2026 upon the availability and continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between Fiscal Years within the price limitation through the Budget Office, without further Governor and Council approval, if needed and justified.

Account #s	FY24	FY25	FY26
06-56-56-562010-40370000-072-500575 Grants Federal	\$88,348.17	\$90,998.62	\$93,728.58
06-56-56-562010-40390000-601-500931 State Fund Match	\$164,075.18	\$168,997.43	\$174,067.35
Total	\$252,423.35	\$259,996.05	\$267,795.93

EXPLANATION

Under the Workforce Innovation and Opportunity Act of 2014, a Request for Proposals (RFP) was released on January 13, 2023 on the NH Department of Education's website and distributed to through the Department's communication system. All federal and state adult education grants are awarded through a competitive application process that is open to school districts, not-for-profits, and governmental agencies. Twenty-one proposals were received and reviewed using the proposal criteria in the RFP for evaluating the applications contained in the Adult Education and Family Literacy Act – Workforce Innovation and Opportunity Act of 2014 (See Attachment A). Twenty-one grants will be awarded to eight private-not-for-profit organizations, ten

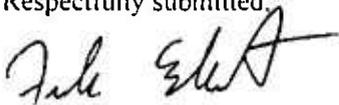
His Excellency, Governor Christopher T. Sununu  
And The Honorable Council  
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school districts and one governmental agency based on applications received from eligible organizations that met the criteria for funding. Two agencies submitted two separate applications to serve different regions of the state. The school districts will receive the awarded funds through the Grants Management System used by the Department.

Adult education and literacy programs are authorized under Ed 703 and in the Workforce Innovation and Opportunity Act of 2014, Title II, Adult Education and Family Literacy Act and provide educational opportunities below the secondary level for adults who lack a high school diploma or who lack the basic skills to function effectively in the workplace and in their daily lives. This includes foundational skills and English literacy instruction for individuals who may have earned a high school diploma or postsecondary credential in another country, but do not have the English language skills to be successful in postsecondary education, training and/or employment. The purpose of the program is to assist students in earning a high school credential and acquiring the skills and knowledge necessary to become productive workers, parents, and citizens and transition to postsecondary education, training and/or employment.

The Bureau of Adult Education provides educational services to approximately seven thousand adults each year. Second Start has been providing adult education services to the greater Concord region since 1972 serving thousands of participants in adult basic education, English as a second language, high school equivalency preparation and testing. In addition to providing comprehensive adult education services, the agency offers programming to meet community needs such as an alternative high school, driver education for English language learners and a large childcare center.

Respectfully submitted,



Frank Edelblut  
Commissioner of Education

**Attachment A**  
**Bid Summary Scoring Sheet**  
**Workforce Innovation and Opportunity Act (WIOA)**

Name of bidders The following list are applicants who met the minimum standards required under WIOA by providing demonstrated effectiveness:	***Proposed Price
America's Youth Teenage Unemployment Reduction Network (dba My Turn)	\$849,055.84
Ascentria Community Services, Inc.	\$811,907.88
Derry SAU 10	\$216,166.73
Dover SAU 11	\$915,356.30
Exeter SAU 16	\$546,171.38
Governor Wentworth SAU 49	\$339,771.55
Holy Cross Family Learning Center	\$289,951.15
International Institute of New England	\$2,369,132.81
Keene SAU 29	\$448,607.86
Laconia SAU 30	\$287,419.44
Lebanon SAU 88	\$461,456.51
Littleton SAU 84	\$350,735.87
Nashua Adult Learning Center	\$1,778,984.87
NH Dept of Corrections	\$214,213.34
North Country Education Services	\$359,961.65
Plymouth SAU 48	\$148,436.15
Salem SAU 57	\$215,927.53
Second Start (Statewide Online)	\$309,090.91
Second Start (AEL)	\$811,900.00
Southern NH Services (English for New Americans) Manchester	\$658,703.04
Southern NH Services (Portsmouth)	\$540,777.23

\*\*\*Proposed price may be considerably different from final negotiated price.

Reviewers	Title
Jeff B	Bureau Administrator for the NH Department of Education (NHED)
Manuela B	Training coordinator for NHED Vocational Rehabilitation
Heather C	MTSS-B Consultant with the NHED
Jennifer C	Admin Asst/Data Entry Pinkerton Academy's Choices in Education program
Karen D	Local office manager for NH Employment Security- WIOA partner
Emily F	Program Specialist IV for the Bureau of Educational Support, NHED
Eric F	Director of the Wilbur H. Palmer Career and Technical Education Center
William G	Program Specialist IV and Contract Manager for NHED Vocational Rehabilitation
Michelle L	Program Director for the Northumberland Adult Diploma Program
Janelle L	Administrator, Bureau of Special Education
Diane L	Education Consultant, Bureau of Career Development, NHED
Stacy M	Office of the Deputy Commissioner at the NHED
JoAnn M	Education Consultant in the Bureau of Special Education at the NHED
Kathleen M	English Language Arts Ed Consultant in the Bureau of Instruction at the NHED
Rebecca M	Administrative Assistant for the Londonderry Adult Diploma program
Linda M	Retired adult education program director
Yvette P	Education Consultant, Bureau of Special Education
Kelly T	Director of school counseling at Newfound Regional School District
Amy W	Dean of Alternative Programming for Bedford High School

All average scores above 500 were considered acceptable. All twenty-one proposals received will be awarded grants.

The RFP specified that the Bureau's preference is to fund one comprehensive center in each of the twelve regions of the state. The notable exception is Manchester due to the high volume of potential participants.

School department applications are administered through the Grants Management System.

Each contract will be presented to the Governor and Executive Council separately as they are completed.

Name of bidders - Average scores listed highest to lowest.	Average Score
Dover SAU 11 (Somersworth)	904.0
International Institute of New England (IINE) (Manchester)	820.6
Second Start (Statewide Online)	802.7
Derry SAU 10 (Salem)	768.0
Second Start AEL (Concord)	753.1
Ascentria Community Services, Inc. (Concord)	753.0
Nashua Adult Learning Center (Nashua)	751.0
Lebanon SAU 88 (Claremont)	733.3
Littleton SAU 84 (Littleton)	727.0
Governor Wentworth SAU 49 (Conway)	716.0
Exeter SAU 16 (Portsmouth)	698.3
Southern NH Services AEL (Portsmouth)	694.7
America's Youth Teenage Unemployment Reduction Network (dba My Turn) Manchester	661.7
Laconia SAU 30 (Laconia)	652.7
Southern NH Services - English for New Americans (ENA) (Manchester)	653.0
Keene SAU 29 (Keene)	634.3
NH Dept of Corrections (Corrections)	624.0
Plymouth SAU 48 (Laconia)	617.4
Holy Cross Family Learning Center (Manchester)	601.3
Salem SAU 57 (Salem)	575.0
North Country Education Services (Berlin)	568.0

Proposal Criteria in the RFP	Weight of Criteria
Organizational Capacity	100
Responsiveness to Regional Need	100
Serving the Most in Need	100
Service Delivery Format and Schedules	100
Proposed Curricula and Contextualized Instruction	75
State Workforce Board Alignment	75
Intensity, Quality and Best Practices of Program	100
Integration of Technology Services and Digital Systems	75
Meeting Program Outcomes	100
Reporting	75
Implementation Timeline	25
Budget	75
<b>TOTAL</b>	<b>1000</b>

**Review Process**

Scoring reviews were completed on April 13, 2023. The proposal review panel recommended all proposals for funding.

There were three steps in the review process.

1. A committee of three individuals reviewed three of the twenty-one proposals received. Reviewers used a prepared rubric to establish demonstrated effectiveness to determine the eligibility of the applicant in accordance with WIOA requirements and then to evaluate compliance with the requirements of the RFP and verify the qualifications of the vendors.

**2. State Workforce Board Review**

In accordance with WIOA, all applications were reviewed and accepted by the State Workforce Investment Board as will be indicated in the minutes of the July, 2023 meeting.

**3. Geographic Distribution**

The RFP specified that there be at least one comprehensive adult education program in each region. A complete list of regions served is available below.

Berlin	1	Littleton	1
Claremont	1	Manchester	4
Concord	2	Nashua	1
Conway	1	Portsmouth	2
Corrections	1	Salem	2
Keene	1	Somersworth	1
Laconia	2	Statewide	1
		Online	

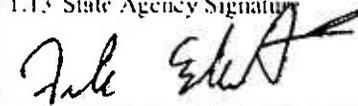
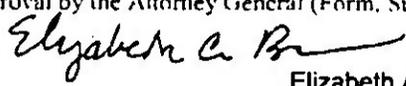
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name Department of Education, Bureau of Adult Education		1.2 State Agency Address 21 South Fruit 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 Unit and Class See Exhibit C	1.7 Completion Date 6/30/2026	1.8 Price Limitation \$780,215.33
1.9 Contracting Officer for State Agency Sarah Wheeler		1.10 State Agency Telephone Number 603-271-6701	
1.11 Contractor Signature  Date: 5/20/23		1.12 Name and Title of Contractor Signatory William Mealey Executive Director	
1.13 State Agency Signature  Date: 6/6/2023		1.14 Name and Title of State Agency Signatory Frank Edelblut, Commissioner of Education	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  Elizabeth A. Brown On: 6/6/2023			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

**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, 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.

3.3 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. 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 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, 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 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. 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.

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 The State's liability under this Agreement shall be limited to monetary damages not to exceed the total fees paid. The Contractor agrees that it has an adequate remedy at law for any breach of this Agreement by the State and hereby waives any right to specific performance or other equitable remedies against the State.

**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 and the Governor's order on Respect and Civility in the Workplace, Executive order 2020-01. 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 age, sex, sexual orientation, race, color, marital status, physical or mental disability, religious creed, national origin, gender identity, or gender expression, and will take affirmative action to prevent such discrimination, unless exempt by state or federal law. The Contractor shall ensure any subcontractors comply with these nondiscrimination requirements.

6.3 No payments or transfers of value by Contractor or its representatives in connection with this Agreement have or shall be made which have the purpose or effect of public or commercial bribery, or acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business.

6.4. 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 this Agreement and all rules, regulations and orders pertaining to 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 The Contracting Officer specified in block 1.9, or any successor, shall be the State's point of contact pertaining to this Agreement.

## 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) calendar days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) calendar 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.

## 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) calendar 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) calendar 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. In addition, at the State's discretion, the Contractor shall, within fifteen (15) calendar days of notice of early termination, develop and submit to the State a transition plan for Services under the Agreement.

## 10. PROPERTY OWNERSHIP/DISCLOSURE.

10.1 As used in this Agreement, the word "Property" shall mean all data, 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 Disclosure of data, information and other records shall be governed by N.H. RSA chapter 91-A and/or other applicable law. Disclosure 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 Contractor shall provide the State written notice at least fifteen (15) calendar days before any proposed assignment, delegation, or other transfer of any interest in this Agreement. No such assignment, delegation, or other transfer shall be effective without the written consent of the State.

12.2 For purposes of paragraph 12, 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.

12.3 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State.

12.4 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.** The Contractor shall indemnify, defend, and hold harmless the State, its officers, and employees from and against all actions, claims, damages, demands, judgments, fines, liabilities, losses, and other expenses, including, without limitation, reasonable attorneys' fees, arising out of or relating to this Agreement directly or indirectly arising from death, personal injury, property damage, intellectual property infringement, or other claims asserted against the State, its officers, or employees caused by the acts or omissions of negligence, reckless or willful misconduct, or fraud by the Contractor, its employees, agents, or subcontractors. 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 State's sovereign immunity, 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 any successor, a certificate(s) of insurance for all insurance required under this Agreement. At the request of the Contracting Officer, or any successor, the Contractor shall provide certificate(s) of insurance for all renewal(s) of insurance required under this Agreement. 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 any successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. WAIVER OF BREACH.** A State's failure to enforce its rights with respect to any single or continuing breach of this Agreement shall not act as a waiver of the right of the State to later enforce any such rights or to enforce any other or any subsequent breach.

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

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

**19. CHOICE OF LAW AND FORUM.**

19.1 This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire except where the Federal supremacy clause requires otherwise. 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.

19.2 Any actions arising out of this Agreement, including the breach or alleged breach thereof, may not be submitted to binding arbitration, but must, instead, be brought and maintained in the Merrimack County Superior Court of New Hampshire which shall have exclusive jurisdiction thereof.

**20. CONFLICTING TERMS.** In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and any other portion of this Agreement including any attachments thereto, the terms of the P-37 (as modified in EXHIBIT A) shall control.

**21. THIRD PARTIES.** This Agreement is being entered into for the sole benefit of the parties hereto, and nothing herein, express or implied, is intended to or will confer any legal or equitable right, benefit, or remedy of any nature upon any other person.

**22. 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.

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

**24. FURTHER ASSURANCES.** The Contractor, along with its agents and affiliates, shall, at its own cost and expense, execute any additional documents and take such further actions as may be reasonably required to carry out the provisions of this Agreement and give effect to the transactions contemplated hereby.

**25. 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.

**26. 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.

Contractor Initials *AM*  
Date *5/30/23*

## EXHIBIT A

### SPECIAL PROVISIONS

1. 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
- Exhibit H: Compliance with the provisions of the US Code of Federal Regulations 34 CFR 364 and the following US Circular if applicable: Office of Management and Budget (OBM) Circular A-110 "Uniform Administrative Non-Profit Organizations"
- Exhibit I: Attestation for the US Department of Education General Education Provisions Act (GEPA)
- Exhibit J: Buy American Statement in accordance with Section 502 of the Workforce Innovation and Opportunity Act of 2014

2. The Contractor must sign annual General Assurances from the NH Department of Education, Bureau of Federal Compliance and the Program Assurances included in Exhibit B: Scope of Services.

### 3. Federal Certification 2 CFR 200.415

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

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

## EXHIBIT B

### SCOPE OF SERVICES

The vision for Adult Education and Literacy Services in New Hampshire is a regional system of providers providing comprehensive services below the secondary level including adult basic education, high school equivalency preparation and English as a second language in order to prepare adults to transition successfully into postsecondary education, training and/or employment.

Second Start, Concord, NH will provide the following services:

#### Responsiveness to Regional Need

- The Contractor is responsible for identifying the educational needs of the region by using data from US Census's American Community Survey to target, recruit, and serve individuals without a high school diploma and English language learners.
- The Contractor is responsible for using NH Employment Security data and the NH Work's Combined State Plan to identify regional economic needs and to incorporate preparation of individuals for sector initiatives, assisting individuals with transition into economic stability through employment and participation in the development of career pathways.
- The Contractor is responsible for using local resources to identify the social and cultural needs of the region and include programming to address the diverse needs of the population, provide soft skills training and foster the development of cultural competence.
- The Contractor is responsible for coordinating services between other adult education centers and community organizations to ensure the non-duplication of services; the capacity to serve the local need; the seamless transition of participants between educational levels; and the transition of participants into postsecondary education, training and/or employment.

#### Serving the Most in Need

- The Contractor is responsible for identifying, recruiting, and serving students who are most in need of adult education including individuals with low levels of literacy skills and English language learners, including those who may be above the Advanced ESL level, but still eligible for adult basic or secondary education activities.
- The Contractor is responsible for serving the needs of individuals with disabilities including physical, emotional, social, and learning disabilities.
- The Contractor is responsible for serving the needs of individuals with barriers to employment including displaced homemakers, low-income individuals, ex-offenders, and others.
- The Contractor must promote concurrent enrollment in programs and activities under WIOA Title I, Title III and Title IV.
- The Contractor will provide staff, or access to services provided by another adult education center through a formal agreement, for the following duties:
  - Program Director – general administration, budgeting, serve as the WIOA representative, liaison with local employers and other adult education centers.
  - Counselor – assist participants with barriers to attendance, liaison with community organizations, provide career counseling and transition planning services.
  - Intake & Assessment Specialist – assist participants with the intake process, administer assessments in accordance with the publisher requirements, report assessment results.

- o Data Entry Specialist – enter all intake, enrollment, assessment data, check for validity and accuracy, produce ad hoc reports, and required quarterly/annual reports, serve as a local expert for the data system.
- c Coordinator of Volunteers – recruit and train volunteers, match volunteer tutors with participants unable to attend classes, orient and monitor participants including the development of an individual learning plan, provide instructional materials for participants/tutors, coordinate with local communities to provide space for tutoring outside of the center, coordinate volunteers in the classroom.
- c Distance Learning Coordinator – assign and monitor participant who are unable to attend classes, assist instructors and tutors with distance learning, produce reports as needed, enter attendance data, provide training on contracted software to local staff and participants.
- The Contractor must identify whether the region has a demonstrated need for additional English language acquisition and civics education programs.

#### **Service Delivery Format and Schedules**

- The Contractor must have a delivery method, location(s), and schedule that enable individuals to attend and complete the program including year-round programming which may include short breaks between sessions. A minimum of 100 hours of instruction per year is recommended in order for participants to make sufficient progress.
- The Contractor must provide in-person instructional delivery that may also include hybrid or hyflex options.
- Open enrollment or managed enrollment and flexible scheduling are highly encouraged.
- The Contractor must be able to provide outreach/satellite services, or arrange access to, tutorial services for individuals in the region who are unable to attend regularly scheduled classes. Tutorial services should be provided through appropriately trained volunteers.
- The Contractor must have a plan for handling waiting lists.

#### **Proposed Curricula and Contextualized Instruction**

- The Contractor is required to provide a standards-based curriculum that is aligned with the College & Career Readiness Standards for Adult Education and/or the English Language Proficiency Standards published by the US Department of Education, Office of Career, Technical and Adult Education (OCTAE).
- The Contractor is required to provide contextualized instruction that includes the use of occupationally relevant materials.
- It is preferred that the Contractor incorporate OCTAE-endorsed instructional initiatives including curriculum review, EL institute, Teaching the Skills that Matter, Student Achievement in Reading, Teaching Excellence in Adult Literacy, the Employability Skill Framework, Power in Numbers, ESL Pro and other initiatives that may be released during the period of performance.
- The Contractor, its officers, employees, agents, or members, may assume full political, religious, and citizenship responsibilities, but shall refrain from exploiting the instructional responsibility of his/her professional position. Material presented to students shall be relevant to the course and appropriate to the maturity and achievement level of the students. The Contractor, its officers, employees, agents, or members will at all times strive to promote tolerance for the views and opinions of others and for the right of individuals to form and hold differing views and opinions. The Contractor, its officers, employees, agents, or members, will encourage the student to study varying points of view and respect his/her right to form his/her own judgment.

### **Alignment with the State Workforce Plan**

- The Contractor is required to align its program with the goals and mission of the NH Works Combine State Workforce Plan and contribute to the strategies outlined in the Plan including the use of data to inform program decisions and improve program performance.
- The Contractor is required to participate in state leadership activities including participation in adult education committees or advisory boards, membership in regional/national education consortia, and through attending professional development activities.
- The Contractor is required to coordinate with other local NH Works partners including participation or representation in partner meetings; establishing referral procedures; ensuring direct access to adult education services; and contributing to the development of career pathways.
- The Contractor must provide instruction delivered by well-trained instructors which may include evaluation through the OCTAE Teacher Effectiveness model and the Adult Education Teacher Competencies.

### **Intensity, Quality and Best Practices**

- The Contractor must define sufficient intensity and quality and have a plan for how the program will meet that standard to enable participants to achieve substantial learning gains. The Bureau of Adult Education has established a full-time equivalent (FTE) as 60 hours of instruction per year.
- The Contractor must use instructional practices that include the essential components of reading at all levels.
- The Contractor must integrate workforce preparation activities for all students.
- The Contractor must base its instruction on best practices derived from the most rigorous research available and appropriate, including scientifically valid research and effective educational practice.

### **Integration of Technology Services and Digital Systems**

- The Contractor must effectively use technology, services, and delivery systems, including distance education, in a manner sufficient to increase the amount and quality of learning.
- The Contractor must incorporate digital literacy instruction including digital resilience and digital citizenship for all students at all levels.
- The Contractor must include distance learning options, including technology-enhanced curricula, as a part of its delivery system including a policy for selecting appropriate students, facilitating distance learning, and a plan for how distance learning will be used. This includes the use of the state-wide Canvas instance by instructors and participants.
- The Contractor must incorporate the use of a variety of technology services in the classroom.

### **Meeting Program Outcomes**

- The Contractor must pretest 100% of all enrolled students using a National Reporting System-approved assessment within 12 hours of enrollment.
- The Contractor must post-test a minimum of 48% of all enrolled students after an appropriate number of instructional hours as defined in the NH Assessment and Data Policy.
- The Contractor must conduct follow up surveys with all enrolled participants for whom data matching is unavailable as required by the National Reporting System to collect performance indicator data and measurable skills gains in accordance with National Reporting System requirements. A minimum of a 75% response rate is required.

- The Contractor must set program target rates and assess progress toward those targets on a quarterly basis in order to assist the State with meeting the performance outcomes set by the US Department of Education, Office of Career, Technical and Adult Education (OCTAE) as indicated below:

**State Negotiated Targets**

*The State negotiated target performance with OCTAE every two years. Targets are based on the statistical adjustment model and are expected to reflect continuous improvement by increase each year.*

Primary Indicators of Performance	2023 – 2024	2024-2025	2025-2026
Employment in the Second Quarter after Exit	23.00%	TBA	TBA
Employment in the Fourth Quarter after Exit	21.00%	TBA	TBA
Median Earnings in the Second Quarter after Exit	\$6,500.00	TBA	TBA
Credential Attainment Rate	16.00%	TBA	TBA
<b>Measurable Skill Gains</b>			
For Adult Basic Education	29.5%	TBA	TBA
For English as a Second Language	30.0%	TBA	TBA

**Reporting**

- The Contractor is required to use the data system provided by the NH Bureau of Adult Education to collect data for federal reporting in accordance with the NH Data and Assessment Policy.
- A designated representative from the Contractor must be trained to use the data system. All data must be entered on a bi-weekly basis.
- The Contractor must analyze its program data on a quarterly basis and submit a quarterly report to the State, as well as provide an annual self-assessment summary to inform program decisions and set goals for improvement.
- The Contractor must request social security numbers, in accordance with 5 U.S.C. § 552a, for all participants over the age of 18. The Contractor will aid students, who do not possess a social security number, in applying for a social security number. Students who fail to provide a social security number will be indicated in the data system in order to assist with National Reporting System (NRS) for Adult Education requirements such as student outcome follow and data matching purposes for federal Workforce Innovation and Opportunity Act employment measures.

**Event of Default**

- Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"): failure to perform the Services satisfactorily or on schedule (to include failure to provide; failure to submit any report required hereunder; and/or failure to perform any other covenant, term, or condition of this Agreement. Upon the occurrence of any Event of Default, the new Hampshire Department of Education may take any one, or more, or all, of the following actions: give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination; 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; 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 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

EXHIBIT C

METHOD OF PAYMENT

**Budget**

	FY24	FY25	FY26	Total
Salaries	\$169,148.44	\$174,222.89	\$179,449.58	\$522,820.91
Benefits	\$14,962.63	\$15,411.51	\$15,873.85	\$46,247.99
Professional Service	\$5,890.00	\$6,066.70	\$6,248.70	\$18,205.40
Purchased Property Service	\$2,667.00	\$2,747.01	\$2,829.42	\$8,243.43
Other Purchased Property Service	\$2,800.90	\$2,884.93	\$2,971.47	\$8,657.30
Supplies	\$6,507.00	\$6,702.21	\$6,903.28	\$20,112.49
Property	\$27,499.80	\$28,324.79	\$29,174.54	\$84,999.13
Indirect Costs	\$22,947.58	\$23,636.01	\$24,345.09	\$70,928.68
Total	\$252,423.35	\$259,996.05	\$267,795.93	\$780,215.33

**Limitation on Price:**

1. Annual funding amounts disbursed through this contract agreement shall be determined based on actual WIOA federal awards for the delivery of adult education and literacy services and state funds received, which may be less or more than estimated but may not exceed in the aggregate the total maximum amount authorized via this contract agreement.
2. The NHED reserves the right to increase and/or decrease contract funds subject to continued availability of Federal Funds, satisfactory performance of services, and approval by the Governor and Executive Council.
3. The Contractor must have written authorization from the NHED prior to using contract funds to purchase any property or equipment with a cost in excess of \$250.00 and with a useful life beyond one-year and shall maintain an inventory of property and equipment either purchased or leased with funds made available through this contract.
4. The Bureau of Adult Education reserves the right to request ad hoc financial and/or participant status reports in the event further information is needed to evaluate program effectiveness as deemed reasonable and necessary by the NHED and/or the State of New Hampshire.
5. The Contractor is solely responsible for paying to the NHED any disallowed costs associated with the misappropriation of Federal Funds and/or costs expended on individuals who were erroneously determined to be eligible for WIOA services. Disallowed costs may not be paid with Federal Funds, regardless of the funding source.
6. 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 Contractor must receive Department of Education approval prior to transferring from one line to another.

**Funding Source:**

Funds are anticipated to be available in the accounts titled Adult Education-Federal and Adult Education-State in FY24 – FY26 upon the availability and continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between fiscal years within the price limitation through the Budget Office, without further Governor and Council approval, if needed and justified.

	FY24	FY25	FY26
06-56-56-562010-40370000-072-500575 Grants Federal	\$ 88,348.17	\$ 90,998.62	\$ 93,728.58
06-56-56-562010-40390000-601-500931 State Fund Match	\$164,075.18	\$168,997.43	\$174,067.35

**Method of Payment:**

Payment will be made upon the submittal of monthly invoices that are received by the 10<sup>th</sup> day of the following month submitted through the NHED Grants Management System. The final invoice is due within 45 days of the end of the program year.

## EXHIBIT D

### CONTRACTOR OBLIGATIONS

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

Reference:

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

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

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

#### **Breach**

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

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

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

#### **Environmental Protection**

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

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

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

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

*Revised 6-25-21*

## 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 NHED. The certification or explanation shall be considered in connection with the NHED's determination whether to enter into Contract.
- d. The Contractor shall provide immediate written notice to the NHED 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.

*Revised 6-25-21*

**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

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

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

*Revised 6-25-21*

**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 NHED.

Any discovery or invention that arises during the course of the contract shall be reported to the NHED. 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 NHED 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 NHED and its partners, must remain the exclusive property of the NHED.

Confidential information means all data and information related to the business and operation of the NHED, 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 NHED, financial information, partner information (including the identity of NHED partners), Contractor and supplier information, (including the identity of NHED 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 NHED 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 NHED or subcontracted with the Contractor.

**Ownership of Intellectual Property**

The NHED shall retain ownership of all source data and other intellectual property of the NHED provided to the Contractor in order to complete the services of this agreement. As well the NHED 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 NHED.

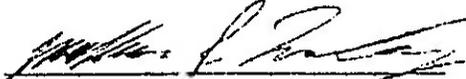
*Revised 6-25-21*

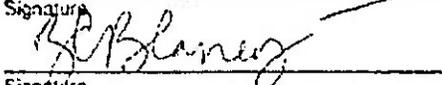
EXHIBIT H

STATEMENT OF COMPLIANCE WITH THE PROVISIONS OF THE US CODE OF FEDERAL REGULATIONS 34 CFR 364 and the FOLLOWING US CIRCULAR AS APPLICABLE

STATEMENT of ACCEPTANCE of Special Provisions

The organization will comply with the provisions of the US Code of Federal Regulations 34 CFR 364 and the following US Circular, if applicable: Office of Management and Budget (OMB) Circular A-110 "Uniform Administrative Non-Profit Organizations."

Superintendent of Schools or  
Chief Officer of Agency:   
Signature

Local Director of Project:   
Signature

Date Signed 3/23/23

EXHIBIT I

GENERAL EDUCATION PROVISIONS ACT (GEPA) Sec. 427 Attestation –  
WORKFORCE INVESTMENT ACT, TITLE II – ADULT EDUCATION AND FAMILY LITERACY

This attestation outlines the steps that Second Start will ensure be taken should the Adult Education application be funded.

The purpose of this requirement is to assist the United States Department of Education in implementing its mission to ensure equal access to education and to promote educational excellence.

If funded, the following steps will be taken to ensure equitable access to and equitable participation in the project or activity to be conducted with federal adult education assistance by addressing the access needs of students, teachers, and other program beneficiaries in order to overcome barriers to equitable participation, including barriers based on gender, race, color, national origin, disability and age.

The Act highlights six types of barriers that can impede equitable access or participation: gender, race, national origin, color, disability, or age. Based on local circumstances, determine whether these or other barriers may prevent students, teachers, etc., from such access or participation in the federally-funded project or activity. Please describe the steps to be taken to comply with the GEPA requirements.

Individuals who are members of special populations will be provided with equal access to enrollment and placement in educational programs available to individuals who are not members of special populations, including specific courses, apprenticeship programs, Title I, and to the extent practicable, comprehensive career guidance and counseling services, and shall not be discriminated against on the basis of their status as members of special populations.

Descriptions of the steps the Second Start will employ to overcome these barriers are as follows:

1. Ensuring accessibility of facilities and programs for all students, teachers, and other stakeholders, by eliminating natural barriers for the enhancement of mobility and accessibility.
2. Staff Development for teaching students in the least restrictive environment.
3. Providing academic adjustments and modifications in curriculum and instruction.
4. Equipment adaptation to ensure special populations can use equipment appropriately

Project Director: (Name and Title) William P. Mealey, Executive Director

Signature of Project Director: [Signature] Date: 5/30/23

EXHIBIT J

BUY AMERICAN ACT STATEMENT

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.— In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available under title I or II or under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), it is the sense of Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

This statement is provided in accordance with Section 502 of the Workforce Innovation and Opportunities Act of 2014.

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

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

William M. Gardner  
Secretary of State

**Certificate of Authority**

*(Corporation, Non-Profit Corporation)*

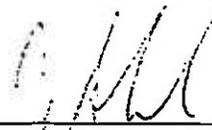
**Corporate Resolution**

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)





**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 &amp; 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

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***SECOND START***

***AUDITED FINANCIAL STATEMENTS***

***FOR THE YEARS ENDED  
JUNE 30, 2022 AND 2021***

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## 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, PA.*

MASON + RICH PROFESSIONAL ASSOCIATION  
Certified Public Accountants

Concord, New Hampshire

October 31, 2022

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

<b>ASSETS</b>		
	<b>2022</b>	<b>2021</b>
<b>CURRENT ASSETS</b>		
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
<i>Total Current Assets</i>	1,811,434	1,507,665
<b>PROPERTY AND EQUIPMENT</b>		
Property and Equipment	3,286,524	3,215,629
Less Accumulated Depreciation	(1,840,243)	(1,750,859)
<i>Net Property and Equipment</i>	1,446,281	1,464,770
<b>TOTAL ASSETS</b>	<b>\$ 3,257,715</b>	<b>\$ 2,972,435</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
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
<i>Total Current Liabilities</i>	477,696	552,663
<b>LONG-TERM LIABILITIES</b>		
Long-Term Debt	35,696	-
<i>Total Long-Term Liabilities</i>	35,696	-
<b>TOTAL LIABILITIES</b>	<b>513,392</b>	<b>552,663</b>
<b>NET ASSETS</b>		
Net Assets Without Donor Restrictions	2,739,323	2,419,772
Net Assets With Donor Restrictions	5,000	-
<b>TOTAL NET ASSETS</b>	<b>2,744,323</b>	<b>2,419,772</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,257,715</b>	<b>\$ 2,972,435</b>

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
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS SUPPORT AND REVENUE</b>		
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
<b>Total Support and Revenue</b>	<b>3,965,985</b>	<b>3,929,177</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
Satisfaction of Program Restrictions	10,000	-
<b>Total Net Assets Released from Restrictions</b>	<b>10,000</b>	<b>-</b>
<b>TOTAL SUPPORT, REVENUE, AND OTHER NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
	<b>3,975,985</b>	<b>3,929,177</b>
<b>FUNCTIONAL EXPENSES AND LOSSES</b>		
<i>Functional Expenses</i>		
Program Services	3,265,573	3,117,878
Management and General	393,591	395,742
<b>Total Functional Expenses</b>	<b>3,659,164</b>	<b>3,513,620</b>
<i>Other (Income) Expenses</i>		
(Gain) Loss on Disposal of Property and Equipment	(2,730)	4,610
<b>TOTAL FUNCTIONAL EXPENSES AND LOSSES</b>	<b>\$ 3,656,434</b>	<b>\$ 3,518,230</b>

The Accompanying Notes are an Integral Part of These Financial Statements

(Continued on next page)

**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	<u>(10,000)</u>	<u>-</u>
<i>INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS</i>	<u>5,000</u>	<u>-</u>
<i>INCREASE (DECREASE) IN TOTAL NET ASSETS</i>	324,551	410,947
<i>NET ASSETS, BEGINNING OF YEAR</i>	<u>2,419,772</u>	<u>2,008,825</u>
<i>NET ASSETS, END OF YEAR</i>	<u>\$ 2,744,323</u>	<u>\$ 2,419,772</u>

**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
<i>Total Functional Expenses</i>	<u>\$ 3,265,573</u>	<u>\$ 393,591</u>	<u>\$ -</u>	<u>\$ 3,659,164</u>

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

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
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
<b>Total Functional Expenses</b>	<b>\$ 3,117,878</b>	<b>\$ 395,742</b>	<b>\$ -</b>	<b>\$ 3,513,620</b>

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

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Notes Payable	(9,087)	-
Net Cash Provided by (Used in) Financing Activities	<u>(9,087)</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	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>

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**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

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**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.

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**SECOND START**  
NOTES TO FINANCIAL STATEMENTS

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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**

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#### ***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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*(Continued on next page)*

## **SECOND START**

### **NOTES TO FINANCIAL STATEMENTS**

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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 thereof (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

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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

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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**

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#### ***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

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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:

	<u>2022</u>	<u>2021</u>
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	<u>\$ 35,696</u>	<u>\$ -</u>

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	<u>1,930</u>
Total	<u>\$ 35,696</u>

**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:

	<u>2022</u>	<u>2021</u>
<i>Services Transferred at a point in time</i>		
High School Equivalent Test (HiSET) - Fees	\$ 18,360	\$ 9,549
<i>Service transferred over time</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	<u>\$ 1,757,914</u>	<u>\$ 1,587,779</u>

(Continued on next page)

**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:

June 30,	2022	2021
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 CBDG 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.

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**SECOND START**  
NOTES TO FINANCIAL STATEMENTS

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***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 &amp; Building</i>	<i>Special Education</i>	<i>T.T.T Program</i>	<i>Alternative High School</i>	<i>Student Assistance</i>	<i>Adult Education &amp; Literacy</i>	<i>Welcoming Concord</i>	<i>Daycare</i>	<i>Total</i>
<b>SUPPORT AND REVENUES</b>									
Grants from Governmental Agencies	\$ -	\$ -	\$ -	\$ -	\$ 304,101	\$ 990,981	\$ -	\$ 199,993	\$ 1,494,965
Private Fees	-	-	-	-	-	-	-	799,217	799,217
Fees from Governmental Agencies	-	180,086	273,174	199,501	216,000	349,571	-	-	1,119,332
Government Assistance - COVID-19 Funding	2,264	39,092	16,774	24,223	43,429	53,639	3,724	265,081	459,226
Miscellaneous Income	6,459	-	-	-	-	125	3,441	4,188	19,213
Private Grants	-	-	-	-	-	-	6,600	-	6,600
Contributions of cash and other financial assets	17,992	-	-	2,029	-	-	-	-	20,021
Contributions of nonfinancial assets	-	-	-	-	-	23,500	-	-	23,500
United Way	-	-	-	-	10,150	11,178	-	-	21,328
Interest Income	753	-	-	-	-	-	-	-	753
<b>Total Support and Revenues</b>	<b>27,468</b>	<b>219,178</b>	<b>291,948</b>	<b>225,751</b>	<b>575,680</b>	<b>1,339,394</b>	<b>18,165</b>	<b>1,268,399</b>	<b>3,965,985</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>									
Satisfaction of Program Restrictions	-	-	-	-	-	-	10,000	-	10,000
<b>Total Net Assets Released from Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>
<b>TOTAL SUPPORT, REVENUE, AND OTHER NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>27,468</b>	<b>219,178</b>	<b>291,948</b>	<b>225,751</b>	<b>575,680</b>	<b>1,339,394</b>	<b>28,165</b>	<b>1,268,399</b>	<b>3,975,985</b>
<b>EXPENSES</b>									
<i>Program Services</i>									
Instruction and Student Activities	7,244	240,183	83,492	130,144	449,365	639,670	22,108	918,811	2,091,243
Staff Development and Professional Fees	-	4,587	1,216	3,743	6,371	286,766	-	10,246	311,229
Other Program Costs	14,533	19,550	14,990	15,350	3,430	81,264	3,795	101,760	246,674
Occupancy	-	9,645	4,102	9,658	-	43,364	-	32,285	99,274
Interest Expense	-	250	45	45	-	114	-	-	454
Direct Depreciation	-	14,397	3,521	3,551	340	38,477	1,040	35,861	102,697
<b>Total Program Services</b>	<b>21,767</b>	<b>288,524</b>	<b>110,346</b>	<b>162,491</b>	<b>461,710</b>	<b>1,029,575</b>	<b>26,943</b>	<b>1,099,085</b>	<b>3,265,471</b>
<i>Support Services</i>									
General Administrative	-	35,056	15,580	21,071	38,427	112,953	3,893	144,106	393,693
(Gain) Loss on Disposal of Property and Equipment	(2,730)	-	-	-	-	-	-	-	(2,730)
<b>Total Support Services</b>	<b>(2,730)</b>	<b>35,056</b>	<b>15,580</b>	<b>21,071</b>	<b>38,427</b>	<b>112,953</b>	<b>3,893</b>	<b>144,106</b>	<b>390,963</b>
<b>Total Expenses</b>	<b>19,067</b>	<b>323,580</b>	<b>125,926</b>	<b>190,862</b>	<b>520,137</b>	<b>1,222,528</b>	<b>30,836</b>	<b>1,243,191</b>	<b>3,656,434</b>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>									
Donor Restricted Support and Revenue	-	-	-	5,050	-	-	10,000	-	15,000
Net Assets Released from Restrictions	-	-	-	-	-	-	(15,000)	-	(10,000)
<b>Increase (Decrease) in Net Assets with Donor Restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,050</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>
Excess (Deficiency) of Support and Revenues Over Expenses	8,401	(104,402)	166,022	19,891	53,543	136,261	(2,671)	24,908	321,551
<b>Net Assets, Beginning of Year</b>	<b>1,294,972</b>	<b>(1,036,428)</b>	<b>419,969</b>	<b>1,026,225</b>	<b>51,741</b>	<b>12,412</b>	<b>28,357</b>	<b>622,572</b>	<b>2,419,779</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,303,373</b>	<b>\$ (1,140,830)</b>	<b>\$ 585,991</b>	<b>\$ 1,046,116</b>	<b>\$ 107,286</b>	<b>\$ 129,273</b>	<b>\$ 25,686</b>	<b>\$ 647,480</b>	<b>\$ 2,744,323</b>

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 &amp; Building</i>	<i>Special Education</i>	<i>T.E.T Program</i>	<i>Alternative High School</i>	<i>Student Assistance</i>	<i>Adult Education &amp; Literacy</i>	<i>Welcoming Concord</i>	<i>Daycare</i>	<i>Total</i>
<b>SUPPORT AND REVENUES</b>									
Grants from Governmental Agencies	\$ -	\$ -	\$ -	\$ 1,125	\$ 273,791	\$ 865,806	\$ -	\$ 291,552	\$ 1,341,284
Private Fees	-	-	-	-	-	-	-	695,950	695,950
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	427,132	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	2,900	17	35,481
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>
<b>EXPENSES</b>									
<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	-	4,666	196,356
Other Program Costs	2,511	23,613	12,352	19,554	5,782	113,481	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	279	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>3,117,627</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>
<b>Total Expenses</b>	<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>289,988</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

**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.

# Second Start Board of Directors

Updated May 2023

Joseph Shoemaker

Director of Operations  
Nathan Wechsler & Company

President

Member since 2019

Matt Nadeau

Principal  
Nathan Wechsler & Company

Vice President

Member since 2012

Ashley Aniskovich

Manager  
Nathan Wechsler & Company

Treasurer

Member since 2020

Frank Lemay

President  
Milestone Engineering & Construction, Inc.

Member since 2006

Tom Painchaud

Senior VP of Distribution Services  
New Hampshire Distributors

Member since 2012

Maria del Mar Acebron

Senior Teller  
Merrimack County Savings Bank

n

Member since 2012

Dodd Griffith

Attorney  
Gallagher, Callahan & Gartrell

Member since 2014

Caroline Brown

Attorney  
Tarbell & Brodich PA

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

**Zanna C. Blaney, M. Ed**

**EXPERIENCE**

<b>Second Start</b> Adult Services Director	<b>Concord, NH</b> July 2020-present
<b>Second Start</b> Adult Diploma Program Director	<b>Concord, NH</b> September 2019-June 2020
<b>Bedford High School</b> Dean of Students	<b>Bedford, NH</b> 2008-July 2019
<b>The Center for College Planning at NHHEAF</b> Senior College Counselor	<b>Concord, NH</b> 2004 - 2008
<b>Colby-Sawyer College</b> Assistant Director of Admissions	<b>New London, NH</b> 2001 - 2004

**EDUCATION**

<b>Masters of Education, with a concentration in School Counseling</b> Plymouth State University, Plymouth, NH	Graduated May 2008
<b>Bachelor of Science, Psychology, minor in Child Development</b> Colby-Sawyer College, New London, NH	Graduated May 2000

**INITIATIVES**

**B.A.S.E Camp!** – Co-founded a week-long summer program for rising freshmen in Bedford NH.

**DCYF Initiative** – Developed a program with DHHS to benefit the needs of college-bound students in foster care.

**REFERENCES**

Available on request.

# Vigdis Dunn

## Professional Experience:

July 2022- present	Second Start - Concord, NH HiSET Chief Examiner
2001- June 2022	Second Start - Concord, NH Adult Education Student Advisor
1999- 2001	Bancroft Employment Services - Concord, NH Staffing Coordinator, Out of Site Training Coordinator, Projects with Industry Program Coordinator/Instructor, Project Entry Program
1997-1998	New Hampshire Job Training Council, Jobs for NH Graduates Program - Laconia, NH Youth Specialist
1997	Seminole Point Hospital - Sunapee, NH Case Manager
1996-1997	Seaborne Hospital - Dover, NH Primary Therapist Counselor 1

## Education:

Northeastern University  
Boston, MA  
Bachelor of Science (1992), Psychology

Quinnipiac College  
Hamden, CT  
Bachelor of Arts, Psychology (3 years completed)

# Patricia Bedford

## Experience

November 2022 to Current ADULT LEARNER SERVICES COORDINATOR

Second Start, Concord, NH

2020 to 2022 PARAPROFESSIONAL

Bow Elementary School

2010-2020 ACADEMIC ADVISOR/TUTOR COORDINATOR

Manchester Community College, Manchester, NH

2000-2010 TRIO/SSS DIRECTOR

Regional Director for Great Bay Community College and Manchester Community College,  
Stratham and Manchester, NH

1998-2000 TUTOR COORDINATOR

Great Bay Community College, Stratham, NH

1991-1998 DIRECTOR COUNSELING AND HEALTH SERVICES

NHTI, Concord Community College, Concord, NH

## Education

Bachelor of Arts University of Santa Cruz

Master of Arts, Antioch/New England

Counseling Psychology with a concentration in Individual Psychotherapy and Organizational Management

## References

Furnished upon request.